

SUMMARY

2015 Individual measure in favour of Sri Lanka for the Support to Integrated Rural Development in the Most Vulnerable Districts of the Central and Uva provinces to be financed from the general budget of the European Union

1. Identification

Budget heading	B2015-21.020200.C1-DEVCO
Total cost	Total estimated cost: EUR 33 280 000 Total amount of EU budget contribution EUR 30 000 000 This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 3 280 000
Basic act	Regulation (EU) N°233/2014 OJ L77/44, 15.03.2014

2. Country background

Sri Lanka is a multi-ethnic, multi-religious, lower middle income island country with 20 million people distributed over 65 610 km², and an annual population growth rate of 0.73%. GDP per capita stands at USD 3 280 (2013) and an economic annual growth of 6.4 % over the period 2003 to 2012. Sinhalese constitute the largest ethnic group in the country, representing around 75% of the total population. Tamils, both Sri Lankan and 'Indian', are the second major ethnic group in the island, with a percentage of 16.5%.

Presidential Elections were held in January 2015, resulting in the election of Maithripala Sirisena, the common opposition candidate of the New Democratic Front against the then incumbent President Mahinda Rajapaksa (Sri Lanka Freedom Party). Together with the new Government, led by Prime Minister Ranil Wickremesinghe, a 100-day Work Programme of constitutional, electoral and governance reforms was put forward. Consequently, in April the parliament approved the 19th Amendment to the Constitution reducing the powers of the executive President. The parliamentary elections were held on 17 August with Prime Minister's United National Party taking a victory which is seen as people's continued support for governance reforms. Mr Wickremesinghe has been asked to compose a new government.

Sri Lanka has already achieved the MDG target on poverty and is well on track to achieve most of the other MDGs indicators, with few exceptions including nutrition. Poverty rates have declined from 25% in 1990 to a present 6.7%. However, this situation conceals significant inequalities across geographical areas, sectors and social groups. There is wide disparity in wealth repartition across the country with one out of the nine provinces, the Western Province, accounting for over 40% of the national GDP. The poorest 20% of the population received only 4.5% of total household income, while the richest 20% received 54.1%. Poverty in the estate and

rural sectors has been falling at a slower pace than in urban areas, with prevalence rates of 11.4%, 9.4% and 5.3% respectively in 2010 .

The four selected districts in the rural and estate heartlands of the Central and Uva Provinces are among the most vulnerable in the country and fare as poorly as certain conflict affected areas on indicators such as under nutrition. They lag behind the national averages across most indicators. Monaragala and Badulla in Uva Province record the highest levels of poverty in the country, with the exception of the conflict-affected districts. Matale in the Central Province ranks 4th highest. Nuwara Eliya in the Central Province also lags behind in terms of inequality-adjusted development index and presents the highest prevalence of underweight at 41% against a national average of 23.5%.

3. Summary of the Measure

The proposed measure targets the poorest and most vulnerable communities in the districts of Nuwara Eliya and Matale (Central Province) and of Monaragala and Badulla (Uva Province).

1) Background: Outside the conflict affected Northern and Eastern provinces, the districts of Monaragala and Badulla, in the Uva Province and Nuwara Eliya and Matale, in the Central Province, lag behind the rest of the country. The root causes of poverty and vulnerability within these districts which will be addressed by the programme come from the prevalence of substantial inequality in terms of human development across districts of Sri Lanka, in which rural areas are lagging behind. More specifically, the Uva and Central provinces suffer from high levels of poverty and under-nutrition as well as limited access to social services. Firstly, poverty is due to precarious employment. Rural areas lack of basic infrastructures and are isolated from job markets. Job opportunities are seasonal, informal, low-income and mainly dependent on unskilled labour. Secondly, the lack of reliable access to water is a source of poor nutrition and diseases caused by poor hygiene and contamination of water sources. Thirdly, the delivery of social and technical services by local administrations is weak and justifies the need to enhance the institutional, the technical and the managerial capacity of local actors.

2) Cooperation related policy of beneficiary country : Successive Governments have sought to redress inequalities and pursue integrated 'regional'¹ development in Sri Lanka. In the rural sector, the former Government (November 2005–January 2015) focused on agricultural policies aiming at improving productivity and diversifying agricultural production, raising farm incomes, expanding rural infrastructure including water and irrigation resources so as to transform traditional agriculture into a commercially viable enterprise. The national development policy framework of the current interim government is still being developed. As a first step, the government is already in the process of developing a Ten Year (2015 -2025) National Plan of Action for Social Development of the Plantation Community. There has been a first round of consultations with development partners, NGOs and other stakeholders. Whatever the outcome of the Parliamentary elections scheduled for August 2015 will be, it is expected that integrated rural development will remain a national priority.

¹ There is a consensus on using the term Regional Disparities to indicate disparities in geographical areas across provinces and districts within Sri Lanka. This is based on the former Government and UN terminology.

The EU's Multiannual Indicative Programme (MIP) 2014-2020 for Sri Lanka supports this national priority while building on the most relevant recent developments in terms of EU policies such as 'Agenda for Change', or in terms of enhancing maternal and child nutrition, of improving food security, livelihoods and resilience in rural areas.

3) Coherence with the programming documents: The measure is fully aligned with the Multiannual Indicative Programme 2014-2020, which contains only one sector (Support to Integrated Rural Development). It will contribute to address challenges and objectives contained in the MIP : to reduce poverty (specific objectives 1 and 3) through the provision of basic infrastructures and social services, the creation of job opportunities and the promotion of local business development, to improve health and nutrition (specific objective 2) by setting up sustainable water management systems and by promotion of awareness related to sanitation and hygiene, to strengthen socio-economic service delivery by local authorities (specific objective 4), community organisations and private institutions by enhancing the capacity and efficiency at local level. Central and Uva Provinces are also indicated in the MIP as potential targeted areas with the view of reducing regional disparities.

4) Identified actions : The proposed action targets the poorest and most vulnerable communities in the districts of Monaragala, Badulla in Uva Province and Nuwara Eliya and Matale in the Central Province.

The main objective is to support the transition from early recovery or socio-economic backwardness to more sustainable development in lagging districts, or to further consolidate emerging sustainable development, in a limited number of selected districts, in line with local development plans and fully in line with the MIP 2014-2020 objectives.

The specific objective is to lead to integrated, sustainable, climate-resilient and inclusive socio-economic development for the most vulnerable rural and estate communities within the above mentioned districts.

The following priority areas were identified following discussions with the Government of Sri Lanka :

1. Improved livelihoods and increased household income level, through promotion of local business development, job creation and diversification, at improving rural infrastructure and at setting up an enabling business environment with due attention paid to environmental sustainability and climate resilience.
2. Improved health and nutrition (in particular for women and children below the age of five), namely through the setting up sustainable water management systems, and promotion of awareness related sanitation and hygiene.
3. Strengthened socio-economic service delivery by local authorities, community organisations and private institutions, through the improvement of the capacity and efficiency of local institutions (this priority will be cross cutting – all projects will have to have a strong component of strengthened socio-economic service delivery through improving the capacity and efficiency of the local institutions involved in the proposed sector of intervention under R1 and R2 (including Local Authorities, Local Chambers, Community Based Organisations,...))

5) Expected results: Result Area 1: Improved livelihoods and increased household income levels : higher income for man and women farmers, increase of production, reduction of post-harvest losses, increase of productive assets, number of unskilled women and young men is reduced, number of local micro and small enterprises is increased, presence and role of women in businesses, trade, industry and related policy development is reinforced.

Result Area 2: Improved health and nutrition (in particular for women and children below the age of five) : increase in proportion of local population having access to drinking water source and using adequate sanitation facilities, reduction of incidence of waterborne diseases, reduction of stunting and wasting in under five children, increase in percentage of children in exclusive breastfeeding, increase in number of women in reproductive age reached by nutrition and health services in line with the National Nutrition Policy, increase in number of people reached by behavioural campaigns on water and sanitation, local institutions are better prepared and equipped for management and maintenance of safe water systems, number of community based associations or committees are linked to platforms and/or fora to share experience and enhance capacity.

Result Area 3: Strengthened socio-economic service delivery by local authorities, community organisations, and private institutions : increase in revenue collection at local level, increased and improved maintenance of local infrastructure, increase in number of women in local public and business institutions and their participation in local policy decision making mechanisms, increase in private investments in community development, increase in number of effective disaster risk reduction systems set up and properly operating, increase in number of communities reached by services provided by local institutions.

Dimensions such as climate change and disaster risk reduction, environmental sustainability, gender, good governance and conflict/context sensitivity will be integral part of all selected proposals.

6) Past EU assistance and lessons learnt :

The proposed programme will build on past EU experience and draw lessons from three successive programmes implemented under the 2007-2013 Country Strategy Programme, namely (1) Assistance to Conflict Affected People (EU ACAP 2009-2013), (2) Support to Socio- Economic Measures (EU SEM 2010-2014), and (3) the ongoing Support to District Development Programme (EU SDDP 2012-2017), while ensuring the Link between Relief, Reconstruction, Rehabilitation and Development (LLRD). Most of EU development cooperation projects have been targeting conflict affected areas in the Northern and Eastern Provinces of Sri Lanka therefore there is limited experience in the Provinces targeted by this programme. However lessons learned can be drawn from evaluations and ROM reports on projects focussed on agriculture, water, resilience and DRR. These confirmed that certain weaknesses have to be addressed; particularly as regards donor coordination, gender and sustainability, which the proposed programme will specifically address and strengthen.

7) Complementary actions/donor coordination.

Donor coordination in Sri Lanka remains difficult due to the specific nature of the donor landscape and different attitudes and policies followed as regards relations

with the Government. A Donor Partner Forum (DPF) meets monthly and offers a platform for mutual information on donor strategies and programmes, government sector policies, horizontal issues such as overall poverty/MDG related issues, GBV, malnutrition etc. Several thematic subgroups have been established under the purview of the DPF and report back to it.

Most of the development partners are funding activities in post-emergency areas, namely Northern and Eastern Provinces; hence there are not many projects in Uva and Central Province. Coordination of this programme and initiatives funded by other development partners will be ensured through regular dialogue with the Bilateral Donor Group, ad hoc coordination with other relevant other donors such as India and Japan, as well as with World Bank and ADB. With the UN family, a privileged dialogue and coordination takes place through SDDP management and coordination

4. Communication and Visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

5. Cost and financing (EUR)	EU	grantees
Call for proposals (direct management)	29 500 000	3 280 000
Procurement (direct management) (for Evaluation and Audit)	500 000	
Total	30 000 000	3 280 000

The Committee is invited to give its opinion on the attached 2015 Individual Measure in favour of Sri Lanka for the Support to Integrated Rural Development in the Most Vulnerable Districts of the Central and Uva Provinces.



This action is funded by the European Union

ANNEX I

of the Commission Implementing Decision on the 2015 Individual Measure in favour of Sri Lanka.

Action Document for 'Support to Integrated Rural Development in the Most Vulnerable Districts of the Central & Uva Provinces of Sri Lanka'

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals: 5.4.1.1

1. Title/basic act/ CRIS number	'Support to Integrated Rural Development in the Most Vulnerable Districts of the Central & Uva Provinces of Sri Lanka' CRIS number: DCI-ASIE/2015/037-654 Financed under Development Cooperation Instrument
2. Zone benefiting from the action/location	Sri Lanka – Monaragala and Badulla District in Uva Province and Nuwara Eliya and Matale District in the Central Province.
3. Programming document	Multiannual Indicative Programme (MIP) 2014-2020 for Sri Lanka
4. Sector of concentration/ thematic area	Integrated Rural Development
5. Amounts concerned	Total estimated cost: EUR 33 280 000 Total amount of EU budget contribution EUR 30 000 000 This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 3 280 000
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct Management 1. Grants – call for proposals 2. Procurement of services
7. DAC code(s)	43040 – Rural Development

8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

SUMMARY

The proposed action targets the poorest and most vulnerable communities in the districts of Monaragala, Badulla in Uva Province and Nuwara Eliya and Matale in the Central Province. The main objective "supporting the transition from early recovery or socio-economic backwardness to more sustainable development in lagging districts, or to further consolidate emerging sustainable development, in a limited number of selected districts, in line with local development plans" is fully in line with the MIP 2014-2020 objectives.

Specific Objective: Leading to integrated, sustainable, climate-resilient and inclusive¹ socio-economic development for the most vulnerable rural and estate communities within the districts of Monaragala and Badulla (Uva Province) and Nuwara Eliya and Matale (Central Province).

During consultations with the Government at central and local level the following priority areas were identified and represent the programme result areas

Result Area 1 (R1): Improved livelihoods and increased household income levels. This will be achieved by activities aiming at promoting local business development, job creation and diversification, at improving rural infrastructure and at setting up an enabling business environment with due attention paid to environmental sustainability and climate resilience.

Result Area 2 (R2): Improved health and nutrition (in particular for women and children below the age of 5). This will be achieved with activities aiming at setting up sustainable water management systems, and

¹ 'Integrated' and 'inclusive' rural development programmes focus on the following:

- Prioritising the specific needs of an area (natural, human and cultural) as this holds the key to its sustainable development;
- Development of local initiatives, enterprise, institutions and local infrastructure; overcoming social exclusion;
- Positive interaction between local, provincial and national institutions in the interventions.
- Use of available local resources: natural and human in production
- Recognising the limited capacity of areas and social/ ethnic minorities, women's groups etc. to participate in economic and development activities and ensuring that their needs and voices are heard in the development of the action;
- During the development process, policies and priorities should consider and be continuously informed by local interests, effects and reactions

promoting the three components of Water Sanitation and Hygiene (i.e. access to safe water, access to sanitation, and hygiene promotion).

Result Area 3 (R3): Strengthened socio-economic service delivery by local authorities², community organisations, and private institutions. This will be achieved with activities aiming at improving the capacity and efficiency of local institutions.

1 CONTEXT

1.1 Country context

Sri Lanka is a multi-ethnic, multi-religious, lower middle income island country with 20 million people distributed over 65 610 km², and an annual population growth rate of 0.73%. GDP *per capita* stands at USD 3 280 (2013) and an economic annual growth of 6.4 % over the period 2003 to 2012³. Sinhalese constitute the largest ethnic group in the country, representing around 75% of the total population. Tamils, both Sri Lankan and 'Indian', are the second major ethnic group in the island, with a percentage of 16.5%. Overall, Sri Lanka has already achieved the MDG target on poverty and is well on track to achieve most of the other MDGs indicators, with few exceptions including nutrition. Poverty rates have declined from 25% in 1990 to a present 6.7%⁴. However, this situation conceals significant inequalities across geographical areas, sectors and social groups. Poverty head count index for estate sector in 2012/13 was 10.9 % (rural 2.1; Urban 7.6) and 8.8 % of estate sector households are below the official poverty line. There is wide disparity in wealth repartition across the country with one out of the nine provinces, the Western Province, accounting for over 40% of the national GDP. The poorest 20% of the population received only 4.5% of total household income, while the richest 20% received 54.1%. Poverty in estate and rural sectors has been falling at a slower pace than in urban areas, with prevalence rates of 11.4%, 9.4% and 5.3% respectively in 2010⁵.

Such inequalities are reflected in the median monthly income: LKR 41 958 for urban areas, LKR 28 921 for rural areas (with LKR 25 664 for people working in the estates). A large proportion (around 1 million) of those who just escaped poverty is still at risk of slipping back. For instance, 12.8% of Sri Lankans earn only 10% more than the poverty line; in case of likely external shocks (e.g. increasingly recurrent drought, floods, landslides, price shocks, etc.) they would fall under it again.

The four selected districts in the rural and estate heartlands of the Central and Uva Provinces are among the most vulnerable in the country and fare as poorly as certain conflict affected areas on indicators such as under nutrition. They lag behind the national averages across most indicators. Monaragala and Badulla in Uva Province record the highest levels of poverty in the country, with the exception of the conflict-affected districts. Matale in the Central Province ranks 4th highest⁶. Nuwara Eliya in the Central Province also lags

² The local government in Sri Lanka can be described as a system of democratized decentralization institutions constituted for the performance of a limited scope of functions at local level. All members of LA's are elected. As LA's are created under an act of Parliament they are subject to the general supervision and control of government through the Ministry of Local Government and the Auditor General. There are three types of local authorities, namely: Municipal Councils (MC) constituted for cities and large towns; Urban Councils (UC) constituted for lesser un-urbanized areas and Pradeshiya Sabhas (PS) constituted for rural areas. LAs are responsible for providing a variety of local public services including roads, sanitation, drains, housing, libraries, public parks, recreational facilities etc. Until 1987 management and oversight of all LAs was directly under the purview of the Central Government (financing and oversight and management support).

³ World Bank Sri Lanka 2013

⁴ World Bank Sri Lanka 2013

⁵ Bridging Regional Disparities for Human Development. (2012). Sri Lanka Human Development Report.

⁶ Department of Census and Statistics Household Income and Expenditure Survey - 2009/2010. Data not available for Northern and Eastern Provinces.

behind in terms of inequality-adjusted development index⁷ and presents the highest prevalence of underweight at 41% against a national average of 23.5%, and stunting at 23.8% compared to 13.1% at national level. Underweight rate is also high in Badulla at 33%. Wasting is an issue nationwide with prevalence at 19.6% but presents particularly high rates in Monaragala at 28.8% and Matale at 22.2%⁸.

The Badulla, Matala and Nuwara-Eliya districts consist of mainly tea plantations/ estates and adjacent rural Sinhala villages. Originally estate lands were inhabited by the rural Sinhalese farmer communities, who were expelled by the British, and since live in small adjacent rural villages. These communities are as disadvantaged and vulnerable as estate communities and reliant on seasonal agriculture and daily labour as their main source of income. There is tension between the two communities and estate workers are viewed as outsiders living on land originally belonging to the Sinhalese farmers.

The tea estates exclusively employ a Tamil labour force - descendants of Southern Indians brought to Sri Lanka during the British colonial era. Tea estate companies typically "take care" of their labour force and their families in a fully integral fashion, "from the cradle to the grave", providing not only jobs but also health and basic education. Estate workers were given Sri Lankan citizenship in 1984 only and have no legal right to land tenure that they inhabit (the land belongs to private companies through 99 year government lease following privatisation).

Plantations have been traditionally organised in a highly patriarchal manner. Women constitute 65% of the labour force, but an overwhelming majority, some 90% of female workers, is engaged in low-value, highly physical plucking activities in the field. Health indicators among women and children on plantations are consistently lower than the national average. The national malnutrition rate for reproductive-age mothers, for instance, is 16 percent, rising to 33 % for female estate workers.⁹ Highest food ratio is reported from estate sector indicates that over 50 % of income is incurred for food and highlights the poorer socio-economic condition prevailing in estate sector compared to rest of the country. The estate sector also shows a negative average adjusted savings, while only a third of households had reported positive savings compared to over half of the households in the rest of the country.

Water is another important natural resource available for estate people as well as neighbouring villagers for both drinking and cultivation. Unsafe water and lack of adequate sanitation has become a significant vehicle for water borne diseases, being the major causes for illness in estates and adjacent villages. Poverty on estates is not only due to economic neglect but a result of social, behavioural patterns and cultural marginalization (i.e. alcoholism, early marriages, incest) as well. Consecutive governments have declared in their election manifestos that improving the lives of plantation residents is a priority however progress remains slow, partly due to low capacities from institutions tasked with implementation at local level and lack of financial resources.

The rural villages in these districts rely predominantly on agriculture with some 70% of labour force engaged in agriculture or wage labourers due to the seasonal nature of agricultural activities; their income is irregular as these areas do not offer alternative employment opportunities. For the families engaging in agricultural activities there are little or no alternative employment opportunities due to the poor infrastructure facilities and the absence of private sector investment.¹⁰ Across these districts rural communities including the elderly and people with disabilities face severe hardships due to lack of social security, equitable access to health, education and alternative employment opportunities. Many of the women in these communities tend to travel

⁷ Institute of Policy Studies Computations, Department of Census and Statistics of Sri Lanka 2007 and 2010, Family Health Bureau of Sri Lanka 2009, Registrar General's Office data and Central Bank of Sri Lanka 2011.

⁸ Ministry of Health and UNICEF National Nutrition and Micronutrient Survey - 2012

⁹ <http://www.ipsnews.net/2014/09/on-sri-lankas-tea-estates-maternal-health-leaves-a-lot-to-be-desired/>

¹⁰ Sri Lanka MIP 2014-2020. page 7

overseas for employment as Migrant workers in the Gulf States. They suffer much abuse and the welfare of the children and families left behind are causing growing concerns.¹¹ Malnutrition is common among children in these regions because of slow-moving agricultural growth.

Public Policy Assessment and EU Policy Framework

Successive Governments have sought to redress inequalities and pursue integrated 'regional'¹² development in Sri Lanka. In the rural sector, the former Government (November 2005–January 2015) focused on agricultural policies aiming at improving productivity and diversifying agricultural production, raising farm incomes, expanding rural infrastructure including water and irrigation resources so as to transform traditional agriculture into a commercially viable enterprise. A new President was elected in January 2015 and an interim government is currently in place. Parliamentary elections were held on 17 August 2015 and the national development policy framework of the current interim government is still being developed. As a first step, the government is already in the process of developing a Ten Year (2015 -2025) National Plan of Action for Social Development of the Plantation Community. There has been a first round of consultations with development partners, NGOs and other stakeholders. Whatever the outcome of the elections will be, it is expected that integrated rural development will remain a national priority.

The EU's Multiannual Indicative Programme (MIP) 2014-2020 for Sri Lanka supports this national priority while building on the most relevant recent developments in terms of EU policies such as 'Agenda for Change' – and the recommendation to focus on impact, and 'Enhancing Maternal and Child Nutrition' – with emphasis placed upon nutrition-sensitive and nutrition-specific interventions, and the 'Framework to assist developing countries in addressing food security' – which calls for improved resilience in rural livelihoods.

Several other policies and communications have been developed by the Commission over the past few years linked to Rural Development that provide the framework for EU interventions at country level, of which Food security policy, Communications on resilience, Enhancing Maternal and child nutrition and Supporting Decentralisation and Local Governance in Third Countries are the most relevant for this programme.

1.1.1 Stakeholder analysis

Local Communities - Target beneficiary groups are vulnerable populations of the Uva and Central Province, specifically the districts of Monaragala, Badulla, Matale and Nuwara Eliya. The majority of the targeted beneficiaries are rural village households and estate communities. Women, children and female headed-households, continue to be a particularly vulnerable group and will receive priority attention, together with people with disabilities. It is also important to work closely with established community institutions/structures such as, Community Based Organisations (CBOs), Trade Unions, Rural Development Societies, Women's Rural Development Societies, Farmer Organisations, Cooperatives as key stakeholders; and their involvement and strengthening is essential to improve service delivery in the target sectors.

Role and capacity of Local Authorities - Under the 13th Amendment to the Constitution service delivery is devolved to the Provincial Councils and Local Authorities (Las), i.e. Urban councils, Municipal councils, and Pradashya Sabas (Village councils), which are the closest to the communities and have the mandate to take the lead in development planning and implementation of projects at the local level. These institutions have the mandate to develop policy and strategies for economic and social development of their areas, generate revenue and provide services to communities. However, these institutions remain ineffective to a large extent due to lack of resources, revenue and technical capacity to develop integrated plans and sound economic policy at the local level. The level of coordination, interaction and engagement between LAs (elected

¹¹ Sri Lanka MIP 2014-2020, page 8

¹² There is a consensus on using the term Regional Disparities to indicate disparities in geographical areas across provinces and districts within Sri Lanka. This is based on the former Government and UN terminology.

officials) at the district level, on the one hand, and central government institutions at the district level (i.e. District and Divisional Secretaries), on the other, need to be improved and strengthened.

Government (Central and Local) – Central and local Government, are also key for the success of this action. At the central level, key Ministries including the National Planning Department have been consulted in the development of this document. During implementation they will be formally involved through national and district steering committees.. Implementing Partners will be required to involve local authorities (LAs), as well as district and provincial Government in the identification, design and implementation of projects.

Private sector – It is generally acknowledged that the private sector is the engine of growth and a key stakeholder. Sri Lanka has a wide array of private sector industry/trade associations and Chambers with different geographical coverage. There are Chamber of Commerce and Industry of Uva and Central Provinces and chambers representing district level business. Many of the regional chambers are weak and do not have the capacity to engage effectively with the Government to influence integrated economic policy. There are no formal public private dialogue mechanisms. Results 1 and 3 will include actions aimed at building the capacity of local business communities and institutions, training, promoting public-private dialogue mechanisms to support integrated development.

International and national NGOs - INGOs in partnership with national NGOs have played a key role in implementation of projects in the target districts over the last 20 years. Many of these organisations have close ties with local communities and a relationship based on mutual trust. The new Government is supportive of the work with NGOs and civil society, calling for civil society representation in national policy and constitutional councils. INGOs are particularly active in delivering support to communities in the estate sector. Over the years they have formed close partnerships with the private sector (estate management) and successfully implemented a number programmes in the area of nutrition, water, improvement of rural infrastructure, access roads, awareness raising, human rights and gender in the estates and surrounding villages. They are also very active in Disaster Risk Reduction (DRR) and work very closely with the local authorities during times of emergencies, providing humanitarian relief. NGOs will be a key stakeholder and implementing partner of this programme.

1.1.2 Priority areas for support/problem analysis

Outside the conflict affected Northern and Eastern provinces, the districts of Monaragala, Badulla, Nuwara Eliya and Matale in the Central and Uva provinces lag behind the rest of the country. The root causes of poverty and vulnerability within these districts which will be addressed by the programme are as follows:

Overall problem: The prevalence of substantial inequality in terms of human development¹³ across districts of Sri Lanka, rural areas lagging behind

Specific problem: Uva and Central provinces, suffer from high levels of poverty and under-nutrition as well as limited access to social services¹⁴.

Problem area 1–Poverty due to precarious employment

- Scattered rural settlements with insufficient infrastructure and isolated from job markets;
- Job opportunities are seasonal, informal, low-income, mainly dependant on unskilled labour (mainly women in the tea estates) and highly vulnerable. There is a high percentage of unpaid family workers and heavy dependence on agriculture, far above the national average (29.8%) and highest in Nuwara Eliya

¹³ "Inequality is holding back human development" according to United Nations Development Programme. *About Sri Lanka*.

¹⁴ According to Sri Lanka Human Development Report 2012, United Nations Development Programme

(68.4%) and Monaragala (58.8%) districts, with Badulla district (57.2%) having the 4th highest and Matale (42.4%)¹⁵;

- Poor coordination and communication between central, provincial and district level Government agencies due to lack of adequate resources and staff;
- Women and girls are particularly vulnerable due to lack of skills and of economic opportunities aggravating their dependency as well as their general vulnerability (e.g.: child marriage is a particular problem in Badulla and Monaragala¹⁶);
- Scarce private sector investment and engagement despite the potential both provinces have in exploiting rich natural resources (e.g.: vast amounts of virgin and fertile unexploited agricultural land) and in added value of those goods.

Problem area 2–Unreliable access to water

- The majorities of villages in these districts lack access to quality drinking water and sanitation facilities;
- Insufficient communication and linkages between estate sector communities and the local Government service providers;
- Low capacity and knowledge of estate communities to operate and maintain water schemes and related infrastructure;
- Low technical and financial capacity of the local Government;
- Lack of a formal mechanisms to monitor and evaluate the implementation, and operation and maintenance of rural water schemes;
- Vulnerabilities caused by the lack of protection of water sources, watersheds and conservation of water;
- Multitude of institutions with overlapping and conflicting responsibilities and mandates with little or no coordination and communication resulting in poor service delivery;
- High-incidence of water-borne diseases caused by poor hygiene and contamination of water sources;
- Although nutrition-sensitive rather than nutrition- specific, lack of access to safe drinking water and sanitation, coupled with an absence of good hygiene practices, has resulted in high prevalence of under-nutrition. Stunting is highest in Nuwara Eliya and Badulla with 23.8% and 22.3% respectively. Levels are comparatively lower in Matale and Monaragala at 14.9% and 14.2%¹⁷. Prevalence of anaemia among children from six to fifty six months ranges from 36.3% and 35.3% in Monaragala and Matale respectively to 27.3% and 26.5% in Badulla and Nuwara Eliya¹⁸. As for maternal malnutrition in women aged fifteen to forty nine years, incidence peaks to 25.5% and 22.9% in Monaragala and Matale respectively while in Nuwara Eliya and Badulla stand at 20.1% and 18.6%¹⁹.

Problem area 3–Weak local institutions resulting in poor and gender-blind service delivery, inadequate technical capacity and inequitably allocated resources

- Fragmentation and lack of coordination between institutions;
- Weak delivery of social services to rural, estate and isolated communities;
- Inadequate targeting of vulnerable and marginalised groups;
- Lack of involvement of communities and local business sector in development planning;
- Lack of capacity to mobilise new resources and raise revenue at the local level;
- Lack of adequate 'extension services'²⁰ to support farmers, micro and SMEs;

¹⁵ Employed population by sector and district (2013), Source: Table 4.2, Annual Labour Force Survey 2013 - Department of Census and Statistics;

¹⁶ Interviews with GAs in Monaragala and Badulla, EU Delegation Field Mission Report 2014.

¹⁷ Ministry of Health and UNICEF National Nutrition and Micronutrient Survey - 2012

¹⁸ Department of Census and Statistics of Sri Lanka a- 2006/07

¹⁹ Department of Census and Statistics of Sri Lanka - 2006/07

²⁰ Extension service is a Government provided technical service to specific sectors (e.g. support to dairy, agriculture, etc...)

- Lack of institutional, human resource and managerial capacities to deliver services effectively and efficiently;
- Lack of effective Disaster Management Systems (DRR);
- Poor planning of settlements which may increase the risk.

2 RISKS AND ASSUMPTIONS

Duplication of activities at district level.	M	Coordination with local authorities and other development partners engaged in development activities in the area during development of proposals/ actions by applicants will be defined clearly in the guidelines
Local authorities might not want to partner and coordinate with the Implementing partners	L	Implementation will be by NGOs and International organisations that have long standing experience in working with local communities, in partnering and coordinating programmes with local authorities in Sri Lanka.
Insufficient number of applicants submit quality proposals	L	Analysis done during identification found that there were a number of INGOs working in these areas over the last 20 years. In addition, a few UN agencies have ongoing programmes with the provincial ministries in the area of nutrition and WASH. The EU Delegation has worked with many of these organisations through other programmes. There are also a number of reputed local NGOs that can partner with INGOs and UN agencies and enhance the quality of submissions.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The present action seeks to strengthen the rural economic development through support to agriculture, SME development and private sector development as a vehicle for generating growth and equity while ensuring the long term sustainability of human development and meeting the challenges of climate change and disaster risk reduction to move systematically Sri Lanka and its people towards a climate change resilient future.

The programme will build on past EU experience and draw lessons from three successive programmes implemented under the 2007-2013 Country Strategy Programme, namely (1) the "Assistance to Conflict Affected People" – EU ACAP, 2009-2013, (2) "Socio-Economic Measures" – EU SEM 2010-2014 and (3) the ongoing "Support to District Development Programme" (EU SDDP 2012-2017), while ensuring the Link between Relief, Reconstruction, Rehabilitation and Development (LLRD).

Most of EU development cooperation projects have been targeting conflict affected areas in the Northern and Eastern Provinces of Sri Lanka therefore there is limited experience in the Provinces targeted by this programme. However lessons learned can be drawn from evaluations and ROM reports on projects focussed on agriculture, water, resilience and DRR. These confirmed that certain weaknesses have to be addressed; particularly as regards donor coordination, gender and sustainability. These weaknesses have been taken into

account notably through moving towards a more programmatic approach and through the choice of gender-relevant indicators.

Further progress on resilience and Link between Relief, Reconstruction and Development (LRRD) will be aimed at building on experience gained on humanitarian and post humanitarian assistance. Work initiated under DIPECHO in terms of DRR will be consolidated, notably in terms of mainstreaming Disaster Risk Reduction (DRR) priorities into district development planning as recommended by the National Policy on Disaster Management.

Other lessons to be considered are to opt for relatively narrow and focused set of objectives and activities which has proven to bring better success than those with a wide range of activities scattered over geographical areas. At the same time, integration of value chain and addition, market linkages as well as analysis of business plans and management arrangements were impactful to the sustainability of interventions aimed at sustaining incomes.

Although this will be the first intervention in the selected geographical areas, as most recent EU-funded programmes have been implemented in the conflict-affected areas, a number of useful recommendations can be drawn from earlier monitoring and evaluation exercises including Result Oriented Missions (ROM).

Often, NGOs have proved to be the best implementing partners in terms of inclusiveness and reaching out to the most vulnerable groups. NGOs participatory diagnosis and planning methods at local level should be considered as best practice to be streamlined across interventions particularly when designing a methodology for development planning and management. On the other hand, proximity of UN agencies to local authorities, especially at technical level, place them in an advantageous position in terms of influencing decision making. Both UN and NGOs have a potential stake in addressing the weak planning and management capacities of local institutions and civil society organisations.

3.2 Complementarity, synergy and donor coordination

Donor coordination in Sri Lanka remains difficult due to the specific nature of the donor landscape and different attitudes and policies followed as regards relations with the Government. A Donor Partner Forum (DPF) meets monthly and offers a platform for mutual information on donor strategies and programmes, government sector policies, horizontal issues such as overall poverty/MDG related issues, GBV, malnutrition etc. Several thematic subgroups have been established under the purview of the DPF and report back to it.

Most of the development partners are funding activities in post-emergency areas, namely Northern and Eastern Provinces; hence there are not many projects in Uva and Central Province. Coordination of this programme and initiatives funded by other development partners will be ensured through regular dialogue with the Bilateral Donor Group, ad hoc coordination with other relevant other donors such as India and Japan, as well as with World Bank and ADB. With the UN family, a privileged dialogue and coordination takes place through SDDP management and coordination structures.

3.3 Cross-cutting issues

Climate change, disaster risk reduction (DRR) – Sri Lanka is prone to natural disasters as floods, droughts and landslides. The four identified districts are particularly vulnerable to these disasters. The heavy dependency of people in these districts on agriculture adds to the severity of disasters. Not only are the people's lives at risk, but also their houses, land, and livelihoods. Due to this, the guidelines for the call for proposals will ensure that climate change adaptation and DRR be effectively mainstreamed, giving priority to proposals that seek increasing resilience of the final beneficiaries of the action.

Environment - will be appropriately considered in the actions as a cross-cutting issue. Hence, a separate budget line or specific actions on this field will not be necessary; however, the Guidelines for Applicants for

the call for proposals will ensure that the actions concretely benefit natural resources and environmental sustainability. In particular, it will be underlined that proposals will have to avoid contributing (directly or indirectly) to deforestation, soil erosion and loss of soil organic matter, water pollution, as well as biodiversity and wildlife loss. For this purpose, the evaluation of proposals will include scoring this aspect and monitoring mechanisms will be incorporated for all project implementers. Special attention will be paid to actions under result area 1 while promoting private sector investment to exploit natural resources.

Gender – This programme promotes an inclusive approach for all vulnerable and marginalised communities. All proposals submitted in the call for proposals will be required to be aligned with the approach of the EU Plan of Action on Gender Equality and Women’s Empowerment in Development (2010-2015) in targeting both strategic and practical needs of women by mainstreaming gender concerns into the regular development planning, budgeting etc. Implementing partners will be required to undertake a gender analysis of the ‘most vulnerable’ communities to understand their specific features/needs and inform all the activities planned by the project: capacity building, social mobilisation, investment at household and community level, planning and budgeting, and policy advocacy. Sex disaggregated data will be collected for all baselines. Proposed budgets of the projects will go through gender screening, and will have a gender marker in place.

Good governance and Conflict sensitivity – This programme will also support good governance practices by promoting participation, transparency and accountability. A conflict sensitive/do no harm approach will be adopted ensuring that both estate and village communities are included in project interventions, contributing to de-escalating of tensions and promoting social cohesion. Applicants will be requested to support their proposed actions with a conflict sensitivity assessment.

4 DESCRIPTION OF THE ACTION

The proposed action to support integrated rural development in selected districts is aligned to the specific objectives of the Multi-annual Indicative Programme for Sri Lanka 2014-2020. The action aims at sustainably improving the living conditions and at reducing poverty of vulnerable rural and at enhancement of food and nutrition security of communities in target areas.

4.1 Objectives and Results

Overall Objective: Contribute to reducing inequality through progress in human development levels in rural regions of Sri Lanka.

Specific Objective: Leading to integrated, sustainable, climate-resilient and inclusive socio-economic development for the most vulnerable rural and estate communities within the districts of Monaragala and Badulla (Uva province) and Nuwara Eliya and Matale (Central province).

Results and indicative activities:

Result Area 1: Improved livelihoods and increased household income levels. This will be achieved with activities aiming at promoting local business development, job creation and diversification, at improving rural infrastructure and at setting up an enabling business environment with due attention paid to environmental sustainability and climate resilience as well as at gender equality.

Result Area 2: Improved health and nutrition (in particular for women and children below the age of 5). This will be achieved with activities aiming at setting up sustainable water management systems, promoting the three components of Water Sanitation and Hygiene (i.e. access to safe water, access to sanitation, and hygiene promotion) and nutrition specific activities.

Result Area 3: Strengthened socio-economic service delivery by local authorities, community organisations, and private institutions. This will be achieved by activities aiming at improving the capacity and efficiency of local institutions.

Result area 3 will be cross cutting – all projects will have to have a strong component of strengthened socio-economic service delivery through improving the capacity and efficiency of the local institutions involved in the proposed sector of intervention under R1 and R2 (including Local Authorities, Local Chambers, Community Based Organisations, local sector specific apex bodies etc).

Indicative Indicators

For each result areas the projects should aim at a change of situation against a baseline set at the beginning of the programme indicatively in these indicators:

For Result Area 1:

- Income levels of man and woman farmers and or farm labourers
- Increase of production per hectare and reduction of post-harvest losses
- Increase productive assets (land, machinery, water systems, livestock, transformation plants, storage facilities) available to smallholders
- Increase of number of formal employment contracts
- Increase in pay for unskilled women on farm and off farm
- Increase number of job opportunities farm and off farm
- Increase number of women led companies / businesses
- Reduction in number of 'unskilled untrained' women and young men.

For Result Area 2:

- Increase in proportion of local population using improved drinking water source
- Increase in proportion of local population using improved sanitation facilities
- Reduction of incidence of waterborne diseases;
- Reduction of stunting in children under 5
- Reduction of wasting in children under 5
- Increase of % of children in exclusive breastfeeding
- Increase in number of women in reproductive age (with special focus on pregnant and lactating mothers, children below 2 years and elderly), reached by nutrition and health services in line with the National Nutrition Policy and in coordination with mandated institutions
- Increase of number of people reached by behavioural change campaigns on WASH, mainstreaming WASH education and awareness as effective approaches to improving sanitation practices, reducing under-nutrition and improving health;
Strengthen local level institutions to manage and maintain WASH and ensure safe drinking water quality assurance mechanisms;
- Increase in number of solid community based committees on nutrition linked to platforms/fora involving all relevant stakeholders on the side of institutions and civil society.

For Results Area 3:

- Improving linkages and coordination among institutions involved in local planning and implementation, ensuring a bottom-up consultation and participation of civil society and community based organisations especially women;
- Increase in revenue collection at the local level
- Increased maintenance of local infrastructure (productive and social)

- Increase in number of women in local public and business institutions and their participation in local policy level decision making mechanisms;
- Increase in private investments in community development and development cooperation (e.g. public-private partnerships);
- Increase in number of effective disaster risk reduction(DRR) systems set up and properly operating (land slide prediction and warning systems; forecasting and pre-planning systems for agriculture and associated sectors)
- Increase number of people/ communities reached by services provided by local institutions and organisations.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.4 Implementation modalities

5.4.1.1 Grants: Call for proposals 'Support to Integrated Rural Development in the Most Vulnerable districts of the Central and Uva Provinces of Sri Lanka' (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

As per Section 4.1.

The project results and indicators should be aligned with the EU Results Framework.

(b) Eligibility conditions

In order to be eligible for a grant, applicants must:

- be legal persons **and**
- be non-profit making **and**

- be a non-governmental organisation, or an international (inter-governmental) organisation as defined by Article 43 of the Rules of application of the EU Financial Regulation²¹ **and**
- be established in Sri Lanka²², or in a Member State of the European Union or be an EU Member State Agency. (This obligation does not apply to International Organisations) **and**
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 4 500 000 - EUR 7 450 000 and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 36-48 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 90 %. In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

First Semester 2016

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

21 International organisations are international public-sector organisations set up by intergovernmental agreements as well as specialised agencies set up by them; the International Committee of the Red Cross (ICRC) and the International Federation of National Red Cross and Red Crescent Societies are also recognised as international organisations.

22 To be determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a 'Memorandum of Understanding' has been concluded.

5.6 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, (EUR)
Call for proposals Support to Integrated Rural Development in the most vulnerable districts in the Central and Uva Provinces of Sri Lanka (direct management)	29 500 000	3 280 000
Procurement (direct management) for evaluations and audits	500 000	N.A.
Totals	30 000 000	3 280 000

5.7 Organisational set-up and responsibilities

The EU Delegation will launch an open call for proposals.

Guidelines for CfP: The Final Guidelines for the CfP will be drafted by the EUD in consultation with relevant Government stakeholders at local/ national level and reviewed and approved by the relevant line Ministry before the launch. An information session (for potential applicants) shall be chaired by the EU and the Government. The Evaluation Committee shall consist of representatives from the Government (observer) and the EU Delegation.

The EU Delegation and the Government will agree on the most appropriate mechanism to oversee the implementation of the projects at the local and central levels.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of projects resulting from a call for proposals will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular annual progress reports and a final report. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log-frame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission will undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

A TA team will be recruited at the beginning of the action to make sure that all contracts awarded have solid baselines and logical frameworks with SMART indicators. Building on the validated baselines the M&E TA will develop a results framework which will be used both for monitoring and evaluation throughout implementation. Hence, there will be a baseline validation, mid-term and final evaluations.

Having regard to the nature of the action, a mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission. The mid-term evaluation will be carried out for problem solving.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders.

The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, 2 contracts for evaluation services shall be concluded under a framework contract in in the second year and last year of implementation of the programme.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract in the first semester of 2019.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.