

SUMMARY

Support Measure 2017 in favour of the Commonwealth of Dominica to be financed from the 11th European Development Fund

1. Identification

EDF allocation	EUR 1 200 000
Total cost	EUR 1 200 000 of EU contribution
Basic act	11 th European Development Fund

2. Country background

Dominica is an upper-middle-income Small Island Developing State (SIDS), with a Gross National Income per capita of USD 10,300 (app. EUR 9,650). Nonetheless, according to the 2008-2009 Country Poverty Assessment (CPA), 28.8 % of Dominicans live below the locally defined poverty line, 3.1 % are deemed to be indigent and 11.5 % deemed vulnerable. The Gini coefficient of inequality was estimated to be 0.44 in 2008. In 2014 Dominica was ranked 93 of 187 countries in the United Nations Development Program Human Development Index (HDI).

The population is estimated to be 72,340 (51% men, 49% women). The country covers 750 km² of mountainous terrain. App. 90% of the population lives in the coastal areas. Exports are primarily agricultural products, which are complemented by educational services delivered by international medical schools with campuses in the country. Since the end of preferential trade agreements with the European Union (EU) for bananas, the country has sought to diversify the economy with a view to developing tourism, as well as enhancing education and improve social services.

Over the past ten years Dominica's economic performance was defined by real growth averaging less than 2% per annum, also on account on the country's high vulnerability to natural hazards and external economic shocks. Dominica is ranked as 12th on the list of one hundred and eleven (111) countries on the composite vulnerability index of the Commonwealth Secretariat and the World Bank (WB). Hydro-meteorological disasters have historically imposed significant costs on the Dominican economy, leading to major declines in GDP growth and general productivity, and accounting for annual average losses of roughly 7.4% of GDP. In August 2015, Dominica was hit by Tropical Storm Erika, which resulted in significant loss of life and substantial damage to physical infrastructure. The Assessment Report by the World Bank and Government of Dominica estimates total damage and loss at US\$483 million (96% of GDP), making this storm one of the worst natural disasters to ever impact the country. The recovery and rehabilitation costs are putting tremendous pressure on already challenging fiscal and balance of payments positions.

3. Summary of the Action Programme

The overall objective of the Technical Cooperation Facility and Support Services to National Authorising Officer (NAO) programme is to ensure the efficient and effective utilisation of EU development assistance in support of the implementation of the Commonwealth of Dominica's development strategies and policies. The current and future portfolio of the NAO features a number of EU-funded programmes that are key to the country's development, namely the anticipated B-envelope project to aid in reconstruction following the passage of Tropical Storm Erika.

This action will support the operations of, and improve the institutional capacity within, the Office of the NAO for the efficient planning, implementation and monitoring of development projects and programmes financed by the EU (i.e. bilateral EDF, B-Envelope and Banana Accompanying Measures (BAM)). It will also improve awareness among key actors in the country of general development and of EU policies in these areas. An indicative amount of maximum EUR 760,000 is foreseen for support to the National Authorising Officer.

Another important component is the Technical Cooperation Facility (TCF) for the provision of technical assistance to the focal sector and other areas of common interest. The TCF will be used to provide short- and long-term technical assistance, policy advice and studies as needed in the programming, preparation or implementation of actions, as well as for audits and evaluation if not covered under the respective FAs. It will also be used to support the country's public financial management (PFM) reform agenda. An indicative amount of maximum EUR 360,000 is foreseen for the TCF.

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.

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

	EU contribution (EUR)	Indicative GoCD contribution (EUR)
Result 1: <i>Improved technical capacity of the Office of the NAO and relevant line ministries - (indirect management)</i>	141,752	0
Result 2: <i>Strengthened operational capacity of the NAO office - (Direct management - Operating grant)</i>	574,423	63,825
Result 3: <i>Enhanced policy dialogue in the focal sectors of the 11th EDF Bilateral programme through the Technical Cooperation Facility (TCF) to address strategic needs for intervention. (direct management)</i>	423,825	22,500
Result 4: <i>Improved awareness among key actors of general development and of EU policies in the areas of the 11th EDF and the CRIP - (indirect management)</i>	60,000	0
Totals	1,200,000	86,325

The Committee is invited to give its opinion on the attached Support Measure 2016 in favour of the Commonwealth of Dominica.



EN

ANNEX

of the Commission Decision on the Support Measure 2016 in favour of the Commonwealth of Dominica to be financed from the 11th European Development Fund

Action Document for Technical Cooperation Facility and Support to the National Authorising Officer - Dominica

1. Title/basic act/ CRIS number	Technical Cooperation Facility and Support Services to NAO - Dominica CRIS number: 2015 / 038-377 financed under European Development Fund			
2. Zone benefiting from the action/location	Commonwealth of Dominica			
3. Programming document	National Indicative Programme (NIP) 2014-2020			
4. Sector of concentration/ thematic area	Various Sectors	DEV. Aid: YES		
5. Amounts concerned	Total estimated cost: EUR 1 286 325 Total amount of European Development Fund (EDF) contribution: EUR 1 200 000			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct Management; Indirect Management with the Commonwealth of Dominica			
7 a) DAC code(s)	21010 (TCF) – 15110 (NAO)			
b) Main Delivery Channel	EU – 42003			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
	Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	x	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>

	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>

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1 CONTEXT

1.1 Country context

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1.1.1 Public Policy Assessment and EU Policy Framework

The Dominica Growth and Social Protection Strategy (GSPS) 2014-2018 sets out the medium term strategy for development of the country. The GSPS seeks to focus on i) promotion of economic growth and job creation; ii) development of the skills and health conditions that will enable current and future households to achieve and maintain a sustainable and fulfilling life; iii) betterment of the conditions of those currently in severe poverty to help them achieve sustainable livelihoods through a combination of direct income support and other measures; iv) elimination or reduction of the potential causes of future impoverishment.

As defined in the GSPS, the Government has commenced the implementation of the Special Focus Areas, (SFA) programme, with a view to improving living conditions in the areas identified in the 2008/09 CPA as needing special interventions. A Social Transformation and Empowerment Programme (STEP) has also been developed. As part of the Government's ongoing efforts at addressing youth unemployment, the National Employment Programme (NEP) was launched in 2013. The overall goal of the programme is to generate employment opportunities for over 500 young persons within one year through a programme of internship and mentorship. The Government has also developed the Comprehensive Carib Territory Community Development Programme (CTCDP). The CTCDP has recently been renamed as the Carib Territory Community Capacity Building Project (CTCCBP). So far \$8.6 million has been invested to reduce poverty in the Territory through provision of social and economic infrastructure.

The GSPS proposes to undertake major infrastructural works in the capital city Roseau and in the town of Portsmouth. These works will include road works, bridge replacement, improvement to tourism areas and improvement and or construction of administrative buildings. Furthermore, the GSPS foresees a continuation of the ongoing investment in the country's infrastructural development. Specifically, continued attention will be placed on the infrastructural areas of transportation, power, telecommunications and water. The Government is ever-conscious of the critical importance of road infrastructure to the country's future economic growth and its capacity to attract private investment, and to the well-being and quality of life of residents and visitors.

The Government has decided to pursue renewable energy as the solution to its dependence on fossil fuel as well as the cost associated with periods of high oil prices. The ramifications of recent high oil prices run right through the economy. Not only do consumers have to face a rising cost of living, but as the cost of manufacturing and services increase, the country is challenged to maintain its competitiveness and attractiveness to investment. The Government's objectives for the energy sector continue to be the following: to keep the cost of energy down to a minimum, to encourage energy conservation and to diversify energy sources and reduce the reliance on fossil fuels. Dominica has huge potential in the area of geothermal energy and development has proceeded since 2008, also with considerable support from France and the EU. Dominica could begin to supply domestic demand within two years, with the prospect of also exporting geothermal energy to the neighbouring French islands of Martinique and Guadeloupe. The prospect of the availability of large amounts of relatively cheap energy will significantly increase the country's development possibilities and will contribute to a reduction in the cost of electricity supply to the residential population.

Dominica's Gender Policy aims to improve quality of life at all levels of society, and to contribute to gender awareness among policy makers, planners, implementers and the general public. It aims to "incorporate a gender perspective in all development planning" in a way that makes for the "gendering" of development planning and policy formulation and implementation, and to establish a system of gender mainstreaming into all sectors of government and society. The National Youth Policy (NYP) is a framework for youth development in the Commonwealth of Dominica. It seeks to ensure that all young persons are given equal opportunity to reach their full potential. The NYP addresses the major concerns and issues critical to young men and women. The policy provides guidelines for the development of youth programmes and initiatives by government and non-government organisations.

The Government is seeking more consciously to integrate green principles into national economic management and planning, and marry environmental preservation and management into the country's strategy for achieving higher levels of sustained, transformative economic growth. The Government is also seeking to ensure that the Nature Isle concept should take the lead in enshrining green principles as the guide to national planning, and to inform initiatives in all sectors. As regards, Performance Indicators deliberations continue on the basis of recommendations of the EU-sponsored "Development of a Performance Assessment Framework (PAF) for Dominica's GSPS" (Ecorys, 2011).

This European Development Fund (EDF) contribution is in line with the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, the EU Code of Conduct, the Busan Partnership for Effective Development Cooperation and, the most recent framework for action and follow-up measures stemming from the Rio+20.

1.1.2 Stakeholder analysis

The direct beneficiaries of this programme will be the NAO's Office and the Ministry of Finance and Economic Planning. It would also assist the Government, through the NAO's management of the separate 11th EDF NSA programme, in its efforts to consult with NSAs, and provide a forum where discussion and consensus can be held on issues of national priority.

Prime beneficiaries of this programme will be the public and private sector agencies actively involved in the execution of EU-funded programmes through programming, identification, formulation and implementation. This will include the Ministries of Finance, Economic Development, Agriculture, Energy, and Public Works. In order to reinforce some of the progress made from investments under the 10th EDF, these previously targeted sectors also stand to benefit.

1.1.3 Priority areas for support/problem analysis

In support of the development policy objectives described above, the EU has A- and B-envelope projects that are ongoing or will be coming on-stream in Dominica. To ensure their successful implementation, the Office of the NAO, within the Ministry of Finance, is tasked with the programming, planning, implementation, and day-to-day supervision and monitoring of these projects. The TCF will provide technical support as needed.

Dominica ratified the Economic Partnership Agreement (EPA) in October 2009, confirming the critical role of trade and investment, and its support for closer economic and regional integration, as agents of growth, jobs and poverty reduction. It is expected that this action will be used to address capacity issues in the trade areas, in particular those related to the implementation and monitoring of trade measures, and the EPA implementation in particular.

Support to NAO: This programme aims to provide support for the institutional functioning and capacity strengthening of the Office of the NAO to execute the main stages of the project cycle and ensure the effective implementation of the National Indicative Programme (NIP) and other EU funded programmes in favour of the country's development strategy. The NAO will require the appropriate capacity to adequately and timely fulfil all conventional EU administrative tasks and procedures established to draft, implement, monitor, audit and evaluate EU development cooperation programmes. The programme will also provide for general short-term training activities/educational actions/seminar participation for staff of the NAO Office on topics related to the priorities of the (African, Caribbean and Pacific – European Union) ACP-EU partnership agreement, and (European Union) EU administrative/financial procedures as foreseen in the Financing Agreement.

Recently staff of the NAO Office has been engaged in the implementation of the 10th EDF General Budget Support and the Public Financial Management and Visibility Programmes. This is in addition to the long history the Office has in implementing EU projects via the 'Project Approach' - the SFAs and previous EDFs. Currently the implementation of the Banana Accompanying Measures (BAM) and the 10th EDF B Envelope - Natural Disasters Remedial and Mitigation Measures Infrastructure Project are key responsibilities of the NAO's Office. The receipt of funds (8.9 million Euros) under the Post-Tropical Storm Erika State-Building Contract will require the NAO's Office involvement in detailed programming, planning, implementation, supervision and monitoring.

Under the 11th EDF Renewable Energy and Energy Efficiency Programme, the staff will be deeply involved in its implementation and provision of enabling support. Given the above, the continued engagement of key staff and capacity strengthening is absolutely necessary to allow for the accomplishment of the Office's mandate to foster the development of the Commonwealth of Dominica. As such, positions include those required for the essential

duties of Indicative Programming/Project Identification/Formulation, Project Management, Engineering, Accounting, Contract Management and Procurement Planning, General Budget Support and general administration and office support. These duties are critical to the successful implementation of the office's portfolio of current and future projects, thereby fulfilling the Office's mission: **"to bring maximum benefits /satisfaction to stakeholders through the use of EU resources. Stakeholders - EU, Dominican people, Government of the Commonwealth of Dominica and NAO and staff"**. The salaries of the staff of the NAO will continue to be funded solely by the NAO component of this Programme, with the limitations described under section 5.4 of this document.

Part of the allocation for support to NAO will be used to address strategic needs for intervention by providing the Office of the NAO and the line ministries complementary technical assistance, supporting studies and pilot projects related to the emerging economic sectors.

Technical Cooperation Facility: By facilitating short- and long-term TA and studies, on an *ad hoc* basis, the TCF will be a flexible instrument that will strengthen capacities in the relevant Government ministries, while also responding quickly to technical needs as they arise during project implementation. It is expected that the TCF will be used to address capacity issues in economic, social and environmental dimensions of national development, particularly those that relate to the reconstruction efforts and the growth of the geothermal energy sector. Given the extent of the damage caused by the Tropical Storm and the limited technical expertise within the Ministry of Public Works, the TCF will facilitate the engagement of consultants as necessary during project cycle management. TCF funds will also be used for studies and reform activities in procurement and other PFM areas. In the agriculture sector, technical assistance may be sought from Cuba where there is expertise in controlling Black Sigatoka, a plant disease that has been affecting crops in Dominica.

Another important component is the engagement of short to medium-term consultants to assist in the main stages of the project cycle to ensure the effective implementation of the National Indicative Programme (NIP) and other EU funded programmes in favour of the country's development strategy, and in keeping with the objectives of the ACP-EU Partnership Agreement. TA will be engaged to assist with specific tasks related to: identification, preparation and assistance with tender procedures and with evaluation and monitoring or audit for EU projects/programmes where this has not been provided for in the project itself, or the project has already been closed. These services will be provided by consultants and/or individual experts recruited by the NAO in accordance with EDF procedures, with the exception of audits and evaluations which will be implemented by the European Commission.

This action will also facilitate continued communication and visibility (implemented by the NAO) of EU funded programmes in Dominica, as well as local stakeholders and donor coordination activities.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Inadequate financial support to cover full cost of the intervention in order to realise full benefits. Sources of additional funding to support the results of the programme may not be forthcoming. [NAO]	L	Implement methods to improve efficiency and reduce cost of Office operations.
Inability to retain staff already trained and experienced in EU procedures, due to job uncertainty linked to the cyclical nature of funding of the Office of the NAO. [NAO]	H	The Government, in association with the EU, to devise a strategy to ensure consistent funding the operations of the Office of the NAO.
Inadequate financial support to cover full cost of the intervention, given the limited capacity within key technical agencies and the scale of work to be done in reconstruction. [TCF]	M	Complementary support in focal sector programme to provide additional TA as necessary. The Government to coordinate and direct TA from other donors accordingly.
The Government is unable to deliver policy changes, across a wide range of sectors, simultaneously. [TCF & NAO]	M	Close monitoring of policy implementation and continued dialogue with the authorities.
Assumptions		
The Government will maintain its provision of rent-free premises, and payment of water, electricity, VAT and other taxes, for the Office of the NAO. [NAO]		
The Office of the NAO is able to retain suitably qualified, dedicated and motivated staff; and acquire the appropriate information, materials and equipment. [NAO]		
All contracts financed from the TCF show a clear capacity building emphasis – either through short term training or exchange visits. [TCF]		
The Government will maintain most of its efforts at capacity building in relevant ministries. [TCF & NAO]		
Departments collaborate to achieve results. [TCF & NAO]		
Communication amongst all stakeholders is timely and effective. [TCF & NAO]		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING

3.1 Lessons learnt

The Office of the NAO has successfully played a very important role as interlocutor between the Government of the Commonwealth of Dominica and the European Union, particularly the EU Delegation to the Eastern Caribbean countries, OECS and CARICOM/CARIFORUM. Lessons from the ongoing EU funded programmes indicate the need to continue to foster coordination, information sharing and participation among different stakeholders. In accordance with the European Consensus for Development and the objectives of the Paris Declaration on Aid Effectiveness and the Backbone Strategy on Technical Cooperation and Project Implementing Units, it is a priority to reinforce and coordinate technical cooperation activities with donors and stakeholders.

The principle lesson learnt regarding the TCF is that it needs to be a flexible instrument. Support for the NAO, capacity building and training, is important, but so is the ability to support, expand, fine tune and add value to the main policy instruments relevant to the EU programme in the country. As project implementation unfolds, oftentimes complementary needs arise for specific evaluation, studies, events, trainings and other capacity-building activities. If this flexibility can even go outside, but always relevant to, the main lines of intervention, it becomes even more useful. By providing opportunities for capacity building and specialised assistance to targeted agencies, the TCF also contributes to sustainability.

Implementation of other projects has also demonstrated the need for closer alignment of all projects with government development policies. This suggests the need for an approach which engenders coherence between donor interventions guided by objectives which are driven by reform priorities identified at the sector level.

3.2 Complementarity, synergy and donor coordination

As mentioned above, the current and future portfolio of the Government of the Commonwealth of Dominica with funding from the European Union (EU) includes the following key development programmes:

- The Banana Accompanying Measures (BAM) Programme (Enhancing competitiveness and increasing productivity in the agriculture sector);
- The 10th EDF (B-Envelope) Natural Disasters Remedial and Mitigation Measures Infrastructure Project (Rehabilitating and increasing resilience of an important road corridor in the southeast part of the island);
- 11th EDF Renewable Energy and Energy Efficiency Programme (Supporting the development of the geothermal sector and encouraging energy efficiency and conservation particularly in the public sector);
- The 11th EDF B-envelope funds through a State-Building Contract focused on assisting the Government in re-establishing the provision of basic services, following the damage caused by Tropical Storm Erika.

The Office of the NAO will also be involved in the project cycle management of the 11th EDF Caribbean Regional Indicative Programme, which will focus on Regional Economic

Cooperation and Integration; Climate Change, Environment, Disaster Management and Sustainable Energy; and Crime and Security.

By enhancing the capacity of the NAO and providing technical support as needed (through the TCF), this action will support the implementation of these programmes. This action therefore also complements the activities of other donors/agencies that are aiding in the rebuilding efforts and assisting in the development of the geothermal sector.

3.3 Cross-cutting issues

Cross cutting issues were identified as poverty reduction, climate change, good governance, gender, environment, and health.

All proposed intervention areas will provide support to the attainment of the goals and objectives of the GSPS, and will be implemented in response to continued challenges and direct effects on Small Island Developing States (SIDS) like Dominica, which are aggravated by the impact of climate change. The activities contribute to sustainable development, by making meaningful contributions to capacity building at various levels in the private and public sector, which assists the government in meeting its social development and poverty reduction goals.

4 DESCRIPTION OF THE ACTION

4.1 Expected results and main activities

The overall objective of the programme is to ensure the efficient and effective utilisation of EU development assistance in support of the implementation of the Government's development strategies and policies.

The specific objectives of the intervention will be to improve the design and implementation of development programmes and projects by line ministries; and to improve the formulation, implementation, monitoring and administration of EU programmes by the ONAO.

This programme is relevant for the Agenda 2030 and will focus on achieving the following expected results:

4.1.1 Result 1: Improved technical capacity of the Office of the NAO and relevant line ministries

This will be achieved through the provision of policy advice and expertise of technical consultants that will assess the existing capacities, policy framework and support with other donors

The main activities would include:

- Technical assistance (long and short-term experts per the operational needs);
- Capacity development and expert advice: workshops, seminars, etc. on the main issues regarding development cooperation, EU policies and strategies, planning, monitoring

and evaluation, effective management and implementation and effective partner coordination;

- Studies and workshops to support implementation of public reforms.

4.1.2 Result 2: Strengthened operational capacity of the NAO office

This will be achieved by providing the NAO an operating grant to be used to contribute to the "running costs" of the NAO office.

The support would be used to contribute to:

- the NAO office staff salaries;
- the general administrative expenditure necessary for the running of the NAO office;
- Trainings in project cycle management and EU procedures;
- other activities as approved in the work programme drawn up for the purposes of the grant

4.1.3 Result 3: Enhanced policy dialogue in the focal sectors of the 11th EDF Bilateral programme through the Technical Cooperation Facility (TCF) to address strategic needs for intervention.

This will be achieved through the provision of policy advice and expertise of technical consultants. The main activities would include:

- Complementary technical assistance for the line ministries;
- Studies and pilot projects to address the needs of emerging economic sectors;
- Technical expertise to design and facilitate capacity development activities;
- Support for identification of programmes for 11th EDF;
- Feasibility studies and legal support;
- Audits and evaluations of projects that do not have funds earmarked for such activities.

The TCF will also cover additional communication and visibility actions for EU programmes being implemented and in general the cooperation between the EU and the Commonwealth of Dominica.

4.1.4 Result 4: Improved awareness among key actors of general development and of EU policies in the areas of the 11th EDF and the CRIP

This result will be achieved by improving the communication on the EU's policies, programmes and contribution to the country's development. The Communication and Visibility Strategy will encompass all the relevant activities to ensure a stronger, more coherent promotion of the EU and its cooperation.

The main activities would include:

- Conduct communications audit and develop a comprehensive communication strategy and implementation plan;

- Visibility events around key issues of EU policies directed to major stakeholders;
- Targeted communication around key issues including media and opinion leaders.

4.2 Intervention logic

The overall objective of this action is to guarantee the efficient and effective use of EU development funds allocated to the Commonwealth of Dominica, in support of the country's efforts at rebuilding after TS Erika and at enhancing the competitiveness and productivity of the agriculture sector. Given no shift in government priorities, for there to be more efficient and effective use of EU funds, there is a need to improve the quality of formulation, implementation, monitoring and administration of EU programmes by the NAO, and of implementation of projects by the relevant line ministries. Assuming the active and coordinated involvement of all stakeholders, this can be achieved by strengthening the operational and technical capacities of the NAO Office and relevant line ministries through technical assistance and institutional support to the NAO. A preliminary logframe is provided in the Annex.

The TCF and the support to NAO aim to provide a rapid response tool to mobilise resources, whether expertise, logistical support or other to further NIP objectives:

- The development of proper communication and visibility tools
- Cross cutting themes such as gender, environment, climate change
- Institutional strengthening in sectors relevant to the main areas of intervention
- Involvement in the regional integration processes (CARIFORUM)
- Other relevant and complementary areas of development with the NIP 2014-2020, the CRIP 2014-2020 and the National Development Strategy
- Capacity built in the NAO office and in other line ministries with a part to play in the NIP and the Caribbean
- Value added to EU policy instruments such as the NIP, the RIP and also the National Development Strategy.
- The ability of the Commonwealth of Dominica to explore emerging sectors and to facilitate the sustainable development of the economy.

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 17 of Annex IV to the ACP-EU Partnership Agreement.

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 forty-eight months (48) 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 non-substantial amendment in the sense of Article 9(4) of Regulation (EU) No 322/2015.

5.3 Implementation modalities

5.3.1 Result 2 – Operating grant (direct management)

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

The objective of this operating grant is to enhance the NAO's capacity to formulate, implement and monitor EU programmes, fulfil EU administrative requirements, coordinate donor activity, and facilitate dialogue between EU and relevant line ministries. As mentioned in section 4.1, the expected results are:

- Enhanced human resource capacity of the NAO office for programming, management and implementation of EU development cooperation instruments;
- A strengthened monitoring system to allow management for results;
- The general public sensitised about the various dimensions of the partnership between EU and Dominica.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the beneficiary is in a legal monopoly situation. As per Annex IV Article 35 of the Cotonou Agreement, the National Authorising Officer is appointed by the Government of the Commonwealth of Dominica to represent it in all operations financed from EU resources.

(c) Maximum rate of co-financing

The EU financial contribution could not be more than 90% of the annual budget of the NAO.

(d) Indicative trimester to conclude the grant agreement: third trimester of 2017.

5.3.2 Result 3 – Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical Cooperation Facility	Services	10	First trimester of 2017

5.3.3 Results 1 and 4 - Indirect management with the Commonwealth of Dominica

These elements of the action will be implemented in indirect management with the Commonwealth of Dominica (in particular the organisation of the National Authorising Officer) in accordance with Article 58(1) (c) of the Regulation (EU, EURATOM)

No 966/2012 applicable by virtue of Article 17 of the Annex to Regulation (EU) No 567/2014 according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 50,000 and may apply ex post control for procurement contracts up to that threshold. The Commission will control ex ante the contracting procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the partner country for direct labour and contracts below EUR 300,000 for procurement and up to EUR 100,000 for grants. In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable by virtue of Article 36 of the Regulation (EU) No 323/2015 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the partner country shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, EURATOM) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, EURATOM) No 966/2012, will be laid down in the financing agreement concluded with the partner country.

The financial contribution does not cover the ordinary operating costs incurred under the programme estimates.

5.4 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, subject to the following provisions.

In accordance with Article 22(1)(a) of Annex IV to the ACP-EU Partnership Agreement the Commission decides that natural and legal persons from the following countries having traditional economic, trade or geographical links with neighbouring partner countries shall be eligible for participating in procurement and grant award procedures: Cuba. The supplies originating there shall also be eligible.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement.

5.5 Indicative budget

	EU contribution (EUR)	Indicative GoCD contribution (EUR)
Result 1: <i>Improved technical capacity of the Office of the NAO and relevant line ministries - (indirect management)</i>	141,752	0
Result 2: <i>Strengthened operational capacity of the NAO office - (Direct management - Operating grant)</i>	574,423	63,825
Result 3: <i>Enhanced policy dialogue in the focal sectors of the 11th EDF Bilateral programme through the Technical Cooperation Facility (TCF) to address strategic needs for intervention. (direct management)</i>	423,825	22,500
Result 4: <i>Improved awareness among key actors of general development and of EU policies in the areas of the 11th EDF and the CRIP - (indirect management)</i>	60,000	0
Totals	1,200,000	86,325

Based on the current workload of the Office of the NAO, the staff complement will be six (6) until the end of 2017 when implementation of BAM and the 10th B-envelope project would be completed. Thereafter, all non-essential services (e.g. accountant, engineer) will be contracted out.

5.6 Organisational set-up and responsibilities

The Contracting Authority for the project shall be the beneficiary – the National Authorising Officer.

The overall responsibility for the implementation of the programme lies with the National Authorising Officer, who may request the Commission to implement technical assistance contracts on his/her behalf under Article 19 (c)(4) of Annex IV to the Revised Cotonou Agreement (Decision No.3 of the ACP –EC Council of Ministers to adopt amendments to Annex IV to the revised Cotonou Agreement). Activities could be implemented through framework contracts for amounts under EUR 300 000, through service contracts or through Programme Estimates.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action 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 progress reports (not less than annual) and final reports. 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 logframe matrix (for project modality). 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 may 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).

5.8 Evaluation

Having regard to the nature of the action, an evaluation will not be carried out for this action or its components.

In case an evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

5.9 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.

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.

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.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (2016)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	The efficient and effective utilisation of EU development assistance in support of the implementation of the Government's development strategies and policies.	1. Rate of implementation of EU-grant funded projects which are part of the Growth and Social Protection Strategy, National Energy Policy, National Adaptation Strategy, Tourism Master Plan, etc.	1. % Expenditure of the total amount of: i) BAM programme – 8.7 % at Feb 2016 ii) 10 th EDF B-Env – 18.8% at Mar 2016 iii) SBC - 0% at Mar 2016	1. % Expenditure of the total amount of: i) BAM programme – 15% at Dec 2016 and 100 % at Dec 2017 ii) 10 th EDF B-Env – 40% at Dec 2016 and 100% at Dec 2017 iii) SBC – 60% at Dec 2016 and 100% at Dec 2017	1.1. Public Sector Investment Programme annual data 1.2. Reports from agencies providing Technical Assistance 1.3. PSIP monthly reports by the NAO's Office and benefitting Line Ministries.	

	Results chain	Indicators	Baselines	Targets	Sources and means of verification	Assumptions
			(2015)	(incl. reference year)		
Specific objective(s): Outcome(s)	1. To improve the design and implementation of development programmes and projects by (project related or relevant) line ministries.	1.1 Quality of design of development programmes and projects from line ministries	1.1 The projects submitted by MDAs for review by the Public Sector Investment Unit in 2016 do not meet all the standards for project screening set out by this Unit.	1.1 The projects submitted by MDAs for review by the Public Sector Investment Unit in 2018 meet more of the standards for project screening set out by this Unit.	1.1 Reports by Public Sector Investment Unit	Economic and social partners will fulfil their obligations and responsibilities; Officers will apply acquired skills and to design and implement development programmes and projects.
		1.2 Number of EU projects/programmes evaluated as successfully implemented by evaluation studies	1.2 BAM programme, 10 th EDF B-Env, and State Building Contract not yet evaluated	1.2 BAM programme, 10 th EDF B-Env, and State Building Contract evaluated as successfully implemented	1.2.1 EU Evaluation reports, 1.2.2 Project implementation reports, 1.2.3 Steering committee meeting reports.	

	<p>2. To improve the formulation, implementation, monitoring and administration of EU programmes by the ONAO.</p>	<p>2.1 Reduction of the time spent in project development and quicker turnaround between project development and implementation;</p> <p>2.2 Regularity of monitoring reports submitted to EU Delegation</p>	<p>2.1 Financing Agreements for the SBC not yet signed,</p> <p>b. Implementation of BAM programme, 10th EDF B-Env, has not commenced.</p> <p>2.2 Formal updates on projects and programmes submitted on request and for disbursement requests</p>	<p>2.1 a. Project implementation begins within 6 months of final approval from the EU.</p> <p>b. Implementation of BAM programme, 10th EDF B-Env 100% completed by Dec 2018.</p> <p>2.2 Formal updates on projects and programmes submitted on a quarterly basis</p>	<p>2.1 Information from CRIS; Annual Reports and project/programme implementation reports; Country Portfolio Review minutes.</p> <p>2.2 Dates of submission of Monitoring reports to Delegation</p>	<p>There are no significant changes in the policies, programmes and organization of the GoCD related to and impacting on the work of the NAO Office;</p> <p>Officers will apply acquired skills and to design and implement development programmes and projects.</p>
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	Results chain	Indicators	Baselines	Targets	Sources and means of verification	Assumptions
			(2015)	(incl. reference year)		
Outputs	Output 1: Improved technical capacity of the Office of the NAO and relevant line ministries	<p>1.1 Time taken to review project reports and other outputs.</p> <p>1.2 Effective Monitoring and evaluation of all projects being implemented</p>	<p>1.1 Reports returned to consultants/contractors with comments on the stipulated deadline stipulated in Terms of Reference or contracts.</p> <p>An in house Monitoring and Evaluation framework has been established by the ONAO.</p>	<p>1.1 Reports returned to consultants/contractors with comments before the stipulated deadline stipulated in Terms of Reference or contracts.</p> <p>1.2 Minimal project implementation delays.</p>	<p>1.1 Receipt confirmation from the consultant/contractor by email.</p> <p>1.2 Monitoring and Evaluation Reports</p>	<p>There are no staff changes at the ONAO.</p> <p>The ONAO has the full cooperation of officers from line Ministries to effectively execute the requisite monitoring and evaluation function</p>
	Output 2: Strengthened operational capacity of the NAO Office	2.1 Number of financing agreements signed in 2016.	2.1 No financing agreements signed as at Aug 2016.	2.1 Number of financing agreements signed by end 2016 – 2	2.1. Information in CRIS	The Office of the NAO is able to retain suitably qualified, dedicated and motivated staff; and acquire the appropriate information, materials and equipment.

		2.2 Number of NAO staff trained in budget support and project cycle management.	2.2 Number of NAO staff trained – 2	2.2 Number of NAO staff trained – 2 additional by December 2017	2.2 Annual Reports and project/programme implementation reports.	Government will maintain its provision of rent-free premises, and payment of water, electricity, VAT and other taxes, for the Office of the NAO.
	Output 3: Enhanced policy dialogue in the focal sectors of the 11th EDF Bilateral programme through the Technical Cooperation Facility (TCF) to address strategic needs for intervention.	3.1 Number of contracts for the provision of Technical Assistance to MoPublic Works, Ministry of Finance, Central Procurement Unit and other agencies.	3.1 No contracts for TA.	3.1 Number of Contracts for TA – 2 by December 2017, 2 additional by December 2018	3.1 Information in CRIS/ABAC	Other funding agencies will provide the GoCD complementary funding, especially in key sectors.

				<p>3.2.1 Annual Reports and project/programme implementation reports</p> <p>3.2.2 Information from CRIS;</p> <p>3.2.3 Budget Support Review minutes;</p> <p>3.2.4 Evaluation and Audit Reports</p> <p>3.3 Annual Reports and project/programme implementation reports;</p> <p>The Office of the NAO is able to retain suitably qualified, dedicated and motivated staff; and acquire the appropriate information, materials and equipment.</p>
	<p>3.2 Number of studies, reviews, audits and evaluations conducted</p> <p>3.3 Number of staff from line ministries trained</p>	<p>3.2 No studies, reviews, audits and evaluations conducted.</p>	<p>3.2 Studies - 2; Reviews (Budget Support Reviews) – 2 by December 2018. Audits and Evaluations - 2 by December 2019</p> <p>3.3 Number of staff from line ministries trained - 2 additional by December 2018</p>	<p>GoCD commits to counterpart support;</p>

					Government will maintain its provision of rent-free premises, and payment of water, electricity, VAT and other taxes, for the Office of the NAO.
Output 4: Improved awareness among key actors of general development and of EU policies in the areas of the 11th EDF NIP and the CRIP	Knowledge of EU development projects and programmes at the national and regional level	There is no data available on the stakeholder awareness of the NIP or the CRIP	4.1 80% of the sample tested are knowledgeable about the EU-GoCD development partnership and its partnership with the region.	4.1 Awareness survey administered by consultant.	Stakeholders utilise main stream media channels as well as social media.