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This action is funded by the European Union

**ANNEX**

of the Commission Decision on the Specific Action Programme for support expenditure linked to Training on Financial and Contractual Procedures in ACP countries to be financed from the 11<sup>th</sup> European Development Fund

**Action Document "Training on Financial and Contractual Procedures in ACP countries"**

<b>1. Title/basic act/ CRIS number</b>	Training on Financial and Contractual Procedures in ACP countries CRIS number: FED/2017/40394 financed under the 11 <sup>th</sup> European Development Fund (EDF)			
<b>2. Zone benefiting from the action/location</b>	African, Caribbean and Pacific (ACP) countries The action shall be carried out at the following location: all ACP countries signatories of the Cotonou Agreement.			
<b>3. Programming document</b>	"Training on Financial and Contractual Procedures in ACP countries"			
<b>4. Sector of concentration/ thematic area</b>	N/A			
<b>5. Amounts concerned</b>	Total estimated cost: EUR 5 000 000 Total amount of EDF contribution EUR 5 000 000			
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Project Modality Direct management – procurement of services			
<b>7 a) DAC code(s)</b>	15110			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	X	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	X	<input type="checkbox"/>	<input type="checkbox"/>

	(including Women In Development)			
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	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"/>
<b>9. Global Public Goods and Challenges (GPGC) thematic flagship</b>	N/A			
<b>10. SDGs</b>	N/A			

## SUMMARY

The present programme is a continuation of two previous actions implemented in the periods 2003-2007 and 2009-2017 respectively providing training in Financial and Contractual Procedures in the framework of the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> EDF.

The overall objective of the programme is to facilitate the continuation and provision of training programmes which is an essential element for the sound and efficient management of EDF resources in the light of decentralised management and in the context of the European Commission de-concentration process.

The Action will enable National Authorising Officers' (NAOs) and Regional Authorising Officers' (RAOs) staff as well as Commission staff in ACP EU Delegations to better understand the main functioning of the EDF and consequently how to make full and adequate use of its financing resources.

## 1 CONTEXT

### 1.1 Sector/Country/Regional context/Thematic area

The European Development Fund (EDF) is the main instrument for providing Community aid for development cooperation in the African, Caribbean and Pacific (ACP) states and overseas countries and territories (OCTs).

Since the conclusion of the first partnership convention in 1964, the EDF cycles have generally followed the partnership agreement/convention cycles.

- 1st EDF: 1959-1964;

- 2nd EDF: 1964-1970 (Yaoundé I Convention);
- 3rd EDF: 1970-1975 (Yaoundé II Convention);
- 4th EDF: 1975-1980 (Lomé I Convention);
- 5th EDF: 1980-1985 (Lomé II Convention);
- 6th EDF: 1985-1990 (Lomé III Convention);
- 7th EDF: 1990-1995 (Lomé IV Convention);
- 8th EDF: 1995-2000 (Lomé IV Convention and the revised Lomé IV);
- 9th EDF: 2000-2007 (Cotonou Agreement);
- 10th EDF: 2008-2013 (Revised Cotonou Agreement);
- 11th EDF: 2014-2020 (Revised Cotonou Agreement).

The EDF is funded by the Member States according to a specific contribution and is subject to its own financial rules being managed by a specific Committee.

The EDF system can be considered a highly evolved example of decentralised management. Executive powers have to a great extent been conferred on the ACP States by successive Lomé Conventions and by the Cotonou Agreement including its revisions. The bulk of the funding available implemented via project approach is administered by the concerned countries themselves in the form of programmes and projects. The Commission's main role is to take financing decisions in respect of financing agreements concluded with the beneficiary countries. These agreements assign the beneficiary countries considerable responsibility for decentralised management, though the EU's Heads of Delegations and the European Commission's headquarters departments provide back-up and exercise ex-ante and ex-post supervision.

- The 11th EDF (the current state)

Geographical cooperation with the ACP countries under the 11th EDF is governed by the ACP-EC Partnership Agreement signed in Cotonou in 2000 and revised in Luxembourg in 2005 and again revised in Ouagadougou in 2010.

The 11<sup>th</sup> EDF was created by an intergovernmental agreement signed in June 2013 – as it is not part of the EU Budget – and entered into force on the 1<sup>st</sup> March 2015, after ratification by all Member States. There are only minor modifications in the 11<sup>th</sup> EDF compared to the 10<sup>th</sup> EDF. Mainly, Member States' contributions keys to the Fund are further aligned with the keys used for the EU budget. Furthermore, it aims to ensure more flexibility and fast reaction in case of unexpected events. Regional funding also includes allocations to cover unforeseen needs with a regional dimension and a new shock-absorbing scheme is set up to help ACP countries to mitigate the short-term effects of exogenous shocks such as economic crisis or natural disaster.

The total financial resources of the 11th EDF amount to EUR 30.5 billion for the period 2014-2020.

For this period the two main channels of EU assistance to the ACP countries will remain distinct: funds from the EU General Budget and funds from the EDF. Different administrative rules and decision-making structures apply to these two forms of aid. Funds from the EU General Budget are administered in accordance with the general Financial Regulations. Funds from the EDF meanwhile are administered according to the rules laid down by the Cotonou Agreement and subsequent relevant documents. The implementing rules and procedures for both funding sources are however mainly aligned.

## 1.2 Other areas of assessment

N/A.

## 2 RISKS AND ASSUMPTIONS

Risk	Risk level (H/M/L)	Mitigating measures
The project will involve a substantial number of courses that will be decided in agreement with the NAOs and the EU Delegation. The only risks identified are that there will not be a sufficient demand of courses or that the courses will be given too often on one particular country.	L	This risk will be mitigated at two levels: <ul style="list-style-type: none"><li>- The EU Delegations will be reminded on regular intervals of the possibility to hold the course in their NAO.</li><li>- Monitoring by HQ that there is a spread of courses among the ACP countries.</li></ul>
<b>Assumptions.</b> It is assumed that the level of staffing will remain the same.		

## 3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

The present action is a continuation of two previous actions implemented in the periods 2003-2007 and 2009-2017 respectively with the purposes of providing training in Financial and Contractual Procedures in the framework of the 9<sup>th</sup> and 10<sup>th</sup> EDF.

This service provided to the NAO is considered crucial, especially taking into consideration situations of turnover in the NAOs' staff (as well as in European Commission delegations' staff) from one side, and updates and changes in EC procedures on the other.

The provision of training is considered essential for the sound and efficient management of EDF resources in the light of decentralised management and in the context of EC devolution. It enables NAO and RAO staff, as well as European Commission staff, to better understand the main functioning of the EDF and its rules and procedures.

The implementation of the two mentioned prior actions has shown extremely valuable for the sound implementation of development programmes.

### 3.1 Lessons learnt

N/A.

### 3.2 Complementarity, synergy and donor coordination

N/A.

### 3.3 Cross-cutting issues

N/A.

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Objectives/results**

The overall objective of the programme of which this action document is part is to facilitate and provide training programmes which are essential for the sound and efficient management of EDF resources in the light of decentralised management and in the context of European Commission devolution. It will enable National Authorising Officers' (NAOs) and Regional Authorising Officers' (RAOs) staff as well as European Commission staff to better understand the main functioning of the 11th EDF and consequently how to make full and correct use of its financing resources.

### **4.2 Main activities**

The project aims at the design and preparation of a series of courses on “Financial and Contractual Procedures in the framework of the EDF”.

The target groups for the training courses will be the staff of the NAOs and RAOs. Depending on availability it will also be open for the staff of the EU Delegations.

The training courses will be in English and French, and Portuguese (if needed) depending on the language of the ACP country in which the training is delivered.

Preparation of training courses and corresponding teaching materials in French and English and Portuguese if needed.

The main activity is the provision of training services for the beneficiary countries' responsible staff. The main activities will be:

- Design, preparation and revision/update of the training courses and corresponding teaching materials, for the different modules in English and French, and Portuguese if needed.
- Provision of training courses in the ACP countries at the request of the National and Regional Authorising Officers.

### **4.3 Intervention logic**

The courses will take place in all the ACP countries where the National Authorising Officers (NAOs) or Regional Authorising Officers (RAOs) request these training services.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is not 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 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Action Document.

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) 2015/322.

### 5.3 Implementation of the budget support component

N/A.

### 5.4 Implementation modalities

#### 5.4.1 Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Preparation and provision of training materials and provision of training	services	1	Second 2017

### 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 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement 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 realization of this action impossible or exceedingly difficult.

### 5.6 Indicative budget

DESCRIPTION	EU contribution (amount in EUR)
5.4.1 - Service training contract	5 000 000
<b>Total</b>	<b>5 000 000</b>

### 5.7 Organisational set-up and responsibilities

The service contract will be managed by the responsible unit in the Directorate-General for International cooperation and Development (DG DEVCO).

### 5.8 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 contractor responsibilities. To this aim, the implementing partner or contractor 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. 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).

## **5.9 Evaluation**

Having regard to the nature of the action, evaluation(s) 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.

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.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

## **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.

The financing of the audit shall be covered by another measure constituting a financing decision.

## **5.11 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 5.6 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.

## **6 PRE-CONDITIONS**

N/A.





## APPENDIX 1 - INDICATIVE LOGFRAME MATRIX

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 (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Facilitate and provide training programmes enabling National Authorising Officers' (NAOs), Regional Authorising Officers' (RAOs) and EC staff to better understand the main functioning of the 11th EDF (or subsequent).	<ul style="list-style-type: none"> <li>- Training material prepared</li> <li>- Number of trainings provided</li> <li>- Number of Staff trained</li> <li>- statistics from ABAC and CRIS (delays of payments, RAL, RAC...)</li> <li>- number of closed files</li> <li>- number of litigation files</li> </ul>		<ul style="list-style-type: none"> <li>- Over 120 trainings courses provided</li> <li>- Aprox. 3500 staff trained in the ACP countries</li> <li>- Training material updated and provided</li> </ul>	Reports from service provider. Satisfaction survey. Test conducted at the end of each training session to be completed by the participants. Statistics in ABAC and CRIS. Control and monitoring by the EUDs. Sampling of accounting transactions and records of tendering.	Availability of sufficient competent trainers in this field Availability of participants of the NAO in the ACP countries. Availability of necessary equipment in the place of training.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Specific objective(s): Outcome(s)	<ol style="list-style-type: none"> <li>Design and preparation of courses on “Financial and Contractual Procedures in the framework of the EDF” in English, French and Portuguese if needed.</li> <li>Deliver the courses.</li> </ol> <p>Participants should acquire:</p> <ol style="list-style-type: none"> <li>a knowledge of the basic principles of the Cotonou Agreement, legal, financial structure and management of the 11<sup>th</sup> EDF;</li> <li>an understanding of the roles and responsibilities of each of the actors in the process EDF;</li> <li>knowledge that allows to use the EDF procedures correctly;</li> <li>knowledge and competence of the legal texts, users guides and other sources of necessary information;</li> <li>a better understanding of the work and responsibilities of the EU Delegations;</li> <li>a knowledge concerning the development and approval of the financing decisions and financing agreements;</li> <li>an understanding of the principles of the procurement;</li> <li>an understanding of the principles of the grant procedures;</li> <li>a knowledge about the different types of contracts and their implementation until their closure;</li> <li>understanding of records of payments and the various applicable bank guarantees;</li> <li>a knowledge about recovery orders;</li> <li>a knowledge about the program estimates and its execution until their closure;</li> <li>a basic understanding of the rules in case of disputes.</li> </ol>	As above		As above	<p>Reports from service provider</p> <p>Satisfaction survey</p>	

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Outputs	<ul style="list-style-type: none"> <li>- Training material elaborated;</li> <li>- Training courses provided;</li> <li>- NAO/RAO/EC staff trained</li> <li>- Evaluation of trainings delivered;</li> <li>- Follow-up and monitoring of the project by EC and coordination with EU Delegations.</li> </ul> <p>The aimed result:</p> <ol style="list-style-type: none"> <li>1. 1 implementation improved by the correct application of the procedures in practice;</li> <li>2. improving cooperation between NAOs and EU Delegations;</li> <li>3. optimize the use of EDF funds;</li> <li>4. acceleration in the contractual procedures (tendering, contract signature, payments, recoveries,...);</li> <li>5. increase transparency and efficiency;</li> <li>6. knowledge of legal texts, users guides and other sources of information of EDF procedures;</li> <li>7. be able to establish and approve a financing proposal;</li> <li>8. be able to prepare and understand a tender file and a call for proposal file;</li> <li>9. be able to organise an evaluation committee;</li> <li>10. be able to evaluate an application and tender;</li> <li>11. be able to establish a contract after award and proceed with the process of signature and endorsement;</li> <li>12. improving the management of the contracts;</li> <li>13. increase in the number of finalised contracts;</li> <li>14. improvement of the payment records and a reduction of the payment delays;</li> <li>15. improve the quality of the program estimates;</li> <li>16. reduction of litigation.</li> </ol>	As above		As above	<p>Reports from service provider</p> <p>Satisfaction survey</p>	<p>Elapsed time between training and the use of the financial and contractual procedures should be limited.</p>