EUROPEAN
COMMISSION

Brussels, XXX
[…](2017) XXX draft

COMMISSION IMPLEMENTING DECISION

of XXX

on the Annual Action Programme 2017 part 2 for theme Human Development of the Global Public Goods and Challenges programme to be financed from the general budget of the European Union

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to [Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action and in particular Article 2(1) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, and in particular Article 84(2) thereof,

After consulting the DCI Committee,

Whereas:

(1) The objectives pursued by the annual action programme to be financed under the Development Cooperation Instrument are to support global public goods and promote economically, socially and environmentally sustainable development in an integrated and holistic way, through coherent, coordinated and focused action, in complementarity with the geographic programmes, in the key area of human development.

(2) The annual action programme meets the priorities outlined in the multiannual indicative programme for the thematic programme 'Global public goods and challenges' for the period 2014-2020 which was adopted by the Commission on 23 July 2014 (C(2014) 5072).

(3) The action entitled '"Contribution to the Global Partnership for Education" (Annex 1 to the Decision) will promote inclusive and equitable quality education and promote lifelong learning opportunities for all, focusing on basic education. The action will be managed by the World Bank Group in indirect management mode.

(4) The action entitled "Quality alternative care for children and de-institutionalisation" (Annex 2 to the Decision) will contribute to prevent the separation of children from their families, to provide quality alternative care for children that are deprived from family care, and to support the transition from institutional to community-based care. The action will be implemented through grants following a call for proposals.

(5) The action entitled "Collect More Spend Better: EU support to developing countries in the area of domestic revenue mobilisation and domestic public finance" (Annex 3 to the Decision) will enhance sound domestic public finance systems and foster effective environmentally and socially responsible domestic revenue mobilisation in developing countries. The action will be implemented (a) through direct grants to the International Monetary Fund (IMF) and (b) through delegation agreements with the World Bank.

(6) Action entitled "Support measures 2017" (Annex 4 to the Decision) finances support activities related to the implementation of the programme and to the achievement of its objectives. These measures will be managed directly by the Commission

(7) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012.

(8) It is necessary to adopt a work programme for grants the detailed rules on which are set out in Article 128(1) of Regulation (EU, Euratom) No 966/2012 and in Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is constituted by the Annexes 2 and 3.

(9) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. The entrusted entity for actions in Annexes 1 and 3: World Bank complies with the conditions of points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary.

(10) The authorising officer responsible should be able to award grants without a call for proposals provided that the conditions for an exception to a call for proposals in accordance with Article 190 of Delegated Regulation (EU) No 1268/201 are fulfilled.

(11) The Commission should authorise the eligibility of costs from a date preceding that of submission of a grant application for the reasons of extreme urgency in crisis management aid or in situations of imminent or immediate danger to the stability of a country, including by an armed conflict, where an early involvement of the Union may prevent an escalation.

(12) It is necessary to allow the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.

(13) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.

(14) The measures in this Decision are in accordance with the opinion of the Development Cooperation Instrument Committee set up by Article 19 of the financing instrument referred to in Recital 1

HAS DECIDED AS FOLLOWS:

Article 1

The Annual Action Programme 2017 part 2 for theme Human Development of the Global Public Goods and Challenges programme to be financed from the general budget of the Union as set out in the Annexes, is approved.

The programme shall include the following actions:

Annex 1: Contribution to the Global Partnership for Education

Annex 2: Quality alternative care for children and de-institutionalisation

Annex 3: Collect More Spend Better: EU support to developing countries in the area of domestic revenue mobilisation and domestic public finance

Annex 4: Support Measures 2017

Article 2

Financial Contribution

The maximum contribution of the European Union for the implementation of the programme referred to in Article 1 is set at EUR 76 950 000 and shall be financed from budget line 21 02 07 03 of the general budget of the Union for 2017.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

Article 3

Implementation modalities

Budget-implementation tasks under indirect management may be entrusted to the entity identified in Annexes 1 and 3, subject to the conclusion of the relevant agreements.

The section "Implementation" of the Annexes to this Decision sets out the elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012.

Grants may be awarded without a call for proposals by the authorising officer responsible in accordance with Article 190 of Delegated Regulation (EU) No 1268/2012.

Article 4

Non-substantial changes

Increases or decreases of up to EUR 10 million not exceeding 20 % of the contribution set by the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20 % of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012, provided that they do not significantly affect the nature and objectives of the actions. The use of contingencies shall be taken into account in the ceiling set by this Article.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels,

For the Commission
Neven Mimica

Member of the Commission

This action is funded by the European Union

ANNEX 1

of the Commission Implementing Decision on the annual action programme 2017 part 2 for the theme Human Development of the Global Public Goods and Challenges programme

Action Document for GPGC contribution to the Global Partnership for Education 2017

1. Title/basic act/ CRIS number	GPGC contribution to the Global Partnership for Education (GPE) 2017 CRIS number: HUM/2017/39768 financed under the Development Cooperation Instrument	
2. Zone benefiting from the action/location	Miscellaneous Countries	
3. Programming document	DCI – Multiannual Indicative Programme 2014-2017 of the Thematic Programme "Global Public Goods and Challenges"	
4. Sector of concentration/ thematic area	Basic education	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 1 591 756 691 Total amount of EU budget contribution EUR 45 000 000 This action is co-financed in joint co-financing by: United Kingdom: USD 260 804 145 European Union: USD 409 266 873 in total but at this stage only USD 275 262 000 (= EUR 155 000 000 from EDF and EUR 105 000 000 from GPGC) Norway: USD 202 214 933 Sweden: USD 155 779 562 United States: USD 155 000 000 Australia: USD 107 852 698 Denmark: USD 122 131 776 Canada: USD 90 833 077 Belgium: USD 39 544 682 Germany: USD 39 304 478 Switzerland: USD 26 440 774 Children's Investment Fund Foundation (CIFF): USD 22 000 000 Ireland: USD 17 537 641 Italy: USD 11 101 934 France: USD 9 797 441	

	Finland: USD 5 332 264 Korea: USD 5 000 000 Japan: USD 3 916 481 Dubai Cares: USD 1 000 000 Luxembourg: USD 334 050 Total: USD 1 685 192 809 (= EUR 1 591 756 691) Replenishment Pledges for the period 2015-2018 to the GPE Fund as of October 31, 2016.
6. Aid modality(ies) and implementation modality(ies)	Project Modality Indirect management with the World Bank
7 a) DAC code(s)	112 – Basic Education – 100%
b) Main Delivery Channel	World Bank - 44001

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

9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A
10. SDGs	Main SDG Goal 4: Quality Education Secondary SDG's: Goals 5 (Gender Equality), 8 (Decent Work & Economic Growth) and 10 (Reduced Inequalities)

SUMMARY

Despite the good progress made in the education sector in developing countries in the past years, challenges still remain. It is estimated that if everything remains constant, only 70 per cent of children in low-income countries will complete primary education by 2030. In terms of learning outcomes, it is estimated that for those in school in low and middle-income countries, only half of primary school children and little more than a quarter of secondary school children are learning basic skills. This lack of education opportunities for the poorer and marginalised parts of the population negatively impacts the lives of individuals and the sustainable development of nations. To address this global challenge, the EU has made supporting education a key part of its overall development policy, and this includes EU involvement in global education initiatives.

Since its inception in 2002 the Global Partnership for Education (GPE) has increasingly become a key player in international education and development due to its capacity to mobilise donors' resources and leverage domestic funding. Also, it has been able to ensure increased ownership and harmonisation of donor funding and its alignment with the education policies of recipient countries.

The general objective of this EU contribution to the GPE is, in line with SDG 4, to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by focusing on basic education. As recognised in the Incheon Declaration: Education 2030 — Towards Inclusive and Equitable Quality Education for All, the GPE will serve as a co-convener of the 2030 education agenda. It will support the activities developed under the leadership and coordination of UNESCO, including national, regional, and global-level processes to track progress in achieving the education SDG targets.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

There has been significant progress in achieving the millennium development goals (MDGs). According to the World Bank, extreme poverty has decreased by more than half since 1990, falling from 35 % of the world's population to just 10.5 % in 2013 living on less than USD 1.90 a day. In the case of education, the number of out-of-school children has been halved, there has been real progress on gender equality and a steady increase in access to lower secondary education. Despite these positive trends, progress has been uneven. Pockets of deep deprivation remain, especially in the poorest and the most vulnerable countries. Countries experiencing conflict and protracted crises are among the poorest. Violence is becoming a primary cause of poverty, while disruptions due to climate change and natural disasters are further compounding the challenge to ensure sustainable development for all.

The 2030 agenda for global sustainable development adopted in 2015 calls on all countries to work both internationally and domestically for the achievement of 17 SDGs and 169 targets. Unlike MDG 2, adopted in 2000 to achieve universal primary education, the SDG for education, SDG 4, focuses on increasing educational opportunities in the whole continuum of education: pre-primary, primary, secondary education, higher education, technical and vocational education and training and lifelong learning opportunities. Simultaneously, it moves beyond an exclusive focus on 'access to education' to also put an emphasis on the 'quality of education.'

Worldwide, in 2014, some 263 million were not in school (130.3 million girls and 132.7 million boys) — including 61 million children of primary school age, 60 million adolescents of lower secondary school age and 142 million youth of upper secondary school age. In 2000, 54 % of the 375 million out-of-school children, adolescents and youth were female. By 2014, there was virtually no difference in the global rates: 19 % of girls of primary and secondary age were out of school, compared to 18 % of boys. However, these global averages mask considerable differences at regional and country levels.

In addition, in low and middle-income countries, it is estimated that for those in school, only half of primary school children and little more than a quarter of secondary school children are learning basic skills.

The new goal for education also places a strong emphasis on quality, equity, inclusion and fulfilling the right to education for all. For this, it seeks strategies to expand educational opportunities for poor, marginalised and vulnerable groups. SDG 4 includes a clear understanding of the importance of developing relevant and effective abilities and skills to enable future generations to achieve their full potential, successfully transition to the world of work, and become responsible citizens sensitive to sustainable development. SDG 4 also addresses the unfinished challenge of MDG 2.

1.1.1 Public policy assessment and EU policy framework

The GPE was created in 2002 to deliver on global education commitments made at the Dakar World Education Forum and the Millennium Summit. Following the adoption of the 2030 agenda, the GPE made a firm commitment to play an important role in achieving the SDG vision for education. It did this by adopting SDG 4 as its vision statement in its new Strategic Plan 2016-2020 (GPE 2020): 'Inclusive and equitable quality education and lifelong learning opportunities for all'.

Under GPE 2020, the financing continues to focus on basic education, defined as pre-primary, primary, lower secondary education and second-chance learning opportunities. It also focuses on ensuring a good transition between these different levels of the national education system. When equitable learning outcomes are well advanced at basic education levels, GPE may provide additional investments in early childhood care or upper secondary education to cover the full cycle of school education.

Over the years, the GPE has evolved from its origins as a modest, gap-filling venture to become an independently governed, multi-stakeholder partnership. The GPE is now the 4th largest donor to basic education in the world, disbursing more than USD 470 million in 2015 alone to support the implementation of partner countries' national education plans.

The EU has been supporting the GPE since 2005. Continuing to fund this partnership fits well within the EU policy framework. An EU contribution to the GPE is in line with the **forthcoming European Consensus on Development** that promotes a more comprehensive approach to human development. For education, this approach means more support for inclusive and equitable quality education for all and life-long learning (SDG 4), with a strong focus on promoting gender equality (SDG 5).

Multi-stakeholder partnerships, like the GPE, operating at all levels and involving civil society and the private sector are a key element in the recent **EU global strategy** to deliver global public goods and address common challenges. Echoing the SDGs, this strategy expresses the EU's will to adopt a joined-up approach to its education policies and nurture societal resilience. It seeks to do this by deepening work on education and youth to foster pluralism, coexistence and respect.

With its support to the GPE, the EU is addressing objective 2 of the education component of the thematic programme **global public goods and challenges 2014-2020,** as outlined in the multi-annual indicative programme 2014-2017. The focus of this objective is to 'Improve quality of access to and the quality of education, inclusive education, enhancing teacher management and motivation, and strengthening learning outcomes'

On the achievement of SDG 5 on gender equality, the first goal of the GPE's 2016-2020 strategic plan is: 'Increased equity, gender equality, and inclusion for all in a full cycle of quality education, targeting the poorest and most marginalised, including by gender, disability, ethnicity, and conflict or fragility'. The GPE's strategic plan also has achieving gender equality as one of its eight principles. To deliver on the GPE's commitment to gender equality, the GPE Board of Directors approved the gender equality policy and strategy 2016-2020 in June 2016. For more details, see Section 3.3.

Consequently, the proposed action also helps to implement the new **EU gender action plan (GAP) for 2016-2020** that commits to eliminating all forms of violence against women and girls, including sexual violence and gender based violence. It prioritises an increase in the number of girls and women receiving quality education and vocational education and training. The action will help to achieve the following GAP II objectives:

- **Thematic priority Physical and psychological integrity**
  - Objective 7: Girls and women free from all forms of violence against them both in the public and in the private sphere;
- **Thematic priority: Economic, social and cultural rights — economic and social empowerment**
  - Objective 13: Equal access for girls and women to all levels of quality education and vocational education and training free from discrimination.

1.1.2 Stakeholder analysis

The GPE encompasses all major donors to education — about 30 bilateral, regional and international agencies and development banks. A total of 65 developing countries have joined the GPE to date, and a number of major international organisations, civil society organisations, foundations and private sectors are involved in the partnership.

Donors provide financial and technical assistance to national governments in GPE developing countries. They play a pivotal role in coordinating local partners and elaborating and monitoring education strategies and programmes. They benefit from the coordinating nature of the partnership.

International organisations (multilateral agencies) are key actors in the implementation of education programmes, the supervision of grant agreements and the disbursement of funds.

Civil society organisations (CSO) collaborate with the GPE, and this is essential to keep education a high priority on the development agenda. They help shape education policies, monitor programmes and hold governments accountable for their duty to fulfil the right to education. CSOs can be small or large, national or international and include women's organisations, parents' associations, children's and youth organisations, and teacher unions. The GPE works with CSO networks such as the Global Campaign for Education and Education International, which help facilitate collaboration among organisations and strengthen national and global linkages.

The private sector and foundations provide strategic, technical and financial support to make the GPE more effective and explore innovative opportunities to achieve better results. GPE 2020 recognises the role that the business community and philanthropy can play in fulfilling its mandate, going beyond philanthropy to leverage assets, capabilities, and innovation to accelerate progress on common education goals.

The immediate beneficiaries of GPE support include **governments and ministries of education** which are either in the partnership already or which will join it in the years ahead. Ultimate or indirect beneficiaries will include children and youth, teachers, school managers and communities. There will be a particular focus on the most vulnerable and marginalised populations[1], who should benefit from increased and improved national and external support to national education sector strategies.

1.1.3 Priority areas for support/problem analysis

SDG 4 commits countries to 'ensure inclusive and equitable quality education and promote lifelong learning opportunities for all'. Within this context, equal access to education and quality education remain the two major challenges.

Despite good progress towards MDG 2 on universal primary education, by 2015 the goal was not achieved. According to the *2015 Global education monitoring report*, the primary school net enrolment ratio was 84 % in 1999 and is estimated to have reached 93 % in 2015. The reality is that there are still large disparities between regions and countries, with Sub-Saharan Africa lagging behind (net enrolment in primary education of 78 %). Moreover, those out of school are the most difficult segment of the population to reach.

Countries unable to reach the marginalised cannot attain universal primary education. Improvements are needed to reach the poorest populations, ethnic and linguistic minorities, rural girls, working children, nomadic communities, children affected by HIV and AIDS, slum dwellers, children with disabilities and children living in complex crisis situations and emergencies.

Gender remains a critical point in this context. Girls are the most affected by gender discrimination in education with multiple barriers to their education. Girls tend to drop out more in rural and remote communities in underserved areas. Adolescent girls often face

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[1] The GPE results framework has a particular indicator (16c) 'Proportion of education sector plans with a strategy to respond to marginalised groups that meet quality standards (including gender, disability and other context-relevant dimensions)'. With this indicator, it will be possible to follow-up the extent to which marginalised groups are being targeted. The quality assurance review process for the endorsement of education sector plans also ensures that this area of concern is sufficiently addressed. .

significant barriers in making the transition from primary to secondary education. School infrastructure is not always ready for girls and may lack separate toilet facilities and safe places to manage menstruation. In many countries, when girls reach puberty they are required to take on new roles that focus on marriage, motherhood, and employment instead of education. Gender-based violence in and around schools has negative impacts not only on girls' participation and achievements but also on their physical health and psychological well-being. Families often favour investing in boys' education over girls' education. The poorest and most marginalised girls, including those living in conflict and crisis situations, face particular challenges. However, boys are also affected by gender imbalance. There is regional variation in boys' participation and achievement in education: for example, in the Caribbean region, boys are more likely than girls to drop out of secondary school.

The other challenge is the quality of education. Around 250 million children are not learning the basic skills of literacy and numeracy, even though half of them have spent at least 4 years in school. The quality gap in education in Sub-Saharan Africa is confirmed by a recent assessment of student abilities in mathematics and reading by the CONFEMEN programme for the analysis of education systems (PASEC) in 10 countries in French-speaking West Africa. Over 70 % of early primary pupils have not achieved the 'sufficient' level in language, and over 50 % in mathematics. At the end of the primary cycle, close to 60 % of pupils are below this level in both subjects. Underlying these stark findings are again significant issues of inequity and marginalisation.

Despite these challenges, the gap in funding for education globally is growing. A renewed commitment, momentum, and more predictable external funding are required to bridge the gap. The share of official development assistance (ODA) for education has fallen from 13 % to 10 % since 2002. Also, education ODA has been insufficiently targeted to countries which need it most. Only 24 % of all education ODA was disbursed to low-income countries in 2014. The International Commission for Financing Global Education estimates that lower middle-income countries will be required to more than double their domestic spending on education from the current USD 1.2 trillion per year to USD 3 trillion (from USD 27 billion to USD 102 billion for low-income countries) by 2030, to meet the educational needs at pre-primary, primary, secondary and post-secondary education levels by 2030. To achieve this, the Education Commission recommends action not just to increase international financing of education but more importantly increase and improve the domestic resources going to education.

2 Risks and Assumptions

The GPE's governance structure includes the GPE Board of Directors as the prime decision-making body and five Committees supporting the Board's work: the Coordinating Committee, the Grants and Performance Committee, the Strategy and Impact Committee, the Governance and Ethics Committee and the Finance and Risk Committee. The Finance and Risk Committee oversees the risk management of the partnership, i.e. the development and implementation of a risk management framework and/or other risk management and mitigation measures and policies. It also deals with measures on fraud, corruption and other misuse of GPE resources.

The GPE has put in place a comprehensive risk policy[2] and risk management framework[3] which sets out the wider risk management system required to ensure that the GPE delivers on the objectives in its strategic plan. It guides the GPE's Board and Secretariat in strategic and operational decision-making and facilitates a systemic approach to risk management.

The GPE seeks to operate in a moderate overall risk appetite (the level of risk the GPE is willing to accept in pursuit of its objectives). But it is recognised that differences in context can affect this risk appetite and the prioritisation that is given to risks. The GPE has, for example, a very low risk appetite for risks related to fraud and misuse of funds. However, at the same time it has a moderate to high risk appetite to work in fragile and conflict-affected states. This can create tensions. There may be more risks associated with implementation in fragile environments, but the GPE will try to balance these competing risks with appropriate mitigating measures and have a tailored approach to risk management. It will take into account both the risk appetite and the specifics of each context.

As stated, working in fragile and conflict-affected states brings along particular risks. To mitigate these risks the GPE has put in place an operational framework for effective support in fragile and conflict-affected states[4].This framework is in line with the OECD principles for good international engagement in fragile states and situations. The main mechanisms put in place in this context consist in helping countries develop education sector plans that better enable them to face emergencies and helping them develop transitional education sector plans. The GPE's operational framework also allows for an accelerated financing mechanism and restructuring of existing GPE grants to meet emergency needs.

Assumptions have been analysed both at global and country level. At global level a main assumption is that the donor contributions to the GPE are sustained or will increase in the future. It is also assumed that all partners commit to the GPE partnership model and participate in monitoring and reporting on areas of mutual accountability. At country level, it is assumed that the governments will create effective mechanisms for policy dialogue and monitoring that include civil society, teacher's organisations, and the private sector. Efforts should be made by the governments to increase domestic financing for education. In addition, good coordination between GPE partners at the country level will mean more effective implementation of the GPE grant whose purpose is to support key inputs that help to achieve the equity and learning goals in education sector plans.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The GPE Fund is a Financial Intermediary Fund (FIF) managed by the World Bank as trustee, which pools the funds at global level. Since the very beginning, the EU together with the EU Members States have been the main donors of the GPE Fund. Currently, the EU collectively provides about 63 % of financing to the GPE Fund.

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[2] http://www.globalpartnership.org/content/risk-management-policy .

[3] http://www.globalpartnership.org/content/risk-management-report-and-operational-risk-framework-december-2016-6 .

[4] http://www.globalpartnership.org/content/gpe-operational-framework-effective-support-fragile-and-conflict-affected-states .

Since 2003, the GPE has allocated USD 4.6 billion to education in 232 grants. This has had a double effect. On the one hand, the GPE reports, among other results, that 64 million more children were in primary school and 24 million more in lower secondary school in 2014 (compared to 2002) in GPE partner countries. Furthermore, developing countries' participation in the GPE has helped to mobilise domestic financing, which has increased by 11 % on average as a share of GDP after a country has joined the partnership.

Today, as mentioned above, the GPE is the 4th largest donor to basic education in the world. It is increasingly recognised for its role in bringing financing to countries most in need. According to the UNESCO Global monitoring report of 2015, 81 % of GPE disbursements between 2010 and 2012 were to low-income countries, compared to 42 % among OECD/DAC members. Furthermore, the share of GPE grants to fragile and conflict-affected states has more than doubled since 2008, reaching 50 % of all approved grants in 2015.

In 2014, the GPE introduced a new funding model to reinforce the partnership's focus on results. The new funding model requires governments to invest in monitoring and data and to maintain a high level of domestic financing for education. It also introduces a results-based tranche of funding that rewards tangible achievements in three key dimensions: equity, efficiency, and learning.

The independent interim evaluation of the GPE covering the period 2010-2014 explored how the organisational change since 2010 has improved the relevance, effectiveness and efficiency of the partnership. Overall, the evaluation found that the GPE Board and Secretariat have made serious efforts to address the recommendations of the previous evaluation (2010) and other areas for improvements identified since then. These changes have strengthened the partnership both operationally and strategically. However, it was underlined that there continues to be a disconnect between the GPE's ambitious mission and its narrow financing base; this has implications for the partnership's future direction. The strategic plan for 2016-2020 seeks to address this challenge. It will guide the GPE's activities and set out key priorities for the next years.

3.2 Complementarity, synergy and donor coordination

The EU is a major global player in education and training, allocating an estimated EUR 5.3 billion to education and training at all levels (2014-2020). The bulk of this support (about EUR 3.3 billion) is channelled through bilateral cooperation, where approximately 44 countries have chosen this sector as a focal sector for the period 2014-2020, but it also includes global initiatives such as the GPE.

In June 2014, the EU pledged to allocate EUR 375 million to the GPE up to 2020. An allocation of EUR 175 million from the Global Public Goods and Challenges Programme (the EUR 45 million in this Action Document is the second tranche of this amount) and EUR 200 million from the 11th EDF intra-ACP budget.

Complementary to the contribution to the GPE, under the GPGC there is a strong emphasis on support to better education opportunities in situations of fragility, including conflict affected and crisis areas. The EU adopted a financing decision (EUR 21 million) in 2016 with the specific aim to develop evidence-based models and deliver safe quality basic education for children in fragile and protracted crisis environments. The idea here was also to build societal and institutional resilience to make these actions sustainable over time.

Additionally, support is provided to the Education Cannot Wait (ECW) fund launched at the World Humanitarian Summit in 2016. The fund brings together key players to form a powerful global alliance on behalf of children and young people whose education and learning are disrupted because of emergencies and protracted crises. Currently, the ECW initiative is hosted by UNICEF, but it is likely that the GPE will take over this role in due time increasing the synergies between the two initiatives even more.

The GPE plays an important role as a forum for aid effectiveness. It does this particularly through its approach to ownership, harmonisation, alignment, management for results and mutual accountability.

At country level, the GPE promotes good coordination through the local education group (LEG). As the GPE does not have country presence, it relies on partners present in the country. Active involvement in the LEGs by EU Delegations is particularly important in 22 countries where both the EU and the GPE have education programmes. The GPE is founded on the principle of collective support for a single country-led process towards the development, endorsement and implementation of an education sector plan. The government is in the lead within the LEG and has the responsibility for implementing its policies and plans, with the support of civil society organisations (CSOs) and the local donor group (LDG). This support includes monitoring and promoting progress towards increased aid effectiveness, active participation in joint reviews as well as mobilising financial support.

At global level, donor coordination is ensured through the Board, through coordination within the different donor constituencies and through the participation of the donors in the five Board Committees. See Section 5.6 for more details on the exact organisational set-up.

3.3 Cross-cutting issues

The GPE Guidelines for Education Sector Plan Preparation and Appraisal require that the national plans include strategies to address HIV/AIDS, gender equality, equal access for all vulnerable groups, including children with disabilities, and other cross-cutting issues relevant to education. Environmental issues are usually covered by national sector strategies, and environmental impact assessments are included in the appraisal and endorsement process, where appropriate.

Increasing gender equality is one of the eight guiding principles of GPE 2020. Achieving increased equity, gender equality, and inclusion is one of three key strategic goals under this plan.

The GPE gender equality policy and strategy 2016-2020, approved by the GPE Board in June 2016, reflects a shift from a narrower focus on girls’ education to gender equality more broadly. It includes areas where boys are disadvantaged, as well as gender issues concerning teachers, administrators and systems. Specifically, gender equality is supported in the following ways:

- gender-responsive education sector plans

- provision of grants to partner countries for implementation of education sector plans that promote gender equality
- policy dialogue on gender equality
- tackling school-related gender based violence.

The GPE also continues to explore opportunities for more cross-sectoral collaboration, especially with the health sector, on greater equity and inclusion, recognising that education is essential for the success of all the SDGs; and that in particular the education of girls and women promotes strong health outcomes, while school-based health initiatives support stronger learning outcomes. A total of 22 ongoing GPE grants currently support health and nutrition programmes.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results and main activities

This EU contribution to the GPE Fund will support the achievement of the goals and objectives of the GPE, which are in line with the EU policies on education in development cooperation.

The action's overall objective is to mobilise global and national efforts to achieve quality education and learning for all, through inclusive partnership, a focus on effective education systems, and financing for basic education.

The GPE supports the achievement of three high-level goals. The first two goals are equity and inclusion, and quality teaching and learning. The third goal is building stronger educational systems with the capacity to deliver equitable, quality educational services:

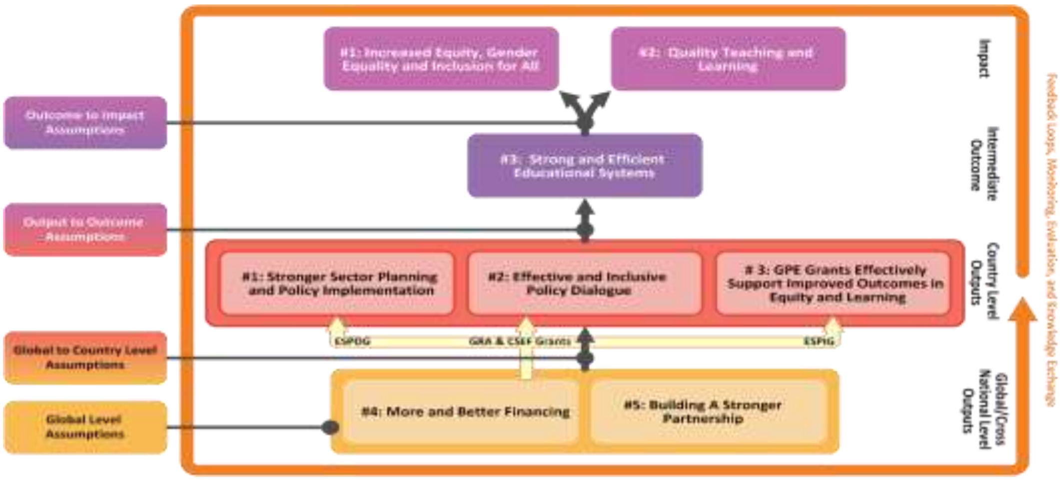
- increased equity, gender equality, and inclusion for all in a full cycle of quality education, targeting the poorest and most marginalised
- improved and more equitable student learning outcomes through quality teaching and learning
- efficient and effective educational systems delivering equitable, quality educational services for all.

At the heart of the GPE strategy 2016-2020 is the partnership's aspiration to lock together improved sector planning, a partnership-based approach to government-led sector dialogue and monitoring, and the financing needed to improve education systems and outcome. This is reflected in five strategic objectives, three country-level and two global (see more details under the intervention logic):

- strengthen sector planning and policy implementation
- support mutual accountability through efficient, effective and inclusive sector policy dialogue and monitoring
- GPE grants, which efficiently and effectively support the implementation of sector plans focused on improved equity, efficiency and learning
- more and better financing
- building a stronger partnership.

This programme is relevant for the 2030 agenda. It contributes primarily to the progressive achievement of SDG 4 but also promotes progress towards goals 5, 8 and 10. This does not imply a commitment by the countries benefiting from this programme.

4.2 Intervention logic



The GPE theory of change above visualises how the GPE will deliver value to all its partners. It shows (from the bottom of the diagram) that inputs will be generated from the global-level to support a stronger country-level operational model. In turn, three country-level outputs support its intermediate outcome (stronger and more efficient systems) and, in turn, the achievement of impact in the areas of equity and learning.

The theory of change establishes a pathway through which the partnership will achieve its goals, describing the outcomes and impacts expected from the partnership over the coming years. It describes the chain of the GPE's input and output at global and country levels. Each of these inputs and outputs is aligned to a strategic objective within the GPE strategy (see point 4.1).

The level of ambition of the GPE 2020 strategy and its theory of change called for the design of an ambitious financing and funding framework (FFF). This is a framework that includes a broader mix of funding mechanisms to help enable a more differentiated approach to GPE funding. It also provides opportunities to mobilise additional financing from a wider range of sources. This new framework was adopted at the GPE Board in February 2017.

In this scheme, the unrestricted pooled GPE Fund remains at the core with the vast bulk of the funding for the following country grants (inputs) each feeding into the three country-level outputs:

- **The education sector plan development grant** helps a country to carry out strategic, consultative and analytical work and develop or revise its sector plan.
- **The programme development grant** funds the design of an education programme that will help the country implement its national sector strategy.

- **The education sector plan implementation grant** funds the actual implementation of the sector plan, including school construction and rehabilitation, textbooks, teacher training and school meals. Only countries with the greatest education needs are eligible to receive an education sector programme implementation grant. Concretely this means 30 low-income countries, 18 small island and landlocked developing states and 19 vulnerable lower middle-income countries.

The GPE will reinforce its efforts in donor coordination. In countries wishing to build an 'education sector investment case' to bring investors together to secure commitments, the GPE will do more to make this process easier. In addition to more coordinated financing, the GPE will increase the focus on co-financing, more actively promoting use of grants to leverage financing from other sources like multilateral development banks (MDBs), development partners and private investment. For this purpose, a dedicated leverage fund was established to be tested in a limited number of countries. This leverage fund is a first step toward aligning GPE's operations with the MDB investment mechanism championed by the Education Commission.

In the above diagram, the surrounding feedback loop illustrates the strengthened approach to monitoring, evaluation and knowledge sharing adopted by the GPE 2020 strategy to ensure mutual accountability and learning that supports improvements across the partnership. This is partially reflected in the two new innovative funding mechanisms to support global public goods that have been created under the FFF:

- **The 'knowledge & innovation exchange' mechanism**, which replaces the previous global and regional activities programme, aims to develop and scale solutions, especially when improving quality of education/learning, measuring learning, improving equity and gender equality, and producing and using data at country level for informed policy-making, system management and monitoring.
- **The 'advocacy and social accountability' mechanism**, which had as predecessor the Civil Society Education Fund, aims to support capacity building of civil society in their advocacy and accountability roles. This includes understanding and using data to improve accountability at community, district and national levels. The mechanism would support the use of social accountability tools, such as the development of citizen-led data and alternative research on education policy issues.

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 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 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 technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Indirect management with an international organisation

This action may be implemented in indirect management with the World Bank in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the contribution to the GPE to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. This implementation is justified because the World Bank is the Trustee of the GPE fund, as the GPE does not have a legal entity itself.

The entrusted entity would carry out the following budget-implementation tasks: In the context of the GPE grants mentioned above or any other activity approved by the GPE Board: Managing and enforcing the contracts concluded (making payments, accepting or rejecting deliverables, enforcing the contract, carrying out checks and controls, recovering funds unduly paid), and also running the procurement and grant award procedures preceding the conclusion of such contracts, including the award and rejection decisions.

The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management.

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.

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 realization of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	**Indicative third party contribution, in currency identified (in EUR*)**
Indirect management with the World Bank	45 000 000	1 546 756 691
Totals	45 000 000	1 546 756 691

* The exchange rate used: InforEuro exchange rate (03/2017)

The EUR 45 million is the second tranche of the GPGC contribution of EUR 175 million. In tandem, the first tranche of the intra-ACP contribution (EUR 200 million in total) will be paid in the coming months and the second one is under preparation. The mentioned third party contribution is only indicative and is still subject to change.

5.6 Organisational set-up and responsibilities

The GPE operates both at the country and global level. At the global level, the governance mechanisms include the Board of Directors, the five Board Committees and the GPE Secretariat.

The Board sets the policies and strategies, reviews the objectives of the partnership and makes the decisions on grant allocation from the GPE Fund. The membership of GPE Board is based on a constituency model: the Board has 19 members/seats: 6 for donors, 6 for partner countries, 3 for multilaterals, 3 for civil society and 1 for the private sector.

The Board meets face-to-face twice a year, and meetings throughout the year may be held by other means (audio and videoconferences).

Currently, the Commission is the Board member representing donor constituency 5 (European Commission, France, Germany, Italy and Spain) and Germany is the alternate Board member. The Commission also represents donor constituency 5 in the Finance and Risk Committee chaired by France and in the Strategy and Impact Committee by Italy.

The role of the Finance and Risk Committee has been explained above (see point 2). The Grants and Performance Committee makes recommendation to the Board on decisions on the grant proposals and tracks progress on the portfolio of grants awarded from GPE resources. The Strategy and Impact Committee oversees the development of GPE strategies and policies to ensure that they promote best practices, including innovation in the education sector. The Governance and Ethics Committee oversees the global governance arrangements and ethical standards. The Coordinating Committee acts as a forum for routinely engaging the partnership on the medium-term outlook and emerging opportunities which may arise between Board meetings. This includes, as required, facilitating the organisation and flow of the arising workload for the other committees; making time-sensitive decisions between face-to-face meetings of the Board when requested; and acting as a ‘sounding board ‘for the CEO of the Secretariat.

At the country level, the EU, through the EUDs, is generally represented within the LEG, in countries where education is a focal sector (see point 3.2 for further details).

5.7 Performance monitoring and reporting

The GPE adopted a common results framework mid-2016 to monitor achievements and ensure mutual accountability along the chain from global and country level outputs to outcomes and impacts for children. Twelve core indicators have been identified for reporting on progress in implementing the GPE 2016-2020 strategic plan and achieving its vision and ambitious goals. In addition, a total of 37 indicators, fully aligned to each of the strategic goals and objectives, will be routinely monitored in an annual GPE results report.

The annual sector review is the in-country monitoring mechanism conducted jointly with all key partners of the LEG. Monitoring and annual reviews should focus on the indicators identified in the results framework.

The day-to-day technical and financial monitoring of the implementation of the action will be a continuous process and part of the grant agent's responsibilities. To this aim, the grant agent 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 GPE results framework. 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 GPE Secretariat will prepare regular reports to the GPE partners on recipient countries' performance and the lessons learnt from the GPE. This will be based on information drawn from annual country-level sector reviews. The GPE Secretariat will also send all partners an annual report on the activities financed by the GPE trust funds (annual GPE results report).

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, evaluations will not be carried out for this action or its components. However, 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.

It will be possible to form an opinion on progress with the GPE and GPE trust fund (and the results) by referring to the following:

- the annual GPE results reports (reporting against the results framework) and portfolio reviews presented to the Board (prepared by the GPE Secretariat,on the basis of reports by the grant agents)
- the results of the annual sector reviews of the recipient countries, and
- the information provided by UNESCO (including the Global education monitoring report).

If required within the Board, donors may call for in-depth assessments of the GPE trust fund activities.

At the June 2016 Board meeting, a monitoring and evaluation strategy was approved together with the results framework. Under this strategy, monitoring and evaluation have three main purposes: to strengthen accountability for the GPE's work; to stimulate learning and improved performance across the partnership; and to facilitate organisational decision-making by the Board, Secretariat and national stakeholders. Monitoring and evaluation are central pillars in the GPE's approach to results-based management.

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

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.

APPENDIX — Indicative logframe matrix (for project modality)

The GPE tracks its progress on the basis of the results framework that can be found here: http://www.globalpartnership.org/content/gpe-results-framework-2016-2020

The results framework contains 37 indicators, including 12 core indicators, which will help the partnership monitor its progress against the goals and objectives of the GPE 2020 strategic plan. For each indicator, the framework defines baselines, milestones and targets for 2020. As the GPE further defines its mandate and the scope and scale of its work, additional indicators can be added to the results framework as requested by the GPE Board.

The following indicators of the EU results framework and GPE results framework are aligned:

- primary education completion rate, disaggregated by sex
- lower secondary education completion rate, disaggregated by sex

The following indicators of the relevant programming document (programme on global public goods and challenges 2014-2020 — multi-annual indicative programme 2014-2017) are reflected in the GPE results framework:

- Completion rate in primary education, disaggregated by sex
- Number of GPE-endorsed countries which have data available on equity and learning outcomes — allowing for better management of quality and equity of access to education, as well as monitoring of and reporting on progress.

Percentage of total government budget allocated to the education sector in GPE-endorsed countries.

This action is funded by the European Union

ANNEX 2

of the Commission Implementing Decision on the annual action programme 2017 part 2 for the theme Human Development of the Global Public Goods and Challenges programme

Action document for quality alternative care for children and de-institutionalisation

INFORMATION FOR 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 where the implementation modality 5.3.1.1 "Grants-call for proposals (direct management) has been used.

1. Title/basic act/ CRIS number	Call for proposals: Quality alternative care for children and de-institutionalisation CRIS number: DCI-HUM/2017/39697 Financed under the Development Cooperation Instrument (DCI)	
2. Zone benefiting from the action/location	Global: developing countries	
3. Programming document	DCI – Multiannual Indicative Programme 2014-2017 of the Thematic Programme "Global Public Goods and Challenges"	
4. Sector of concentration/ thematic area	Human development — children’s well-being	DEV. aid: YES
5. Amounts concerned	Total estimated cost: EUR 14 400 000 Total amount of EU budget contribution: EUR 13 000 000 This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 1 400 000	
6. Aid modality and implementation modality	Project modality Direct management: grants — call for proposals	
7 a) DAC code(s)	15160 Human rights 15180 Ending violence against women and girls 16010 Social/welfare services	
b) Main Delivery Channel	International NGOs 21000 / official development aid (ODA)	

8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	☐	x	☐
	Aid to environment	x	☐	☐
	Gender equality (including Women In Development)	☐	x	☐
	Trade Development	x	☐	☐
	Reproductive, Maternal, New born and child health	☐	☐	x
	RIO Convention markers	**Not targeted**	**Significant objective**	**Main objective**
	Biological diversity	x	☐	☐
	Combat desertification	x	☐	☐
	Climate change mitigation	x	☐	☐
	Climate change adaptation	x	☐	☐
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			
10. SDGs	Primary SDG: 16. Peace, justice and strong institutions Secondary SDG: 3. ‘Ensure healthy lives and promote well-being for all at all ages’			

SUMMARY

It is estimated that eight million children worldwide, around 90 % of whom are not orphans, are living in institutions where they are at high risk of physical and psychological violence, abuse and neglect, undermining their ability to reach their full potential and exposing them to further risks of social exclusion. Many more millions of children are deprived of the care of their family and lack the proper alternative care (be it informal or formal) that they need to grow up safely and well in extended families - foster - or community based-care solutions.

Investing in the promotion of the protection of the rights of the child, including the best interest of the child (a right, a general principle and a procedure) is a priority for the European Union. Ensuring children’s transition from institutions to quality alternative care, in line with the UN's 2009 *Guidelines for the alternative care of children,* is an important objective within the Union[1]. However, very few specific actions have been supported through EU external cooperation and this has delayed the development of a body of knowledge and experience to act in this area. Specific orientations were proposed in a 2016 study[2], *Towards the right care for children*, which highlighted the significant scale of the problem in many countries and the need to build stronger child protection systems in non-EU countries to provide quality care for children deprived of parental care.

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1 Notably under IPA II, the European Structural Funds, the European Regional Development Fund, the Social Investment Package and the 2013 *Recommendations for investing in children: breaking the cycle of disadvantage*. Common guidelines and a toolkit were also released in 2012 to guide this transition.

2 *Towards the right care for children: orientations for reforming alternative care systems* (Africa, Asia, Latin America, December 2016, SOS Children’s Villages International with the collaboration of CELCIS). The report was funded by the EU but its content is the sole responsibility of the author.

In the broader context of the implementation of the EU's 2017 *Guidelines for the promotion and protection of the rights of the child*, in particular the emphasis on promoting quality alternative care for children deprived of parental care and providing them with appropriate support to participate in community life and access mainstream services, the Commission intends to support initiatives to prevent family and child separation, take children out of harmful institutions and provide appropriate and quality alternative care for those deprived of parental care. These should be based on a careful assessment and determination of their best interests, in line with the UN's 2009 *Guidelines for the alternative care of children*. The aim is to reach the most vulnerable children left behind and in need of such care.

The overall objective of this call for proposal is to ensure better outcomes for children by ensuring better implementation of the UN's *Guidelines for the alternative care of children* in their entirety, so that children enjoy equal chances to reach their full potential in societies.

The specific objectives of the action are to prevent the separation of children from their families, to provide quality alternative care meeting the emotional and developmental needs of children who are deprived of parental care, and to support the transition from institutional to foster or community-based care. The action will help national authorities to reform their alternative care systems and implement existing legislation in order to build stronger child protection systems.

This action is relevant to the 2030 agenda for sustainable development, in particular SDG 16 (peace, justice and strong institutions) and Target 16.2 (ending abuse, exploitation, trafficking and all forms of violence and torture against children).

1. CONTEXT

1.1 Thematic area

1.1.1 Public Policy Assessment and EU Policy Framework

The promotion of the protection of the rights of the child is core EU values and reflected in its legal and political framework.

a) The EU's **2017 *Guidelines on the promotion and protection of the rights of the child*** reiterate its commitment to children through its external action. They are based on the UN Convention on the Rights of the Child and its four general principles of non-discrimination, the best interests of the child, the right to life, survival and development, and respect for children's views. Through the *Guidelines*, the EU seeks to promote and protect equally all the rights that children have, focusing especially on the most marginalised children in an effort to leave no child behind. The *Guidelines* stress the need to pursue a system-strengthening approach, based on the 'general measures of implementation' in UNCRC General Comment 51, to ensure that partner countries' systems are better able to protect and fulfil children's rights. A system approach to child protection requires states to protect the rights of all children with appropriate measures, structures and resources (legislation and policies, budget allocations, service provision, coordinating and monitoring bodies, data collection, awareness-raising and training).

The action proposed in this document — providing quality alternative care for children deprived of parental care[3], better meeting their emotional, social and development needs, and promoting a transition from institutional to community-based care — is seen as contributing in governments' efforts to reform their child protection systems. The EU *Guidelines* refer specifically to the importance of promoting alternative care for children and providing them with appropriate support to participate in community life and access mainstream services.

b) In its **action plan on human rights and democracy 2015-2019**, the EU commits itself to promoting, protecting and fulfilling children's rights, prioritising support for partner countries' efforts in this area, with a particular focus on:

   – strengthening child protection systems so as to protect children from violence, exploitation, abuse and neglect; and

   – children's economic, social and cultural rights (education, health, nutrition, social protection, etc.).

c) **In the EU**, the promotion of quality alternative care for children (in line with the UN's *Guidelines for the alternative care of children*) and the de-institutionalisation of children have been a priority and are considered as a case of social investment in the best interests of the child. The EU has supported several de-institutionalisation programmes in eastern European countries. The **European Structural Funds**, for instance, are being used to support action to pre-empt the need for institutional care and to promote alternative care for children and community-based care services. Under its **PROGRESS programme**, the Commission supported a number of social innovation projects which sought new ways of supporting young children living in care, e.g. mentoring. The successor **European programme for employment and social innovation** is supporting a joint action on de-institutionalisation, led by the European Social Network. The **instrument for pre-accession** (IPA I) also focused on this objective and **IPA II** links to the employment and social reform programmes, in which de-institutionalisation has been identified as a challenge for social reform. Under the Rights, Equality and Citizenship Programme, the EU has funded a number of transnational projects aiming at building child protection capacity in the area of alternative care.[4]

   The EU's **social investment package** and 2013 *Recommendations on investing in children: breaking the cycle of disadvantage* provide guidance on de-institutionalisation and call for a broad approach combining prevention and quality services. They emphasise the need to prevent children's removal from their family where possible and require Member States to stop the expansion of institutional care-settings for children. They

[3] The 2009 UN's *Guidelines for the alternative care of children* define children without parental care as 'all children not in the overnight care of at least one of their parents, for whatever reason and under whatever circumstances' and therefore needing alternative care solutions. The *Guidelines* define two forms of alternative care: informal care (any private arrangement provided in a family environment) and formal care (all care provided in a family environment which has been ordered by a competent administrative body or judicial authority, and all care provided in a residential environment). In terms of the environment in which it is provided, alternative care may be kinship care, foster care, other forms of family-based or family-like care placements, residential care or supervised independent living arrangements for children.

[4] See Section 4: http://ec.europa.eu/justice/fundamental-rights/files/rights_child/compilation_previously_funded_projects_rights_of_the_child_and_violence_against_children.pdf

underline that children without parental care should have access to quality services, e.g. as regards health, education and social assistance, and that their voice should count in the way these are run.

An expert group convened in 2009 by the Commissioner for Employment, Social Affairs and Equal Opportunities delivered a report[5] that identified common basic principles for promoting the rights of people living in institutions and issued the Commission and Member States with recommendations as to how to support the transition from institutional to alternative care. The group released ***Common European guidelines on the transition from institutional to community-based care***[6] and an accompanying 'toolkit'.

d) The adoption of the new **sustainable development goals** offers rare momentum for the protection of children's rights worldwide. For the first time, a specific target (no 16.2) is dedicated to addressing all forms of violence against children.

e) The UN's ***Guidelines for the alternative care of children*** support the implementation of the Convention on the Rights of the Child. They recognise children's right to be cared for by their parents and set out the parties' obligations in providing suitable alternative care when children are deprived of parental care. They provide an international child-rights framework based on principles relating to the protection of children without, or at risk of being without, appropriate care. They seek to:

   – support efforts to keep children in, or return them to, the care of their family or, where this has proved impossible, to find another appropriate permanent solution;

   – ensure that, where permanent solutions are not available or not in the child's best interests, the most suitable forms of alternative care are identified and provided in a way that promotes the child's full and harmonious development;

   – encourage and help governments to meet their responsibilities and obligations to protect children, bearing in mind the economic, social and cultural conditions families are facing; and

   – guide policies, decisions and activities relating to social protection and child welfare in both the public and the private sectors, including civil society.

f) The **UN Convention on the Rights of Persons with Disabilities** (CRPD) includes specific provisions on the rights of children with disabilities, in particular as regards independent living and inclusion in the community (Article 19), respect for the home and the family (Article 23), education (Article 24) and health (Article 25).

1.1.2 Stakeholder analysis

The **final beneficiaries** of the actions resulting from this call for proposals are children in, or in need of, formal or informal quality alternative care or at risk of being deprived of parental care, as well as their families and communities. Children will benefit from prevention and

[5] http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=614&furtherNews=yes

[6] http://deinstitutionalisationguide.eu/wp-content/uploads/Common-European-Guidelines-on-the-Transition-from-Institutional-to-Community-based-Care-English.pdf

reintegration activities under comprehensive quality care provided by local and national authorities and civil society organisations.

The **direct beneficiaries** and **stakeholders** are:

- civil society organisations, especially child protection organisations; and
- national and sub-national child protection authorities, any authority involved in social protection for children and their environment, and any related service involved in the implementation of local and national child protection systems and the transition from institutional to community-based care.

1.1.3 Priority areas for support/problem analysis

The plight of children without appropriate care is a global problem and a response is needed to uphold children's rights to protection, development, health, education and well-being. According to the most recent estimates, eight million children worldwide are estimated to be living in institutions, around 90 % of whom are not orphans. Research has repeatedly shown that institutional care is detrimental to children's growth and development, regardless of their age, and thus undermines their well-being. According to Save the Children, long-term impacts, even after children move from institutions into permanent parental care, include the underdevelopment of critical areas of the brain associated with attention, activity, learning, memory, emotional regulation and behavioural problems. Institutional care has also been widely shown to be far more expensive than family-based care, diverting limited and vital resources away from family-based alternatives and from social services geared to preventing separation in vulnerable families.

The millions of children already living in informal and formal foster care do not always benefit from the comprehensive quality care to which they are entitled and which they need to develop their full potential. Millions more are at risk of being separated from their parents as a result *inter alia* of poverty, disease, natural disaster, armed conflict, disability and discrimination. While children who are informally cared for by relatives or unrelated families may be well cared for, generally they are at greater risk of discrimination, inadequate care, abuse and exploitation than those who live with their parents. Unlike the negative effects of institutional placement, those risks are often underestimated or even ignored – but they are nonetheless real. The situation is exacerbated by factors such as discrimination, armed conflict, economic migration, lack of access to services, etc. Children are often put into formal care (on the orders of a competent authority) unnecessarily or for longer than necessary. In the absence of appropriate prevention and reintegration mechanisms, children without any form of care are among those most at risk of abuse, exploitation and trafficking. Disabled children are even more exposed to the threats of violence, abandonment, neglect and segregation, and when deprived of parental care often do not receive the forms of care that they need.

Situations in different countries are complex and vary widely. The provision of the right care, from informal care to formal family-based alternative care and residential care, must take account of local specificities and realities, and reflect the best interests of the child. While there is a lack of data on the exact numbers of children concerned, informal care appears to be the most prevalent form of alternative care in many countries. The use of residential placement largely outstrips formal family-based placements such as foster care. Many countries in Africa and Asia have seen a striking rise in the number of residential facilities, a high proportion of which operate without registration and monitoring, are often financed by private sources abroad and actively recruit children from their families (e.g. 'business orphanages' and 'voluntourism', whereby untrained foreigners are brought to work in such places for short periods to attract fees). To address this, support should be given to countries' efforts to regulate and monitor the quality and quantity of foster care provision.

2. RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Low interest and involvement of national authorities in providing quality alternative care for children and supporting the transition from institutional to community-based care.	M	According to *Towards the right care for children*, the legal framework is already in place in many countries. Civil society organisations will provide the authorities with expertise and capacity-building for implementation.
Lack of sustainability of support services beyond the lifetime of the programme.	M	Development of a sustainability plan for each country, integrating alternative care fully in local and national child protection systems, encouraging ownership and accountability by the authorities.
Difficulties in providing the comprehensive approach needed for the reintegration of children through quality community-based and alternative care solutions, and addressing root causes of the separation of children from their families.	M	Development of approaches taking account of local limitations, following a situation analysis, providing activities at multiple levels and engaging with stakeholders. The size of the grant will allow the implementation of comprehensive solutions.
Long-term need to de-institutionalise child protection systems and reform alternative care at national level.	L	To be addressed in governments' long-term child protection strategies. The projects will complement (not replace) the strategies.
Assumptions		
Enabling conditions are in place that allow civil society organisations to register and deliver alternative care programmes. CSOs' capacities are sufficient for them to provide quality alternative care and ensure a transition from institutional to community-based care.		

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

1.2 Lessons learnt

The UN's *Guidelines for the alternative care of children* endorsed by the UN General Assembly in 2009 are the key reference document but are not well and fully implemented. Five principles (in line with the *Guidelines*) should guide any action for a quality alternative care for children:

- necessity (is the placement in alternative care or the intervention necessary for the healthy development of the child?);
- appropriateness (determining which form of alternative care is suitable for the individual child);
- the child's best interests (assessing each child's individual needs);
- a preference for family-based care based on each child's context analysis rather than institutionalised care, and
- the state's responsibility to protect the rights of the child and ensure appropriate alternative care.

It is recognised that isolated actions are not sustainable if alternative care approaches are not situated firmly within the child protection framework of a country. It is therefore necessary to engage and support all actors and services involved in local and national child protection systems.

Keeping children as close as possible to their community of origin should be a priority, along with keeping siblings together. Removing a child from his or her family is to be regarded as a temporary measure of last resort.

It is well recognised that placing children in institutions has a long-term impact on their health, development and emotional well-being, starting from a very early age (it has a negative impact on brain development for children under three).

Towards the right care for children highlights the push factors driving the placement of children in alternative care. While poverty may not in itself be a reason for this, it is closely linked to many other factors, including a wide range of family problems and child protection issues. Education is both a push and a pull factor when it comes to placing children in facilities. Being orphaned is not a major cause and there is little evidence of children being put in care because they are affected by HIV/AIDS. Parents going to work abroad seem overwhelmingly to rely on informal kinship care for their children. Children born out of wedlock are particularly likely to be placed in care, as are children from ethnic minorities and indigenous communities. The proportion of children placed in formal alternative care because of violence, abuse or neglect varies according to the degree to which the state (law enforcement, social workers) intervenes to require this.

Another finding of the study is that there is virtually no country where alternative care is provided and financed directly by the state. Non-state actors provide the bulk of residential care and several developing countries have seen a spread of residential care facilities operating without registration and monitoring, actively recruiting children from families with support from private sources (businesses, religious organisations, etc.).

1.3 Complementarity, synergy and donor coordination

This action is completely new in EU development cooperation. However, the IPA experience has been used to identify best practice and complementarity will be sought with actions implemented under the 2013 call for proposals on violence against children under the 'investing in people' instrument, several of which focused on strengthening local and national child protection systems, as well as those under the Rights, Equality and Citizenship Programme.

Complementarity could also be sought with humanitarian programmes, establishing connections to address the need for proper quality care for children displaced by conflict (refugee and internally displaced children), separated from their families or suffering from protracted crisis situations. This action will not cover children migrating with their families or unaccompanied (unless they are in the state alternative care system), as a future action document may focus on protecting migrant children. Lastly, complementarity may be found with social protection programmes where relevant.

1.4 Cross-cutting issues

A rights-based approach is ensured by prioritising the best interests of the child (as the rights-holder) and recognising the national authorities as the duty-bearer who should guarantee his/her psycho-physical well-being. The projects will generally work to strengthen local and national child protection systems, so that children's rights are fully protected and promoted, in line with the EU's 2017 *Guidelines on the protection and promotion of the rights of the child*, the UN Convention on the Rights of the Child (1989) and the 2009 UN's *Guidelines for the alternative care of children*. Action will be geared to building the capacity of state institutions to fulfil their responsibilities as regards the protection of vulnerable children.

Gender equality and girls' empowerment: particular attention will be paid to the needs of girls and boys who have been deprived of parental care, have suffered or are at risk of sexual or gender-based violence, and are exposed to physical and psychological violence in residential institutions or other forms of formal and informal care that have proved to be harmful. Projects will take account of local contexts, in particular in societies where low values in put on girls and boys. Where actions contribute to the strengthening of child protection systems, interventions should be designed using a specific 'gender lens'.

'Leave no child behind' and addressing all forms of discrimination: the push factors leading to the separation of children from their families (tackling discrimination, poverty, lack of access to services, disability, natural disaster, armed conflict, etc.) will be analysed thoroughly to ensure that they are addressed through quality care intervention. Attention will be paid to the various forms of discrimination that lead to boys and girls from specific ethnic or minority backgrounds being put into alternative care (see above).

4. DESCRIPTION OF THE ACTION

1.5 Objectives

The overall objective of this call for proposals is to ensure better outcomes for children by ensuring better implementation of the UN's *Guidelines for the alternative care of children* in their entirety, so that children enjoy equal chances to reach their full potential in societies.

The specific objectives of the action are to:

- prevent the separation of children from their families;
- provide quality alternative care for children who are deprived of parental care; and
- support the transition from institutional to community-based, family and family-like care.

The action will help national authorities to reform their alternative care systems and implement existing legislation in order to build stronger child protection systems.

This programme is relevant to the 2030 agenda for sustainable development. It contributes primarily to the gradual achievement of SDG 16 (peace, justice and strong institutions) and Target 16.2 (eliminating violence against children).

1.6 Main activities and results

The main activities that could be financed include:

1/ Encouraging and enabling government to take control of alternative care provision in line with UN's *Guidelines on alternative care of children***:**

- advocacy for reform and implementation of child protection laws and support for quality care service; identifying gaps in policies and service provision;
- engaging with governments on the proper regulation, inspection and supervision of alternative care provision;
- supporting governments to identify systems of informal and unregistered care prevalent in their countries; improving knowledge of the country, the collection of disaggregated data and the management of sustainable strategies for reform;
- building the workforce (direct informal carers, care professionals and those in related social services) at national and subnational levels, in terms of training (conducting child and family assessments, case management systems, follow-up monitoring after reintegration, forms of alternative care, training of trainers, special care for children with disabilities), status and working conditions;
- training key decision-makers, such as the judiciary and the police, on formal alternative placements;
- establishing functional 'gatekeeping' mechanisms vetting all potential admissions to the most suitable formal alternative care provision in the light of the situation, and 'opening the gate' by supporting and helping children who become too old for alternative care or leave when it is no longer necessary;
- situating alternative care firmly within the local and national child protection systems, encouraging ownership and accountability by the authorities; and
- in all strategies, assessing the specific circumstances and needs of girls and boys suffering or at risk of violence and discrimination due to their ethnic or minority background, disabilities, geographical location (remote and isolated areas), etc., in order to provide them with the right care.

2/ Preventing the separation of children from their families:

- analysing and addressing the push factors leading to the separation of children from their families, with a focus on combating violence and all forms of discrimination against children and ensuring that all children have inclusive access to basic services;
- raising awareness among families and communities on the rights of the child and the importance of protecting boys and girls, and providing them with a stable nurturing environment; countering perceptions that institutional placement is necessary and raising awareness of the risks of unnecessary separation; reducing communities' stigmatisation

of, and discrimination against, children on the grounds of disability or ethnic or minority background;

– strengthening inclusive local and national child protection systems to address children's needs, by establishing effective 'gatekeeping' mechanisms and preventing separation;

– helping to make vulnerable families more resilient so that they can care for their children better (e.g. social protection, conditional cash transfer, income-generating activities, etc.); and

– training medical professionals in antenatal and maternity services to prevent infants being abandoned or placed in institutions (particularly in the case of disabled children).

3/ Providing quality alternative care for children who are deprived of parental care

– identifying and proposing the best alternative care for children (informal, formal, family-based, residential) depending on the child's individual needs, the cultural contexts and the circumstances, and to the highest possible standards;

– assessing individual children's needs; providing comprehensive quality care catering as far as possible to their needs, characteristics, situations and wishes until they can be reunited with their families and communities;

– promoting children's and adults' participation in the care decision and service delivery review, and making sure the children's voices are heard; and

– preventing unnecessary or unsuitable care placements and proposing quality improvements in existing care settings.

4/ Supporting the transition from institutional to community-based care

– identifying and supporting strategies for closing the most unsuitable institutions and residential care facilities;

– identifying and supporting long-term integrated strategies for the gradual de-institutionalisation of entire alternative care systems;

– raising awareness at all levels (among citizens, authorities, civil society organisations, faith-based groups, fundraisers, etc.) of harmful and unsuitable forms of alternative care and associated practices; and

– preparing and implementing family- and community-based solutions for the reintegration and rehabilitation of children taken out of institutions; providing access to essential services, with special attention to deprived and remote areas and to children facing discrimination (on grounds of disability, ethnic or minority background, etc.).

Results

➢ Governments act as agents of change by providing and monitoring the quality care that children need, backed with adequate human resources, greater knowledge and national implementing strategies in line with the highest possible standards.

➢ Children benefit from quality alternative care, with 'gatekeeping' mechanisms to ensure the right provision of care, follow-up and post-care preparation.

- Fewer children are separated from their families, as families understand the need to let children grow up safely in their home communities so that they can reach their full potential, and benefit from support to provide care where needed.
- Strong local and national child protection systems are put in place as families are better supported in their role as primary carers..
- Fewer children are placed in institutions that prove detrimental to their personal well-being and development, and governments are engaged in the gradual de-institutionalisation of alternative care systems and closure of the most harmful residential care facilities, promoting the inclusive reintegration of children into local communities.
- The specific needs of boys and girls exposed to gender-based violence and discrimination based on ethnic or minority background, disabilities, etc. are met through the organisation of quality care and the prevention of institutionalisation.

1.7 Intervention logic

Projects under this call will focus on comprehensive approaches to alternative care for children and the transition from institutional to community-based care, rather than isolated activities. Situating alternative care firmly within the local and national child protection systems will have a greater impact and lead to sustainable change, encouraging ownership and accountability by the authorities beyond the implementation of the action itself. Projects will be informed by a ‘theory of change’ explaining the expected outputs, outcomes and impacts, with sound monitoring and evaluation of the action taken.

Projects could involve partnership with research institutions with a view to:

- gathering evidence;
- sharing and enhancing knowledge (e.g. country profiles, overviews of the care situation, attitudes and perceptions, current human and financial resources, state supervision, specific needs of boys and girls suffering or at risk of discrimination);
- improving data collection and management; and
- linking up with existing platforms or networks.

Projects should follow the UN's *Guidelines for the alternative care of children* and *Moving forward: implementing the guidelines for the alternative care of children*. Proposals will be assessed (under the relevance criterion) for consistency with these two documents.

5. IMPLEMENTATION

1.8 Financing agreement

It is not envisaged that implementation of this action will involve a financing agreement with the partner country under Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

1.9 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 1.52 will be carried out and the corresponding contracts and agreements implemented, is 80 months from the date on which the Commission adopts 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 technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014 [7].

1.10 Implementation Modality

1.10.1.1 Grants – call for proposals: *Quality alternative care for children and de-institutionalisation* (direct management)

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

The overall objective of this call for proposals is to ensure better outcomes for children by ensuring better implementation of the UN's *Guidelines for the alternative care of children* in their entirety, so that children enjoy equal chances to reach their full potential in societies.

The specific objectives of the action are to:

- prevent the separation of children from their families;
- provide inclusive quality alternative care for children who are deprived of parental care; and
- support the transition from institutional to community-based care.

The action will help national authorities to reform their alternative care systems and implement existing legislation in order to build stronger child protection systems.

(b) Eligibility conditions

In application of Article 8(7) of Regulation (EU) No 236/2014, eligible applicants and co-applicant(s) must be:

- a legal person;
- non-profit making;
- a civil society organisation (this includes non-governmental non-profit organisations, community-based organisations, private-sector non-profit agencies, institutions and organisations and networks thereof at local, national, regional and international level); co-applicants may also be a public or local authority;
- established in an EU Member State or a developing country; and
- directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

[7] Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action (OJ L 77, 15.3.2014, p. 95–108).

International public-sector organisations set up under international agreements, specialised agencies set up by such organisations, and other organisations that form part of such international organisations (e.g. the International Committee of the Red Cross and the International Federation of National Red Cross and Red Crescent Societies) are not eligible.

At least one public or local authority from each country in which the action takes place must be involved in the project as co-applicant or associate and the rationale for the choice of authority must be set out in the project description. If the authority is an associate, it must provide a letter expressing its support for the application. The public authority can be a ministry and/or agency responsible for children (e.g. child protection agency or service, national guardianship institution, ministry for children, child protection, education, health, social affairs or justice, children's ombudsperson and/or national human rights institute for children, responsible regional authority, etc.). Local authorities are defined in Annex IIB to Regulation (EU) No 233/2014[8].

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant will be EUR 3 000 000 and grants may be awarded to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (implementation period) is 48 months.

Child protection/safeguarding policy: as underlined in the EU's *Guidelines on the promotion and protection of the rights of the child*, every organisation working directly with children should adopt a child safeguarding policy. Given the subject matter of this call, child safeguarding should be central to project design and implementation. The applicant should submit a copy of its child protection/safeguarding policy, which should include standards on:

- policy;
- people;
- procedures; and
- accountability.

More information can be found in *Child safeguarding standards and how to implement them* issued by Keeping Children Safe[9].

(c) Essential selection and award criteria

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

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

(d) Maximum rate of co-financing

The maximum rate of co-financing for grants under this call is 90 % of the eligible costs of the action.

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[8] Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (OJ L 77, 15.3.2014, p. 44–76).

[9] http://ec.europa.eu/justice/fundamental-rights/files/rights_child/standards_child_protection_kcsc_en.pdf

In accordance with Article 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum rate 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 for launch of the call

Last quarter of 2017.

1.11 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, subject to the following provisions.

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.

1.12 Indicative budget

	EU contribution (EUR)	**Indicative third-party contribution, (EUR)**
5.3.1.1. Call for proposals *Quality alternative care for children and de-institutionalisation* (direct management)	13 000 000	1 400 000
Total	13 000 000	1 400 000

1.13 Organisational set-up and responsibilities

The call for proposals will be managed in Brussels. The grant contracts will be managed by the Commission at HQ or by the EU Delegation in the case of projects targeting one country only.

1.14 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 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) or the list of result indicators (for budget support). 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).

1.15 Evaluation

Having regard to the nature of the action (Call for Proposals) a final evaluation will not be carried out for this action or its components[10].

The Commission shall inform the implementing partner at least 60 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.

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

1.16 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.

1.17 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 1.12 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

[10] Each project will have to foresee final evaluation but the Call for Proposals in itself will not be evaluated.

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.

EN

This action is funded by the European Union

ANNEX 3

of the Commission Implementing Decision on the annual action programme 2017 part 2 for the theme Human Development of the Global Public Goods and Challenges programme

Action Document for Collect More Spend Better: EU support to developing countries in the area of domestic revenue mobilisation and domestic public finance

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 grants awarded directly without a call for proposals: 5.3.1.1 and 5.3.1.2

1. Title/basic act/ CRIS number	Collect More Spend Better: EU support to developing countries in the area of domestic revenue mobilisation and domestic public finance CRIS number: HUM/2017/40187 financed under the Development Cooperation Instrument	
2. Zone benefiting from the action/location	Global The action shall be carried out at the following location: developing countries	
3. Programming document	DCI – Multiannual Indicative Programme 2014-2017 of the Thematic Programme "Global Public Goods and Challenges"	
4. Sector of concentration/ thematic area	Human development — Good governance — Domestic revenue mobilisation — Inclusive and sustainable growth and jobs	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 66 000 000 Total amount of EU budget contribution EUR 17 000 000 This action is co-financed in joint co-financing by: – *Managing Natural Resource Wealth Trust Fund:* Switzerland: USD 7 M Norway: USD 5 M Netherlands: USD 4.4 M Canada and the UK are considering funding	

<table>
<tr><td></td><td colspan="4">– Global Partnership on Procurement:

Switzerland: CHF 5 M
France: EUR 3 M
Netherlands: 2 M

– Debt Management Facility

- Switzerland: EUR 6.5 M
- Netherlands: EUR 5.5 M
- Austria: EUR 3.6 M
- Russia: EUR 3.4 M
- Germany: EUR 2.6 M
- Norway: EUR 2.4 M</td></tr>
<tr><td>6. Aid modality and implementation modalities</td><td colspan="4">Project modality
Direct management — grants — direct award
Indirect management with the World Bank Group</td></tr>
<tr><td>7 a) DAC code(s)</td><td colspan="4">15114 Domestic revenue mobilisation
15111 Public finance management</td></tr>
<tr><td>b) Main Delivery Channel</td><td colspan="4">International Monetary Fund — 43000
World Bank — 44001</td></tr>
<tr><td rowspan="11">8. Markers (from CRIS DAC form)</td><td>General policy objective</td><td>Not targeted</td><td>Significant objective</td><td>Main objective</td></tr>
<tr><td>Participation development/good governance</td><td>☐</td><td>☐</td><td>☑</td></tr>
<tr><td>Aid to environment</td><td>☑</td><td>☐</td><td>☐</td></tr>
<tr><td>Gender equality (including Women In Development)</td><td>☑</td><td>☐</td><td>☐</td></tr>
<tr><td>Trade Development</td><td>☑</td><td>☐</td><td>☐</td></tr>
<tr><td>Reproductive, Maternal, New born and child health</td><td>☑</td><td>☐</td><td>☐</td></tr>
<tr><td>RIO Convention markers</td><td>Not targeted</td><td>Significant objective</td><td>Main objective</td></tr>
<tr><td>Biological diversity</td><td>☑</td><td>☐</td><td>☐</td></tr>
<tr><td>Combat desertification</td><td>☑</td><td>☐</td><td>☐</td></tr>
<tr><td>Climate change mitigation</td><td>☑</td><td>☐</td><td>☐</td></tr>
<tr><td>Climate change adaptation</td><td>☑</td><td>☐</td><td>☐</td></tr>
<tr><td>9. Global Public Goods and Challenges (GPGC) thematic flagships</td><td colspan="4">Flagship 10. Domestic revenue mobilisation initiative for inclusive growth and development[1] [2]</td></tr>
</table>

[1] https://ec.europa.eu/europeaid/sites/devco/files/com_collectmore-spendbetter_20150713_en.pdf.

[2] https://ec.europa.eu/europeaid/sites/devco/files/mip-global-public-goods-and-challenges-2014-2020-c20145072_en_0.pdf .

10. SDGs	SDG1: End poverty in all its forms everywhere SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all SDG10: Reduce income inequality within and among countries SDG16:Promote just, peaceful and inclusive societies SDG17: Revitalise the global partnership for sustainable development

SUMMARY

Implementing the 2030 agenda for sustainable development requires sound domestic public finance systems to foster fair and effective domestic revenue collection and use. The mobilisation and effective use of domestic public finance provides by far the largest and most stable source available for financing sustainable development.

Despite sustained growth rates and abundant natural resources, many developing countries, particularly low income countries, have not been able to mobilise sufficient revenues to step up expenditures in a sustainable manner and finance their own development.

Considering the Commission's experience in this field and the potential it has to contribute to development objectives, the current proposal has been put forward to further strengthen the support to current or new global initiatives under the Commission staff working Document "Collect More and Spend Better":

1. The managing natural resource wealth trust fund (MNRW-TF) aims to foster a better management of natural resource wealth in selected low-income and lower middle income countries which will lead to improve domestic revenue mobilisation for achieving the sustainable development goals (SDGs).

2. The public finance management partnership programme (PFM PP) aims to support public finance management reforms in EU partner countries and selected International Monetary Fund members. Domestic public finance has a key role in providing essential goods and services to all, in particular for the poor population, and in catalysing other sources of finance.

3. The global partnership on procurement aims to promote high-quality procurement, so that public funds are spent in a fair, efficient and effective manner and the value and impact of the purchased public works, goods and services are maximised.

4. The objective of the debt management facility is to strengthen debt management capacity in developing countries. The Joint World Bank- International Monetary Fund Facility uses a programmatic approach with sequenced interventions: a debt management performance assessment (DeMPA), followed by a debt sustainability framework, a medium-term debt strategy, and the development of reform plans. Additional supported areas include strengthening capacity in domestic debt market development, subnational debt management, risk management, and access to international capital markets.

The action is directly linked to Objective 3 of the thematic area 'Employment, decent work, skills, social protection and social inclusion" of the GPGC MIP 2014-2020 which foresees a specific flagship on Domestic Revenue Mobilisation Initiative for inclusive growth and development. The action is embedded in the "Collect More Spend Better" strategy.

1 CONTEXT

1.1 Sector context and thematic area

A key message that emerged from the 3rd Conference on Financing for Development (FfD) in Addis Ababa in July 2015 is that domestic public finance should be at the heart of all countries' efforts to achieve the overriding objectives of inclusive growth, poverty eradication, gender equality and sustainable development. This was reinforced at the 2015 UN Summit: 'Transforming our World: The 2030 Agenda for Sustainable Development'. The new agenda acknowledges the vital role of domestic public finance in providing essential public goods and services to every citizen, women and men, including the most marginalised, and in catalysing other sources of finance. It specifically takes into account the harmful effects of tax avoidance, illicit financial flows and the need for countries to increase domestic revenue, develop equitable, effective, accountable and transparent institutions and ensure sustainable debt management.

Despite sustained growth rates and abundant natural resources, many developing countries face significant challenges when it comes to mobilising sufficient domestic revenues to finance their own development. Weak capacities in policy formulation and revenue administration, inability to protect and expand their tax base, tax evasion and tax avoidance, and the resulting illicit financial flows have had a major negative impact on the collection of domestic revenues in developing countries. This negative impact can be particularly detrimental to those groups of the population who are in socio-economic disadvantage, such as women, marginalised communities, inhabitants of rural areas, and children at risk of child labour.

Besides the challenges developing countries face at the national level to increase their fiscal space, the international dimension of domestic public finance has created new challenges. This has made it even harder for developing and developed countries to tackle tax evasion, tax avoidance and illicit financial flows. National approaches have proven insufficient to tackle the global challenge of mobilising domestic revenues, including revenues from natural resources, and to provide the public good of an international tax environment that is efficient, effective, fair and transparent.

Mineral resources have a great potential to contribute to growth, sustainable development and poverty reduction. In several developing countries, however, the extraction and processing of natural resources have been associated with the misuse of revenues, economic setbacks, environmental destruction, political conflict and state fragility. The evidence from many resource-rich countries shows that they are performing lower on the human development indicators than less-endowed countries. This has particularly negative effects on low-income children and women, who are more frequently victims of human rights abuses.

The fall in commodity prices has significantly worsened the fiscal positions of low-income resource-rich economies. In response, these countries are seeking to reform their natural resource and non-natural resource revenue systems.

Effective institutions and systems of public financial management (PFM) can play a critical role in implementing national policies on sustainable development and poverty reduction. Good PFM is the linchpin that ties together available resources, delivery of services, and achievement of government policy objectives. It also plays a critical role in ensuring equality of access to public services and economic opportunities for all in an effective and timely manner.

Therefore, the Commission proposed a dedicated flagship under the umbrella of the thematic Global Public Goods and Challenges programme to contribute to supporting countries to find ways of financing sustainable development in the long term and guaranteeing predictable domestic resources for the provision of public goods and services.

1.1.1 Public policy assessment and EU policy framework

This was taken up in the Commission staff working document 'Collect More — Spend Better', which builds on the policies laid out in the Commission Communication 'Tax and Development' and further reflects the discussions at the 3rd Conference on FfD. It highlights that the mobilisation and effective use of domestic public finance provides by far the largest and most stable source available for financing sustainable development. The staff working document analyses ways to support developing countries in providing the resources required to ensure the right mix of public goods and services for sustainable development. It aims to explain what the international community can do to support efforts by developing countries to improve their tax systems and to benefit more from their domestic resources, without increasing the tax burden on the poor, and help to address inequalities. The document also stresses that tax evasion and tax avoidance cannot be addressed properly without international tax cooperation in an environment where developing and developed countries can benefit from and contribute to international initiatives and standard setting. It indicates that public expenditure management is the critical 'throughput' process, which, if properly executed, should lead to revenues being converted efficiently and effectively into public goods and services. The staff working document proposes a global call for action, including a common agenda of 10 specific areas of action.

Furthermore, the Commission, together with other development partners, joined forces to launch the Addis tax initiative (ATI) during the 3rd Conference on FfD. In the spirit of the Addis Ababa action agenda and the 2030 agenda for sustainable development, the countries subscribing to the ATI declared their commitment to better mobilise and more effectively use domestic revenue and improve the fairness, transparency, efficiency and effectiveness of their tax systems in order to address inequalities. Participating development cooperation partners committed to collectively double their support in the area of domestic revenue mobilisation. Over 30 countries and regional and international organisations signed the Initiative at the launch event in Addis Ababa on 15 July 2016.

The need to promote fair and transparent tax systems was also part of the Commission Communication 'Agenda for Change' and the Commission Communication on the EU approach to Budget Support, where the assessment of the eligibility criteria for Budget Support puts more attention to domestic revenue mobilisation.

In the G20, the EU continues to support international tax cooperation to achieve a globally fair and modern international tax system, including capacity-building in developing countries (Hangzhou G20 Summit in September 2016).

Actions included in this programme are part of the 'collect more spend better' action plan. The intended support will allow the EU not only to help deliver on previous commitments but also to capitalise on the enormous impact that effective domestic revenue collection and use can have on sustainable development, good governance and poverty reduction.

1.1.2 Stakeholder analysis

The key stakeholders of this programme are the International Monetary Fund (IMF) and the World Bank Group (WB), which manage the multilateral initiatives supported by this programme.

Given their level of capacity in socio-economic and gender analysis, the WB, the IMF and other key players are expected to encourage further research and analysis of the gender and social impact and further develop methodological tools related to the policy areas covered by the programme. In particular, the IMF has recently been committed to and active in the analysis of the gender dimensions of PFM and fiscal policies. It will therefore bring in expertise on the fairness and transparency of PFM reforms, including the promotion of the objective set by the 3rd Conference on FfD to '-increase transparency and equal participation in the budgeting process, and promote gender responsive budgeting and tracking'.

The main beneficiaries of the actions are developing countries.

Managing natural resource wealth trust fund (MNRW-TF)

The IMF launched the managing natural resource wealth trust fund (MNRW-TF) in 2011 with several development partners to help countries build capacity to manage their natural resource wealth effectively. Seven donors contributed to the TF, the Commission providing the largest contribution. The recent signature of the EU-IMF strategic partnership framework has enhanced the natural partnership among the institutions, with staff engaging systematically in a strategic dialogue on improving revenue mobilisation (RM) and strengthening public financial management (PFM), and exchanging views to support the EU's budget support instrument, which provides critical assistance to developing countries alongside IMF country programmes.

Given that technical assistance through the TF will be demand-driven, it will only be provided if the authorities of the requesting country have demonstrated commitment to fair and transparent reform processes. IMF staff and external experts involved in TF-funded projects will work closely with all stakeholders, consulting them early on, and engaging them throughout the reform process.

In recipient countries, different modules will typically be handled by different ministries or agencies. These include the ministry of finance, independent revenue and/or customs agencies, petroleum and mining ministries, the offices of president and/or prime minister, extractive industries regulating bodies, national resource companies, central banks and statistical agencies.

Recipient government bodies and agencies are the immediate beneficiaries of the assistance. However, the TF experts will reach beyond this group to parliamentarians, educators, unions, NGOs and civil society organisations, including those representing the interests of women or other traditionally disempowered groups, to share their knowledge through outreach activities coordinated with the beneficiary country authorities.

Public finance management partnership programme

The thematic unit for budget support and public finance management at EuropeAid headquarters will coordinate the programme on the EU side. The headquarters' geographical services and EU delegations will be fully and duly informed of and involved in the process, from the setting of operational priorities to implementation and follow-up of assistance activities. Country ownership of support will be crucial. Coordination of activities supported by the PFM-PP with the activities of other partners will be ensured through existing donor coordination architecture in the partner countries concerned.

The PFM-PP and the activities of the IMF regional technical assistance centres (RTAC) will be fully complementary. PFM-PP will act more in the initial stages of reform processes (elaboration of diagnostics, reform action plans, initial short term assistance) and focus on catalytic, innovative action. Particular attention will be placed on fragile contexts. The RTACs will ensure the follow-up of reform implementation over the medium term, including through resident long-term technical assistance, where needed.

The IMF is also a key global partner in public finance management, which justifies the EU-IMF partnership programme in this area. The IMF as a reference international financial institution has a long track record in organising short-term expert missions in the field of macro-economy and PFM.

Global partnership on procurement

The methodology for assessing procurement systems (MAPS) was initially developed in 2003/2004 by the Organisation for Economic Cooperation and Development (OECD) and the WB to provide a common tool to analyse strengths and weaknesses of public procurement systems. Most of the work on updating the methodology is led by a specific 'MAPS stakeholders' group' which gathers international financial institutions (such as the WB, the European Bank for Reconstruction and Development, the Council of Europe Development Bank, the Inter-American Development Bank, etc.…), countries (Afghanistan, Colombia, Jamaica, Senegal, etc.…) and national cooperation agencies (such as French Cooperation Agency and German cooperation Agency etc.).

In this context, several actions are progressing in parallel: the follow up of the methodology's revised version (organising public consultation, drafting additional modules) and the set-up of the future MAPS secretariat and its funding via the WB multi-donor trust fund Global Procurement Partnership.

Debt management facility

Launched in November 2008, the debt management facility (DMF) is a multi-donor WB managed trust fund. In 2014, the WB Group launched a second round of the trust fund (DMF II) that formalises a partnership with the IMF. Experts from both institutions provide programmatic support in the different areas of debt management. Furthermore, for some of its activities the Facility works through a number of implementing partners: namely Debt Relief International, the Centre for Latin American Monetary Studies, the Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI), the West African Institute for Financial and Economic Management (WAIFEM), the United Nations Conference on Trade and Development (UNCTAD), the Commonwealth Secretariat's Debt Management Section, and Japan International Cooperation Agency (JICA). DMF support is available to all countries eligible for the World Bank's International Development Association (IDA) and IMF's Poverty Reduction and Growth Facility (PRGF). Over 75 countries and 15 subnational governments have benefitted over the last nine years. Sub-Saharan Africa is the main beneficiary with more than half of support missions.

1.1.3 Priority areas for support/problem analysis

A key message emerging from the UN summit in September 2015 is that all countries need to intensify their efforts to improve domestic revenue mobilisation and their effective use to implement nationally owned sustainable development strategies.

The mobilisation and effective use of domestic public finance provides by far the largest and most stable source available for financing sustainable development. Domestic public finance is also part of the social contract between a government and its citizens, women and men, whereby citizens pay for government activities in exchange for the services that government provides for citizens. It is essential for the well-functioning of the State and the provision of equitable and affordable public goods in line with economic and social goals.

The four actions under the present programme will contribute to enhance domestic revenue mobilisation and its effective, fair and transparent use in developing countries:

1. Managing natural resource wealth trust fund (MNRW-TF)
2. Public finance management partnership programme
3. Global partnership on procurement
4. Debt management facility

2 RISKS AND ASSUMPTIONS

Risks	**Risk level (H/M/L)**	**Mitigating measures**
Lack of gender awareness, lack of gender-sensitive approach increase existing gender inequalities	M	Gender analysis before implementing individual actions, gender disaggregated data, gender-awareness training
1. Managing natural resource wealth trust fund Lack of sustained commitment by the authorities of the recipient countries	L	Greater ownership by the authorities will be sought via increased technical assistance delivery modalities, new areas covered such as energy subsidy reform, and by engaging further on international tax issues.

Assumptions		
Commitment and ownership by recipient countries need to be enhanced		
2. Public finance management partnership programme Uncoordinated missions and follow-up	L	Joint planning of annual priorities in the IMF-EU governance forum Careful analysis of the terms of reference for each proposed mission Prior consultation of EU delegations on work plan Systematic briefings of EU delegations and Commission headquarters
Assumptions		
The IMF has a long track record in leading such missions, which should guarantee effective coordination of technical assistance work		
3. Global partnership on procurement No consensus on funding the MAPS secretariat among donors Risk of double funding by different donor instruments	M	Dialogue with donors to push for harmonised instruments and a single funding channel
Assumptions		
The WB has ample experience with trust fund management. Fiduciary risk is therefore low. The OECD is already hosting the current MAPS secretariat and has a track record in working on procurement issues. Donors are willing to keep the same structure.		
4. Debt management facility Lack of commitment to debt management in beneficiary countries	L	As a global facility, the DMF can direct its resources to the countries and institutions where its support is likely to be most effective. Furthermore, the DMF requires partner countries which require intensive support to sign a memorandum of understanding to ensure ownership and clarify expected commitments
Assumptions		
Effective debt management has inherent benefits, but realising its full potential also requires a supportive macroeconomic framework.		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Managing natural resource wealth trust fund (MNRW-TF)

Phase 1 of the MNRW-TF (2011-2016) has achieved significant success. With a total budget of USD 25 million (out of which USD 6.23 million financed by the EU), over 40 projects have been launched in over 20 countries, and important policy-based analytical work and regional peer learning events had been carried out. The MNRW-TF has assisted a large number of countries to: improve the fiscal regime governing extractive industries, making them more efficient and conducive to providing an appropriate contribution to government revenues; expand the capacity of governments to administer and oversee the revenues coming from the extractive sector; enhance the public financial management in natural resource rich countries to ensure a more effective utilisation of government revenues; improve the governance of sovereign wealth funds; and enhance the quality of the reporting of natural resource revenues to the national accounts.

The midterm evaluation of phase 1 was also positive, with overall average project ratings ranging from very good on relevance and good on other criteria. The recommendations of the evaluation have been taken into account in formulating phase 2.

At the implementation level, two important lessons have been learned from experience with other multi-donor trust funds: 1) the importance of a strong and diverse steering committee to give substantive input into the design of the annual work plans, and 2) the importance of a research component for commissioning specialised analytical work to underpin the design of TF activities and contribute to the overall learning experience for participating donors and beneficiary countries.

Public finance management partnership programme

In the field of PFM the European Commission has over time worked in partnership with the IMF (notably around the Regional Technical Assistance Centres, RTAC) and engaged in technical assistance missions on the ground under the supervision of the EU delegations. Both institutions have established a track record of close collaboration in the field and at headquarters level.

Global partnership on procurement

The contribution in the MAPS secretariat trust fund will be the first EU contribution in this area. Nevertheless, experience with Public Expenditure and Financial Accountability (PEFA) Secretariat will be taken on board.

Debt management facility

The debt management facility was initiated in 2008. EU support was agreed in 2011 with a EUR 3 000 000 contribution. The DMF has a strong track record of implementation. A 2013 external evaluation concluded positively, finding '…a strong rationale for continued support.' The lessons learned from the evaluation include the need for a managed transfer of certain responsibilities to the implementing partners, and the need for a stronger results framework.

3.2 Complementarity, synergy and donor coordination

The proposed support will complement and reinforce other programmes and activities launched by the Commission at global, regional and country levels under the multi-financial framework for 2014-2020. These programmes and activities include, but are not limited to, the following:

– The EU resource transparency initiative (EURTI) on natural resources and the new Instrument for Stability and Peace (IcSP) on promoting transparency of the minerals supply chains in conflict-affected and high-risk areas, building on the OECD experience of the Great Lakes African Region;

– The EU-IMF cooperation in the provision, through the IMF Regional Technical Centres (RTACs) in Africa, the Caribbean and the Pacific, of broader technical assistance to developing countries and their regional organisations in the fields of fiscal policy, revenue administration, PFM, macroeconomic analysis and statistics.

– The EU-IMF cooperation in providing technical assistance through the ongoing support to the Revenue Mobilisation Trust Fund.

– The EU-IMF cooperation in providing technical assistance to partner countries in the area of tax administration performance, through the ongoing support to the tax administration diagnostic assessment tool (TADAT).

– EU support may be resumed to UNCTAD’s debt management and financial analysis system (DMFAS) for operational debt management functions complementary to the DMF.

– The national programmes on budget support, particularly to ensure that domestic revenue mobilisation is at the forefront of developing countries, and to engage in these efforts while ensuring that domestic revenue mobilisation is properly addressed when assessing the eligibility criteria on macroeconomic stability, PFM, transparency and oversight of the budget.

The Commission will also be able to promote synergies with ongoing EU support to other initiatives such as:

- the extractive industries transparency initiative (EITI),
- the Forest Law Enforcement, Governance and Trade Agreements (FLEGT),
- the Kimberley process certification scheme,
- projects on environmental fiscal reform conducted by the Commission and
- other bilateral cooperation activities on public financial management within the context of budget support.

Notably, phase 2 will directly and indirectly support the EITI through its extractive industries revenue administration module and by complementing the EITI’s narrow focus through the other four modules which help countries ‘along the value chain’ to turn resource revenue into sustainable development.

Donor coordination

Managing natural resource wealth trust fund (MNRW-TF)

The multi-donor nature of the trust fund makes it an effective platform for coordination among donors. It enables a more effective and agile administration of technical assistance funding, helps ensure partner coordination, encourages a more uniform and global reach, and provides greater visibility. The governance and operational arrangements of the TF aim to reap fully these benefits.

Work under phase 2 of the MNRW-TF will continue to be guided by a steering committee (SC), composed of partner representatives and IMF staff. IMF staff will serve as the secretariat to the SC. The secretariat will ensure a regular flow of information throughout the year and, if necessary, consult informally with the SC.

Public finance management partnership programme

The public finance management partnership programme will permit to enrich donor cooperation at country level by spreading information about the results of the technical assistance missions organised in this framework. Coordination and follow-up activities will be undertaken through existing donor coordination groups in the field. The focus of the partnership will be on catalytic and innovative activities with a potential to trigger support from and synergies with other donors.

The programme is expected to complement existing longer term engagements or provide a basis for new, medium-term programmes. For example, where diagnostic assessments indicate that intensive assistance by a resident advisor would be needed to complement and anchor the follow-up work on PFM reform, long-term expert support would be considered in coordination with the respective EU delegations, and funded by multiannual indicative programme (MIP) or national indicative programme (NIP) budget envelopes (as is currently the practice). Moreover, it is expected that the recommendations generated by this programme would provide a useful basis for follow-up by IMF regional technical assistance centres, where relevant.

Global partnership on procurement

The WB global partnership on procurement (GPP) has been funded by Switzerland (SECO), France (AFD) and the Netherlands. The support to the MAPS secretariat will be channelled through a dedicated trust fund under the umbrella of the global partnership. During the first steering committee meeting in Brussels in January 2017, the SC members along with the Commission (which is still an observer as it does not participate financially yet in this initiative) decided to coordinate in three ways: 1) an active role played by all SC members during the SC meetings, in order to monitor activities led by the WB on their behalf; 2) strengthened informal coordination between SC members between the SC meetings; 3) introduce possibilities in surplus of those offered by the WB in the multi-donor trust fund internal procedures, for example to propose country level studies or peer review experts selection.

Moreover, participation in the MAPS initiative permits to strengthen cooperation between international financial institutions interested in procurement matters and with partner countries, which could actively participate in the testing phase.

The GPP will also be a useful tool to fight corruption in the partner countries. According to the OECD, procurement represents 57 % of all bribes. Therefore procurement is a priority sector in the fight against corruption.

The GPP will prove complementary to the other actions put in place by EuropeAid and the EU delegations in the area of procurement.

Debt management facility

The DMF donors meet regularly in SC meetings where progress on implementation is monitored, new priorities set out, and financing needs discussed.

3.3 Cross-cutting issues

The main cross-cutting issue promoted under this programme is good governance. Beyond providing fiscal space for development priorities, domestic revenue mobilisation is part of a social contract that underpins participation, social cohesion and helps to shape good governance. Citizens are more interested in paying taxes when they feel they are sharing in the country's overall development and getting good value for their money, and can hold their government accountable.

Reducing poverty and rising inequalities will receive specific attention within the programme. Mobilisation of additional resources and more efficient expenditure management will liberate scarce public money for poverty reduction policies. Assistance with medium term fiscal frameworks will include funding and quality of priority expenditure and poverty relevant investment.

By helping countries to work on the size and macroeconomic impact of energy subsidies and reform taxation systems, the Commission also links with broader work carried out on climate change and the fight against environment degradation. Recent research proves that the impact of removing fossil fuel subsidies would be to reduce national emissions. In addition, fuel subsidies have a regressive effect on income distribution. Their replacement by more targeted support, where needed, will contribute to equity and the reduction of inequalities.

In line with overarching IMF and WB policy goals, the gender dimensions of the programme will be considered in relation to macro-economic policies, fiscal and PFM reforms, where appropriate and feasible. In addition, greater gender balance of participation in programme activities shall be promoted.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

This programme is relevant for the 2030 agenda. Its overall objective is to contribute to the progressive achievement of SDG Goal(s): SDG1: End poverty in all its forms everywhere and SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, but also to promote progress towards Goals: SDG10: Reduce income inequality within and among countries; SDG16: Promote just, peaceful and inclusive societies; SDG17: Revitalise the global partnership for sustainable development. This does not imply a commitment by the countries benefiting from this programme.

This contribution will be achieved through enhancing sound domestic public finance systems and fostering effective environmentally and socially responsible domestic revenue mobilisation in developing countries. It covers EU support for four initiatives, with the following specific objectives.

4.1.1 Managing natural resource wealth trust fund (MNRW-TF)

The specific objective of phase 2 of the MNRW-TF is to build equitable economic policy and administrative capacities to enable the citizens of selected low-income and lower middle-income countries to derive maximum benefit from their oil, gas, and mineral resources.

Results:

The focus of the technical assistance delivered under the MNRW-TF is to support the management of non-renewable natural resources — oil, gas, coal and minerals. Based on the specific needs of developing countries rich in such resources, the TF will achieve results in the following areas: Area (1) improved and fairer extractive industries (EI) fiscal regimes, licensing and contracting; Area (2) improved, more transparent and fairer EI revenue administration; Area (3) better gender and poverty responsive EI macro-fiscal, public financial management and expenditure policy; Area (4) refined exchange rate regimes and macro prudential policies; and Area (5) improved statistics for managing natural resources, including improved capacity to collect and analyse sex-disaggregated data and gender statistics, as relevant.

4.1.2 Public finance management partnership programme

The specific objective of the initiative is to support public finance management reforms in selected IMF member countries and EU partner countries. Domestic public finance has a key role in providing essential public goods and services and in catalysing other sources of finance.

Results:

The programme will play a catalytic role in designing overall PFM strategies to strengthen and modernise budget management.

On fiscal transparency and fiscal risk management, the programme will result in enhanced fiscal reporting with a more comprehensive institutional coverage and stronger central oversight and analysis of fiscal risks and their disclosure.

Fiscal frameworks and macro-fiscal forecasting capabilities will be strengthened in selected countries.

On public investment management, the programme will aim at bolstering the institutional capacity of countries to make predictable, credible, efficient, and productive investments, including social and environmental dimensions.

Budget planning and execution will be strengthened, including improved multi-year and annual budgeting coherent with national development policies.

When choosing the topics of missions, emphasis will be on country needs and specific IMF comparative advantages to get the maximum leverage from reforms. Building basic PFM functions to foster fiscal discipline and sustainability, such as credible budgeting, treasury management, accounting and reporting, will be the priority for fragile and low-income countries. This will also include strengthened internal and external control as well as improvement in budget transparency, and some aspects will be carefully monitored (gender impacts of the proposed reforms, fiscal equity, impact of fiscal policy on inequality and on the needs of the poor).

Poverty reduction and inequalities are covered at different levels. The emphasis on improvement in public investment management will lay the foundations for inclusive growth through better project selection and execution based on national development, poverty and inequalities reduction strategies. Fiscal risk management will strengthen macroeconomic and fiscal resilience and avoid unforeseen adjustments in priority expenditure. In addition, the programme will mainly target fragile and low-income countries where poverty is highest.

4.1.3 Global partnership on procurement

The specific objective of the global partnership on procurement is to promote high-quality procurement, so that public funds are spent in an efficient and effective manner and the value and impact of the purchased public works, goods, and services is maximised.

Results:

- Develop global public goods and tools in priority areas with the potential to transform procurement practices and results. This strategic result consists mainly in maintaining the methodology itself by achieving the necessary updates, and putting in place the MAPS secretariat. The MAPS secretariat will be in charge of three actions: 1) promote clear rules and good practices defining a sound framework for procurement at the global level (which does not exist yet, unlike other fields, such as for example public accounting); 2) ensure the quality check for country studies and 3) maintain the MAPS methodology to keep it up-to-date, notably with IT technologies like e-procurement. The activities will be implemented following the model of the PEFA secretariat. Attention will be given to establishing close synergies with the PEFA methodology and the existing experience and databases.
- Support the creation of global knowledge sharing, learning and impact evaluation platforms.
- Reduce corruption and malpractices in procurement in the involved partner countries, notably by promoting good practice rules such as open tendering and competition and transparency in procurement processes.

4.1.4 Debt management facility

The specific objective of the DMF is to ensure that debt is contracted at the lowest possible cost, consistent with a prudent degree of risk, creating fiscal space in a sustainable and cost effective way.

Results:

The WB/IMF debt management facility (DMF II) provides expert assistance on debt management to developing countries. Results include improved performance assessment, reform planning and debt management strategies, as well as strengthened national capacity in the areas of debt sustainability frameworks, domestic debt market development, subnational debt management, risk management, and international capital market access. Recent new areas include contingent liabilities, and commercial funding risks.

4.2 Main activities

4.2.1 Managing natural resource wealth trust fund

To achieve the expected objectives and results, phase 2 of the MNRW-TF will support the various technical assistance activities to eligible countries, based on the specific needs of developing countries rich in such resources.

Such activities may cover, among other:

- analysis of extractive industries fiscal regimes, licensing and contracting;
- clarification of institutional responsibilities in revenue administration;
- introduction of budget system laws and supportive regulations framing macro-fiscal, public financial management and expenditure policy, including gender-responsive budget system laws;
- assessment of countries' exchange rate policy and alternative exchange rate regimes;
- development of best practices in data production and dissemination, dissemination of metadata and data on natural resources within the context of macroeconomic statistics, including on gender and social issues.

The TF will focus on 15-20 countries with an envisaged total budget of USD 30 million over 5 years. The technical assistance provided through the TF will be demand-driven. To ensure ownership, technical assistance will be provided only if the authorities of the requesting country have demonstrated commitment to fair and transparent reform. IMF staff and external experts involved in TF-funded projects will work closely with all stakeholders, consulting them early on, and engaging them throughout the reform process. The technical assistance will be delivered mostly by IMF staff, supplemented by external experts for very specialised tasks, but always backstopped by IMF headquarters staff.

4.2.2. Public finance management partnership programme

The programme will focus on building institutional capacity across the full spectrum of public financial management. It will particularly aim to respond in a flexible and agile manner in order to assist with:

- developing overarching strategies for PFM reforms on the basis of existing or new diagnostics;
- promoting fiscal transparency and fiscal risk management;
- improving public investment management; and
- improving financial integrity.

The programme will mainly target fragile states, low and lower middle-income countries, with a particular focus on, but not restricted to, those receiving EU budget support. Aspects of fiscal equity will be given consideration where appropriate.

The program delivery will focus on assessing priority reform areas and assisting the authorities in designing and implementing appropriate reforms plans through follow-up by headquarters and technical assistance missions. Regional workshops and seminars will be used to share best practices and facilitate peer-to-peer learning and networking. The technical assistance will be broadly organised as follows:

- IMF (or joint EU-IMF) headquarters-led missions will assist beneficiary countries in designing well-sequenced strategies for PFM reforms or mapping out technical assistance needs. Such advice will be tailored to country needs and implementation capacity.
- Follow-up short-term expert visits will, under the oversight of headquarters-based staff, assist in addressing technical challenges associated with implementing recommendations provided by the initial assessments.
- Training, as resources permit, in the form of regional capacity-building events aiming at bringing together country officials, European Commission staff (including in delegations), international experts, and IMF staff, to better understand PFM reforms and strengthening regional PFM networks. These would focus on managing reform, public investment management, and fiscal transparency.

4.2.3 Global partnership on procurement

The global partnership on procurement will implement several actions, which can be described as follows:

- develop comprehensive diagnostic and risk assessment tools on performance measurement and reform prioritisation. In particular, expanding and upgrading the methodology for assessing procurement systems (MAPS) system is a way to develop a comprehensive diagnostic tool that is truly anchored in countries' needs;
- enhance information infrastructure and capacity through integrated e-procurement platforms and services;
- develop standardisation and professionalisation for the global procurement framework;
- promote evidence-based decision-making through systematic procurement data collection, disclosure, and analysis;
- improve open and inclusive governance through the open contracting initiative by promoting transparency and equality / non-discrimination in participation in government contracting processes;
- Enhancing private sector's capacity in public procurement for economic growth. Analyses of market structure, dynamics and characteristics will provide a better understanding of the legal, institutional and regulatory constraints that prevent private companies from effectively participating in public contracting processes. Capacity-building initiatives will better enable the private sector, including small and medium-sized enterprises, to access the public procurement market. This capacity building initiative will also seek equal participation of women-owned enterprises. The social impact of public procurement will be taken into account.

4.2.4. Debt Management Facility

The DMF activities are a combination of technical assistance missions, knowledge management, and peer learning and outreach.

Missions are undertaken in the areas of debt management performance assessments, debt management reform plans, medium-term debt management strategies, strengthening capacity in debt sustainability frameworks, domestic debt market development, subnational debt management, risk management, and international capital market access.

4.3 Intervention logic

Domestic revenues are by far the largest and most stable source of financing development and key to promote good governance. They will have to be the main contributor to finance the achievement of the sustainable development goals. Despite sustained growth rates and abundant natural resources, many developing countries have not been able to increase their domestic revenues. The reasons for this are partly due to capacity constraints and under-performance of revenue administrations.

Revenues from extractive industries can make a significant contribution to growth, poverty reduction, and sustainable development, provided that they are managed well. Promoting better governance in extractive industries has therefore become a priority for the EU. To continue the work already initiated under phase 1 of the **MNRW-TF** and consolidate and expand the results already obtained, the Commission proposes to finance phase 2 of this TF.

On the **PFM PP**, the intervention logic foresees high quality expert missions, with a possibility of rapid mobilisation in order to be able to respond flexibly in the context of fragile countries facing exogenous shocks, a natural disaster, democratic transition or urgent adjustment needs. These missions will enable the EU to prepare its response to these crises on a soundly established technical basis.

The important efforts by the IMF and the EU in enhancing internal capacities for gender and social impact analysis will also be capitalized on in the initiative, to guarantee timely and effective responses to the poverty and inequality challenges at hand.

Regarding the **global partnership on procurement**, global public goods must be established through adequate and perennial institutional arrangements. These arrangements do not exist yet for procurement at international level (norms, quality control, professionalisation, shared data base etc.…). In this respect, two entities are needed in the field of procurement: a trust fund and a secretariat. This funding will feed the only existing trust fund, in order to make sustainable and enlarge the activities (notably on quality assurance) of the future secretariat.

The global partnership on procurement will offer the opportunity to assess good practice and formulate norms to ensure synergy between transparency, equity of access and creation of decent work opportunities for women and men.

Strengthening sovereign **debt management** will increase fiscal space and enhance access to public and private financing for development, with financing sources both foreign and domestic. This also has the potential to compensate and smooth revenue shortfalls, and contribute to the development of the domestic financial sector. Furthermore, it will contribute to an avoidance of debt crises, which usually have a devastating impact on developmental progress, both immediate and in the longer term, because of a loss of access to market financing.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with any 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 66 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 technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1.1 Grant: direct award to IMF: Managing Natural Resource Wealth Trust Fund (direct management):

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

The specific objective of Phase 2 of the MNRW-TF is to build equitable economic policy and administrative capacities to enable the citizens selected low-income and lower middle income countries to derive the maximum benefit from their oil, gas, and mineral resources.

The focus of the technical assistance delivered under the MNRW-TF is to support the management of non-renewable natural resources - oil, gas, coal and minerals. Based on the specific needs of developing countries rich in such resources, the TF will achieve results in the following areas: Area (1) improved extractive industries (EI) fiscal regimes, licensing and contracting; Area (2) improved EI revenue administration; Area (3) better EI macro-fiscal, public financial management and expenditure policy; Area (4) refined exchange rate regimes and macro prudential policies; and Area (5) improved statistics for managing natural resources.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the International Monetary Fund.

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 action has specific characteristics that require a particular type of body on account of its technical competence and its degree of specialisation (Article 190.1 (f) of Commission Delegated Regulation (EU) N° 1268/2012).

The International Monetary Fund has long-standing experience in advising developing countries. In October 2016, the EU established a strategic partnership with the IMF to provide targeted technical assistance to developing countries in a variety of topics, including a thematic focus on fiscal governance. By proposing this action, the Commission wishes to continue the support provided to the management of natural resources in its partner countries by renewing its engagement with this TF.

The Commission participation will provide for an opportunity to co-determine the strategy and priority countries of the TF via its participation in the steering group, which meets annually and is consulted via mail regularly on important aspects of the TF's implementation. Donors will be able to give guidance to the IMF by participating in the steering committee, as it will define priorities and agree consensually on the annual work plan of the TF, basing its decision on the needs of the recipient countries.

(d) Essential selection and award criteria

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

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

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 80 % of the eligible costs of the action.

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.

(f) Indicative trimester to conclude the grant agreement

Fourth trimester 2017

5.3.1.2 Grant: direct award to IMF: Public Finance Management Partnership Programme:

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

The specific objective of the initiative is to support public finance management reforms in selected IMF member countries and EU partner countries. Domestic public finance has a key role in providing essential public goods and services and in catalysing other sources of finance.

The program will play a catalytic role in designing overall PFM strategies to strengthen and modernize budget management.

In the area of fiscal transparency and fiscal risk management, the program will result in enhanced fiscal reporting with a more comprehensive institutional coverage and stronger central oversight and analysis of fiscal risks and their disclosure.

In the area of public investment management, the program will aim at bolstering countries institutional capacity to make predictable, credible, efficient, and productive investments

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the International Monetary Fund.

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 action has specific characteristics that require a particular type of body on account of its technical competence and its degree of specialisation (Article 190.1 (f) of Commission Delegated Regulation (EU) N° 1268/2012). The action requires that the technical assistance missions will be led under the supervision of an entity used to organizing such missions (recruitment of the experts, drafting of Terms of reference, analysis of the state of play of PFM reforms at country level, administrative work around these topics, access to a roster of high level experts….).

The IMF represents the reference international financial institution in the field of PFM technical assistance. It notably created and currently manages regional technical assistance centres located all over the world, which constitute the reference as technical assistance delivery bodies at regional level in development countries (for example, AFRITAC West 1 based in Abidjan, Côte d'Ivoire and responsible for delivering technical assistance in the field of PFM for the 10 francophone countries in West Africa).

(d) Essential selection and award criteria

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

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

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 100 % of the eligible costs of the action.

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.

(f) Indicative trimester to conclude the grant agreement

Fourth trimester 2017

5.3.1.3 Indirect management with the World Bank: Global Partnership on Procurement

This action may be implemented in indirect management with the World Bank Group in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails updating of MAPS, setting up of the MAPS Secretariat and support to the creation of global knowledge sharing, learning and impact evaluation platforms. This implementation is justified because WB is a reference development bank, in charge of the multi-donor trust fund of the Global Partnership on Procurement. Within this umbrella, EU funding is earmarked to pillar 1 of the Global Partnership (public goods) and namely OECD hosted secretariat, as well as pillar 3 (knowledge and impact research), deemed more consistent with a global approach of procurement matters.

The entrusted entity would carry out the following budget-implementation tasks running procurement, concluding and managing contracts.

The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management.

5.3.1.4 Indirect management with the World Bank: Debt Management Facility

The action "Debt Management Facility" may be implemented in indirect management with the World Bank Group in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the fielding of expert missions, organisation of knowledge events, training, and the contracting of specific tasks to the listed implementing partners. This implementation is justified because of the World Bank's unique knowledge and expertise in debt management, and its partnership with the IMF on this topic.

The entrusted entity would carry out the following budget-implementation tasks: running procurement, concluding and managing contracts.

The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management.

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 apply, subject to the following provisions.

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.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
5.3.1.1 — Managing Natural Resource Wealth Trust Fund		
– Direct grant to IMF (direct management)	7 000 000	Switzerland: USD 7 M Norway: USD 5 M Netherlands: USD4.4M
5.3.1.2 — Public Finance Management Partnership Programme		
– Direct grant to IMF (direct management)	5 000 000	
5.3.1.3 — Global Partnership on Procurement		
– Indirect management with the WB	2 000 000	Switzerland: CHF 5 M France: EUR 3 M Netherlands: EUR 2 M
5.3.1.4 — Debt Management Facility		
– Indirect management with the WB	3 000 000	*in EUR* Switzerland: 6.5 M Netherlands: 5.5 M Austria: 3.6 M Russia:3.4 M Germany: 2.6 M Norway: 2.4 M
Totals	**17 000 000**	**EUR 49 000 000**

5.6 Organisational set-up and responsibilities

Managing Natural Resource Wealth Trust Fund (MNRW-TF)

Work under phase 2 of the MNRW-TF will continue to be guided by a steering committee (SC) composed of partner representatives and IMF staff. The SC will be chaired by a partner representative, with the possibility of rotating the chairmanship among partners. IMF staff will serve as the secretariat to the SC. Committee meetings will be held annually, with additional meetings as necessary. When appropriate, other stakeholder organisations could be invited to participate as observers. The secretariat will ensure a regular flow of information throughout the year and, if necessary, consult informally with the SC. A report will be prepared annually (or biannually if requested by the SC) on the activities of the TF and project results. A version of the report will be made public.

The Commission's presence in decision-making bodies will ensure proper consultation on specific proposals on the use available funds, sufficient attention to EU priorities, and a diversified geographical scope on final beneficiary countries.

Public Finance Management Partnership Programme

A joint IMF-EU governance forum will be established to oversee the Public Finance Management Partnership Programme and will meet at least annually in connection with the strategic partnership framework consultation. This forum will provide the overall strategic guidance on programme priorities, approve annual work plans and discuss progress and challenges. An annual report will be produced setting out achievements, outcomes, progress against the planned activities, and work plans for subsequent years, which will be discussed at an annual meeting of the governance body. Ad hoc arrangements to address urgent intra-year requests will be accommodated if both parties agree. As described above, this meeting would cover the whole portfolio of IMF Fiscal Affairs Department's (FAD) EU-funded programs in support of PFM. There will also be close and ongoing discussion at the programme management level with the respective EU delegations on technical assistance priorities, planning and review, and specifically, consultation on any new projects. In addition, day-to-day supervision of the PFM-PP will be ensured through regular contacts between officials of the IMF FAD and the Commission/EuropeAid unit for budget support and PFM.

Global partnership on procurement

The global partnership on procurement will be implemented by the multi-donor trust fund steering committee (MDTF SC).

The MDTF SC will be comprised of MDTF donors and will be charged mainly with decisions on project selection and funding allocations, including preliminary annual allocations across different programmes, selection criteria, structure of funding windows, funding ceilings for proposals, ex-post review of activities, etc. The SC will hold semi-annual meetings complemented by virtual consultations and reviews.

The MDTF secretariat will serve as an administration and coordination body to manage activities on a daily basis. It may also support the GPP partnership council. The secretariat is housed at the World Bank, or can be established as a semi-independent entity with its own identity.

Debt management facility

The debt management facility trust fund is managed by a small secretariat (housed in the WB), supervised by a donor steering committee (co-chaired by the WB and IMF), and supported with independent expert advice by a panel of experts. The EU would be part of the steering committee, and benefit from regular DMF missions to Brussels to exchange information on debt developments. At local level, EU delegations can be involved in DMF field missions.

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. For this, 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) or the list of result indicators (for budget support). 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).

Managing Natural Resource Wealth Trust Fund (MNRW-TF)

Monitoring and evaluation of phase 2 of the MNRW-TF will be continuous and overseen by the SC. In the latter case, this will be in the context of the reports to the SC and reviewed by an independent midterm evaluation (in fiscal year 2020). Project-specific results based management (RBM) will be included in both the annual and mid-year reports, while the strategic logframe results will be included in the annual reports only. Further refinements to the logframe will be done in consultation with the SC.

Public finance management partnership programme:

FAD will engage with the Commission on the whole portfolio of projects annually. It will present a single and consistent report on progress and outcomes against the planned activities and work plans for subsequent years. This will provide a strong basis for coordination with EU country delegations and improve the Commission's ability to draw cross-country lessons and build synergies. The Commission will ensure continuous day-to-day monitoring of actions in close interaction with the EU delegations in the countries concerned.

The already mentioned joint IMF-EU governance forum will oversee the program implementation and also discuss progress and challenges and provide strategic guidance on future priorities.

Global partnership on procurement:

Knowledge-sharing and impact evaluation in thematic areas and sectors of particular interest as well as joint advocacy will be needed to continue raising awareness on the strategic role of procurement and promoting better policy decisions. The generation of rigorous evidence demonstrating the impact of procurement reform on both value-for-money and downstream sectoral development outcomes will be essential for sustaining global momentum behind the strategic role of procurement reform. Rigorous research exploring the impact of procurement innovations is in also short supply, highlighting the need to build the evidence base in procurement reforms so as to better articulate the value propositions for such initiatives. The Global Procurement Partnership includes a specific window on knowledge and impact evaluation. Performance and results will be discussed in the MDTF steering committee meetings and consultations.

Debt management facility

The debt management facility submits annual progress reports to the Steering Committee. Results are closely monitored through the logical framework agreed by the Steering Committee.

5.8 Evaluation

Given the importance of the action, mid-term and final evaluations will be carried out for this action or its components.

Managing natural resource wealth trust fund (MNRW TF):

After no fewer than three years of operation, an independent evaluation of the work carried out under phase 2 of the TF will be conducted by a team of outside experts. The evaluation, which is expected to take place in fiscal year 2020, will assess the effectiveness and sustainability of this work and formulate recommendations for improvement. The findings of the evaluation will inform discussions on operations for the remainder of this six-year phase and beyond.

Public Finance Management Partnership Programme:

All the necessary evaluations will be conducted through the joint IMF-EU governance forum, in the framework of its works and as requested by its members. The Commission may request an independent evaluation of the actions financed during the implementation period of the programme.

Global partnership on procurement

As mentioned, impact evaluations in thematic areas and sectors of particular interest as well as joint advocacy will be needed to continue raising awareness on the strategic role of procurement and promoting better policy decisions. Therefore a particular emphasis will be put on knowledge sharing and evaluation under window 3 of the planned actions dedicated to these topics. An independent evaluation of the actions financed by the MDTF may be requested by the members of the MDTF SC.

Debt Management Facility

A mid-term evaluation of phase 2 of the Debt Management Facility II is being undertaken in 2017. A final evaluation is planned for 2019.

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, reorientation of the project.

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.

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

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.

EN

This action is funded by the European Union

ANNEX 4

of the Commission Implementing Decision on the annual action programme 2017 part 2 for the theme Human Development of the Global Public Goods and Challenges programme

Action Document for Support Measures

1. Title/basic act/ CRIS number	Support measures for the 2017 annual action programme for the human development theme of the GPGC CRIS number: DCI-HUM/2017/040-121 Financed under the Development Cooperation Instrument (DCI)	
2. Zone benefiting from the action/location	Global	
3. Programming document	DCI – Multiannual Indicative Programme 2014-2017 of the Thematic Programme "Global Public Goods and Challenges"	
4. Sector of concentration/ thematic area	Human development	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 1 950 000 Total amount of EU budget contribution: EUR 1 950 000	
6. Aid modality and implementation modality	Project Modality Direct management — procurement of services	
7. DAC code(s)	n/a	

8. Markers (from CRIS DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Main objective**
	Participation development/good governance	x	☐	☐
	Aid to environment	x	☐	☐
	Gender equality (including Women In Development)	x	☐	☐
	Trade Development	x	☐	☐
	Reproductive, Maternal, New born and child health	x	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Main objective**
	Biological diversity	x	☐	☐
	Combat desertification	x	☐	☐

	Climate change mitigation	x	☐	☐
	Climate change adaptation	x	☐	☐
9. GPGC thematic flagships	NA			

SUMMARY
Support measures are foreseen, under Article 10 of the DCI Regulation, to help prepare, follow up, monitor, evaluate and audit activities to implement the human development theme of the GPGC programme and to achieve its objectives.

1 CONTEXT

1.1 Thematic area

Through the thematic programme on global public goods and challenges (GPGC), the European Union (EU) aims to help solve global problems through global development outcomes that will be inclusive and sustainable within planetary boundaries. The legal base for the GPGC programme is the DCI Regulation[1].

Reflecting the concept of global public goods (GPGs), the programme seeks to foster economically, socially and environmentally sustainable development in an integrated and holistic way. This will be done through coherent, coordinated and focused action, in complementarity with geographic programmes, in a number of key areas: environment and climate change; sustainable energy; human development; food and nutrition security and sustainable agriculture; and migration and asylum.

In line with Article 6 of the DCI Regulation, GPGC programmes provide added value; they complement and are consistent with geographical programmes, while enhancing EU capacity to react promptly and substantially when required. They address global initiatives and reflect the EU's policy priorities with regard to its internal policies, international obligations and commitments. In addition, they seek to enhance knowledge and capacity and to support global platforms and initiatives for stronger governance.

In line with the DCI Regulation, the GPGC programmes will cover all countries benefiting from the DCI, the European Development Fund (EDF) and the European Neighbourhood Instrument (ENI). To make best use of resources, the programmes will be designed to ensure mutual complementarity with other EU external instruments, with the main programmes of other donors, and with the development strategies and efforts of the partner countries.

Human development

Poverty eradication and sustainable development will only be possible if global social challenges are adequately addressed through policies aimed at ensuring a decent life for all[2].

1 Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020.

2 *A decent life for all: ending poverty and giving the world a sustainable future*, COM(2013) 92 final, Brussels, 27.2.2013.

The GPGC framework for human development in support of the goal of a decent life for all therefore seeks to address the basic needs and rights of the world's poorest people, in order to increase their resilience and to eradicate poverty now and into the future. Its approach addresses all aspects of human development through specific dedicated programmes, through objectives, results and activities within programmes in relevant sectors and through mainstreaming of key issues throughout all programmes.

The human development theme covers specific programmes in the areas of:

- health
- education, knowledge and skills
- gender equality, women empowerment and protection of women's and girls' rights
- child wellbeing
- employment, decent work, skills, social protection and social inclusion
- growth, jobs and private sector engagement.

This support will focus on key global initiatives in order to:

- contribute to internationally agreed goals on specific global public goods and challenges;
- project EU policies that address major global public goods and challenges;
- increase the EU's influence in the governance and shaping of these initiatives in line with the priorities of the Agenda for Change and consistent with other EU policies.

1.1.2 Stakeholder analysis

The action is designed to support the staff managing EU cooperation programmes addressing GPGC in the field and at headquarters. The final beneficiaries are citizens of the partner countries for whom these cooperation programmes are designed.

The main stakeholders are those requesting the support measures (HQs and delegation staff involved with programmes funded by the GPGC) and those involved in their application (such as participants in studies, training courses, workshop and conferences; specific project stakeholders involved in the identification and formulation phases, consultants, etc.).

1.2.3 Priority area for support

The priority areas for support identified for this action are: health; education; culture; gender, children; non-discrimination; employment and social protection; growth, jobs and the private sector.

2 RISKS AND ASSUMPTIONS

Given the specific nature of this action, this consideration does not apply.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The human development theme of the GPGC programme replaces the previous, seven-year 'investing in people' (IiP) programme. Under IiP, each annual action plan provided for support measures. Altogether, more than 100 contracts allowed the European Commission to perform studies, audits and evaluations to assess individual actions and steer the programme.

3.2 Complementarity, synergy and donor coordination

Technical and study facilities set up locally or regionally, existing arrangements covering monitoring and evaluation (ROM contracts, sectoral evaluation studies, Court of Auditors' reports, etc.) and training provision (the aid delivery methods contract) will complement the support measures provided specifically for GPGC implementation.

3.3 Cross-cutting issues

Cross-cutting issues (such as gender and governance) are crucial to the GPGC programme. All measures made available through this action will help analyse, deal with or address cross-cutting issues.

4 DESCRIPTION OF THE ACTION

4.1 Objectives

The overall objective is to help achieve the objectives and specific results of the 2014-2020 GPGC programme through support measures for the European Commission, including EU Delegations, to implement the programme as specified in Article 3 of the Common Implementation Rules.

4.2 Main activities

The expected results and main activities include:

– *Studies and technical assistance.* This will cover external technical and administrative expertise needed at any stage of the project cycle. The expertise may include programme and project-related studies, project identification, technical human and social analyses, project monitoring, project drafting, drafting terms of reference, evaluating tenders and calls for proposal, and advice on project implementation. Particular efforts will be made to increase evidence-based knowledge and the analytical capacity of delegations and headquarters on human development issues.

– *Conferences, seminars, workshops, training sessions, and study visits.* This will include *inter alia* organising and financing conferences, seminars, workshops, training sessions and study tours, including all related travel, accommodation, conference material, and information costs needed to ensure the events are effective.

– *Visibility, information and publications.* Visibility programmes will cover matters such as publications, website and database management, information activities, media relations and media monitoring, and the production of audiovisual material.

– *Audits.* This will cover audits of activities financed by the programme.

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 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 36 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 technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1.1 Procurement (direct management)

Subject	**Type (works, supplies, services)**	**Indicative number of contracts**	**Indicative trimester of launch of the procedure**
Support Measures	Services	15	From 2nd 2017 to 3rd 2018

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 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.

5.5 Indicative budget

	EU contribution (EUR)
5.3.1.1 — Procurement (direct management) for sectors covered by GPGC human development	1 950 000

5.6 Organisational set-up and responsibilities

The service contracts will be awarded using mainly the Commission framework contracts.

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) or the list of result indicators (for budget support). 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 via independent consultants.

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 and supported with the budget indicated in section 5.5 above.

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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.