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This action is funded by the European Union

## ANNEX

of the Commission Decision on the individual measure in favour of the State of Eritrea to be financed from the 11<sup>th</sup> European Development Fund

### Action Document for Technical Cooperation Facility

1. Title/basic act/ CRIS number	Technical Cooperation Facility CRIS number: ER/FED/039-132 financed under 11 <sup>th</sup> European Development Fund			
2. Zone benefiting from the action/location	Horn of Africa : Eritrea The action shall be carried out at the following location : Eritrea			
3. Programming document	National Indicative Programme for Eritrea 2014 - 2020			
4. Sector of concentration/ thematic area	Cross Cutting Aspect: Support to NAO and other related initiatives	DEV. Aid: YES <sup>1</sup>		
5. Amounts concerned	Total estimated cost: EUR 4 800 000 Total amount of EDF contribution: EUR 4 800 000			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Indirect management with Eritrea			
7. DAC code(s)	15110 – Public sector policy and Administrative Management 15111 – Public Finance Management			
b) Main Delivery Channel	Central Government: 11000. 11001			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective

<sup>1</sup> Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>9. Global Public Goods and Challenges (GPGC) thematic flagships</b>	N/A			
<b>10. Sustainable Development Goals (SDGs)</b>	Main SDG Goal is Goal 7 – Affordable & Clean Energy Secondary SDG Goals are: SDG Goal 1. End poverty in all its forms everywhere SDG Goal 2 – End Hunger SDG Goal 5 -Gender Equality and SDG Goal 13 -Climate Action			

## SUMMARY

The proposed Technical Cooperation Facility is to facilitate the implementation of the 10th and 11th EDF programmes for Eritrea. The TCF will be used to expedite the mobilisation of technical assistance and capacity building support in the implementation of all aspects of Eritrea-EU cooperation and especially to those relevant to the 11th EDF focal sectors (Energy and Governance). At national level, 10th EDF funded operations will continue until 2018, whilst the 11th EDF will start becoming operational in 2016. Furthermore, Eritrea might be involved in regional related activities under the 11th EDF regional envelopes.

The 11<sup>th</sup> EDF programmes are designed to support the Government of Eritrea's efforts to reduce poverty by improving socio-economic development through usage of clean, reliable, sustainable and affordable energy and by support to governance and public finance management. Economic growth will be supported by increased access to energy, sound governance macroeconomic policies, and public finance management. Activities in governance also include a programme to advance human rights by supporting the implementation of recommendations accepted by the Government of the State of Eritrea in the context of the Universal Periodic Review (UPR). Other activities include capacity development for the Ministry of Energy, and strengthening of the

Office of the National Authorising Officer (NAO) for the EDF. The EDF in Eritrea is complemented by important allocations through EU grant budget lines.

The total amount for the proposed action is estimated at EUR 4 800 000 and the indicative operational implementation period is 48 months from the date of entry into force of the financing agreement. The programme will be implemented in a project modality through indirect management with Eritrea.

## **1 CONTEXT**

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

Eritrean and international institutions often differ in their assessment of key statistical indicators. Reliable statistical data are not always available in the Eritrean context – an issue which will be addressed in the governance component of 11<sup>th</sup> EDF. Nevertheless, it is commonly accepted that Eritrea today is a least developed country, although its citizens display a high degree of resilience. It is estimated that the population is around 3.5 million<sup>2</sup>.

While Eritrea has important economic potential, including mineral resources, arable land and deep water ports, as well as human resources, it is facing considerable challenges, amongst which ensuring food security in a drought-prone environment, providing and upgrading basic social services, tackling youth employment, developing transport and communication infrastructure, and enabling the private sector to contribute to the Government of the State of Eritrea's (GSE) development activities. Private sector engagement is not yet fully complementary to GSE's development initiatives. In recognition of this, focal sector two of 11<sup>th</sup> EDF will include activities to improve the investment climate (including the formulation of a legal framework) and macro-economic policies.

In the political and development context of Eritrea, the EU opts for a comprehensive political dialogue, and follows a line of engagement, supporting the country's efforts for regional and international cooperation. The principal conclusion of the "Agenda for Change" is that objectives of development, democracy, human rights, good governance and security are intertwined. Within the framework of the political dialogue between GSE and the EU, the overall political situation, including human rights, is addressed in a constructive way.

The Eritrean-EU development cooperation is an integral part of the Eritrea-EU relationship and focuses on tangible development outcomes on the ground, by addressing a limited number of identified priority areas where the EU partnership can make a real difference.

The 11<sup>th</sup> EDF support in the energy sector will focus on: provision of off-grid electricity through investment in Photovoltaic hybrid systems (solar, batteries and generators), the rehabilitation and extension of transmission and distribution networks, increasing generation capacity for the national grid, improving energy efficiency, investment in manufacturing and recycling of solar technologies and in LPG storage facilities. Bringing new technologies and achieving sustainability of supply and demand (including financial sustainability) to Eritrea will require an adaptation of the regulatory framework. The investment in energy infrastructure will be complemented by a comprehensive package of support to the development of energy sector governance, including the overall energy

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<sup>2</sup> Eritrean Statistical office

policy and strategy, refinement of regulations and tariff structures as well as capacity development for key actors and the workforce.

The second sector of the Eritrea-EU cooperation under 11<sup>th</sup> EDF will be governance and public finance management (PFM). Building on the achievements within the programs funded from 10<sup>th</sup> EDF to develop the GSE's audit, judicial and civil service capacity, the new programme will focus on macro-economic planning and management (general statistics, regulatory framework, employment and productivity), public financial management (audit, financial statistics, fiscal policy), and the implementation of recommendations accepted by the Government of the State of Eritrea under the Universal Periodic Review, as undertaken by all UN Member States.

Cooperation under 10<sup>th</sup> EDF in the governance sector has established a level of trust between GSE and the European Union that provides an enabling framework for the 11<sup>th</sup> EDF governance agenda.

The main aim of the governance component is to enhance the government's capacity for economic, financial and fiscal management, to further develop the policy and regulatory framework for the public and private sector, and generally to improve productivity and employment. As such, the programme aims at improving the business climate concomitant with the government's capacity of economic management. It is expected to contribute to creating employment opportunities, in particular for young people, in order to curb irregular migration.

Projects funded in the framework of the governance component will go hand in hand with a regular dialogue of the EU Delegation, EU Member States and the government on migration and human rights issues under Article 8 of the Cotonou Agreement. The support may be complemented by additional activities undertaken jointly by the government and the EU to tackle the root causes of migration, including activities possibly funded from sources other than the National Indicative Programme. In the area of human rights, the governance component includes a project to support the implementation of recommendations accepted by the Government of the State of Eritrea in the context of the Universal Periodic Review (UPR). Creating a more dynamic economy capable of absorbing young people into the labour market is a particular concern for both the Government of the State of Eritrea and the European Union. Providing young people with livelihood options is a crucial objective of any society. In the Eritrean context, it is also an essential measure in order to address the scourge of irregular migration, which has cost the lives of many Eritreans and impacted negatively on the economy. The recent measures to provide more opportunities for young people and expedite their entry into the civil service and the job market by defining and even as well as providing proper salaries for them, is expected to create a more positive environment and underscores the importance of employment creation for young people. Creating employment opportunities is also vital in order to retain and expand the human resources of the country, as well as to encourage those who have left the country to return. At the same time, it is clear that to succeed these recent measures and the policy goals they are set out to achieve will require significant investment and support in technical and vocational training as well as in the overall growth of the economy.

### ***1.1.1 Public Policy Assessment and EU Policy Framework***

The proposed Technical Cooperation Facility (TCF) programme is a follow up to the previous Technical Cooperation Facilities under the 9th and 10th EDF. It provides a flexible instrument

for Capacity Development and Policy and/or expert advice to strengthen EU programmes' implementation and formulation, policy dialogue and broader donor coordination within the framework of the overall partnership between the EU and Eritrea.

### **1.1.2 Stakeholder analysis**

Key stakeholders include the NAO's offices, sector ministries and development actors concerned with the programming, implementation and monitoring of government's programmes, including the National Indicative Development Program, and EU funded projects/programmes. Other Development Partners are also key stakeholders to ensure joint and harmonised provision of capacity development and technical cooperation.

Consultations with the EU Member States, including resident and non-resident Ambassadors to Eritrea, the local private sector, social interest groups (NCEW, NUEW, NUEYS and ENCC<sup>3</sup>) as well as the UN have taken place in the sector identification phase. The principles of coordination, complementarity and division of labour of domestic and international stakeholders have also guided the choice of the key sectors for the 11th EDF. Several Member States have already identified avenues for bilateral cooperation in line with the principle of complementarity.

### **1.1.3 Priority areas for support/problem analysis**

The proposed Technical Cooperation Facility (TCF) programme will support the implementation of the National Indicative Programme (NIP) and address the challenges of capacity development and the need for external insights for formulation and implementation of projects with the National Authorizing Officer.

## **2 RISKS AND ASSUMPTIONS**

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Ownership and commitment varies over time and is influenced by multiple factors.	M	To minimise the risk of supply-driven technical cooperation, a paradigm shift will be promoted to focus primarily on the Eritrea's leadership and contribution to the process.
Fragmentation and duplication of technical cooperation initiatives.	M	To avoid fragmentation and duplication of technical cooperation initiatives, effort will be made to harmonise development partners' (such as UNDP (United Nations Development Program) technical cooperation support and promote partner-led joint agenda for capacity development.
Capacity building support undermined due to the departure	M	This risk is to be mitigated by involving concerned bodies at both institution and

<sup>3</sup> NCEW: National Confederation of Eritrean Workers; NUEW: National Union of Eritrean Women; NUEYS: National Union Eritrean Youth and Students; ENCC: Eritrean National Chamber of Commerce

of trained staff.		individual levels.
<b>Assumptions</b>		
That the political and economic stability of the country is preserved and that the public management of financial resources continues to improve.		
To sustain the results of the programme, country partners' inputs will be sought under the individual TCF commitments. Resources can include staff, managers, and involvement of senior staff, facilities and logistics.		

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

#### **3.1 Lessons learnt**

The TCF was already used under the 9<sup>th</sup> and the 10<sup>th</sup> EDF. It proved to be a flexible instrument to address issues relating to the technical capacity of the NAO. Experience has shown that the more precise and realistic the outputs are defined the better the result. As often a framework contract procedure will be used to mobilise technical assistance, it is crucial to also define precisely the requirements for the experts and to give companies sufficient lead time to identify them.

The experience of previous TCFs funded under 9th and 10th EDF as well as the global EU technical co-operation reform process have also influenced the design of the proposed TCF under 11th EDF. Implementation will follow the new EU approach to Capacity Development (CD) which (i) considers organisational strengthening and change management as crucial dimensions of CD, (ii) recognizes the fundamental importance of local ownership of CD processes and (iii) encourages co-ordination of CD support by different donors.

#### **3.2 Complementarity, synergy and donor coordination**

Capacity Development is at the core of the EU technical co-operation reform and is being mainstreamed in all EU development assistance programmes. Technical Cooperation type funds are earmarked within most of the 10<sup>th</sup> and 11<sup>th</sup> EDF National and Regional Programmes to support their implementation and enhance sustainable capacity development in their specific sectors/policies. The proposed TCF under 11th EDF will complement the Capacity development foreseen under these programmes and strengthen their implementation with provision of gap filling activities whereas necessary.

The number of development partners providing sizeable support is still limited but growing. However, in line with the current re-engagement of the Government of the State of Eritrea with development partners, the Government of the State of Eritrea, specifically the Ministry of National Development which also houses the NAO office, is committed to enhance coordination. Until now, the few development partners active in Eritrea use the UNDP initiated "Development Partners' Forum" to exchange information and to ensure a degree of complementarity. Being one of the few current development partners, the EU Delegation is routinely contacted by any interested potential development partner and maintains active exchange.

### 3.3 Cross-cutting issues

The proposed programme will support capacity development and mainstreaming of cross cutting development objectives such as Gender Equality and Woman Empowerment, Human Rights including Children Rights and Rights of people Living with Disabilities/HIV, environmental protection, and good governance. These will be reflected in all results and in the formulation and implementation of programmes.

In designing 11th EDF interventions, it will be ensured that the support provided contributes to gender equality and women's empowerment. Support will be gender-mainstreamed to ensure that both men and women benefit equally and equitably from EU supported programmes. Monitoring and evaluation frameworks will include gender-disaggregated indicators to measure progress.

The flexibility of the TCF will permit to address and support crosscutting issues through specialised small scale interventions that will support and complement ongoing projects in priority areas of EU intervention, thereby contributing to the sustainability of EU funded development cooperation.

## 4 DESCRIPTION OF THE ACTION

### 4.1 Objectives/results

The **overall objective** of the Technical Cooperation Facility 1 under 11th EDF is to contribute to the realisation of the Eritrea National Indicative Development Programme.

The **specific objective** of the Action is to improve identification, formulation, implementation, and publicity of the EU funded programmes in Eritrea as well as of other development initiatives in Eritrea

The main results will be:

- **Result 1:** Timely and effective completion of the 10th EDF Programs and implementation of the 11<sup>th</sup> EDF National Indicative Programme (NIP)/Regional Indicative Programme (RIP);
- **Result 2:** Strengthening of the capacity of the NAO and of selected line ministries and other government offices to plan, implement, monitor and evaluate EDF funded programs as well as other development initiatives;
- **Result 3:** Strengthened technical cooperation and policy dialogue between the EU and Eritrea, as well as with other development partners and regional institutions;
- **Result 4:** Enhanced communication and visibility of the partnership between Eritrea and the EU.

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development.. It contributes primarily to the progressive achievement of SDG Goal 7 – Affordable & Clean Energy (11<sup>th</sup> EDF), but also promotes progress towards Goals 2 – End Hunger (10<sup>th</sup> EDF), 1 (No

Poverty), 5 (Gender Equality) and 13 (Climate Action)<sup>4</sup>. This does not imply a commitment by the State of Eritrea, benefiting from this programme.

## **4.2 Main activities**

The primary purpose of the programme is to develop and strengthen, in a sustainable manner, the technical, administrative, coordination, monitoring and reporting systems and capacities of the NAO, with a special emphasis on the smooth implementation of the 10th and 11<sup>th</sup> EDF programmes. Additionally, support will be provided to selected line ministries and other government offices that play a crucial role in EDF implementation and whose capacities need strengthening. Activities are clustered under three categories: i) EDF Implementation, ii) Monitoring and Evaluation, iii) Capacity Development.

### **i) EDF implementation**

- establishing and maintaining systems of administration, archiving, payments and accounting for programmes and projects under EU development cooperation;
- preparation, management and documentation of tenders and calls for proposals (CfPs)
- preparation, management and documentation of internal adjustments and addenda to programmes and projects;
- subcontracting and the hiring of consultants and other technical assistance experts;
- programming, including the preparation, submission and appraisal of programme and project action documents;

### **ii) Monitoring and Evaluation**

- conducting regular field visits to monitor the implementation and progress of EDF and other actions supported by other donors and producing monitoring reports on the basis of which the NAO, line ministries and the Delegation can take evidence-based decisions
- facilitating and participating with monitoring and evaluation missions;
- advising on the identification and deployment of short-term experts, including for monitoring and evaluation and strategic planning.

### **iii) Capacity Development**

Capacity Development is foreseen for the NAO unit of the Ministry for National Development and for selected line ministries and other government offices that play a crucial role in EDF implementation.

Capacity development will be needs-driven. Capacity will be developed through various types of technical cooperation activities (see details below). It is envisaged to combine both short-term inputs with the provision of long term technical assistance to support on-the-job support,

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<sup>4</sup> Secondary goals are derived from the NIP Focal sector, namely Sustainable Agriculture and Food Security, Health, and Roads and transition to Energy with gender as a main cross cutting issue.



coaching and technical advisory services. Where relevant, short and long-term formal training, including degree and post-graduate training, will be envisaged.

The proposed programme will provide the following types of technical cooperation :

**Policy and Advisory Technical Committee:** Ad hoc short term expert advice on specific aspects related to the implementation and formulation of NIP/RIP.

**Preparatory TC:** Ad hoc expert advice, feasibility and preparatory studies, specific sector surveys and assessments relevant to the formulation of future programmes.

**Implementation TC:** Strengthen operational implementation of ongoing EU programmes within the Eritrean EDF NIP and RIP, whereas the necessary means are not provided under the respective global / individual commitments (gap-filling action).

**Capacity Development TC :** Access to knowledge and skills, exposure to practices, training; peer-exchange, secondment, coaching & mentoring, participation to/ organisation of national and international conferences and seminars, facilitation of leadership development, learning processes and change management. In view of the expected surge in scope of EDF and other development partner funded programmes, capacity development activities are pertinent. These could take the shape of long term technical assistance and / or short term targeted support, as applicable.

#### **4.3 Intervention logic**

The National Authorising Office is the custodian of the NIP and is housed in the Ministry for National Development which has the mandate to coordinate development partner supported interventions. This programme will contribute to successful implementation of EDF funded programmes, and also to enhancing coordination of other interventions towards achieving Eritrea's development objectives. It is envisaged that the objectives and results of the programme will be achieved through the provision of technical assistance to support systems strengthening of the NAO and the Ministry of National Development.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) No 2015/322.

### **5.3 Implementation of the budget support component**

N/A

### **5.4 Implementation modalities**

#### **5.4.1. Indirect management with the partner country**

This action with the objective of 1) Strengthening implementation and formulation of the Eritrea - EC/EU cooperation and broader donor coordination; 2) Providing policy and/or expert advice and knowledge sharing; 3) Supporting Capacity Development, supervision and monitoring of EDF funded programmes may be implemented in indirect management with the State of Eritrea in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323 according to the following modalities :

The State of Eritrea will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 100 000 (or lower, based on a risk assessment) and may apply ex post control for procurement contracts up to that threshold. The Commission will control ex ante the contracting procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the State of Eritrea for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and up to EUR 300 000 for grants.

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

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable in accordance with Article 36 of Regulation (EU) 2015/323 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the State of Eritrea shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) No 2015/323, will be laid down in the financing agreement concluded with the State of Eritrea.

## 5.5 Scope of geographical eligibility for procurement and grants

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

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

## 5.6 Indicative budget

Module	Amount in EUR	Third party contribution
<b>5.4.1. Indirect management with Eritrea</b>	<b>4 420 000</b>	<b>0</b>
a) Technical Assistance (both long term and ad-hoc) (policy/advisory, identification, formulation, audit, monitoring and evaluation)	2 820 000	0
b) Capacity Development Facility (Training, Conferences and Seminars, Capacity Building)	1 600 000	0
<b>5.9 Evaluation and 5.10 Audit</b>	<b>80 000</b>	<b>0</b>
<b>5.11 Communication and visibility</b>	<b>100 000</b>	<b>0</b>
<b>Contingencies</b>	<b>200 000</b>	<b>0</b>
<b>TOTALS</b>	<b>4 800 000</b>	<b>0</b>

## **5.7 Organisational set-up and responsibilities**

The National Authorising Office will directly contract or authorise the Delegation to contract services and actions on its behalf. The National Authorising Office and the Commission, represented by the Delegation to Eritrea, will meet regularly to ascertain what services and actions need to be contracted and how best to do this to support the objective.

Implementation will be carried out primarily through:

- a) Long, medium and short term services contracts: consultancy firms, specialised Non-State Actors or individual experts will be identified according to EDF procurement procedures by means of service contracts contracted by the NAO. Framework Contracts will be contracted directly by the European Commission when and if they are used.
- b) Programme estimates will be prepared for procurement of supplies, award of grants, incidental expenses such as interpretation and secretarial services, rental, equipment, participation fees, fees for enrolment in studies, and other expenses for conferences and seminars. They will be implemented through decentralised direct operations.

## **5.8 Performance monitoring and reporting**

Monitoring should take place at several levels from impact/outcomes to all inputs into a programme. In line with the Paris Declaration and Management for Development Results Agenda focus will be on jointly agreed results-frameworks rather than on “Technical Cooperation narrow” outcomes.

A mix of qualitative and quantitative indicators will be adopted to capture both tangible and intangible dimensions of capacity. Amongst the suggested performance-tracking indicators :

- Technical Cooperation -outputs indicators: (i) Timely and quality outputs of advisory technical cooperation; (ii) Timely and successful identification and formulation of 11<sup>th</sup> EDF NIP/RIP programmes or projects; (iii) Successful implementation, evaluation or audit of programmes/projects under the 10<sup>th</sup> and 11<sup>th</sup> EDF NIP/RIP; (iv) Number of harmonised/joint donor Technical Cooperation initiatives; (v) Effective mainstreaming of cross-cutting issues in national/EU development policies and programmes; (vi) Evaluation reports of participants on training activities attended, records of attendance at trainings, seminars and conferences.
- Qualitative indicators : use of new/improved internal processes, review of policy and legal framework, staff competency, quality of leadership and management of poverty reduction strategies/programmes/projects.

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. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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

## **5.9 Evaluation**

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

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to sustainability.

The final evaluation will be carried out for accountability and learning purposes at various levels.

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.

Indicatively, two evaluation service contracts shall be concluded under a framework contract in 2018 and in 2020 for the mid-term and final evaluation respectively.

## **5.10 Audit**

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

Indicatively, one contract for audit services shall be concluded under a framework contract at the end of the action.

## **5.11 Communication and visibility**

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

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in 5.6 above.

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

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

## APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR COMPONENT "CAPACITY DEVELOPMENT OF NAO" ONLY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: where missing, targets will be set; new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
<b>Overall objective: Impact</b>	To contribute to the realisation of the Eritrea National Indicative Development Programme	<ul style="list-style-type: none"> <li>▪ Increase in investment (both domestic as well as ODA) in development initiatives</li> <li>▪ GDP Growth</li> <li>▪ Increase in Foreign Direct Investments (FDI – Inward)</li> <li>▪ Human Development Index (HDI)</li> </ul>	<p>Ideally, to be drawn from the partner's strategy</p> <p>➤ 0.3% (2015)<sup>5</sup></p> <p>➤ FDI (2015)<sup>6</sup> Flows: 49 (\$ millions)</p> <p>➤ HDI (2014): 0.391<sup>7</sup> (Rank: 186 out of 188 countries)</p>	<p>Ideally, to be drawn from the partner's strategy</p> <p>➤ (2017) 3.4%<sup>8</sup></p> <p>➤ Increase in FDI (2020)</p> <p>➤ HDI : 0.518<sup>9</sup> (2020)</p>	<p>- National Statistics</p> <p>- African Economic Outlook</p> <p>- World Investment Report (UNCTAD)</p> <p>- Human Development Report (UNDP)</p>	Continued commitment to the country's development agenda by the State of Eritrea.
<b>Specific objective(s): Outcome(s)</b>	Improve identification, formulation, implementation, and publicity of the EU funded programmes in Eritrea as well as of other development initiatives in Eritrea	<ul style="list-style-type: none"> <li>▪ Number of financing agreements signed.</li> <li>▪ % of NIP resources contracted</li> <li>▪ % of amount under the EDF still to be contracted or paid (RAL) against total amount committed.</li> <li>▪ % of payments versus amounts committed.</li> <li>▪ Number of contracts closed.</li> </ul>	<p>➤ EUR 200 000 000 from the 11<sup>th</sup> EDF to be contracted</p> <p>➤ EUR 30 006 272 from the 10<sup>th</sup> EDF still to be contracted/paid</p> <p>➤ 13 (May 2017) contracts to</p>	<p>➤ Draft AD for entire 11<sup>th</sup> NIP available by mid-2017.</p> <p>➤ 100% of the 11<sup>th</sup> EDF contracted by end of 2018.</p> <p>➤ 90% of payments made within contractual obligation.</p> <p>➤ 100% of contracts expecting closure.</p>	<p>- EAMRs</p> <p>- CRIS</p> <p>- ToRs</p> <p>- Project audits</p> <p>- Implementation reports</p>	<p>- Political and economic stability</p> <p>- Adequate assessment of Eritrea absorption capacity and support needs.</p> <p>- EU Delegation capacities improve in tandem.</p> <p>- Availability of adequate expertise in EDF procedures and of</p>

<sup>5</sup> African Economic Outlook 2016 - AfDB, OECD, UNDP

<sup>6</sup> World Report 2016 - UNCTAD

<sup>7</sup> Low Human Development category (Human Development Report 2016 - UNDP)

<sup>8</sup> Projection by AfDB, OECD and UNDP

<sup>9</sup> Average for countries in Sub-Saharan Africa (Human Development Report 2016 - UNDP)

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		<ul style="list-style-type: none"> <li>Amounts of ineligible expenditures</li> </ul>	<p>be closed</p> <p>➤ 15.85% (2016)</p>	<p>➤ Amount of ineligible expenditures reduced by 25% compared to 10<sup>th</sup> EDF</p>		<p>experience drawing up ToRs and tender documents.</p>
Outputs	<p><b>Result 1:</b> Timely and effective completion of the 10th EDF Programs and implementation of the 11<sup>th</sup> EDF National Indicative Programme (NIP)/Regional Indicative Programme (RIP)</p>	<ul style="list-style-type: none"> <li>Time required approving a project from identification to financing decision.</li> <li>Status of AD produced and approved with NAO involvement</li> <li>% of EU projects/programmes being implemented fully and timely</li> <li>Annual monitoring plan is developed by NAO and adhere to</li> <li>Regional projects formulated, implemented, monitored and evaluated</li> <li>Improved Aid information management system in place</li> </ul>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>0</p> <p>N/A</p>	<p>Maximum 6 months</p> <p>➤ 100% (2020)</p> <p>➤ 100% (2020)</p> <p>➤ 80% of all projects are monitor each year and reports produced (2020)</p> <p>➤ NAO Office involved in all RIP actions concerning Eritrea (2019)</p> <p>➤ Development aid flow reports produced on quarterly basis (2019)</p>	<ul style="list-style-type: none"> <li>Progress and final reports of assignments</li> <li>Training reports</li> <li>Action Documents</li> <li>CRIS and internal information at NAO and EU Delegation</li> <li>EAMR KPIs</li> <li>QSG reports</li> <li>Aid disbursement reports</li> </ul>	<ul style="list-style-type: none"> <li>Involvement and mobilisation of the NAO to ensure ownership.</li> <li>Human resources with the right technical expertise are assigned to the NAO Office.</li> <li>There is close cooperation with EUDs in the Horn of Africa and with the RECs (particularly IGAD)</li> </ul>
	<p><b>Result 2:</b> The capacity of the NAO and of selected line ministries and other government offices to plan, implement, monitor and evaluate EDF funded programs as well as other development initiatives is strengthened.</p>	<ul style="list-style-type: none"> <li>NAO Office staff number.</li> <li>Recruitment of a long term TA in support of the NAO Office</li> <li>Number of staff members trained / number of training done.</li> </ul>	N/A	<p>➤ NAO adequately staffed by mid-2017</p> <p>➤ Long term TA contract awarded by Q2 of 2017</p> <p>➤ 100% of staff trained in EDF procedures by mid- 2017</p>	<ul style="list-style-type: none"> <li>EAMRs</li> <li>Performance assessment forms of the trainings conducted.</li> </ul>	<ul style="list-style-type: none"> <li>Training is provided to NAO staff to equip them with the necessary skills and competencies to carry out the tasks f the PCM.</li> <li>Staff remain in position</li> </ul>
	<p><b>Result 3:</b> Strengthened technical cooperation and policy dialogue between the EU and Eritrea, as well as with other development partners and regional institutions.</p>	<ul style="list-style-type: none"> <li>Status of meetings between EUD, NAO and line ministries.</li> <li>Status of consultative and dialogue meetings with development partners.</li> </ul>	<p>Ad-hoc basis</p> <p>Ad-hoc basis</p>	<p>➤ Technical coordination meetings are held regularly (monthly and on ad-hoc basis)</p> <p>➤ Consultative and dialogue meetings take place bi-annually &amp; on</p>	<ul style="list-style-type: none"> <li>Minutes of meetings</li> <li>EAMRs</li> </ul>	<ul style="list-style-type: none"> <li>Constructive political and policy dialogue continue to exist between the State of Eritrea GoSE and the EU.</li> <li>Aid coordination architecture is in place.</li> </ul>



	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
				ad-hoc basis		
	<b>Result 4:</b> Enhanced communication and visibility of the partnership between Eritrea and the EU.	<ul style="list-style-type: none"> <li>▪ Project communication and visibility plans in place</li> <li>▪ EU visibility is ensured at handover ceremonies and other relevant functions</li> <li>▪ Satisfaction of NAO partners, beneficiaries and stakeholders with EU support</li> </ul>	50%  N/A  N/A	<ul style="list-style-type: none"> <li>➤ 100% programmes have a communication and visibility plan (2020)</li> <li>➤ 80% of visibility events are covered by the media (2020)</li> </ul>	<ul style="list-style-type: none"> <li>- Communication and visibility plan</li> <li>- EAMR</li> <li>- Mid-term and final evaluation of projects to which TCF has contributed.</li> <li>- Surveys of project managers and project beneficiaries.</li> </ul>	Relations between Eritrea and the EU remain cordial.