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This action is funded by the European Union

ANNEX

of the Commission Decision on an individual measure in favour of The Gambia to be funded from the 11th European Development Fund

Action Document for "Contribution to the Africa Investment Facility (AfIF) in support of the Energy Sector and Transport Infrastructure in The Gambia"

<table>
<tr><td>1. Title/basic act/ CRIS number</td><td colspan="4">Contribution to the Africa Investment Facility in support of the Energy and Transport Infrastructures in The Gambia
CRIS number: GM/FED/040-572
Financed under the 11th European Development Fund (EDF)</td></tr>
<tr><td>2. Zone benefiting from the action/location</td><td colspan="4">The Gambia</td></tr>
<tr><td>3. Programming document</td><td colspan="4"></td></tr>
<tr><td>4. Sector of concentration/ thematic area</td><td colspan="4">Priority area 3 – Renewable Energy/Climate change/Infrastructure</td></tr>
<tr><td>5. Amounts concerned</td><td colspan="4">Total estimated cost: EUR 22 000 000
Total amount of EDF contribution: EUR 22 000 000</td></tr>
<tr><td>6. Aid modalities and implementation modalities</td><td colspan="4">Project Modality
This action regarding the Africa Investment Facility (AfIF) shall be implemented in indirect management by entities to be indicated in complementary financing decisions to be adopted at the end of the AfIF project procedure.</td></tr>
<tr><td>7. DAC code(s)</td><td colspan="4">210 – Transport and storage
230 – Energy generation, distribution and efficiency</td></tr>
<tr><td rowspan="4">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>X</td><td>☐</td></tr>
<tr><td>Aid to environment</td><td>☐</td><td>X</td><td>☐</td></tr>
<tr><td>Gender equality (including</td><td>☐</td><td>X</td><td>☐</td></tr>
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	Women In Development)			
	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. Sustainable Development Goals (SDGs)	Main SDG: 7 "Affordable and clean Energy" and 9 "Industry, innovation and infrastructure" Secondary SDG : 1 ("End poverty in all its forms everywhere"), 5 ("Achieve gender equality and empower all women and girls") and 13 ("Take urgent action to combat climate change and its impacts")			

SUMMARY:

The overall objective of this project is to contribute to The Gambia's economic and social development through the access to sustainable energy and improved transportation and access to the market.

The energy sector is a very pertinent choice for The Gambia. Demand for energy is not properly satisfied in The Gambia: the electricity sector is facing various challenges, biomass and fuel wood are a major component of the energy mix. At the moment, there is no significant renewable energy penetration and the electricity sector experiences frequent load shedding, suppression of demand and breakdown of material. Against this background, the project aims at enhancing access to sustainable energy and reliable electricity, reduce the costs of electricity and enabling access of decentralised communities to basic social services, in line with environmental and climate change objectives and ensuring an inclusive and sustainable development.

The completion of the bridge over the Gambia River is also a priority for national and regional integration. The TransGambia Bridge, currently under construction, will allow free traffic flow between the northern and southern parts of both The Gambia and Senegal, reducing the barriers to national and regional trade and reinforcing cohesion among previously isolated communities.

The project contributes to the African Investment Facility (AfIF) to support the Energy and Transport sectors in The Gambia.

1. CONTEXT

The change of leadership in The Gambia in January 2017 opened a new chapter in EU-Gambia relations. Already in early February 2017, the EU Commissioner for Development and International Co-operation visited Banjul to express the full support of the EU to the agenda of the new government, based on democratic reforms in full respect of human rights and the rule of law. The new government has inherited a very difficult macroeconomic situation and a politically divided country after 22 years of authoritarian rule and needs international support to avoid any slipping back.

1.1. Sector context

Energy sector

The energy sector in The Gambia is characterised by the predominance of biomass and fuel wood and oil imports. At the moment there is no significant renewable energy penetration in The Gambia, hydropower resources are inexistent and wind energy resources are rather low. The abundant solar resource has not been put to use yet.

Despite the existence of a multisectoral regulator that has made progress in legislation, the electricity sector continuous to be dominated by the National Water and Electricity Company (NAWEC). Although a feed-in tariff of USDc 15 exists this has not been practically exploited and the only Independent Power Producer (IPP) has already been handed over to NAWEC control.

The electricity system at the moment is an isolated system with no interconnection to neighbouring Senegal. This will change with the arrival of the high voltage transmission line interconnection called Gambia River Basin Development Organisation (OMVG) that will connect the Gambia to its 4 neighbouring countries and allow for more energy security. Until now, the electricity sector is facing challenges with frequent load shedding, suppression of demand and breakdown of material, namely diesel and Heavy Fuel Oil (HFO) generators. This fact has led the new government to set energy as a priority for the country due to its impact to several other sectors, including tourism.

The regulator and the national utility have mentioned two important projects that are in the planning phase. These projects will add 60 and 35 MW fuel based capacity (HFO) to the system that is expected to fill the capacity gap and allow decommissioning of older power plants. As far as renewable energy is concerned, the utility and the Ministry have mentioned the signing of a Power Purchasing Agreement (PPA) for a 10MW grid connected solar power plant. It is not clear if the above capacities have been based on a needs assessment.

Against this background, investment in the energy sector will contribute to unlocking the growth potential of The Gambia. The Gambia can utilise donor funding to substantially improve its service to the people and to economic operators. Ensuring access to energy and reliable electricity access to the population (particularly in decentralised communities), reducing the cost of electricity, ensuring an enabling environment for energy investment and that stakeholders have sufficient capacity to play their role in a reformed electricity system, constitute the main axes for action.

Transport sector

The Gambia stretches 450 km along the Gambia River and, except for a 60 km Atlantic Ocean front, is surrounded by Senegal. The Gambia itself is divided into two distinct parts - the North and South Banks of the Gambia River. This geography does not only make it necessary to connect the two Banks of the Gambia River for the sake of domestic transport, but also to facilitate the connection of the southern Senegalese region of Casamance to the rest of Senegal. In this respect, the completion of the ongoing construction of the TransGambia Bridge, will allow free traffic flow between the northern and southern parts of both The Gambia and Senegal. The project will therefore reduce travel time, boost trade and reinforce cohesion among communities which were previously isolated. The project will facilitate the transportation of agricultural products to markets reducing post-harvest losses and boosting socio-economic activities. It will also reduce barriers to national and regional trade, such as slow movement of freight that leads to high transaction costs and particularly benefit deprived rural areas. The project is part of the Programme for Infrastructure Development in Africa (PIDA) West Africa Coastal Corridor, linking Nouakchott to Lagos along the sea side[1].

1.1.1 Public Policy Assessment and EU Policy Framework

This programme is fully in line with EU development policy, as laid down in the new European Consensus on Development[2] and the Joint Africa-EU Strategy (JAES)[3] which defines continent to continent relations based on a shared vision and common principles. The overall objectives include sustainable economic development, industrialisation, regional and continent integration.

On transport, the overall political commitment is detailed in the National Road Transport Policy issued in May 2011 and validated by the Ministry of Works. The National Roads Authority (NRA) was created in 2006 to manage the Gambian road network. The creation of NRA and the Road Fund was a pre-condition to the implementation of the 9th EDF Support to Transport Plan project which provided technical assistance to the NRA to ensure its swift and efficient start. The National Road Transport Policy includes governmental commitments on "Poverty Reduction and Transportation", "Focus on Rural Roads" and "Heavy Vehicle Management". Concerning the latter issue, the government shows a strong will to tackle the axle load control issue and rapidly apply relevant ECOWAS regulation. This would indeed have a crucial impact on the maintenance programme.

The EU has been instrumental in bringing a major part of the primary road network back up to a reasonable standard. It has shown commitment in supporting government to address underlying core problematic issues, such as excessive damage to the roads and maintenance organisation by funding an axle load control programme. This commitment aims at facilitating access between the northern parts of the Gambia and Senegal and, therefore, reducing barriers to national and regional trade and social facilities.

[1] There are various sources of funding for the Coastal Corridor: national funds, regional funds, grants, loans

[2] OJ C 46, 24.2.2006, p. 1.

[3] http://www.africa-eu-partnership.org/key-documents.

The programme will also contribute to the action plan adopted at the Valetta Summit on Migration in November 11-12, 2015[4], in particular to the first priority domain "Development benefits of migration and addressing root causes of irregular migration and forced displacement" by boosting socio-economic development.

Energy sector

The new government has made energy a priority for the coming years. Political changes are expected to lead to rapid improvement of the fuel procurement system and to reforms such as a possible unbundling of the generation component of the utility. These reforms and their expected results (better service, NAWEC sanitisation becoming a more reliable off-taker, more renewable energy capacity, interconnection) have to be implemented in an environment of high external debt and credit risk. This would mean the need for private sector investments to fill the gap, and this would require active incentives and measures.

As indicated in the "European Consensus on Development" energy is a critically important development enabler and is central to solutions for a sustainable planet. The Gambia needs energy to promote inclusive growth and further improve standards of living. The EU strongly supports the United Nations (UN) Sustainable Development Goal 7 (SDG), on affordable and clean energy, and has been one of the leaders in the UN initiative on Sustainable Energy for All (SE4ALL) aiming at: a) ensuring universal access to modern energy services; b) doubling the share of renewable energy in the global energy mix; and c) doubling the global rate of improvement in energy efficiency. The EU's target is to help developing countries to provide access to sustainable energy services to 500 million people by 2030. These are in line with the targets established within the *Africa-EU Energy Partnership*[5].

Renewable energy/Climate Change/Infrastructures constitute priorities of the 2030 Agenda of Sustainable Development goals and the new European Consensus on Development "Our World, Our Dignity, Our Future". EUR12-15 million will be allocated to renewable energy methods (to mitigate climate change impact) and small scale rural electrification schemes. Following the *partnership* principle, exploiting the synergies with financial partners to improve the leverage effects of European Commission's grants by attracting loans (blending) constitutes a crucial aspect of the EU's efforts in this area.

Transport sector

The demand for transport is a derived demand, coming from the productive and social sectors of the economy. Increasing and sustained growth will impose higher demand on the transport system, and the transport sector has to respond by quantity and quality of transport infrastructure and services. The latest National Development Plan "Programme for Accelerated Growth and Employment" (PAGE) 2012 – 2015, was based on implementation of Vision 2020 and various sector strategies and aligned to the previous Millennium Development Goals (MDGs). The PAGE recognised the role of Transport as the artery of the modern economy and for accelerated growth and employment creation but to meet the basic connectivity role, there is a need of about USD 35.8 million per annum, which is equivalent to

[4] http://www.consilium.europa.eu/en/meetings/international-summit/2015/11/ACTION_PLAN_EN_pdf/

[5] In Lisbon in December 2007, African and European Heads of State agreed to launch the Africa-EU Energy Partnership (AEEP), as one of the eight strategic partnerships comprising the Africa-EU Joint Strategy.

7.75% of gross domestic product (GDP) (mainly for maintenance and improving conditions of existing infrastructure).

In The Gambia, support to the transport plan under the 9th and 10th EDF resulted in 277km of trunk road being built, repaired and refurbished, which has significantly improved transport of people and goods across the country, with travelling time being reduced significantly. The "Exit Strategy to the Transport Sector" constituted one of the two main sectors of the first phase of the NIP (2015-2016) of the 11th EDF and represents a short-term exit strategy to consolidate the work already done through previous EDF funding. Specific objectives include capacity building in implementing the annual maintenance plan for the road sector, as well as supporting the implementation of the ECOWAS' rules on axle load control, among others.

The EU's actions in the transport sector are in line with the 2030 Agenda and its 17 SDGs, in which transport is considered as a key contributor to sustainable development. The SDGs comprise 17 goals and 169 targets; five of those targets directly involve transport, and attaining at least another six will critically depend on it.

1.1.2. Stakeholder analysis

The Gambian State is a major stakeholder through its ministries in charge of energy (Ministry of Energy) and transport (Ministry of Works, Construction and Infrastructure), health, education as well as its associated bodies, decentralised services and local authorities involved in the projects. Public bodies and private operators participating in energy and transport activities will also be taken into account.

The populations of Banjul, Kanifing Municipality and the surrounding areas as well as the population in rural areas will be direct beneficiaries of the action. Moreover, vulnerable groups such as children and people in need of medical care will be positively affected by the project. On the other hand, improvements in the transport sector will be able to benefit the Gambian and Senegalese population, by facilitating access to services, to the market and mobility.

Multilateral and national European financial institutions will be direct partners and important stakeholders of the Africa Investment Facility (AfIF).

In accordance with Article 40 of Council Regulation (EU) 2015/323[6], financial instruments shall be implemented whenever possible under the lead of the European Investment Bank (EIB), a multilateral European financial institution such as the European Bank for Reconstruction and Development (EBRD), or a bilateral European financial institution.

The involvement of non-European financial institutions as lead financiers should be examined by the board of the Africa Investment Facility on a case-by-case basis following a targeted approach, based on the specific added value as a lead financier brought into a particular project or region. This would include those aspects in which non-European financial

[6] Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund (OJ L 58, p. 17, 3.3.2015).

institutions might contribute to fill the gap left by European financial institutions, in particular regarding their:

a. specific thorough knowledge of local conditions and presence in the region,
b. specific analytical capacities and specific expertise and know-how, notably on private sector financing and the promotion of financial instruments and/or of innovative financing tools that attract private funding,
c. specific know-how and experience in relevant sectors,
d. additional technical and/or financial capacity to substantially leverage further resources.

The role of non-European financial institutions already acting as lead in specific blending facilities should be preserved, provided that the above conditions are met. In the context of the Africa Investment Facility, it relates to the African Development Bank acting as lead financier under the conditions set above.

In accordance with the recommendations made under the EU Platform for Blending in External Cooperation, non-European financial institutions active in a particular region should be invited to attend technical and board meetings as observers.

1.1.3. Priority areas for support/problem analysis

The EU priorities in the Energy and the Transport sectors can considerably improve the living standards of the population and the economic perspectives of The Gambia in the coming years in line with the SDG principles of *prosperity* and *planet*.

Energy Sector

In The Gambia, the bulk electricity system has been affected by insufficient and inadequate capacity in generation, transmission and distribution and is marred by high levels of system failures and electricity losses. The current situation severely hampers the expansion of economic activities and affects the daily lives of The Gambian population, including the quality of basic social services such as education and health care.

The envisaged energy project will be potentially based on three components in line with renewable energy and climate change objectives:

1. On-grid photovoltaic power-station - focus in Banjul, Kanifing Municipality and surrounding areas.

2. Hybridisation of mini-grid electrical networks - regions of Basse with targeted population of 95.000 people, and Farafenni with targeted population of 61.000 people.

3. Electrification of schools and health clinics - 70% of schools in The Gambia are not connected to the grid and there is a high demand for power.

The final implementation of the latter components, especially with regards to component 1, will be contingent on the level of involvement of the lead financier and the possible involvement of the WB and national development agencies.

Transport Sector

The completion of the Bridge over the Gambia River is a priority for the economic growth of the country and the region. The completion of the 70m-wide and 942m-long bridge constitutes a major part of the Trans-Gambian corridor connecting The Gambia and Senegal and will ensure the navigability of the Gambian river.

The Gambia and Senegal are divided into two distinct parts - the North and South Banks by the Gambia River. This geography does not only make it necessary to connect the two Banks of the Gambia River by building the Gambia Bridge but it also urges use of the national transport system of the Gambia for the national integration of Senegal. To facilitate transit traffic and trade from South to North of the Gambia and Senegal, the Trans Gambia Highway needs to be adequately developed to allow free traffic flow between the northern and southern parts of both The Gambia and Senegal. Travel time will be reduced, trade boosted and cohesion amongst communities which were previously isolated, reinforced. Transportation of agricultural products to markets reducing post-harvest losses and boosting socio-economic activities will be facilitated. Trade barriers such as slow movement of freight that leads to high transaction costs would be eliminated, thereby improving national and regional trade.

The existing funding by the African Development Bank (AfDB) for the construction of the bridge would be reinforced via blending mechanisms.

2. RISKS AND ASSUMPTIONS

Energy and transport sectors

Risks	Risk level (H/M/L)	Mitigating measures
Debt sustainability could negatively impact blending operations, in particular in light of the moderate risk of debt distress according to the International Monetary Fund/World Bank (IMF/WB) debt sustainability framework.	M	Project application forms contain information about debt sustainability provided by Financial Institutions (FIs); FIs also have internal policies in terms of sovereign lending. Assessment process involves EU. Delegations and other competent services are consulted on the issue of debt sustainability and investment programmes, including the information available on IMF/WB debt sustainability framework.
The existence and implementation of favourable policies by The Gambia in energy and transport will be of high importance and should be considered when deciding about support to an operation in such a way	L	Governance, policy and capacity issues in relation to the energy sectors are addressed by the energy technical assistance facility. Delegations are involved at a very early stage in project identification, and

that a systemic impact is being aimed at.		blending operations are leveraged in the sector policy dialogue.
Blending projects crowd out private sector financing	L	The risks inherent to investment in The Gambia are a deterrent to private investment and justify the EU involvement. An assessment on the additionality of EU funds will be made in all blending operations proposed.
The results of technical assistance financed by the Africa Investment Facility to prepare preliminary studies might be negative or not conclusive for the project	L/M	Explore with the international financing institutions all the possibilities of financing technical assistance (TA) for projects which could potentially lad to bankable and sustainable projects.
Assumptions		
• A sufficiently stable political and financial climate is in place to promote and secure investments. • Financial Institutions are engaged in actively identifying projects susceptible to involve blending operations, in close cooperation with the partner country and the EU delegation. • The Gambian government continues committed to the promotion of the energy and the transport sector. • Private funds are available to finance projects.		

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1. Lessons learnt

According to the 2013 results oriented monitoring (ROM) results in which five projects were monitored (all were in global score category III) several lessons can be learned:

a. Need for closer monitoring especially to avoid delays (Support to The Gambia's National Transport Plan)
b. Major emphasis on capacity building (Support to the implementation of The Gambia – EU Cooperation)
c. Need for more collaboration between stakeholders.

3.2. Complementarity, synergy and donor coordination

Over the past years, the EU has been the only significant and reliable donor in The Gambia, with the African Development Bank, the IMF and the World Bank. There are almost no other bilateral donors. Member States (Germany, Spain, France and the UK) as well as the US have very little cooperation programmes, mainly targeting non-governmental organisations NGOs. As the only major bilateral donor in The Gambia, the EU coordinates closely with UN agencies, IMF, WB, AfDB and the Islamic Development Bank through sharing of information to avoid duplication and promote harmonisation. In this context, particular coordination and complementarity efforts will need to be done in order to maximise donors' engagement.

3.3. Cross-cutting issues

Cross cutting issues will be addressed in all activities implemented under the project. Regional organisations, partner countries and eligible financial institutions will ensure that all projects financed with EU resources respect EU principles in terms of environmental and social impact (e.g. gender issues, indigenous people's rights, governance, etc.), public procurement, state aid, and equal opportunities. All activities must also respect the principles of sound financial management with effective and proportionate anti-fraud measures as well as good governance and human rights (applying the Rights Based Approach Toolbox).

Environmental and social issues will be a key part of the project design and assessment process in terms of ensuring positive environmental and social impact of infrastructure projects, as well as climate-proofing the proposed projects. All projects will be subject to an Environmental Impact Assessment as per the AfIF guidelines in order to identify their potential environmental impacts and measures to integrate in their design, to ensure they will not result in significant adverse impacts on the environment during their construction, operation and decommissioning. All projects will be screened for their climate risk, and climate risk assessments will be carried out when necessary to guarantee climate proofing.

Energy projects can contribute to gender equality and women empowerment by engaging women throughout the value chain and in decision-making roles from which they have traditionally been excluded.

4. DESCRIPTION OF THE ACTION

4.1. Objectives/results and options

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDGs 7 "Affordable and clean Energy" and 9 "Industry, innovation and infrastructure" but also promotes progress towards Goals 1 ("End poverty in all its forms everywhere"), 5 ("Achieve gender equality and empower all women and girls") and 13 ("Take urgent action to combat climate change and its impacts"). This does not imply a commitment by The Gambia benefiting from this programme.

Energy sector

The overall objective of the action is to contribute to The Gambia's economic and social development through the access to sustainable energy.

The specific objectives for the action are:

- Improve access to energy and reliable electricity from renewable sources to the population (particularly in decentralised communities);
- Reduce the cost of electricity by reducing the need for consumption of imported fossil fuels;

- Enabling access of decentralised communities to basic social services and enabling social and professional activities;
- Reduce environmental impact of The Gambian energy sector. By supporting renewable energy and energy efficiency, the action intends to contribute to reduced greenhouse gas emissions and thus to climate change mitigation.

Expected results are:

- Increased investment in renewable energy (RE) and energy efficiency (EE) projects;
- Increased electricity generation through on-grid renewables and hybridisation of mini-grids;
- Better access to energy services for the public and business;
- Increased electricity supply in targeted education and health centres for specific vulnerable groups (children and persons in need of medical care).

Transport sector

The overall objective of the action is to contribute to The Gambia's economic and social development through improved transportation and access to the market. The population of the Project Influence Zone (PIZ) along the corridor connecting The Gambia with Senegal is estimated at 925,206 persons out of whom about 52% are women. The PIZ is predominantly rural with high agricultural production of groundnuts, rice, sorghum and vegetable but with more than 60% poverty rate. One of the main reasons behind the PIZ poverty rates is the lack of reliable transport infrastructure.

The specific objectives for the action are:

- Finalisation of the TransGambia bridge and connecting roads linked to the economic and social services in The Gambia;
- Reduce the barriers to national and regional trade, such as slow movement of freight that leads to high transaction costs;
- Reinforce cohesion among communities which were previously isolated and boost socio-economic activities.

Expected results are:

- Lower costs and shorter journey on the main national and regional transport corridors;
- Enhanced access to economic and social services (markets, schools, health centres) in the areas of intervention;
- Reduce post-harvest losses and boosting socio-economic activities;
- Creation of new jobs. It is estimated that 550 direct jobs will be created for the execution of works related to the construction of the bridge. An additional 200 jobs will be required for the upgrading of connecting roads. It is usually estimated that the same level of additional jobs (550 for the bridge and 200 for the connecting roads) are indirectly created in term of services (food, fuel, information, communication and technology (ICT), guards, intermediaries, etc...).
- Reduce poverty rates in the project intervention zones (PIZ);
- Relocation of food vendors, stall keepers, hawkers and traders of the ferry terminals;
- Improved border relations between The Gambia and Senegal.

4.2 Main activities

EU support will address projects that can swiftly and efficiently deliver results in the transport and energy sectors. All contributions will be done through the Africa Investment Facility.

Subsectors of activities:
For the transport sector, the investments will focus on finalising, in The Gambia, the main regional corridor which in accordance with the Public Interest Disclosure Act (PIDA), the West Africa coastal corridor (connecting Nouakchott and Lagos, including connection with the Cape Verde islands).

A special attention will be given by the EU and the financial institutions to better integration of sustainable policies and practices in terms of infrastructure maintenance and axe load control.

For the energy sector, investments will improve access to energy and reliable electricity from renewable sources to the population (particularly in decentralised communities).

As a general principle, the design of the proposed infrastructures takes the necessary measures related to the preservation of the investment, with regard to foreseeable climatic changes during its service life into account.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude financing agreement with the partner country, as 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 72 months from the date of entry into force of the financing agreement or, when none is concluded, from the adoption of this Action Document.

Extensions of the implementation period may be agreed upon by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322[7].

5.3 Implementation of the budget support component

n/a

[7] Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund (OJ L 58, p. 1, 3.3.2015).

5.4 Implementation modalities

5.4.1 Contribution to the Africa Investment Facility

This contribution may be implemented under indirect management with the entities called Lead Financial Institutions, and for amounts to be identified by a complementary decision, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012, applicable in accordance with Article 17 of Regulation (EU) 2015/323.

The entrusted budget-implementation tasks consist of the implementation of procurement, grants, financial instruments and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it.

The Lead Financial Institutions are not definitively known at the moment of adoption of this Action Document but are indicatively listed in its appendix. A complementary financing decision will be adopted under Article 84(3) of Regulation (EU, Euratom) No 966/2012 to determine the Lead Financial Institutions definitively.

Certain entrusted entities are currently undergoing the ex-ante assessment in accordance with Article 61(1) and 140(13) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Article 140 of Regulation (EU, Euratom) No 1605/2002, they can be entrusted with budget-implementation tasks under indirect management.

5.5 Scope of geographical eligibility for procurement and grants

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

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

5.6 Indicative budget

	EU contribution (*) (EUR)	Indicative third party contribution, in currency identified
5.4.1 Contribution to the Africa Investment Facility	22 000 000	The contributions from the financial institutions will be decided at a later stage
5.9 Evaluation, Audit	To be covered by another measure constituting a financing decision	N.A.
5.10 Communication and visibility	included in the Contribution to the AfIF (5.4.1)	The contributions from the financial institutions will be decided at a later stage
Contingencies	N.A.	N.A.
Totals	**22 000 000**	The contributions from the financial institutions will be decided at a later stage

(*)The contribution to the Africa Investment Facility includes the fees to be paid to the Lead Financial Institutions, as defined in the contractual arrangements of each specific project.

5.7 Organisational set-up and responsibilities

The organisational set-up and responsibilities are those put in place in the context of the Africa Investment Facility.

The contribution will be implemented under the governance of the EDF blending framework with a decision-making process organised in a two level structure;

- opinions on projects will be formulated by the Board, held whenever possible back-to-back with EDF Committee meetings;
- such opinions will be prepared in dedicated Technical Meetings, where the project application forms completed by the lead financial institution, in full coordination with the relevant EU Delegation and the European Commission, are assessed.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of individual projects 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 relevant minimum set of indicators defined in the EU blending results framework and the relevant indicators defined in the regional programme. 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

At the level of the individual operations, evaluation tasks will be carried out under the responsibility of the Lead Financial Institution and will be organised according to the requirements of each project.

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.

In addition, the Commission reserves the right to undertake evaluations on specific projects; in that case it shall be financed by other financial sources.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. The financing of such audit shall be covered by another measure constituting a financing decision.

5.11 Communication and visibility

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

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

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

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

Appendix

List of potential financial institutions in the lead for this project

1) African Development Bank (AfDB)
2) European Investment Bank (EIB)