



**ANNEX <NUMBER>**

of the Commission Decision on Annual Action Plan 2017 for Ethiopia

**Action Document for Technical Co-operation Facility VI**

<b>1. Title/basic act/ CRIS number</b>	Technical Co-operation Facility VI CRIS number: ET/FED/039-047 financed under 11 <sup>th</sup> European Development Fund			
<b>2. Zone benefiting from the action/location</b>	Eastern Africa, Federal Democratic Republic of Ethiopia  The action shall be carried out at the following location : Ethiopia			
<b>3. Programming document</b>	11 <sup>th</sup> EDF National Indicative Program (NIP, 2014-2020)			
<b>4. Sector of concentration/ thematic area</b>	Support Measures	DEV. Aid: YES		
<b>5. Amounts concerned</b>	Total estimated cost: EUR 8 000 000 Total amount of EDF contribution EUR 8 000 000			
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Project Modality Indirect Management with the Federal Democratic Republic of Ethiopia Indirect Management PAGODA (Delegation Agreement) with the United Nations Development Programme			
<b>7 a) DAC code(s)</b>	15110 – Public Sector Policy and Administrative Management			
<b>b) Main Delivery Channels  Detailed Channels</b>	10000 – Public Sector Institutions  12000 - Recipient Government			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	x	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	x	<input type="checkbox"/>
	Gender equality (including	<input type="checkbox"/>	x	<input type="checkbox"/>

	Women In Development)			
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	<input type="checkbox"/>	x	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	x	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	x	<input type="checkbox"/>
<b>9. Global Public Goods and Challenges (GPGC) thematic flagships</b>	None			
<b>10. SDGs</b>	<p>Main SDG Goal is Goal 1. End poverty in all its forms everywhere</p> <p>Secondary SDG Goals<sup>1</sup> are:</p> <ul style="list-style-type: none"> <li>- Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture</li> <li>- Goal 3. Ensure healthy lives and promote well-being for all at all ages</li> <li>- Goal 5. Achieve gender equality and empower all women and girls</li> <li>- Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all</li> <li>- Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</li> <li>- Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</li> </ul>			

## SUMMARY

The 11th EDF National Indicative Programme (NIP) covering the period 2014-2020 envisages a total of €745,000,000 for Development Assistance Programme in Ethiopia. The Technical Cooperation Facility aims to ensure that there is successful implementation of EU assistance in Ethiopia, improved awareness regarding the EU development cooperation.

TCF VI will provide technical assistance, trainings/seminars, capacity building to ensure successful implementation, monitoring, evaluation and closure of projects and programmes. The capacity building support will include staff of the NAO, and line Ministries managing EU financed projects/programs. It will also support the EU+ Joint Programming which facilitates dialogue between the Government of Ethiopia and Development Partners and support conduct of assessments and studies that help to identify projects/programmes to be funded by the EU.

The project among others, seeks to strengthen the capacity of the NAO to successfully manage and guide the cycle of EU cooperation programmes in Ethiopia and provide assistance to the

<sup>1</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.

Government in areas such as developing relevant sector wide development strategies, undertake studies that inform policy decision making processes, context analysis that help in defining realistic intervention logic.

## **1 CONTEXT**

### **1.1 Country context**

The European Commission and the Government of Ethiopia jointly prepared the 11<sup>th</sup> EDF National Indicative Program (NIP, 2014-2020) in line with the country's development strategies and priorities as defined in its five-year Growth and Transformation Plan II (GTP II, 2015-2020) which focuses, among others, on (i) infrastructure development, (ii) human and rural development and (iii) food security. GTP II also calls for scaling up of efforts to achieve the unfinished tasks of the Millennium Development Goals while, at the same time, moving towards achieving the Sustainable Development Goals by integrating the SDGs in to GTP II. The NIP, being in line with the GTP II embraces three focal sectors: (i) Sustainable Agriculture and Food Security, (ii) Health, and (iii) Road sector development which is in the process of transition into energy sector development. Gender and Governance are also identified priorities as cross cutting issues both in the NIP and GTP II. The NIP was signed by the two parties in June 2014 with an indicative budget of €745 000 000 and its implementation has started as of July 2014.

Whereas several development programs/projects pertaining to focal and non-focal sectors of the 11<sup>th</sup> EDF NIP are already formulated or are under formulation for financing decisions, there is, however, a capacity gap that may hinder their proper implementation.. The prevailing capacity gaps relate specifically to an inadequate understanding of EDF rules and procedures in general and the rules governing procurement procedures in particular. It is hence worthwhile to address these issues through the provision of Technical Assistance that delivers on enhanced understanding of the rules and procedures and enhances implementation and reporting capacities of the NAO, EUD and relevant implementing agency staffs using the TCF funding instrument.

Ethiopia is a country with high biodiversity and distinctive ecosystems, and the natural resource base is critical to the regional, national and local economy of an increasing population. However, degradation of natural resources is at an alarming scale, threatening the food security and resilience capacity of the people. The impacts of climate change are also tremendous, manifested mostly as drought, and in some cases as flood and heat waves. In order to address these environmental challenges, the NAO and the line ministries do not have sufficient technical and financial capacities, So, the action would enable to build the capacity gaps of these institutions to take part in the design, implementation and monitoring of environmental projects and programmes, including assessment of technical documents.

This project, through the NAO office, will also support capacity enhancement to stakeholders with demonstrated capacity gaps which are hindering the implementation of projects and programmes under their portfolio. Furthermore, other needs, linked to the cooperation between the two parties, which may emerge in the course of the TCF VI lifetime, but that cannot be programmed at this stage, (non-programmable activities), will also be addressed.

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

Ethiopia's current 5 years Growth and Transformation Plan II (GTP II) (2016 – 2020) is the overall policy framework guiding the national development of the country. GTP II is aligned with various international conventions and agreements including the Sustainable Development Goals 2030 (SDGs 2030).

The Climate Resilient Green Economy (CRGE) Strategy aims at bringing Ethiopia to a middle income status by 2025 through a net neutral carbon emission. Ethiopia has also submitted to the UNFCCC its Nationally Determined Contribution (NDC) to reduce Green House Gas Emission by 64% by 2030 relative to the business-as-usual scenario. In order to achieve these ambitious targets, Ethiopia requires substantial technical and financial support from international community. In this regard, The EU and EU Member States are playing their part in implementing the Paris Climate Agreement both in terms of domestic policy development and in their commitment to global solidarity. The EU and MS have provided and will keep providing substantial climate funding to support climate action in partner countries like Ethiopia, and they are committed to make 20% of entire EU development cooperation policies and instruments 'climate-relevant' for the period 2014-2020.

The European Union and the Federal Democratic Republic of Ethiopia have a long-standing tradition of co-operation and partnership, beginning in 1975 with the Lomé II Convention through to the current 2000-2020 Cotonou Partnership Agreement with its overarching objective of reducing, and eventually eradicating, poverty through sustainable development and gradual integration of ACP countries into the world economy. The proposed action is consistent with the EU development approach set out in the 2011 EU Agenda for Change, and the EU Gender Action Plan 2016-2020. Finally the proposed action will contribute to a more targeted and efficient delivery of aid to ensure maximum poverty reduction in line with the principles of aid effectiveness. The EU-Ethiopia partnership goes beyond aid delivery by promoting common values and interests on the global scene through political and policy dialogue.

As per the requirements set in the Cotonou Partnership Agreement between the European Union and ACP Countries, the EU-funded projects and programmes in Ethiopia have been coordinated by the office of the National Authorizing Officer (NAO), which is based at the Ministry of Finance and Economic Cooperation (MoFEC). The proposed action aims at promoting EU's historical development partnership with Ethiopia through the implementation of the next phase of the Technical Cooperation Facility VI.

### ***1.1.2 Stakeholder analysis***

A broad range of stakeholders are expected to benefit from the proposed Technical Cooperation Facility funding instrument, including, but not limited to:

- i. NAO, EUD government line ministries and other government agencies through capacity building, strategic studies, and support for programming and implementation of EU development aid;
- ii. Civil society and private sector insofar concerned and are stakeholders of EU supported development projects and programmes;;
- iii. The Government, EU Member States, and other development partners in the interest of upholding the aid effectiveness agenda.

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

Ethiopia has an ambitious development objective of becoming a lower middle income country by 2025 which imposes significant development assistance needs. The capacity challenges in managing EU funded projects/programmes could partly be alleviated through the TCF support scheme. The presence of large number of development partners in the country requires a

significant coordination effort to enhance the quality of the dialogue between the Government and its development partners.

Part of the challenges that may undermine the attainment of the stated development goals, the government's response to that end and, the mitigation measures in place are listed below:

i. Inadequate implementation capacity

The human resources in the NAO and the line Ministries are constrained with limited capacities relating to the knowledge and skill to cope with the EU rules and regulations and the changes that are made to these from time to time. Hence, to achieve the EU Ethiopia development partnership goals, it is necessary to undertake regular training.

ii. Growing demand for coordination, project preparations, studies, participation in seminars and some support in office facilities

- The presence of a significant number of development partners in the country requires a well-defined coordination mechanism and platform to ensure coordination as a prerequisite for the facilitation of bilateral and multilateral dialogues. TCF-VI will contribute towards these coordination arrangements.
- The move towards a full-fledged EU+ Joint programming also requires increasing coordination efforts from both the EU and the Government.
- The substantial EU support to Ethiopia calls for the support of specialized TAs in the areas of project preparation, studies and monitoring and evaluation of activities.

iii. Inadequate EU visibility

Despite EU being one of the major donors in Ethiopia, its development partnership has not attained the visibility that it deserves. To improve the situation, the EU Delegation in Ethiopia and the NAO have taken the initiative and engaged the services of a documentary film production company funded from TCF-V. In the future, similar initiatives are needed to increase enhanced EU communication and visibility.

A continuous engagement of different visibility promoting media services is needed to inform the wider public on the impact of the EU-Ethiopia development partnership while at the same time ensuring the visibility of EU development actions in Ethiopia.

**2. Risks and Assumptions**

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Frequent staff turnovers of those staff with better understanding of EU rules and procedures	L	Engaging in a continuous capacity enhancement activities.

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Pace of democratic governance	L	High demand to facilitate and initiate high level forum discussions among the government and the Development Assistance Group, Civil Society Organizations to improve the governance in the country as well as build trust between the government and the Civil Society.  Engage the EU and MS on Art. 8 and technical dialogues.
<b>Assumptions</b>		
The government of Ethiopia continues to appreciate the role of technical assistance in various aspects. This is linked to the current demanding development situation of the country and emerging development needs that necessitates continuous in depth studies, context analysis and investigations that guide the country's future development paths.		

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

#### **3.1 Lessons learnt**

The present Action Document proposes a TCF VI programme for Ethiopia and is informed by lessons learnt from previous TCF programmes, including:

- i. Former TCF programmes contributed in improving NAO and line Ministries staff to acquire an understanding of EDF rules and procedures necessary to implement EDF programmes; and recruit specialized TAs that contributed towards smooth implementation of the cooperation.
- ii. The Aid Effectiveness Programme funded from the TCF V supported and enabled the mainstreaming of the MDGs into the National Development Policy and strengthened the government's capacity with regard to national development planning. It also helped in facilitating policy dialogue between the government and its development partners;
- iii. TCF funding successfully supported studies that addressed cross cutting issues into the countries development planning, such as mainstreaming of nutrition into Ethiopia's Agriculture Growth flagship Programme;
- iv. The TCF funding was used to support Ethiopia to develop a short to medium term (2013-2020) coffee sector development strategy which was endorsed by the government;
- v. TCF funding contributed 1) to raising awareness on EU development support programs, 2) to the identification and compilation of scalable good practices, lessons learnt and 3) to increasing the visibility of EU supported projects and actions;
- vi. Mapping of the EU+ engagement in the Green Sector, identification of needs and gaps, will serve EU+ countries to understand the engagement of the different development actors, and will also serve as a starting point for EU+ Joint programming engagement in climate change and environment;

vii. TCF funding contributed to the finalization of the formulation of the health sector budget support programme. The support enabled to better understand the need for a common understanding of the functioning of budget support among the different stakeholders and also the necessary coordination mechanisms that need to be established to ensure smooth budget support operation.

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

The large number of development partners active in Ethiopia requires the need for strong coordination efforts to harmonize development actions. Moreover, there is an increasing need for context analysis, conduct guiding studies and assessments and building capacities that define realistic development pathways. Using resources contributed from the TCF VI will ensure that the undertakings of the Development Assistant Group are well coordinated, linked, and moving towards supporting the attainment of the country's development targets. In addition, it will facilitate the streamlining of the Sector Working Groups dialogue and will harmonise development related efforts in the country.

### ***3.3. Cross-cutting issues***

TCF VI will capitalize on supporting the realization of the 11<sup>th</sup> EDF NIP which foresees mainstreaming of cross cutting issues into EU supported development programmes. Current development programmes of Ethiopia emphasize mainstreaming of cross-cutting issues, mainly gender, nutrition, climate change, environmental sustainability, good governance and human rights. The TCF VI will address the demand for technical assistance support in the areas where local and institutional capacities require support.

The NAO and the line Ministries will be able to increase their capacity on gender mainstreaming and its implementation within the sectoral policies. The gender mainstreaming manual produced in each line Ministry will be the starting point of the capacity building actions. Close coordination with the gender directorates within the line Ministries will be needed. In addition, a gender analysis, which will study the differences between women and men in their assigned gender roles in the different sectors is needed to define appropriate actions and ensure gender sensitiveness of the cooperation programs.

**Gender equality:** Men and women must have equal rights and opportunities in all areas of society and the economy if sustainable development is to be achieved. A gender mainstreaming where seen necessary and required and will be in place for all actions under the 11th EDF programmes. Equal opportunities will be adhered to at all times.

It is for the first time that Sector Budget Support is being considered for actions related to environment and climate change. To ensure smooth implementation of the sector budget support, there is a need to build the existing capacity gaps of the NAO and the implementing ministries. The Climate Resilient Green Economy Strategy has already been mainstreamed into the Growth and Transformation Plan of the Country, and is implemented by six line Ministries which contribute to greenhouse gas emissions, while the overall technical coordination of the Climate Resilient Green Economy Strategy rests with the Ministry of Environment Forest and Climate Change (MEFCC). However, the MEFCC is a young institution with little capacity to discharge the responsibility to make Ethiopia meet its international and national climate change and environmental commitments. The implementing ministries also do not have the required

technical capacity. So, the action, if materialized, can contribute positively towards improved capacity of these institutions.

#### **4. DESCRIPTION OF THE ACTION**

##### **4.1. Objectives/results**

**Overall objective:** To improve the effectiveness of development cooperation programmes in Ethiopia and in particular of the Development Cooperation Programmes of the EU, of the EU Member States, and of Norway

##### **4.1.1. Specific Objectives:**

- i. Improved technical, administrative, operational, and communication capacity of the NAO office and of relevant sector ministries to guide, implement and monitor the EDF supported project and programmes.
- ii. Context analysis, studies, formulation and needs assessment exercises as well as policy dialogue and coordination activities are implemented.

##### **Outputs/results:**

- Output 1: Trainings and technical assistance activities are successfully completed.
- Output 2: Improved Communication and Visibility for EU supported development actions.
- Output 3 Sector and project and programme specific analysis are successfully concluded.
- Output 4 Improved Coordination among the donors, the Ministry of Finance and the Sector Ministries

##### **4.2. Main activities**

With the objective to improve the implementation of the cooperation between Ethiopia and the European Union, the support would, among others, include the following activities:

- i. Administrative Support for NAO and line Ministries for activities including, salaries, per diems, crucial office facilities and supplies, joint missions, conferences, experience sharing visits, monitoring and evaluation of projects, short-term training on procedures and programme managers, fuel, organizing retreats, and training. .
- ii. Technical assistance to the NAO, and Line Ministries on aspects related to EU-Ethiopia Cooperation, including the identification, formulation and implementation of projects and programs.
- iii. Studies, analysis, assessments that bridge knowledge gaps and necessary to define realistic capacity building and development programs that will be financed by the EU aid. Studies also contribute to the realization of projects and programs defined to address the focal sectors under 11<sup>th</sup> EDF NIP.
- iv. Support to the EU+ Joint Programming process in coordination with EU+ Member States;
- v. Contribution to the wider aid effectiveness agenda with the Development Assistance Group in line with EU+ Joint programming;

- vi. Promotion of Communication and visibility of EU+ MS Ethiopia cooperation in line with the visibility action plans of each project and programme;
- vii. Audit and evaluation of the TCF VI activities and of other EDF funded actions.

#### ***4.3. Intervention logic***

The NAO and government line ministries are closely involved in all aspects of the project cycle of the actions funded by the 11<sup>th</sup> EDF programme. These government institutions have limitations in the capacity to manage the EDF-funded programmes and to effectively coordinate the activities by its international donors. The support to the office of the NAO will enable it to have additional administrative resources to improve the ability to intervene with the EDF-supported projects and programmes. The Technical Assistance will enable the office of the NAO and relevant line ministries to better manage the EDF-supported projects and programmes.

In addition to the technical assistance, the office of the NAO also needs to have access to specific technical knowledge to undertake studies, analysis, evaluations and independent audits. Providing support will increase the quality of the implementation of the 11<sup>th</sup> EDF programmes thereby increasing the impact on the developmental of Ethiopia. This includes support to the Joint programming and general donor coordination.

EU and Ethiopia recently signed a document on strategic engagement where by, climate change is one of the key pillars and hence due attention need to be given. In addition to this both EU and NAO will need to be committed to make sure that all ToRs and studies will have to be gender mainstreamed and the necessary actions will take place to that effect.

Each EDF project has its own visibility interventions, but is limited to the scope and sector in which it is active. By providing funds for communication and visibility actions through the TCF VI, it will be possible to undertake visibility action related to the overall development relationship between the EU and Ethiopia, increasing the visibility and understanding of EU development cooperation with Ethiopia.

### **5. Implementation**

#### ***5.1. Financing agreement***

In order to implement this action, it is foreseen to conclude a 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 4.1 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.

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

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

*N.A.*

### **5.4 Implementation modalities**

#### **5.4.1.1 Indirect management with an international organisation PAGODA (Delegation Agreement)**

A part of this action may be implemented in indirect management with the United Nations Development Programme in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) No 323/2015. This implementation entails the provision of technical and administrative support to the Development Assistance Group, which is the body that ensures the coordination among donors and enhances dialogue between the government and development partners. This also includes support to the Technical Working Groups and subgroups that are working as part of the Development Assistance Group. This implementation is justified because The United Nations Development Programme is presently supporting the donor coordination, it has the technical capacity, and it has the institutional mandate to support donor coordination.

The entrusted entity would carry out the following budget-implementation tasks, recruitment of technical assistance, production and dissemination of information materials on development policies, organisation of conferences and workshops, and contracts for information technology infrastructure.

#### **5.4.1.2. Indirect management with partner country**

A part of this action with the objective of Administrative support to NAO and line Ministries may be implemented in indirect management with Ministry of Finance and Economic Cooperation (MoFEC) National Authorizing Officer in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of the Regulation (EU) No. 323/2015 according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures. The Commission will control ex ante the grant procedures for all grant contracts.

Payments are executed by the Commission.

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

a) Overview of implementation

<b>Activity/objective/result and location</b>	<b>Type of financing</b>
Administrative support to the NAO Office and Line Ministries; all over Ethiopia. Output 1	Operating grant.
Technical assistance to NAO and line ministries; Mostly in Addis Ababa Output 1	Service contracts
Studies and analysis; all over Ethiopia Output 3	Service contracts

**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.

**5.6. Indicative budget**

	<b>EU contribution (amount in EUR)</b>	Indicative Third Party contribution
<b>Administrative Support to NAO and Ministries</b>		
5.4.1.2. Administrative Support to NAO and Line Ministries (including retreats office facilities, participation in conferences) (Output 1; activity i)	2 800 000	0
<b>Technical cooperation facility</b>		
5.4.1.2 Technical assistance, to NAO and line ministries (Output 3 activity ii)	1 172 728	0
5.4.1.2 Studies, project formulation, sector analysis, and monitoring and evaluation (Output 3 activities iii, iv, and vii)	2 200 000	
5.4.1.1. Donor coordination (Output 4 activity v)	300,000	0
<b>Horizontal issues</b>		
5.9 – 5.10 Audit & Evaluation	300 000	0
5.11. Communication and visibility (Output 2 activity vi)	500 000	0
Contingencies	727 272	0
<b>Total</b>	<b>8 000 000</b>	<b>0</b>

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

The Administrative support to the NAO and Line Ministries involved in implementing EU-supported actions will be implemented through an operating grant Ministry of Finance and Economic Cooperation. The Technical assistance to the NAO and Line Ministries, will be implemented through on or more service contracts. The Studies, project formulation, sector analysis, and monitoring and evaluation will be implemented in part through Framework Contracts where the EU Delegation will be the Contracting Authority on behalf and on the request of the NAO. The Communication and visibility activities will be contracted by the Delegation.

No Steering Committee foreseen. The NAO and the EUD will plan the implementation together at their regular meetings and will ensure the involvement of the line Ministries as and when relevant. The steering of the donor coordination component will be done in the context of the Development Assistant Group.

### ***5.8. Performance monitoring and reporting***

The day-to-day technical and financial monitoring of the implementation of the TCF VI 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).

### ***5.9. Evaluation***

Having regard to the importance of the action, a final evaluation will be carried out at the beginning of the closing phase, for the whole action or its components via independent consultants.

The Commission and the partner country shall analyse the conclusions and recommendations of the mid-term evaluation and jointly decide on the follow-up action to be taken and adjustments necessary, including if indicated, the reorientation of the project. It will also be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing entities at least 45 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 for comments and inputs. 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, one contract for evaluation services shall be concluded under a framework contract in the 6<sup>th</sup> year of the implementation of the programme.

#### ***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.

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 as per the need arises.

#### ***5.11. Communication and visibility***

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

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

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

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

Indicatively one service contract shall be concluded in the 1<sup>st</sup> semester of 2018.

**APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)**

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

	<b>Results chain</b>	<b>Indicators</b>	<b>Baselines In 2016/17</b>	<b>Targets By 2021</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
<b>Overall objective: Impact</b>	To improve the effectiveness of development cooperation programmes in Ethiopia and in particular of the Development Cooperation Programmes of the EU, of the EU Member States, and of Norway	1. Percentage of project and programme evaluations for the 11th EDF that have a positive assessment at the level of outcomes.	Cannot yet be established	80%	Impact evaluations	n/a

	<b>Results chain</b>	<b>Indicators</b>	<b>Baselines In 2016/17</b>	<b>Targets By 2021</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
<b>Specific objective(s): Outcome(s)</b>	1. Improved technical, administrative, operational, and communication capacity of the NAO office and of relevant sector ministries to guide, implement and monitor the EDF supported project and programmes	1.1 Percentage of Commitment of 11 <sup>th</sup> EDF projects at the time of the Final Date of Contracting 1.2 Percentage of Disbursements of 11 <sup>th</sup> EDF projects at the time of the End of implementation 1.3 Percentage of Ethiopians aware of EU development actions	1.1 50%  1.2 Cannot yet be established  1.3 tbd	1.1 More than 90%  1.2 More than 75%  1.3 tbd	Institutional reports	That the political stability is maintained and the EU-funded actions are not interrupted.
	2. Context analysis, studies, formulation and needs assessment exercises as well as policy dialogue and coordination activities are implemented	2.1 Commitment of 11 <sup>th</sup> EDF resources on December 2020  2.2 Assessment of donor coordination in the 11 <sup>th</sup> EDF focal sectors are rates as positive  2.3 Increased awareness of EU-supported actions among target groups	2.1 50%  2.2 tbd  2.3 tbd	2.1 More than 95%  2.2 tbd  2.3 tbd	EU-FED reports  Final evaluation  Specific study on awareness	
<b>Outputs</b>	O1. Trainings and technical assistance activities are successfully completed	1.1. Number of Staff trained, disaggregated by gender 1.2 Percentage of staff trained that is involved in management of EDF actions 1.3 Number of experience visit undertaken 1.4 Average percentage of EDF projects that have been monitored at least once per year by the NAO office.	1.1 tbd 1.2 tbd 1.3 0 1.4 tbd	1.1 tbd 1.2 More than 70% 1.3 tbd 1.4 75%	Progress Reports by the NAO and the service provider(s)  Final evaluation	That the turn-over of staff assigned to EU-funded actions remains limited  Capacities of the NAO and implementing Agency enhanced through experience sharing visits

	<b>Results chain</b>	<b>Indicators</b>	<b>Baselines In 2016/17</b>	<b>Targets By 2021</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
	O2. Improved Communication and Visibility for EU supported development actions	2.1 Number of gender sensitive visibility events per year 2.2. Number of gender sensitive published materials 2.3. Number of gender sensitive mass media events	2.1 6 events 2.2 tbd 2.3 tbd	2.1 More than 10 2.2 tbd 2.3 tbd		
	O3. Sector and project and programme specific analysis are successfully concluded	3.1. Number and quality of studies, assessments conducted 3.2 Percentage of studies whose outcome is positively assessed 3.3 Percentage of studies that are gender mainstreamed 3.4. Percentage of studies that are environment /climate change mainstreamed	3.1 tbd 3.2 tbd 3.3 tbd 3.4 tbd	3.1 tbd 3.2 More than 90% 3.3 More than 50% 3.3 More than 50%		
	O4. Improved Coordination among the donors, the Ministry of Finance and the Sector Ministries	4.1. High-level forums organised 4.2. Regular meeting held by DAG ExCom, HoA, and Retreat action points. 4.3. Regular policy advice provided to Government and DPs	4.1 Once per year 4.2 tbd 4.3. tbd	4.1 Twice per year 4.2 Monthly 4.3 Quarterly		