

EN

EN

EN

## Annex I

### 1. IDENTIFICATION

Title/Number	(RISP) Continuation of the Regional Integration Support Programme - FED/2009/21716		
Total cost	EC contribution: EUR 50,000,000 (7.8% of RIP)		
Aid method / Method of implementation	Project approach - Joint Management with Common Market for Eastern and Southern Africa (COMESA) (Contribution Agreement)		
DAC-code	33120	Sector	Trade facilitation

### 2. RATIONALE

#### 2.1. Sector context

There is a clear dynamic for regional integration in Eastern & Southern Africa at the moment, underlined by agreement to introduce Customs Unions (CU) by the East African Community (EAC) and very recently COMESA (approved at its Council meeting in June 2009). The 10<sup>th</sup> EDF RSP for the East and Southern Africa-Indian Ocean (ESA-IO) region (COMESA, EAC, Indian Ocean Commission (IOC) and Inter-governmental Authority on Development - IGAD) signed in November 2008 seeks to contribute towards - and accelerate – the integration process currently underway in the ESA-IO region. This concerns both political and economic integration efforts, although the bulk of the financial support is directed at economic integration. The guiding principles are to support processes led by the Regional Organisations (RO) themselves; this requires alignment to (and support of) the Tri-partite process formally launched in Kampala in October 2008 by COMESA, EAC and Southern Africa Development Community (SADC). This process seeks to address the issue of overlapping membership of the ROs, and to harmonise their integration agenda, in order to achieve a single Free Trade Area (FTA) and ultimately a single CU, so contributing to the African Union (AU) objective of an African Economic Community. The focus of the RISP continuation is upon activities in support of the agreed **regional economic integration** agenda in the region.

Although the member countries in the region understand the importance of enhanced integration, important challenges remain, concerning above all the capacity to translate policy commitments into practice, limited trade and/or market integration, and limited capacity to negotiate multi-lateral trade arrangements.

The RISP continuation programme seeks to address this by working directly with the four ROs on their own capacity to lead the integration. It builds upon the first RISP programme funded under the 9<sup>th</sup> EDF, which set the foundation for economic regional integration efforts.

#### 2.2. Lessons learnt

The **mid-term evaluation of the 9<sup>th</sup> EDF RISP** underlined the relevance of the programme, and the need that its activities are addressing. The RISP continuation programme reinforces the earlier programme, but addresses the weaknesses outlined in the evaluation, including:

- The introduction of a robust monitoring and evaluation system which will be introduced in all the ROs, focused upon regional integration (another programme – Inter Regional Coordinating Committee (IRCC) support – will address the M&E of programmes funded under the RSP);
- Coordination among the implementing ROs as well as between the regional/national coordination; and
- Providing flexibility to support the practical implementation of decisions made during the Tripartite Summit.

Further development of capacity in the field of programming, budgeting and results based management will be required, particularly to address coordination issues.

Following the **European Court of Auditors' Performance Audit on EC Support to Regional Integration**, the programme increases activities aimed at building the capacity of Member/Partner States to progress the regional integration agenda (under result area five), so enhancing coherence between regional and national policy.

The RISP programme was the first to use the **Contribution Agreement (CA)** as implementation modality for a programme with an RO (after a successful institutional diagnostic of COMESA). The intention to extend the use of the CA to other ROs has provided this programme – and COMESA – with a pioneering role, which is nevertheless part of a process of continual improvement. In order to enhance the results focus of the programme (and its ownership among the RO), the new programme envisages an annual review of the benchmarks and the logframe indicators. The Annual Work Plans (AWP) will be drawn up on this basis.

### **2.3. Complementary actions**

The RISP programme (both the 9<sup>th</sup> and 10<sup>th</sup> EDF) directly supports the integration agenda and activities of the ROs – this gives it a strong co-ordinating role within the actual integration process.

There is complementarity with the 9<sup>th</sup> EDF Regional Integration Support Mechanism (RISM) programme, which seeks to reduce tariff barriers to trade by compensating for the incurred trade revenue losses.

The programme also includes activities to support the design of harmonised trade-related infrastructure; within this result area (number 2) a component (€10 million) is dedicated to the North-South corridor preparations. A NS-C Action Fiche for works and equipment will be presented at a later date, with a budget of €50 million (so maintaining the political commitment to contribute €60 to the NS-C through COMESA).

The 10<sup>th</sup> EDF IRCC support programme includes activities to enhance the capacity of the RO secretariats, including activities to improve the institutional performance for CA eligibility. This will require close co-ordination, as is already the case under the 9<sup>th</sup> EDF IRCC and RISP.

Complementarity will be sought with ongoing Tri-partite process and 10<sup>th</sup> EDF Intra-ACP programmes (where the IRCC will play an active role).

### **2.4. Donor coordination**

The donor co-ordination process is complex for regional level programmes, due to geographic locations of responsible missions, and differing HQ roles. Donor co-ordination processes are nevertheless active for EAC (the Friends of EAC group, while for COMESA a formal co-ordination process is taking off). These efforts will continue in order to promote the Paris agenda, and to support the effective co-ordination of capacity-building initiatives. These include notably DFID's TradeMark and REAP programmes, the new USAID/East Africa COMPETE programme, International Financial Institutions initiatives such as the newly established World Bank Trade Facilitation Fund or African Development Bank (AfDB) and UN Economic Commission for Africa (UNECA) initiatives in support of regional integration.

SADC will also participate in the Project Steering Committee, to facilitate co-ordination with the tri-partite process and to ensure regular exchanges on SADC/ESA regional integration programme implementation

## **3. DESCRIPTION**

### **3.1. Objectives**

The **overall objective** of the programme is to contribute to the economic integration process of the ESA-IO region as a means to enhance economic growth of the countries of the region and raise standards of living of their respective populations.

Its **specific objective** is: enhanced capacity of the Regional Organisations and stakeholders in Member/Partner States to create integrated markets.

### 3.2. Expected results and main activities

The strategic approach is based upon the 10<sup>th</sup> EDF RSP, which establishes the objective of contributing to the integration process of the ROs. The RISP continuation focuses directly upon the agreed **economic integration** agenda of COMESA and EAC, by assisting the ROs in fulfilling their mandates of progressing towards FTAs and CUs. Through the IOC, the inclusion of island state specificity in the COMESA agenda will be ensured, while IGAD's functional cooperation programme in support of the Regional Integration agenda of the ESA region will also be included.

The formulation of the RISP continuation substantially reflects the 9<sup>th</sup> EDF RISP, adjusting for lessons from the past (see above) and addressing the changing policy circumstances. The result areas provide a range of possible activities, which have a common underlying theme of contributing to the **economic integration agenda** (this criteria is used to ensure focus of activities upon the overall objective). Annual work plans will define the specific activities for each year.

There are six result areas; core activities that will be undertaken to achieve each activity is defined in the table below. During the programming period of RISP, priorities will be established for each of the 6 result areas including an indication of the sequencing of the different actions. These detailed activities will be defined through successive AWP's.

RESULT AREA	Core Activities
<p><u>RESULT 1:</u> Regional policies and regulations for the implementation of the regional economic integration mandates and agenda are designed and/or adjusted;</p>	<p>1.1 Design and adjust policies and regulations which govern the COMESA Free Trade Area; COMESA Customs Union; COMESA Common Market and Monetary Union;</p> <p>1.2 Design and adjust policies and regulations which govern EAC Customs Union; EAC Common Market (by 2010) and Monetary Union;</p> <p>1.3 Support IGAD's functional economic cooperation programme , in line with the AU process and within the existing regional integration agenda of the ESA region;</p> <p>1.4 Support the inclusion of the Islands States' specificities in the COMESA agenda through the IOC;</p> <p>1.5 Support to the initiatives of the Tripartite process to harmonise and rationalise the regional integration agenda of the ESA-IO region;</p>
<p><u>RESULT 2:</u> Trade development, trade facilitation instruments and strategic, regulatory and technical preparatory works of trade related infrastructure are designed and/or adjusted</p>	<p>2.1 support the Regional Organisations in designing and adjusting, and facilitating the implementation, harmonisation and rationalisation of trade development policies and instruments; facilitate the design and implementation of harmonised trade related infrastructures in transport, ICT and energy;</p> <p>2.2 develop regional sector strategies aimed at building capacities to promote investments in prioritised sectors</p>
<p><u>RESULT 3:</u> Regional institutions are established and strengthened to implement and monitor regional policies and regulations, including institutions that service private sector at regional level</p>	<p>3.1.establishment and/or strengthening of regional institutions and public sector associations related to the implementation of the regional integration agenda of the regional organisations;</p> <p>3.2.strengthen the capacities of private sector organisations to formulate, implement and monitor private sector interests in relation to the regional integration agenda of the ESA-IO region;</p> <p>3.3.support the establishment of the institutional framework under the Tripartite process;</p>
<p><u>RESULT 4:</u> Management capacities of the ROs are improved to meet international recognised</p>	<p>4.1.provide support for capacity building in business processes of COMESA, EAC, IGAD and IOC Secretariats to achieve and maintain internationally recognised standards of corporate</p>

standards of governance	governance;
<b>RESULT 5:</b> Member/Partner States capacity to address trade related issues and to implement their trade liberalisation and regional integration commitments is enhanced.	<p>5.1. support national initiatives to improve policy coherence at national level;</p> <p>5.2. support capacity building in Member/Partner States in implementing their regional integration and global trade arrangement commitments;</p> <p>5.3. support to enhance regional dimension in national initiatives on donor coordination in respect of trade liberalisation and integration;</p> <p>5.4. support national stakeholders fora to identify and maximise opportunities under multilateral trading arrangements (EPA, WTO) and Aid for Trade</p>
<b>RESULT 6:</b> Capacity of the region to negotiate and implement multilateral trade agreements is enhanced	<p>6.1. facilitate preparation of common positions on multilateral and bilateral trade negotiations (WTO/DDA, AGOA, etc.);</p> <p>6.2. supporting the establishment and operationalisation of the EPA's institutional arrangements;</p> <p>6.3 undertake regional training needs assessment on regional trade and integration issues and support capacity building on trade negotiations skills.</p>

The means required to implement the activities include the recruitment of long term professional and support staff, the mobilisation of specialised short term expertise for studies mainly but also for training in RO and in Member/Partner States, the acquisition of equipment (hardware, software), public relations and visibility documentation, and the organisation, facilitation and funding of regional workshops and meetings and missions for RO staff.

### 3.3. Risks and assumptions

The main assumption is that Member States will maintain political commitment to pursue their regional trade and integration agenda. It is further assumed that the current global recession will be reversed.

The main risk is that a continued recession leads to protectionism and that the process started by the Tripartite Summit in 2008 loses momentum or that the business community can not take advantage of the opportunities offered by integration and trade liberalization. To mitigate this risk, the RISP programme will play an active role in supporting the Tri-partite process, and facilitating its continuation.

A further risk is that governments pursue the integration agenda, but fail to transpose agreements into national legislation. This will be mitigated by the active monitoring of the transposition rate of each member/partner country, and regular discussion of this (modeling on the EU's peer review system).

The risk in programme management is that the ROs face difficulty in attracting suitably qualified personnel; this will be mitigated by strengthening the recruitment approach for newly created/vacated posts.

### 3.4. Crosscutting Issues

Gender equality is considered a crosscutting issue in each of the organisations; interventions throughout the programme's objectives will ensure that gender concerns are taken into consideration. Private sector organisations such as FEMCOM specifically address the role of gender in regional integration and trade. Feasibility studies in preparation for infrastructure projects will among other cover environmental sustainability (Environmental impact studies). Governance of the regional organisations is a key objective of the programme whilst the regional organisations individually and

collectively address issues of peace and security and thus contribute directly and indirectly to the achievement of one of the most basic human right of their populations.

### **3.5. Stakeholders**

The ROs will be the main implementing bodies for all activities, thus they are the main stakeholders. The activities will deepen and accelerate regional integration in the region, improving trade and growth – thus the beneficiaries will be businesses, and by extension the wider population (benefiting from growth and access to goods and services).

The programme has been designed under the leadership of COMESA, as lead RO, but in close consultation with the three other ROs. Both the PIF and the AF have been the subject of dedicated workshops among all the ROs (and the EC), and the result areas are a specific product of this consultation process. Thus **ownership** among the four ROs of the programme is substantial, all the more so as all four ROs are directly involved in implementation.

**Institutional capacity** lies at the heart of this programme (as well as other regional programmes). In essence the programme improves the ROs capacity to meet their mandates, so meeting wider integration objectives. Specifically, the programme also seeks to help the ROs meet internationally recognised standards in governance (result area 4), notably to become eligible to use CA for programme implementation.

COMESA already successfully passed an institutional diagnostic assessment in 2005; an assessment of the progress made with regard to the recommendations of the last diagnostic is planned in the second half of 2009 (as part of the standard work programme). EAC, IOC and IGAD continue to actively benefit from support aimed at CA compliance. The co-ordination and management role attributed to COMESA has strengthened its own procedures, and its co-ordination with the other ROs.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Method of implementation**

Joint management through a Contribution Agreement with COMESA, signed by the Secretary General of COMESA on behalf of the 4 ROs participating in the 10<sup>th</sup> EDF ESA-IO RSP/RIP. COMESA continues to be compliant with the multi-pillar auditing requirements since 2005. COMESA co-ordinates all activities, while a part of the programme is implemented by other ROs (as established in AWP). No financing agreement will be signed.

### **4.2 Procurement and grant award procedures**

All contracts for activities implemented by COMESA are awarded and implemented in accordance with the procedures and standard documents laid down and published by COMESA.

Procurements for activities implemented by COMESA will be effected through COMESA procedures. Activities implemented by IOC, IGAD and EAC will be addressed by Agreements that establish a legally binding framework and include compliance and verification mechanisms plus penalty clauses for non compliance and a dispute resolution mechanism among other important clauses. These Agreements will be signed before the signature of the CA.

These Agreements will stipulate the use of EDF procedures for procurement of goods, works and services, as well as grants. The EC will confirm compliance with the EDF procurement procedures, through the regionalised Delegations. If an RO becomes eligible for Contribution Agreements with the EC, the Agreement can be modified by way of a rider to allow the use of own rules and procedures for procurement

This innovation in the procedures will facilitate- COMESA management and responds to weaknesses in the current RISP programme identified by the Court of Auditors. It should also help avoid problems in procurement procedures, before they arise (rather than being faced with them after they have occurred).

In supplement to Article 7.3 of the General Conditions, the equipment, vehicles and supplies paid by the Contracting Authority's funding shall be transferred to the relevant implementing Organisation or partners by the end of the Action. The documentary proof of those transfers shall be kept along with the documents mentioned in Article 16.3.

### 4.3 Budget and calendar

This RISP continuation programme is intended as the first of two phases of the RISP programme under the EDF10. A second phase is expected to be drawn up following a successful implementation review. The budget allocation for the first phase is 50 million Euros. This includes a dedicated budget of 10 million Euros for the North-South corridor programme (within Result 2). The budget allocations is summarised as follows:

<b>Budget Heading</b>	<b>Total '000 EUR</b>	<b>%</b>
RISP management, coordination, monitoring	1,712	<b>3.42</b>
Result 1	7,350	<b>14.70</b>
Result 2	16,670	<b>33.34</b>
Result 3	4,570	<b>9.14</b>
Result 4	2,908	<b>5.82</b>
Result 5	9,910	<b>19.82</b>
Result 6	4,230	<b>8.46</b>
Audits and evaluation	150	<b>0.30</b>
Contingency*	2,500	<b>5.00</b>
<b>Total</b>	<b>50,000</b>	<b>100.00</b>

\* The European Community's contribution to the "Contingencies" heading may be used only with prior agreement of the Commission.

The programme will be implemented over a period of 36 months. Due to the importance of RISP in supporting the regional integration agenda of the ROs, it would be important that the programme has a seamless continuation with the 9<sup>th</sup> EDF RISP. It is hence envisaged to start the programme on 1<sup>st</sup> July 2010. Activities under each result will spread over the whole duration of the programme. Preparation activities, such as the establishment of Agreements between COMESA and the ROs the formulation of the first AWP and the establishment of baseline indicators will be start in the second half of 2009.

Components requiring specific expertise will be implemented through sub-contracting by COMESA to specialized institutions like UN Agencies and the World Bank and will be through service level agreements. This will apply to the implementation of ASYCUDA with UNCTAD. Results 2, 3, and 4 will be subject to subcontracting under the RISP budget.

By derogation from Art 15.1 of the General Conditions for Contribution Agreements, payments will be done in accordance with article 4 (2) of the Special Conditions - annual instalments will be paid, less the unspent amount from the previous period (pending approval of the prior request for the derogation).

### 4.4 Performance monitoring

Overall co-ordination will be ensured at the level of the Secretary General of COMESA through the RISP Steering Committee, of which the 4 RO and the EC will be statutory members. The RO will develop a common monitoring and reporting tool on the implementation of the RISP/CA. This tool will be based on the instruments used by COMESA and other RO Secretariats to report to their respective Policy Organs (building on the work initiated under the 9<sup>th</sup> EDF RISP).

Performance monitoring will be carried out by the M&E units of each RO in conjunction with the IRCC Secretariat (existing and/or supported through Result 4), and facilitated and consolidated by the RISP Coordinator. Monitoring reports will be submitted to the RISP/SC and through the IRCC

Secretariat to the IRCC and the RO Organs. The RISP Logframe indicators as well as the successive AWP benchmark will be used for monitoring performance of RISP, globally as well as annually. As a guiding principle, monitoring will be results-based rather than activity-based.

#### **4.5 Evaluation and audit**

Financial audits are as per Article 16.2 of the General Conditions.

An external interim review/evaluation will be undertaken in sufficient time to allow conclusions and recommendations to aliment the design of a possible follow-up programme under EDF 10.

Annual performance monitoring reports will also be carried out within the programme activities, as indicated under point 4.4.

#### **4.6 Communication and visibility**

The AWPs will make due allowance for Information, Communications, and Visibility activities. These will be aligned with the requirements for visibility of the General Conditions of the CA while demonstrating the regional ownership of this project outputs as well as all the other initiatives fostered under the project. Special attention will be given to the actions being suitable for awareness-raising of civil society in general on the activities undertaken under the banner of the ESA-IO RSP/RIP.

## ANNEX II

### 1. IDENTIFICATION

<b>BENEFICIARY REGION</b>	East and Southern Africa – Indian Ocean IGAD, COMESA, EAC, IOC		
<b>REQUESTING AUTHORITY</b>	Intergovernmental Authority on Development - IGAD		
<b>TITLE</b>	Inland Water Resources Management Programme in the IGAD Region CRIS Decision No FED / 2009 / 021 - 334		
<b>TOTAL COST</b>	Total amount of the project ( = total EC contribution) is EUR 14,700,000 EDF A Envelope of the 10 <sup>th</sup> EDF ESA-IO RSP/RIP		
<b>AID METHOD / METHOD OF IMPLEMENTATION</b>	Project approach – Partially decentralised management (EUR 9,900,000) and Joint Management with Int. Org. <i>World Meteorological Organization</i> ( <i>WMO</i> ) (EUR 4,800,000)		
<b>DAC-CODE</b>	140	<b>SECTOR</b>	Water Supply and Sanitation

### 2. RATIONALE

#### 2.1. Sector context

The availability and distribution of water resources in the Horn of Africa region is uneven and irregular both in space and time. The situation is further exacerbated by periodic serious droughts that affect the region with serious and devastating human, economic and ecological consequences. Overall, water resources are an important trans-boundary issue in the region. With particular reference to the IGAD sub-region, approximately 60% of the surface area is occupied by international basins. With climate change and increasing population, the management of water resources becomes a high priority in the region. In order to pre-empt future inter-state conflicts and political tensions, this calls for judicious consideration in the co-operative and equitable development and management of shared water resources, particularly between upstream and downstream countries. Even within individual countries, lack of information and mismanagement of available water resources has been observed as a source of intra-state conflicts and localized wars and conflicts.

There is urgent need to build capacities to manage water and land resources in order to meet the needs of the rapidly growing population. Among the major factors perpetuating poor management of water resources, is the lack of sufficient capacity in the countries to package correct and appropriate information in a form that is understandable by decision and policy makers. The countries suffer due to weak water institutions, lack or scanty information, inadequate policies and poor water infrastructures. The region lacks either water management protocols or even a platform to discuss water resources issues.

Nearly all the countries in the Horn of Africa region have inadequate national water policies and legislative and regulatory instruments for inter-sectoral coordination. At the regional level, there is lack of a comprehensive policy to address matters pertaining to trans-boundary water resources issues. The capacity to address these policy and legal frameworks is currently lacking.

#### 2.2. Lessons learnt

Findings from the evaluation of the 9<sup>th</sup> EDF ESA Regional. Programme has indicated important lessons:

- The need for strengthening the capacity of the ROs to implement their own strategies and priorities;
- Appropriate devolution within the programme can be achieved through broader use of

CAs. IRCC to improve harmonization/convergence among ROs, strengthen links with Tripartite TF;

- Specific support to facilitate and enhance investment in infrastructure is needed, including project preparation and brokerage of different sources of investment;
- Enhanced coordination among EC and other donors should be promoted.

From the Nile Basin experience, there are important lessons:

- Expression of a common overarching goal for cooperation and a common view of the objectives develops into shared vision
- An opportunity to share benefits from the river which can provide a much more constructive base for continued cooperation and open an avenue for regional integrated planning.
- Dialogue and commitment to agree on a basic legal and institutional framework
- Acceptance of principle of subsidiarity and agreed policy guidelines
- Building trust and long-term commitment
- Financial sustainability, clear institutional set-ups, proper selection of staff, and consideration of efficient, transparent and accountable management structures

The various studies and assessments to be conducted during the first year of implementation of this program will round up information on lessons learnt in water interventions in the HoA which will assist in fine tuning the implementation of this program.

### 2.3 Complementary actions

The Horn of Africa Joint Assessment Mission (JAM) proposed the creation of a Regional Water Platform<sup>1</sup> as an essential mechanism for supporting the regional activities of the programme including the integration of the existing efforts in water resources management. There are several similar and complementary actions taking place in the IGAD region in the context of sustainable management of natural and marine resources. The output from the IGAD project on Support for Mapping, Assessment and Management of the Transboundary Water Resources in the IGAD Sub-region would complement the proposed inland water resources management programme. The programmes under the Nile Basin Initiative and the Lake Victoria Basin Commission also provide complementary support to the proposed Horn of Africa/IGAD water resources programme.

The EU Water Initiative (EUWI) is a political initiative between EU and AU (AMCOW in particular) giving the political backup of the cooperation between EU and Africa. The EUWI is the framework for undertaking multi-stakeholder policy dialogues in the water sector at country level and it could support also the regional level through its African Working group.

Concerning Result 4 (HYCOS), it is useful to cite a similar initiative at continental level funded also by the EC, the EC/AUC AMESD project, African Monitoring of the Environment for Sustainable Development. The purpose of AMESD is to allow all African stakeholders - policy makers, the private sector, civil society- led by the African Regional Economic Communities, to improve the management of their environment through a more timely and efficient use of relevant data, information and analysis, including from Remote Sensing and Information and Communication Technologies (ICT). AMESD will also support capacity building of RECs (regional economic commissions) in the water sector.

---

<sup>1</sup> The objectives of the Water Platform initiative are:

- Identify recommended joint activities and projects prepared, discussed and agreed by the countries in the Horn of Africa.
- Preparation and or finalisation of cross-border water agreements, such as setting up of basin management organisations.
- Identify a list of water resources management requirements and end users to ensure the sustainability of the action.
- Propose a regional action plan as a support tool for decision-making when the regional information and data systems are developed.

Concerning knowledge management for result 4 and in particular result 4.5, the EC is currently implementing AQUAKNOW, a content management system Water Sector portal, that could be used and adapted for this project being designed by JRC for this purpose.

This Program will look into all these initiatives (that are managed by the JRC Institute for Environment and Sustainability) and will be taken into consideration for potential coordination and support.

## **2.4 Donor coordination**

IGAD programmes and projects are supported by various donors and development partners individually or collectively. All are reported to and discussed at the IGAD Partners Forum (IPF). The IPF contains a number of countries and organisations and has political and technical arms. At political level, Ministers from IGAD countries and IPF countries meet and discuss issues of common interest in the region. At technical level, technical experts from IGAD Secretariat and its member states meet with the technical experts from IPF countries to discuss the status of implementation of IGAD/IPF Policy Organ decisions as well as on all IGAD projects and programmes. This will help to mobilise the necessary support on one hand and donors to coordinate their activities on the other. A point in case is the IGAD Joint Financing Arrangements (JFA), a kind of basket fund which is in progress where EC is also a member as an observer. It equally will be reported in appropriate donor forums in the other RIOs. This will reduce chances of duplication and ineffectiveness of resources flowing into the region.

At the national level, most countries have sector based donor coordination committees including those for environment and natural resources, and food security, whose objectives are to ensure donors align their support to national priorities and that donor overlaps and competition for certain attractive spatial and thematic areas is minimized and resources are spread out to all needy areas. Because of its regional and national perspectives, this project is likely to be reported at the national donor committees.

Wider Donor participation in the project could be achieved through mechanisms such as the Project Steering Committee (PSC). The Nile Basin Initiative (NBI) Shared Vision Program on Water Resources Planning and Management Project provide an important example where improved coordination and cooperation will be needed between the current programme and other regional programmes to ensure the elimination of areas of potential overlaps.

## **3. DESCRIPTION**

### **3.1. Objectives**

The **overall goal** is the alleviation of poverty and promotion of regional integration for sustainable economic development in the ESA-IO region, and more specifically in the IGAD Region, through sustainable management of natural resources.

The **specific purpose** is to strengthen regional and national capacities in sustainable management of water resources in the region for peace and security, stability and integration and improved water governance.

The current programme, developed as a first phase of a wider future intervention, will set up the basis for a second phase project with scaled-up activities and wider geographical scope, aiming to cover the whole East and Southern Africa Region and the Indian Ocean. That second phase will also allow for an expansion of the outreach and increased level of institutionalisation of the Water Platform Initiative, possibly including the setting up of a Multi-Donor Trust Fund for an estimated value of 12 M€ (as proposed in the feasibility study). Phase II will be designed during Phase I implementation and will be based on the assessments conducted, the results, impacts and lessons learned obtained.

### **3.2. Expected results and main activities**

The regional programme will be implemented within the context and frameworks of existing international and regional commitments. The response strategy for the programme will particularly

aim at using natural resources in an efficient and sustainable manner, notably in agricultural exploitation and value addition to derive maximum benefits for the Horn of Africa region, including food security and mitigating the constraints and negative effects from the use of these resources. Under the Horn of Africa Initiative, the water programme has been identified as a principal intervention to assist in meeting the MDGs as well as for addressing conflicts in the Horn of Africa.

The project includes, within Result 1, the first steps towards the creation of the Water Platform Initiative for the Horn of Africa, according to the feasibility study conducted in December 2008 and the agreements reached at the Horn of Africa Initiative JAM II meeting in Nairobi in May 2009. Activities under this result will aim at promoting dialogue in the region, as well as producing studies, assessments and preliminary work in setting up the Horn of Africa Water Trust Fund. The Platform will become IGAD's prominent vehicle for regional management, funding and coordination of water programmes for the purpose of food security.

The programme has identified four result areas and corresponding activities for implementation:

- 1. Regional cooperation in sustainable water resources management established and institutionalised;**
  - 1.1 Creation and/or strengthening of Water Dialogue Platform.
  - 1.2 Developing/ implementing strategies on awareness on water resources management and climate change.
  - 1.3 Promote networking (NETWAS, IMAWESA, FANPAN).
- 2. Policy and legal frameworks in water resources programme improved;**
  - 2.1 Review existing policy and legal frameworks related to water resources management.
  - 2.2. Develop regional policy and regulatory frameworks for water resources management.
  - 2.3 Support member states to adapt the policies.
- 3. Regional and national institutions for water resources management in the region strengthened;**
  - 3.1 Conduct institutional needs assessment.
  - 3.2 Design and implement support programmes.
- 4. Regional water resources management information systems and observation networks strengthened/developed;**
  - 4.1 Review and update the IGAD Hydrological Cycle Observation Systems (HYCOS) project.
  - 4.2 Implement the IGAD HYCOS.
  - 4.3 Facilitate networking between research institutions dealing with water resources management.
  - 4.4 Conduct mapping of potential water harvesting resources in the region.
  - 4.5 Establish Web Portal for Water Resources MIS.

### **3.3. Risks and assumptions**

The Horn of Africa region is a poverty prone area with a high prevalence of conflict. Drought is recurrent and migration of communities in search of water and arable areas is of common occurrence.

Main risks:

- political/institutional instability in some countries and failure in intergovernmental relationships;
- consensus/unanimity not reached on all the policy and institutional frameworks formulated;
- programme facilities not provided by member states;
- new approaches not accepted by some communities;
- lack of enabling environment for stakeholders' involvement;
- capacities within IGAD and other Regional Organizations not increased.

With respect to the latter item, the ongoing project "Institutional Strengthening Program for IGAD" should have yielded positive impact in IGAD's capacity by the time this project is implemented.

As a result, there are important elements for the project to succeed. These are:

- Water resources management is granted support with an enabling state policies, legal and institutional frameworks in the region's member states;
- The project will involve groups/communities at the lowest possible drainage basin level;
- The project resources will be made available in a timely and appropriate manner;
- There is co-operation between Member States and that the staff trained will be retained.

This project is designed to mitigate the above risks, and providing for elements that will support implementation of the programme, such as:

- Building the capacity of water institutions in the region;
- Increased ownership through wide involvement of institutions;
- Adequate selection and strengthening of centres of excellence in integrated water management.
- Mutual trust created among member states and related institutions in terms of data/information exchange and equitable sharing of water resources;
- Willingness of member countries to invest in further activities and use of cost recovery schemes in contracting out some services to national, regional and international water experts.

### 3.4. Crosscutting Issues

On environmental sustainability, the policy agenda of the HoA and the wider ESA region is to manage natural resources for the economic development of the region in an environmentally sustainable manner. The development of common strategies and tools and the establishment and/or strengthening of networks of regional bodies to promote the regional management of natural resources will ensure the coordination of trans-boundary resources.

On gender equality, it is envisaged that women will benefit from any improvement of water knowledge valued for water resources management and hence for water sector development activities. The participation of both men and women at all levels of the project cycle will be evenly encouraged. Good governance in water resources would entail sustainable use of available ground and surface water including the harvesting of the water resources (rain water). Good water governance also refers to the processes that will promote popular participation in water resources management and decision-making, especially by women and youth.

Access to resources is a basic human rights principle. Sustainable management of water resources, particularly trans-boundary water resources, would guarantee equitable access to water resources at individual and country level. This in turn would reduce conflicts on or competition for water, thereby contributing to peace and security and improved human rights in the region. Improved governance of natural resources basically contributes to political good governance while water security in quality and quantity will improve on health of local communities and enhance economically productive activities leading to wealth creation. This will then testify to reduction of vulnerability of the people to health and poverty risks. The project will systematically support the enhancement of the human rights agenda through training at all levels, including water rights administration, advocacy, arbitration, governance and low level conflict resolution.

### 3.5. Stakeholders

IGAD will provide political support and guidance in the implementation of the programme with a view to combating desertification and mitigating effects of droughts, development of regional electricity supply, improvement of regional food security and pre-empting inter and intra state conflicts. The Directorate of Agriculture and Environment at IGAD Secretariat shall provide overall direct supervision to the programme and provide technical support. For that purpose, IGAD Secretariat commits to upgrade the *Directorate of Agriculture and Environment* to an adequate level of resources, which will, in turn, serve as a guarantee for sustainability of the program.

The other ROs (COMESA, EAC, IOC) will be associated with the program as observers at the Steering Committee and will be part of sharing of information and best practices. Various stakeholders at different levels are:

- At international level, global research institutions on hydrological cycles and climate change, particularly the WMO World Hydrological Observing Systems (WHYCOS), other UN Agencies, etc, will also provide background on global water policies, expertise and information.
- At regional levels, regional institutions such as the Nile Basin Initiative (NBI), the IGAD Climate Prediction and Application Centre (ICPAC) and the Lake Victoria Environment Management will contribute, tailored to current capacities, through provision of expertise, best practices and information in integrated water resources management.
- At national level, the governments of the IGAD Region and their institutions dedicated to sustainable water resources management will provide experience from national policies and strategies and guidance in the implementation of the programme. They will also provide office space, counterparts and other utilities during the implementation of the programme if need be.
- At the national level, the NGOs will provide advocacy support as well as capacity building.
- The private and non-profit sectors are represented by farmer unions, navigation companies, environment protection and nature conservation groups, which will support in lobbying and in the proper and timely implementation of the programme.
- At the local levels, local communities including women and youth, water supply enterprises, agricultural, power supply, tourism and industrial institutions will participate in the implementation.

The various studies and assessments to be conducted during the first year of implementation of this program will help to clearly define the specific stakeholders for the rest of the project and for its Phase II.

#### **4. IMPLEMENTATION ISSUES**

##### **4.1. Method of implementation**

The project will be implemented under partially decentralised management through the signature of a Financing Agreement with the IGAD Secretariat as the Regional Authorising Officer (contracts and programme estimates in direct decentralised operations). In addition, Joint Management through the signature of an agreement with WMO is foreseen for the implementation of HYCOS project under result 4 (€4,800,000). The WMO is compliant with the multi-pillar auditing requirements under the FAFA for specialised UN Agencies signed December 12<sup>th</sup>, 2003. A Standard Contribution Agreement will be concluded between the WMO and the Commission on behalf of the Beneficiary. The WMO department of HYDROLOGY has the global mandate to coordinate all regional HYCOS and link them to WHYCOS and has the expertise to implement the programme. Service contracts will be tendered for contracting the Technical Assistance Team (international tender) and the Kick-Start TA (under €200,000 - Framework Contract)

The Commission controls ex ante all the procurement procedures except in cases where programmes estimates are applied, under which the Commission applies ex ante control for procurement contracts > 50,000 EUR and may apply ex post for procurement contracts • 50,000 EUR. The Commission controls 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 beneficiary country for operating costs and contracts up to the ceilings indicated in the table below.

The responsible Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

<b>Works</b>	<b>Supplies</b>	<b>Services</b>	<b>Grants</b>
--------------	-----------------	-----------------	---------------

< 300,000 EUR	< 150,000 EUR	< 200,000 EUR	• 100,000 EUR
---------------	---------------	---------------	---------------

## 4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question. Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by EDF Regulations. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in Article 20 of Annex IV of the Revised Cotonou Agreement.

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question (i. e. the Practical Guide to procedures for programme estimates).

All contracts implemented under a Contribution Agreement with an eligible International Organisation are awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

## 4.3. Budget and calendar

The proposed programme will have an operational implementation phase of 36 months, starting from the last signature date in the Financing Agreement. The total cost of the programme, which equals the total EC contribution, is estimated at EUR 14,7 million. IGAD contribution (staff, office accommodation) is in-kind and is not valued here.

The breakdown of the EC contributions by results for the first phase is summarised hereunder.

### Programme Expenditure by Result Areas (€)

Categories <sup>2</sup>	Method of Implementation	EC contrib. (EUR)
<b>Result 1<sup>3</sup></b> - Regional cooperation in sustainable water resources management established and institutionalised;	P.E.	2,400,000
<b>Result 2.-</b> Policy and legal frameworks in water resources programme improved;	P.E.	1,500,000
<b>Result 3.-</b> Regional and national institutions for water resources management in the region strengthened;	P.E.	2,100,000
<b>Results 4.1/4.3/4.4/4.5</b> - Regional water resources management information systems and observation networks strengthened/developed (except implementation of Result 4.2.- IGAD Hycos);	P.E.	600,000
<b>Result 4.2.-</b> Implement IGAD HYCOS	Contribution Agreement WMO	4,800,000
Communication/ Visibility	P.E.	150,000
Office equipment (incl. vehicle) and Operating costs (in support of the IGAD – office running costs, support staff, ..)	P.E.	650,000

<sup>3</sup> Within the sum of 2,4 MEURO, 2 MEURO will be earmarked for the Water Platform for the Horn of Africa (see TAPs).

Coordination/Technical Assistance Team/ Kick Start TA	Int. Tender	1,400,000
Monitoring, evaluation and audit	Centralised	500,000
Contingencies (5%)*		600,000
	<b>TOTAL</b>	<b>14,700,000</b>

#### 4.4. Performance monitoring

Major indicators measuring progress of the programme will include:

- § Harmonised legal policy instruments are endorsed by the IGAD RO and adapted by the Member/Partner States by June, 2013.
- § Quality of service delivery of targeted regional and national institutions improves by 30% by June 2013. The services envisaged include delivery of training programmes, sharing of experiences on regulatory frameworks, etc.
- § Hydro-meteorological stations will be identified and made functional by 06/2013.
- § Inter-regional and functional MIS established by 06/2013.
- § Water harvesting resource maps for at least one of the three river basins (Omo River-Lake Turkana; Genare-Daua-Juba; L. Victoria) are developed and available by 2013.
- § Protocol on data and information exchange are developed by 2013.
- § Functional Water Dialogue Platform is created and networked by June, 2013.

#### 4.5. Evaluation and audit

The project shall be audited annually by the RAO and each Programme Estimate will be subject to audit on completion. Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out a mid-term and final evaluation.

For auditing purposes, the EC shall appoint, in accordance with EC procurement rules, a reputable external auditor (i.e. international firm member of an internationally recognised auditing body) to monitor the project's expenditure and the segregation of duties between the Authorizing Officer and the Accounting Officer.

#### 4.6. Communication and visibility

Visibility of the project shall be through a communication strategy to be adopted and will include use of awareness workshops, and development of a website and posting news and project progress and achievements on it. The website should be linked to several other related sites. Further, every opportunity will be taken to have the project represented in important meetings and workshops other than those organised by the project and at same time endeavour to make appropriate linkages and synergies with them. Acknowledgement of the EC contribution will be made in the Horn of Africa reports and publications connected with the Inland Water Resources Management Programme.

---

\* The European Community's contribution to the "Contingencies" heading may be used only with prior agreement of the Commission.

## Annex III

### 1. IDENTIFICATION

Title/Number	<b>Implementation of a Regional Fisheries Strategy for the ESA-IO (IRFS)/ CRIS Code: 21330</b>		
Total cost	<b>EC contribution: EUR 21,000,000</b>		
Aid method / Method of implementation	<b>Project approach – Partially decentralised management and joint management with International Organisations</b>		
DAC-code	<b>31320</b>	Sector	<b>Fisheries</b>

### 2. RATIONALE

#### 2.1 Sector context

Fisheries constitute a key economic sector and contribute significantly to economies of the ESA-IO region. However, the potential for sustainable fisheries development in the region is much higher than that currently realised. Action is imperative while addressing the sustainability aspects. Consequently the 2009 IOC Council of Ministers endorsed a Fisheries Strategy, and, within the framework of the Economic Partnership Agreement (EPA) negotiations, the respective Ministerial Councils of the Eastern and Southern Africa (ESA), the SADC and the EAC, endorsed specific “fisheries” chapters in their respective Interim EPAs. These strategies now need to be implemented. A Programme for the Implementation of a Regional Fisheries Strategy for the ESA-IO region is thus proposed in accordance with the provisions of the ESA-IO 10<sup>th</sup> EDF RSP/RIP. It is also in line with the SADC/COMESA/EAC Tripartite Summit decision for strengthening regional integration and the 1<sup>st</sup> ACP Fisheries Ministers’ Resolutions of the 4<sup>th</sup> June 2009.

Specifically, this Programme will address the following:

- ✓ Inadequate knowledge of the state of some key resources [coastal and some transboundary (shark, billfish)] and the need for improving data collection systems for all species;
- ✓ The region’s present inability to implement management and control strategies that will prevent Illegal, Unreported and Unregulated fishing;
- ✓ The region’s vulnerability in maintaining processing and employment as a result of the erosion of a competitive advantaged guaranteed by ACP preference status;
- ✓ The need to strengthen the indigenous fisheries and aquaculture sectors effective pursuit of potentially strong commercial opportunities to increase the added value of its catches and their activities and the need to ensure regional fisheries food security.

#### 2.2 Lessons learnt

Hitherto, fisheries development has been too much focussed on national level actions despite the fact that the countries in the region do not *individually* have the capacity to manage and ensure the sustainability of the resources. Lessons derived from projects such as the SADC MCS, IOC MCS pilot, RTTP and RECOMAP can be summarised as follows:

- Fisheries programme need a strong environmental dimension and strategies such as the strengthening and/or creation of marine protected areas or seasonal fishing so that the fish stocks can recover are important to ensure sustainability;
- Fisheries constitute a key sector for the fight against poverty and for promoting gender issues;
- There has been a wide variation in the regional coordination of previous projects; this has constituted a key factor in determining their successful outcome. It has emerged that the greater the level of coordination between island and coastal states, the greater the impact;
- Successful projects in the fisheries sector depend on region-wide political commitment and good governance. This needs to be enhanced to strengthen the effective management and implementation of a sustainable fisheries sector;

- In the past projects have not adequately linked to PanAfrican initiatives. This project therefore is designed to complement initiatives such as the NEPAD Profish<sup>4</sup>;
- SADC has been implementing several fisheries programmes, the strategy being built around 2 key concerns: resource management and establishment of common approaches for fishing agreements. The first one has notably been supported by diverse programmes, included the MCS funded by the EC and the Regional information system (DFID). Therefore, useful synergies could be built up between SADC and ESA-IO programmes since they share common concerns and common countries;
- Some countries in the region are able to go further and faster than others in implementation of regional programmes. Such programme should therefore allow for more flexibility and enhanced cooperation especially for such countries;
- There has been clearly insufficient investment on long term regional processes in the sector. There is a need for increased commitment at national levels to regional coordination and for long-term investment for sustained regional support;
- The region lacks centres of excellence in the sector to pool and share existing capacity, attract investment for R&D, promote sustainable environment and act as a focus for new capacity-building initiatives across the region. There is a need to develop such a regional function;
- Monitoring and evaluation (M&E) is a vital component in achieving the success of a project and to promote more ownership by the region and more coherence in pursuit of the overall regional integration process. This is best achieved by including an M&E function within the proposed project.

With respect to the sectoral context and the lessons learnt, the key response for the ESA-IO region is the development of common regional strategies and tools and the establishment or strengthening of networks and regional bodies. Addressing the fisheries challenges also presents an effective means for deepening regional integration along the principle of subsidiarity, especially as no ESA-IO country has the capacity individually to ensure the sustainability of the resources.

### **2.3 Complementary actions**

The proposed Programme will complement existing support measures which include:

- *ACP Fish II* which focuses on strengthening of fisheries management in ACP individual countries;
- *EC Fisheries Partnership Agreements* which seek to promote national fisheries policy development through targeted actions under the framework of partnership (and access) agreements with individual countries;
- World Bank funded PROFISH;
- The current RTTP and the CDE;
- *Operational MCS Regional Plan for the Indian Ocean* which seeks to support the strengthening of Member State capacity to implement controls on IUU;
- Activities of other donor agencies (including the UN agencies FAO, IFAD, UNDP and other European Union MS) and beneficiaries at regional and national levels.

### **2.4 Donor Coordination**

Programme implementation is coordinated through IOC, in accordance with the principles of the January 2009 IRCC revised ToRs which include Aid effectiveness issues and inter-RECs coordination. In 2008, IOC initiated a donor coordination process with the EC assuming the role of lead donor. This process will be the main platform for donor coordination for this Programme. Additionally the Steering Committee for the Programme will involve the key donors and stakeholders. A donor matrix will be developed and kept updated to show activities of donors in this sector. The programme SC will review performance of the Programme and provide guidance on the implementation and will also ensure that there is no duplication with other donor support programme in the area.

---

<sup>4</sup> *Profish, World Bank's Global Programme on Sustainable Fisheries.*

### 3. DESCRIPTION

#### 3.1 Objectives

The **Overall Objective** of the Programme is to contribute to an increased level of social, economic and environmental development and deeper regional integration in the ESA-IO region through the sustainable exploitation of fisheries resources.

#### 3.2 The Specific objective of the programme is to support the implementation of the ESA-IO fisheries strategy for sustainable management and development of the fishery sector. Expected results and main activities

**Result 1:** An Action Plan is prepared for fisheries management and development for the ESA-IO region.

**Result 2:** A governance framework for sustainable regional marine fisheries management and development is initiated.

**Result 3:** An effective MCS for transboundary fisheries resources in the ESA-IO region is developed.

**Result 4:** A regional trade strategy is produced to ensure access of fish and fisheries products to domestic, regional and export markets

Details of the activities will be contained in the Log Frame at Annex of TAPs.

#### Activities under result 1 “Action Plan”:

- Design and implement an operational plan for the regional marine fisheries development and management organisation, including assessment of needs for research in the face of climate change threats, human and institutional resources development, creation of new and strengthening of existing marine protected areas or promotion of seasonal fishing, stock assessment, data collection/analysis, fisheries management and risk analysis and the promotion of gender issues in the sector;

#### Activities under result 2 “Governance”:

- Initiate a governance framework for regional marine fisheries management and development.
- Support setting up of a sustainable coordinating mechanism for fisheries within the IOC.

#### Activities under result 3 “MCS”:

- Develop and/or strengthen critical national capacity in all countries of the ESA region to allow for effective MCS
- Develop and operationalise effective regional MCS tools for national and regional agencies tasked with MCS
- Perform regular joint regional patrols
- Build database and knowledge of IUU fishing evolution and the response
- Perform awareness-building about the importance of MCS and regional collaboration in fisheries throughout the region
- Coordination with the SADC Secretariat and at the level of the IRCC

#### Activities under result 4 “Trade Strategy”:

This result has two dimensions namely (a) Trade Readiness and (b) Food security.

- In the Trade Readiness component, key activities will be to prepare and implement trade and sectoral strategies to maintain and improve access to export markets for ESA-IO fisheries but also sector activities enabling the conducting and keeping updated the assessment of opportunities to improve production and supply of fish and fisheries products to domestic and regional markets with due regard to food security imperatives. In addition to capacity building of ports and quality regulatory institutions, more upstream activities on supply side capacities will be undertaken, such as value addition and value chain, including improving export capacities taking into account environmental standards. Specific actions targeted on the role women can play and the promotion of gender issues will be undertaken. Activities will also

focus on market diversification, be it at geographical dimension: so far the export market is mainly the EU (develop new countries outlets at regional or international level); at product level or at customers' level and link artisanal sector with tourism sector to develop eco-tourism and recreational fisheries, including specific provisions for gender issues.

- Regarding the Food Security component, activities will enable the establishment of a planned process for achieving national and regional fisheries food security. The regional food security strategy should take on board national food security policies. The contribution of the fisheries sector to food security will be devised in the larger context of food security.

### 3.3 Risks and assumptions

Key assumptions are as follows:

- There is a firm commitment from the partner countries to collaborate on a regional basis.
- Macro-economic factors do not undermine the implementation of the programme activities.
- Governance standards do not deteriorate in some countries.
- No adverse climatic conditions or conflicts prevailing in the region.

### 3.4 Crosscutting Issues

The activities of IRFS will be implemented according to the following principles:

- Gender neutrality in its employment and outsourcing actions, and will seek to promote gender balance in all of its committees, workshops and training interventions;
- Participatory approach on direct involvement of civil society and the private sector;
- Promotion of good governance issues;
- Visibility will be ensured notably by publicity campaigns and publications valorising programme results.

### 3.5 Stakeholders

Regional coordination and joint activities form the central thrust of the programme. Stakeholders for the Programme are the national and regional fishery management institutions, including the Indian Ocean Tuna Commission. The programme will place a strong focus on longer term sustainability, most notably in the context of sustained financing of activities by the countries after the programme is completed<sup>5</sup>. Stakeholder beneficiaries represent three different target areas:

- ✓ Fisheries management and control: public organisations and international organisations ( such as the FAO and the European Commission); existing national fisheries bodies: regional bodies-research institutions to address governance issues. A list of the national partners is attached in Annex of TAPs.
- ✓ International trade: Processing businesses, processing workers, domestic and international consumers and public sector (foreign exchange earnings), Standards/Certification bodies/ Govt agencies – Health authorities, Environmental authorities monitoring and evaluation required to assess effectiveness and service delivery to the private sector;
- ✓ Fisheries sector development: Research/Training institutions, intermediary organisations, processing companies, export companies, fishing boat operators and artisanal fishers .

Implementation of the programme will be supported by the following organisations:

- a) Capacity building in fisheries management will be supervised by eligible international organisations);
- b) MCS will be coordinated in partnership with the Regional management organisations and national control agencies;

---

<sup>5</sup> Réunion Island, an overseas department of France, will not be a financial beneficiary of the Programme, it is important that it be closely associated to its activities as a member of the IOC and its own participation in the Programme's activities will be subject to self-financing. Mozambique and South Africa will be "associated partners" covered by the Programme and coordination with SADC will happen through IRCC framework.

- c) Fisheries development will be coordinated in conjunction with national fisheries, trade and health administrations.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Method of implementation**

The IRFS will be implemented via partially decentralized management through a Financing Agreement signed by the IOC as RAO as follows:-

- (i) Programme Estimates via direct decentralized operations (IOC)
- (ii) Joint Management with eligible international organizations, the FAO. The FAO is compliant with the multi-pillar auditing requirements under the FAFA for specialised UN Agencies and bound by this long term framework agreement as provided for under Art: 29.1 (a) of the FR.
- (iii) In order to generate synergies with other RECs the programme also foresees Programme Estimates under the management and responsibility of EAC, IGAD and COMESA in parallel to the IOC PE. It is envisaged that the programme will be implemented partly through Programme Estimates as direct decentralised operations by the participating Regional organisations, COMESA, EAC and IGAD according to their geographical coverage. The Secretary Generals of these organisations will act as Deputy Regional Authorising Officers. There will be four sets of PEs – (IOC, COMESA, IGAD and EAC) given that the project aims at integrating fragmented markets as per the regional integration strategy defined in the RSP for the ESA region. There will be an imprest administrator and an imprest accounting officer for each set of PE.
- (iv) Grants will be awarded for activities related to surveillance and control undertaken by governmental bodies which have a monopoly of de jure and de facto. Grants will be committed under Programme Estimates.

Activities for result 2, part of result 3 and part of result 4, in particular the Trade readiness component, of the IRFS Programme will be implemented through annual programme estimates, to be managed through decentralised operations.

Part of activities of result 3 concerning joint patrols will be implemented through direct award of Grants to governmental bodies in charge of (maritime, fishery, other related bodies) surveillance. These grants will be awarded to governmental bodies which have a monopoly of de jure and de facto for such activities. These grants will be funded under the Programme Estimate. The Surveillance and Control bodies concerned for each country are as follows:-

Comoros - Ministry. of Agriculture, Fisheries & Environment

Kenya - Department of Fisheries, Ministry of Livestock & Fisheries

Madagascar - Ministère. de la Pêche et des Ressources Halieutiques/Centre de Surveillance de Peche

Mauritius - Fisheries Division, Ministry of Agro Industry, Food Production & Security (MAIPS)/

National Coast Guard Division

Seychelles - Ministry of Environment and National Resources (MENR) / Seychelles Fishing Authority /National Coast Guard

Tanzania- Tanzania Fisheries Research Institute

The implementation of component relating to Result 1 and the food security component of Result 4 will have recourse to the modality of joint management with the FAO, an eligible international organisation, in accordance with EC Rules and Regulations applicable to such modality, namely the Contribution Agreement mechanism.

Taking into consideration the past experiences in EDF project implementation since the 5<sup>th</sup> EDF, the responsibility of the RAO to deliver on results, ownership and sustainability, and the diversification of its portfolio of international cooperating partners, IOC is already in the process, endorsed by its Council, of enhancing its human resources capacity for more efficient rules-based and results-based project delivery through EDF and through other donors funding, so as to comfort both the RAO responsibilities and the EC and other donors as funding agencies.

Under the IRFS, a Programme Monitoring Committee (PMC) under the auspices of the RAO will be set up. The PMC will include at least the RAO, the Officer in charge for the Programme, the head of the Finance and Administration and the Procurement Officer.. The PMC will meet every month and

will consult with the EC Delegation every three months. A Programme Steering Committee (PSC) shall be set up by the IOC to oversee and validate the overall direction and policy of the IRFS and shall meet on an average twice a year. The IOC PMC will also work in close collaboration with the M&E system under development by the IRCC, on top of the M&E system for IRFS.

A Technical Assistance Team (TAT) will be mobilised in the Project Management Unit (PMU) to assist the IOC, as beneficiary ESA-IO RO, in the implementation of the programme, The TAT will come as a direct support to the Officer in Charge of the Programme based at the IOC Secretariat, Mauritius. Initial recruitment of the TAT for the PMU will be launched through international tendering under a suspensive clause.

The IRFS will contribute to further strengthen the IOC in its capacity as RAO and thus resources will fund part of these functions which is linked to the finance and administration of activities only. The following functions: (i) control of expenses, (ii) the imprest administration and (iii) the procurement, will be undertaken by IOC General Secretariat personnel.

The implementation of the ESA-IO fisheries Strategy will require substantial coordination efforts. The IRFS will fully support the setting up of a relating coordinating Unit at the IOC Secretariat. Given the geographical scope of the Programme, there is need to ensuring a modular approach to the implementation especially of the component on MCS, so that some sub-regions move at the pace that suits each of them, but towards the same set objective. Payments are executed by the Commission except in cases where the programme estimates are applied under which payments are executed by the Contracting Authority for operating costs and contracts up to the ceilings indicated in the table below.

The Commission controls ex ante all the procurement procedures except in cases where programmes estimates are applied, under which the Commission applies ex ante control for procurement contracts > 50,000 EUR and may apply ex post for procurement contracts • 50,000 EUR. The Commission controls ex ante the contracting procedures for all grant contracts. The Regional Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

**Table 1: Contract ceilings**

<b>Works</b>	<b>Supplies</b>	<b>Services</b>	<b>Grants</b>
< 300,000 EUR	< 150,000 EUR	< 200,000 EUR	• 100,000 EUR

**4.2. Procurement and grant award procedures**

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question. Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the 10<sup>th</sup> EDF rules.

In the case of Joint Management with the FAO for implementation of Result 1 and part of result 4, all contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th European Development Fund. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10<sup>th</sup> European Development Fund.

- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded in accordance with Article 108 of the Financial Regulation applicable to the 10<sup>th</sup> EDF.

#### 4.3 Budget and calendar

The total costs of the programme (Phase 1) will be EUR 21,000,000 running from 2010 to 2014.

Values in euro			Implementation modalities			
		%	Service Contracts	Joint Management	Direct award of Grants	PE
Activities for Result 1	3 500 000	16.67%		3 500 000		
Activities for Result 2	960 000	4.57%				960 000
Activities for Result 3	4 225 000	20.12%			1 750 000	2 475 000
Activities for Result 4	2 890 000	13.76%		2 500 000		390 000
Technical Assistant	4 732 000	22.53%	4 732 000			
- TA (Long-Term)	1 932 000	9.20%				
- STE	2 800 000	13.33%				
Equipment	300 000	1.43%				300 000
Operating costs	2 049 500	9.76%				2 049 500
Communication/Visibility	500 000	2.38%				500 000
External evaluation	120 000	0.57%	120 000			
Audit	80 000	0.38%	80 000			
Contingencies*	1 643 500	7.83%	328 700	410 875	164 350	739 575
	<b>21 000 000</b>	<b>100.00%</b>	<b>5 260 700</b>	<b>6 410 875</b>	<b>1 914 350</b>	<b>7 414 075</b>
		%	25.06%	30.52%	9.11%	35.31%

\* The European Community's contribution to the "Contingencies" heading may be used only with prior agreement of the Commission.

#### Operational Period

Operational implementation phase starts from the entry into force of the financing agreement and will have duration of **42** months.

#### 4.4 Performance monitoring

The programme's Logical Framework provides for a set of indicators at project purpose and results level. The quantification of indicators of process and outcomes for the internal monitoring of the programme will be established at the start of the project along the broader lines defined in the logical framework and on EuropeAid Standard Indicators and monitoring systems adopted accordingly. The IRCC members will be kept regularly informed of the programme's achievements and will be invited to attend the regional Steering Committees.

#### 4.5 Evaluation and audit

A budgetary provision is made for regular audits on PEs and if required on Contribution Agreements with International Institutions. An external Audit will be undertaken at the end of each Programme Estimates. The programme results will be evaluated on the basis of the following criteria: Relevance, Efficiency, Effectiveness, Impact and Sustainability. Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out the external evaluations, as follows:

- a mid-term evaluation mission;
- a final evaluation, at the beginning of the closing phase and on start of the programme's next second phase.

The mid-term evaluation and its conclusions and recommendations will allow the IOC (and the IRCC) and the EC to make recommendations regarding the financing of a second phase covering the period from January 2014 to June 2017.

#### **4.6 Communication and visibility**

The project's budget make due allowance for Information, Communications, and Visibility activities. These will be aligned with the requirements for visibility of EU aid while demonstrating the regional ownership of this project outputs. The IOC's Internet website including the dedicated website for Programme shall be the main tool to ensure communication, visibility and dissemination of the project's achievements and of its current and forthcoming events. The project will, in addition, work out its own communication strategy and develop specific awareness-raising, information and dissemination activities (also giving due consideration to NSA) in order to inform partner countries, regional and national research centres and other potential stakeholders of the opportunities that it provides. Due regard will be given to the linguistic necessities in the region.

## Annex IV

### 1. IDENTIFICATION

Title/Number	<b>Implementing the SIDS MS in the ESA-IO region (ISIDSMS) ESA-IO Region / CRIS Code: 2009/021-331</b>		
Total cost	<b>EC contribution: EUR 10,000,000</b>		
Aid method / Method of implementation	<b>Project approach – Partially decentralised management and Joint management</b>		
DAC-code	<b>151</b>	Sector	<b>multisectoral</b>

### 2. RATIONALE

#### 2.1 Sector context

As in other regions, the SIDS in the ESA-IO region are economically and environmentally vulnerable due to their remoteness and insularity, susceptibility to natural disasters, limited institutional capacity, limited diversification, openness, and limited access to external capital. The SIDS individually lack the range of skills and depth of support necessary at national level for sustained and effective response to the many economic and environmental pressures that confront them. In a world of increasing economic, environmental and social threats with emerging major challenges such as climate change, threats to biodiversity, population growth, the globalisation process, and the dependence on fossil energy, the situation of the SIDS in the ESA-IO region gets more exacerbated, and the technologies for adaptation become more complex and specialised and the relating costs are increasing.

Many SIDS lack the management capacity to underpin such development. They are still operating public administration procedures based on inherited systems, which are not well adapted to manage sustainable development objectives with a multisectoral proactive thrust. Some lack the absorption capacity to be able to make best use of key initiatives such as the Malta Commonwealth Secretariat and World Bank joint development on economic resilience building<sup>6</sup>. By contrast, unlike the SIDS in the Pacific and the Caribbean, the ESA-IO region lacks a sustained strategic programme with appropriate specialised institutional support and funding.

**The other main issues affecting the SIDS in the ESA-IO region are as follows:**

- scattered and uncoordinated actions/projects without focus on MS and more sectoral than sustainable development focussed;
- significant data gaps and absence of a national and regional monitoring and evaluation system for MS implementation;
- insufficient, uneven and uncoordinated mainstreaming for MS policies and programmes and resources allocations frameworks;
- weak representation and lack of coordinated advocacy amongst SIDS on major issues and in international fora, especially on trade, technology transfer, access to aid, etc;
- lack of visibility of projects and the emergence of sustained flagship models.

There is an overwhelming recognition of the specific SIDS issues and the need for support in international fora, including the EC, the World Bank, the WTO and the UN. However, what is lacking is the specific and effective mechanism and funding to address international and regional commitments. The 20 UN thematic Chapters in the MS set out the issues which affect SIDS more than other states. Whilst the MS sets out clearly the strategic objectives, it has defined the vehicles for accomplishing change, it has elaborated the adaptive mechanisms to respond to each of the thematic issues delineated in its 20 Chapters; it has thrown less light on the tools and mechanisms for implementation. What is needed now coherent process at national or regional levels and clear identification of the amount of resources required to achieve the expected results. In addition, there needs to be a greater exploration of the SIDS-SIDS technical transfer and common sharing of analysis

<sup>6</sup> *Small States Network for Economic Development (SSNED) Work Programme Framework 2008*

of issues and adaptation of relevant solutions. This is a process that can be well facilitated by regional capacity building and inter-regional co-operation between the three SIDS regions. This in itself will require overcoming the fragmentary processes of dissemination of evidenced based policy within and between SIDS. This programme is designed to achieve these ends.

The ESA-IO 10<sup>th</sup> EDF RSP/RIP (paragraphs 226, 229) thus calls for assistance in capacity building in the region including the IOC and the beneficiary SIDS and islands, to develop resilience and adaptive capacity to overcome their vulnerabilities which require regional support for effective and sustained response. The Programme “**Implementing the SIDS MS in the ESA-IO region**” (ISIDSMS), with IOC as the implementing agency, aims at preparing the ground for setting up such a mechanism and consolidating it for the IOC region in the context of its mandate<sup>7</sup> in favour of SIDS.

The breadth of the MS across 20 themes of sustainable development demands a selective approach for capacity building for analysis and implementation of best practice interventions. During the identification phase of this Programme, it was agreed to focus on the following four themes:

1. Operationalisation of the Coral Reefs facility for the region<sup>8</sup>;
2. Development of a disaster insurance scheme against natural disasters;
3. Support for high level political strategy for transforming an Island State into a sustainable development Island State;
4. Operationalisation of the Western Indian Ocean Challenge initiative on Climate Change.

The process of working with a selection of themes thus becomes a vehicle for developing methodology and managerial thrust and will set the scene for making more comprehensive progress. Therefore the ISIDSMS Programme is designed with a focus of four selected themes. The initial phase of the project will enable to develop tools and mechanisms and institutional frameworks for supporting an evidence-based process for sustainable development for ESA-IO SIDS in line with the UN 2005 SIDS Mauritius Strategy. It is planned that this phase will also include significant progress on the implementation of best practices on the four selected MS themes. While it is quite possible that while implementing the first phase complementary actions may become necessary which may have to be addressed in a parallel or successor project it is also possible that the results of previous and ongoing projects may demand further funding to reinforce their positive results. The process of mainstreaming the MS at all levels will then ensure sustainable programme of implementation.

## **2.2 Lessons learnt**

The IOC has been implementing projects mostly from EDF resources during the past 15 years, responding regionally to major development issues collectively put forward by all the SIDS in the region. This programme is designed to respond to the lessons learned from previous actions to secure progress in sustainable development in SIDS. More co-ordination of effort is necessary to achieve sustained programmes for building resilience and making use of ‘best practice’ in each of the critical areas of development strategy. It has been found the effective pursuit of the MS objectives cannot be achieved with sparse individual short-term projects, as at present. Progress with the MS demands a sustained on-going process of management and finance for establishing a coherent coordinated dialogue, policy commitment and action programmes of ‘best practice’ working with relevant partners. The challenges require a response of phased step-wise action with special focus on the sustainability aspects after each phase. The current programming processes, whether it is under EDF or other development partners, does not embrace these essential features. The history of regional development with its many well-targeted projects has lacked coherence and sustainability. Past projects have clearly demonstrated that impact and sustainability cannot be attained without active involvement of the national and regional authorities both at the design and the implementation stages of a programme. Since the MS Declaration, there have been several consultations and forums with relevant stakeholders defining the priority areas of interventions and implementation mechanism for the present programme. In consequence, the Programme will work in strong collaboration with the ongoing national and regional actions focusing either directly or indirectly on implementation of the MS. Learning from these previous lessons, it is now clear that the way forward for sustainable development for SIDS should be based largely on regional co-ordination. This must involve key stakeholders and target groups. It must be driven by the MS, mobilise expertise and promote relevant

---

<sup>7</sup> 2004 IOC Council decision and 2005 IOC Heads of States

<sup>8</sup> Other countries in the wider geographical region wishing to participate might be included but at their own cost.

south-south technical transfer, using evidence-based 'best practice' and a results based multi-sector management approach (especially including the public sector).

### 2.3 Complementary actions

The ISIDSMS fits itself in the larger context of the regional economic integration so as to ensure policy coherence. Actions taken at regional level to boost regional trade should be coherent with actions taken at SIDS level to promote sustainable development. The activities and results foreseen in the ISIDSMS programme and the ensuing policy recommendations may have direct implications for the regional economic integration agenda of the ESA region. Policy coherence between the MS/SIDS and the regional economic integration agenda will be ensured. The M&E system under development by the IRCC will be used to for the purpose of ensuring that the SIDS and the regional integration agendas have a common objective of sustainable development. A strong synergy will be developed between the ISIDSMS and the other regional projects. The SIDS project would for instance "use" other projects (e.g fisheries/RISP2) for advocacy purposes and to support SIDS related actions.

The IOC implements other sustainable development programmes which fall within the MS thematic areas and which can complement the actions of ISIDSMS in order to ensure optimum benefits for the region. In this context, the IOC will ensure collaboration with the ongoing national and regional actions focusing either directly or indirectly on supporting MS implementation such as the IOC Climate change mitigation project, the RECOMAP, AMESD, MPAs network project. For example regarding Climate Change in component 2, collaboration linkages will be established with the ongoing regional Climate Change project hosted by IOC.

### 2.4 Donor Coordination

The IOC has been proactive in the promotion of donor coordination well before the Paris Declaration. The IOC has been instrumental and proactive in the setting up of the IRCC<sup>9</sup> in 2001 and then in the revision of its Terms of Reference (ToR) in 2009. The IRCC is key to ensure optimum utilisation of the scarce development aid resources within the absorption capacity of the region. The 2009 revised ToRs of the IRCC makes specific provision for a reinforced donor coordination process.

The IOC Council in 2009 entrusted the Secretariat to further progress in the donor coordination mechanism that had already been set in place in 2008. In this regard, a recent step was the consultation in 2009 that the IOC Council Members' had with its principal partners' including the EC, the UN agencies, the French Cooperation. The thrust of the project is to promote sustainable development across the region through better management of natural resources by establishing and maintaining a strategic and technical support platform for international and bilateral donors and other development partners for the long-term benefit of the people of ESA-IO SIDS. The spirit of donor coordination will be reflected in the membership of the ISIDSMS Steering Committee with the involvement of the main partners and donors.

## 4.0 DESCRIPTION

### 4.1 Objectives

The **Overall objective** of the Programme will contribute to an increased level of social, economic and environmental development and deeper regional integration in the ESA-IO region through the sustainable development of the Small Island Developing States.

The **Specific Objective** of the Programme is to accelerate the implementation of the Mauritius Strategy in the ESA-IO through a regional programme.

---

<sup>9</sup> *Inter-Regional Coordination Committee (IRCC); a platform regrouping the IOC, COMESA, IGAD, EAC, SADC, AU, EC and ACP for the development of a common strategy for EDF programming and implementation*

## 4.2 Expected results and main activities

Four specific thematic areas have been identified for achieving the results of the project. They are:

- **Result 1:** A Monitoring and Evaluation system for the implementation of the MS is developed and operational at national, regional and international level.
- **Result 2:** Best practices in mitigating vulnerabilities of SIDS on the four selected themes are established
- **Result 3:** The region has capacity to leverage commitments for the pursuit of best practices on the four selected themes and attract investments for implementation.
- **Result 4:** Partnership for implementation of MS at national, regional and global level strengthened.

The principal activities for pursuit of each of the four results are set out below:

For **Result 1:** Design and set up monitoring and evaluation system for the implementation of the MS at national, regional and international level;

For **Result 2:** identify model 'flag ship' experiences and practices in the four selected themes; support those in the region which have further potential for development; review them critically; recognise and publish those which are deserving and disseminate them; adapt and replicate these in other locations based on the experience gained. The four 'flag ship models' will be implemented as follows:

- a) Operationalisation of the Coral Reefs facility;
- b) Development of a disaster insurance scheme against natural disasters;
- c) Support a high level political strategy for transforming an Island State into a sustainable development Island State (such as the 'Maurice ile Durable' initiative where economic, social and environmental development will be optimally integrated);
- d) Operationalisation of the Western Indian Ocean Challenge initiative on climate Change.

These 4 sub-areas of action will be further specified soon after the start of the programme and necessary actions undertaken to avoid dispersing too thinly. Alternatively, other donors will be approached for extra support.

For **Result 3:** Preparation of project proposals for the four themes on the basis of the international 'best practices'; support for mobilisation of resources for implementing these priority proposals from partners who made pledges during the SIDS Summit in 2005; support related PPP processes;

For **Result 4:** Support the improvement of the policy development process for implementation of MS in each of the SIDS; promote dialogue among all stakeholders and partners;

Special consideration will be given to the NSA actors with an emphasis on the youth and gender concerns to ensure their involvement in the implementation of the Programme. Specific actions will be undertaken in order to ensure maximum ownership of the process by the beneficiary countries and ensuring them that MS related actions are integrated to their national agenda and means to support SIDS actions. Where possible, expertise existing in other SIDS regions will be used.

## 4.3 Risks and assumptions

The principal **assumptions** are that the beneficiary countries remain fully committed to adopt this sustainable development policy and process and other development partners will provide support.

The **risks are** i) capacity failure at Government levels to set up integrated multi-sectoral sustainable development mechanisms; ii) delayed coordination between different competent services both at national and regional levels; iv) insufficient national budget to support implementation of emerging action plans; v) diverging SDO visions and national agenda priorities; vi) limited sectoral and political collaboration between the focus and other SIDS.

## 4.4 Crosscutting Issues

The activities of ISIDSMS will be implemented according to the following principles:

- Provision of equal opportunity to collaborating NSA in the region;
- Gender neutrality in its employment and outsourcing actions, and will seek to promote gender balance in all of its committees, workshops and training interventions;
- Participatory approach on direct involvement of civil society and the private sector;
- Promotion of good governance issues;

- Visibility will be ensured notably by publicity campaigns and publications valorising programme results.

#### 4.5 Stakeholders

The stakeholders of the **ISIDSMS** will be the participating regional organisation; IOC, the European Commission and the policy makers and the departments of Member/Partner States of the regional organisation, as well as youth and non-state actors, other donors and development partners and direct or indirect beneficiaries of the training and other programmes, and other direct contributors as well as beneficiaries of the activities of the **ISIDSMS**. The programme is essentially for the SIDS of the ESA-IO region, but other islands in the ESA-IO region may also benefit. Réunion Island, as an overseas department of France, will not be a financial beneficiary of the Programme, but will be a self financing associate in activities of the Programme.

### 5.0 IMPLEMENTATION ISSUES

#### 5.1 Method of implementation

The Programme will be implemented via partially decentralised management through a Financing Agreement signed by the IOC as RAO as follows:-

- (i) Programme Estimates via direct decentralized operations
- (ii) Joint Management with the UN Department for Economic and Social Affairs (UNDESA). [UNDESA is covered by the Financial and Administrative Framework Agreement \(FAFA\) with the United Nations.](#) Implementation of part of the activities will have recourse to the modality of Joint management with the UNDESA in accordance with EC Rules and Regulations applicable to such modality, namely the Contribution Agreement mechanism.

Taking into consideration the past experiences in EDF project implementation since the 5<sup>th</sup> EDF, the responsibility of the RAO to deliver on results, ownership and sustainability, and the diversification of its portfolio of international cooperating partners, IOC is already in the process, endorsed by its Council, of enhancing its human resources capacity for more efficient rules-based and results-based project delivery through EDF and through other donors funding, so as to comfort both the RAO responsibilities and the EC and other donors as funding agencies. In the specific area of EDF funding and in view of the ISIDSMS, a Programme Monitoring Committee (PMC) under the auspices of the RAO will be set up. The PMC will include at least the RAO, the Officer in charge for the Programme, the head of the Finance and Administration and the Procurement Officer. The PMC will meet every month and will consult with the EC Delegation every three months. A Programme Steering Committee (PSC) shall be set up by the IOC to oversee and validate the overall direction and policy of the ISIDSMS and shall meet on an average twice a year. The IOC PMC will also work in close collaboration with the M&E system under development by the IRCC, on top of the M&E system for ISIDSMS.

The administration and accounts departments will though be reinforced by ISIDSMS resources. Finance Officers, administrators and secretaries will be recruited by the IOC Secretariat and funded by ISIDSMS Programme Estimate resources. The TAT will come as a direct support to the Officer in Charge of the Programme based at the IOC Secretariat, Mauritius.

The ISIDSMS will contribute to further strengthen the IOC in its capacity as RAO and thus resources will fund part of these functions which is linked to the finance and administration of activities only. The following functions: (i) control of expenses, (ii) the imprest administration and (iii) the procurement, will be undertaken by IOC General Secretariat personnel. The implementation of the ISIDSMS will require substantial coordination efforts. The ISIDSMS will support the SIDS Coordinating Unit set-up within the Economic and Commercial Unit (as mandated by IOC Council) at the IOC Secretariat.

The Commission controls ex ante all the procurement procedures except in cases where programmes estimates are applied, under which the Commission applies ex ante control for procurement contracts

> 50.000 EUR and may apply ex post for procurement contracts • 50,000 EUR. The Commission controls ex ante the contracting procedures for all grant contracts.

Payments are executed by the Commission except in cases where the programme estimates are applied under which payments are executed by the Contracting Authority for operating costs and contracts up to the ceilings indicated in the table below.

The Regional Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

**Table 1: Contract ceilings**

Works	Supplies	Services	Grants
< 300,000 EUR	• 150,000 EUR	< 200,000 EUR	• 100,000 EUR

## 5.2 Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the 10<sup>th</sup> EDF.

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

All contracts implementing the action under joint management must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

## 5.3 Budget and calendar

The total costs of the programme (Phase 1) will be EUR 10,000,000 running from 2010 to 2014.

Values expressed in euro		%	Service Contracts	Joint Management	PE
Activities for Result 1	470 000	4.70%		470 000	
Activities for Result 2	2 400 000	24.00%			2 400 000
Activities for Result 3	200 000	2.00%			200 000
Activities for Result 4	240 000	2.40%			240 000
Technical Assistance	4 022 000	40.22%	4 022 000		
- TA (Long-Term)	1 302 000	13.02%			
- TA (Short-Term)	2 720 000	27.20%			
Equipment	280 000				280 000
Operating costs <sup>10</sup>	1 519 000	15.19%			1 519 000

<sup>10</sup> Local Staff, Office Running Costs, Missions & Consultations (IOC & Partners), Meetings, Project Steering Committees

Communication/Visibility	150 000	1.50%		150 000
External evaluation	120 000	1.20%	120 000	
Audit	80 000	0.80%	80 000	
Contingencies*	519 000	5.19%		519 000
<b>Total</b>	<b>10 000 000.00</b>	<b>100.00%</b>	<b>4 222 000</b>	<b>470 000 5 308 000.00</b>
			42.22%	4.7% 53.08%

\* The European Community's contribution to the "Contingencies" heading may be used only with prior agreement of the Commission.

The operational implementation phase that starts from the entry into force of the financing agreement will have duration of **42** months.

<b>Operating Costs</b>	<b>1 519 000.00</b>
- Local Staff (Administrative & Financial Officer, Knowledge management specialist, Communication Specialist, Secretary and Conference Assistant, Accounts Officer, Driver)	672 000.00
- Office Running Costs	227 000.00
- Missions & consultations (IOC Secretariat & Partners)	120 000.00
- Meetings	150 000.00
- Project Steering Committees	350 000.00
<b>Equipment</b>	<b>280 000.00</b>
- IT Equipment, Furniture	260 000.00
- Vehicles	20 000.00
<b>Communication/Visibility</b>	<b>150 000.00</b>

#### 5.4 Performance monitoring

The programme's Logical Framework provides for a set of indicators at project purpose and results level. The quantification of specific indicators and outputs for the internal monitoring of the programme will be established at the start of the project along the broader lines defined in the logical framework and on EuropeAid Standard Indicators and monitoring systems adopted accordingly. The IRCC members will be kept regularly informed of the programme's achievements and will be invited to attend the regional Steering Committees.

#### 5.5 Evaluation and audit

A budgetary provision is made for regular audits at the end of each PEs and if required on Contribution Agreements with International Institutions. The programme results will be evaluated on the basis of the following criteria: Relevance, Efficiency, Effectiveness, Impact and Sustainability. Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out the external evaluations, as follows:

- a mid-term evaluation mission;
- a final evaluation, at the beginning of the closing phase and on start of the programme's next second phase.

The mid-term evaluation and its conclusions and recommendations will allow the IOC (and the IRCC) and the EC to make recommendations regarding the financing of a second phase covering the period from January 2014 to June 2017.

#### 5.6 Communication and visibility

The project's budget make due allowance for Information, Communications, and Visibility activities. These will be aligned with the requirements for visibility of EU aid while demonstrating the regional ownership of this project outputs. The IOC's Internet website including the dedicated website for networking the SIDS ([www.AIMSNET.INFO](http://www.AIMSNET.INFO) – at present under development) shall be the main tool to ensure communication, visibility and dissemination of the project's achievements and of its current and forthcoming events. The project will, in addition, work out its own communication strategy and

develop specific awareness-raising, information and dissemination activities (also giving due consideration to NSA) in order to inform partner countries and potential stakeholders of the opportunities that it provides. Due regard will be given to the linguistic necessities in the region.

## ANNEX V

### 1. IDENTIFICATION

Title/Number	<b>Regional Political Integration and Human Security Support Programme PHASE I (RPIHSSP I - Preparatory Phase)</b> <b>FED/2009/21302</b>		
Total cost	<b>EC Contribution Euro 4,920,000</b>		
Aid method / Method of implementation	<b>Project Approach</b> <b>Partially decentralised Management with EAC and IGAD</b> <b>Joint Management with COMESA</b>		
DAC-code	15113, 15150, 15160, 15170, 15220	Sector	Good Governance and Human Security

### 2. RATIONALE

#### 2.1. Sector context

Political integration, good governance and human security are cross-cutting issues in regional integration and are integral parts of successful economic integration. The ESA-IO integration agendas are presently at different stages including free trade area for all, customs union for EAC and COMESA, common market under negotiation for EAC and monetary union and the ultimate political federation for EAC. This progress has been achieved owing to high levels of political will and commitment in regional integration, demonstrated by the Member States as well as the efforts in addressing the negative effects of migration arising from forced population displacement engendered by civil strife.

The objective of the Regional Political Integration and Human Security Support Programme (RPIHSSP) is to support the ESA – IO Regional Organisations (ROs) political integration agenda with the end result of improving the political governance, transparency, democratisation processes, security, stability, and sustainable development of the region through strategic inter-regional cooperation. Phase I (Preparatory Phase) of the programme described hereby will focus on all the necessary identification/scoping of work in the different result areas. In addition, a limited number of activities that are mature will be implemented.

The programme will enhance the capacity of national and regional statutory/watchdog organs and institutions such as the Courts of Justice; legislative entities and oversight bodies such as the East African Legislative Assembly, the COMESA Inter-Parliamentarian Forum and the IGAD Inter-parliamentary Union; public sector service providers; taxation agencies; electoral commissions; anti-corruption agencies and Supreme Audit Institutions; immigration institutions as well as civil society, women and youth. It will also enhance the capacity of the Secretariat of the ROs in promoting good governance and human security and in coordinating and monitoring implementation of regional policies on governance and human security benchmarked to continental initiatives and commitments.

The critical challenges of the political integration and human security agenda in the region relate to non-adoption, -adaptation and -enforcement of international and continental commitments in governance, human rights, transparency, accountability, rule of law principles, financial and taxation

regimes, freedom of the media as well as to limited stakeholder participation in governance processes. While most ESA-IO countries are party to UN and regional conventions and declarations relating to good governance, serious concerns remain with regard to implementation. Notwithstanding underlying issues of capacity and willingness, the slow implementation of the existing instruments is attributed to a lack of an effective follow-up, monitoring and evaluation mechanisms to review progress in implementation and set specific milestones for achievement by all the Member States.

On electoral processes and observer missions, there is an apparent lack of a structured way of observing, receiving and considering observation reports and of follow-up on recommendations by the Member States and respective Electoral Commissions. This has been addressed in the programming of this project through the development of a mechanism for the observation of the entire electoral process using domestic observers. The same applies to initiatives towards combating corruption and upholding the rule of law and justice where national and regional courts and anti-corruption agencies are beneficiaries as well as stakeholders under this project.

The ESA-IO's constitutive treaties and the Member States Constitutions provide for adherence to the principles of good governance benchmarked against the Constitutive Act of the African Union. The programme is consistent with the UN and African Union's policies, legal instruments and development strategies. However, the ESA-IO Member States' have been slow in ratifying and implementing the policies thereby calling for a regional approach which should help to harmonise and speed up implementation through mutual reinforcement. The region is diverse and covers a vast area so it is important to identify regional benchmarks and draw from the tripartite arrangements to push political integration. Furthermore, all these policy instruments are geared to removing obstacles towards the African Economic Community and eventually the Union Government.

The response areas of the programme are consistent with the EU Consensus on Development; the EU Strategy for Africa; the EU-Africa Strategic Partnership and Action Plans on democratic governance and human rights and on Peace and Security; as well as with the Paris Declaration on Aid Effectiveness and take into account the EU's aid effectiveness commitments. In the specific sector of migration management, the programme will ensure to be in line with the main bioregional dialogues, namely the Tripoli Declaration on Migration and Development, the EU-African partnership for Migration, Mobility and Employment, and complement the actions undertaken through the AU Migration Policy Framework for Africa. It is further consistent with the COMESA-SADC-EAC Tripartite framework, Joint Assistance Strategies (JAS) at the national and regional levels; the 10<sup>th</sup> EDF ESA-IO Regional Strategy Paper/Regional Indicative Programme (RSP/RIP), which provides for specific interventions towards promoting good governance and ensuring human security in its second focal area.

The programme identifies the significance of the principle of subsidiarity in areas of good governance and human security and the need to engage the region's citizenry through advocacy at community and national levels. Such a move will bring the benefits of integration closer to the people to empower them to push for integration processes at all levels. Political integration in the region is hampered by weak coordination and harmonisation of initiatives and mechanisms among ROs and with the African Union, notwithstanding the fact that the latter has over time concluded well meaning and necessary legal instruments for implementation at both regional and national levels. This state of play has hindered the creation of necessary governance institutions and mechanisms as well as the emergence of a well-defined political integration and good governance agenda for the entire region. The establishment of strong complementary mechanisms at the level of the ROs – which are the building blocs for Africa's integration – are even more important considering that the prevailing governance and democracy challenges require a joint regional vision with unity of purpose for the whole ESA-IO region. Furthering the integration amongst the sub-regions, the policies at regional level are not duplication; they seek to complement and create synergies for effective implementation noting that ROs are building blocks for the African Union.

The programme therefore seeks to implement actions with respect to:-

- a) developing policies, strategies and mechanisms to adapt and enforce international and regional agreements on good governance and democratisation, modalities for the treatment of the vulnerable groups in particular women and children as well as migrant and displaced populations at the national and regional levels;
- b) developing/reinforcing policies and strategies for regionalising national/regional initiatives and best practices across the ESA-IO region including the COMESA trading for peace and war economies initiatives, the Great Lakes initiative on management of trade issues on natural resources; the ICGLR Pact on Security, Stability and Development in the Great Lakes Region and its protocols on Democracy and Good Governance, on Judicial Cooperation, on Protection and Assistance to Internally Displaced Persons, on Property Rights of Returning Persons, etc. as well as its related Programme of Actions; the IGAD initiatives of management of migration and displaced populations; the EAC modalities of institutionalising good governance in regional integration and supporting democratisation processes; and the initiatives implementing the EAC-COMESA-SADC Tripartite Summit commitments within the RECs;
- c) developing/reinforcing policies and strategies for inculcation of democratic governance including accountability, ethics and integrity across service providers at national level and at regional level based on regional ethos;
- d) Implementing ongoing initiatives including regional fora for electoral commissions, human rights commissions, judiciaries and law enforcement agencies and adopting common regional benchmarks in promoting good governance and protection of human rights; and
- e) Ensuring wide involvement of the stakeholders at all levels in planning, implementing and assessing governance structures while providing for freedom of information and access to information for the media, civil society organisations, parliaments, watchdog organisations in the programme.

The Member States through their respective ROs have reached policy decisions to handle the identified issues collectively in view of the transboundary nature of the negative impacts of undemocratic governance.

## **2.2. Lessons Learnt and Complementary Actions**

This programme notably complements ongoing support under the 9<sup>th</sup> EDF Conflict Prevention Management and Resolution (CPMR) Programme which is made up of three components related respectively to capacity building, war economies and Small Arms and Light Weapons (SALW). It integrates lessons learnt through this ongoing action such as the need to ensure that all the RECs work collectively on all activities to enhance coherence. Further, the coordination challenges under the CPMR project have necessitated a concerted effort to establish a strong coordination framework for this programme. Similar challenges were experienced with the Africa Peace Facility Capacity Building Programmes focussing on the African Peace and Security architecture at the continental and regional levels. Another major lesson drawn from this experience relates to the low absorption capacity of both the AU and the ROs. The programme will further complement ongoing activities by the World Bank, the African Development Bank, GTZ and USAID in the areas of governance and democracy including human security and migration. The project draws from the 'best practices' within the Southern African region on the establishment of the SADC-Forum of Electoral Commissions on democratisation processes. It will also integrate lessons already learnt from numerous elections observation carried out in several countries of the region. COMESA and EAC through EALA have notably been observing elections in Member States as a means of strengthening democratic governance. EAC, working with electoral commissions has advanced this by developing elections standards while COMESA has also produced recommendations through observation reports which are intended to be collated to inform the development of common regional standards. The project recognises the need to broaden the scope of elections observations by extending this to the whole electoral process. The COMESA Policy Organs have adopted guidelines for elections observations.

The programme also takes into account the outcome from studies on the establishment of the proposed African Union Government – to the effect that there is a need for strengthening political integration at regional level to establish coherence before establishing a Union Government. Additional lessons could be learnt from the East Africa Migration Route, funded under the EC AENEAS Programme, in building co-operation, information sharing and developing joint practical initiatives amongst countries of origin, transit and destination while appreciating migration as a platform for regional cooperation and integration. The rationalisation of protocols on free movement of persons as espoused in the COMESA, EAC and IGAD respective protocols will enhance benefit and information sharing.

The actions taken in the particular field of migration management will be carefully designed to avoid overlapping and create complementarities with other programmes implemented at regional level. It should be especially the case for the initiatives funded under the Intra-ACP Migration Facility (9<sup>th</sup> EDF), their continuation under the Intra-ACP cooperation instrument (10<sup>th</sup> EDF) and the program for supporting the EC-AU Partnership for Migration, Mobility and Employment (currently under formulation), which all foresee capacity building actions for African RECs and the constitution of a network of regional observatories for migration. Complementarity with other sub-regional programmes, like the Regional Protection Program for the Great Lakes Region, or the Ethiopian Migration Platform might be also reached.

The programming process took into account the need for continued focus on strengthening the capacity of ROs to implement their own specific strategies and priorities as well as coordinate regional related programmes.

1. The AIDCO IRCC mid-term evaluation also highlighted the challenges of ESA regional coordination, and the need to improve coordination with SADC, as well as access to the Intra-ACP, Pan-African programmes resources given the increasing importance of these larger programmes. Similar reviews at national level confirmed the shortcomings with regard to access and implementation of the procurement processes under EDF rules. The IRCC structure with modifications as appropriate will continue to coordinate the regional efforts in the 10<sup>th</sup> EDF. In spite of the full commitment of the 9<sup>th</sup> EDF before sunset clause in 2007, a large number of the programmes have recently started or are still ongoing and likely to be implemented beyond 2010. In this regard, there aren't many lessons to draw from.

The key lessons relate to uncoordinated and divergent regional policies; regulatory, planning, institutional and capacity constraints; inadequate and selective involvement of key stakeholders in programme implementation and delays associated with the modality of resource disbursement also inform the new programme design. In addition, the programme design draws heavily from global, regional and national initiatives taken in the recent past and with a bearing on the ESA-IO region to improve programme impact on the beneficiaries.

The Programme will further take into account the outcome of the ongoing initiatives towards the establishment of the African Union Government – to the effect that there is a need for strengthening political integration at regional level to establish coherence before embarking on the setting up of a Union Government – and aim to learn from the work of the Pan-African Parliament and the challenges experienced in implementing the AU legal instruments on governance, anti-corruption, human rights and democracy and the APRM outcomes.

### **2.3. Donor Coordination**

Within the context of the Paris Declaration and the European Consensus, donor harmonisation on regional priorities for various ESA-IO regional integration programmes has been a priority. The EC through the IRCC framework has continued to support the regional integration programmes together with other donors. At EAC-level, the EAC Partnership Fund with the facilitation of the Partnership Steering Committee has been one of the successful efforts in harmonising donor support in line with RO priorities. Also, there exists at the continental level a Joint Coordination Committee (JCC) co – chaired by the AU and the EC which includes all the RECs and the EC. This programme will build on

the mature activities supported by the Partner States and to a smaller extent by listed development partners.

The project might also aim at allowing the institutionalisation of the Eastern African Migratory Group, in order to better coordinate EC and other donors activities, at regional level, in the field of migration management and protection of displaced populations, and therefore enhance the articulation with the various actions implemented at pan-African and EU-AU level.

### **3. DESCRIPTION**

The **Phase I of the programme** will focus on preparatory work in view of identifying the scope and activities that will be undertaken in the follow-on Phase II of the programme. This will include in particular the undertaking of baseline surveys including stakeholders' consultation, research and studies on topical issues in the area of good governance, democratisation, and human security (including migration management, protection of forced displaced population and fight against trafficking of human beings). It will also include capacity building of the ROs and implementation of preliminary activities that are mature for implementation.

The Phase I will be implemented in 30 months.

It is important to note that EAC, IGAD and COMESA will undertake activities in all 3 results areas of the programme. However, EAC will take lead in the overall coordination of this project, and specific leadership in promoting good governance while COMESA will take lead on issues of democracy and IGAD will provide lead on migration and human security. This division of labour is based on the comparative advantages and technical capacities of the respective ROs.

#### **3.1. Objectives**

The **overall objective** is to deepen regional political integration as an integral part of regional integration.

The **specific objective** is to contribute to improved levels of good and democratic governance and human security in the ESA-IO region.

#### **3.2. Expected results and main activities**

Three (3) result areas form the core of the Programme (Phase I and II): i) Regional Policy frameworks on good governance are reinforced and/or developed and implemented, ii) Policies, strategies and programmes on democratic processes are harmonised and the culture of democracy including free and fair elections is well-established in governance systems and structures, and iii) Regional Frameworks and mechanisms on human security developed are reinforced/developed and implemented. Phase I will cover relevant preparatory work as well as limited number of mature activities ready for implementation at this stage.

The following generic activities will be undertaken by all the ROs: i) programme management and coordination, ii) programme monitoring, audit and evaluation, iii) dissemination of information and awareness raising, iv) capacity strengthening of ROs (technical expertise, training, and equipment)

**The indicative Main Activities per Result Area for the Phase I of the RPIHSSP are as follows:-**

**RESULT 1:** Preparatory work completed in relation to the reinforcement/development and implementation of selected regional policy frameworks on good governance. This would cover the protection of human rights, the struggle against corruption, the promotion of rule of law and the access to justice, the participation of the civil society, women and youth, etc.

**Core Activities:**

- 1.1 Identification of priority policies and profiling of actors / key stakeholders (stocktaking studies, policy and capacity needs assessment, feasibility studies, risk assessment, baseline surveys, etc.);
- 1.2 Undertake studies and research on topical issues in the area of political integration and good governance to promote dialogue and debate on the issues. Topics to be covered by such studies could include:
  - a comparative study of all regional Bills of Rights, including a comparison with ACHPR provisions;
  - a comparative study on the different human rights instruments and adjudication mechanisms in the countries covered by this programme;
  - a study to identify the necessary legal steps for a regional court to have jurisdiction and adjudicate a possible regional Bill of Rights.
  - A study on the role of Supreme Audit Institutions in the fight against corruption and the possible reinforcement of their mutual cooperation.
- 1.3 Development of a joint consolidated action plan for further policy reform and policy integration (Phase II of the programme).

**RESULT 2:** Preparatory work completed in relation to the reinforcement/development of selected policies, strategies and programmes on democratic processes and the promotion of the culture of democracy in the structures and systems of governance. This would include the promotion of free and fair elections, parliamentary support, media strengthening, etc.

**Core Activities:**

- 2.1 Study electoral processes, identify key areas for strengthening and build the capacity of regional public and private institutions and RO Secretariats;
- 2.2 Strengthen regional standards and guidelines for observation and monitoring of the entire electoral cycle using local election observers;
- 2.3 Development of a joint consolidated action plan for further policy reform and policy integration (Phase II of the programme).

**RESULT 3:** Preparatory work completed in relation to the reinforcement/development and implementation of key regional frameworks and mechanisms on migration management and displaced population.

This should also include specific activities related to the implementation of the Tripoli Conference conclusions on Migration and Development (including remittances facilitation, reducing the effects of brain drain and involving Diasporas in their home countries development), but also issues related to labour and circular migration or fight against trafficking, along with reducing irregular migration flows within and outwards of the region.

**Core Activities:**

- 3.1 Baseline survey on the state of play on mechanism/policies and gaps in migration and population displacement management including gender issues;
- 3.2 Identification of priority policies and profiling of actors/key stakeholders (policy and capacity needs assessment, feasibility studies, risk assessment, etc.);
- 3.3 Development of an action plan for further policy reform and policy integration.

### **3.3. Risks and Assumptions**

It is assumed that the countries and regional organisations covered by this programme remain fully committed to observe the principles of good governance, democracy, the respect for human rights and the upholding of the rule of law at national, regional and continental level and that the region remains politically stable. It is also further assumed that the region and its member states continue to implement the Abuja Treaty and Lagos Plan of Action and work towards the AU Constitutive Treaty. The momentum created by the decisions of the COMESA-EAC-SADC Tripartite Summit, which reiterated the commitment towards implementation of the Constitutive Treaties that are intended to foster political integration of the region, will – if sustained – facilitate implementation of the programme.

It is further assumed that the ROs and the Member States will mobilize the required technical and human resource capacities to implement the programme. In this context, one of the major assumptions is that Member States, particularly those that have less developed governance structures, will hasten to implement the various governance instruments, while all the member states will uphold the value of democratic governance. In the particular case of migration management and displaced population protection, a specific action should be undertaken to describe the potential political tensions that could arise from further political integration initiative (protection system, border conflicts...) and further on propose a strategy to avoid political impasses in this process. It is finally assumed that an enabling social, political and peaceful environment prevails so as to facilitate implementation of the programme and achievement of the objectives set.

To address some of the risks and assumptions, this programme will have an inbuilt and continuous lobbying mechanism on pertinent issues with key drivers. The project will also ensure existence of a comprehensive governance monitoring mechanism on adherence and implementation of key legal instruments. Further, for sustainability of the programme, strategies will be put in place for ownership of the processes and outcomes of the project by member states including financial support.

### **3.4. Crosscutting Issues**

Crosscutting issues particularly, good governance, environmental sustainability, climate change, gender equality, human rights, rights of women and children will be mainstreamed in the programmes design through wide stakeholder consultation and participation at the national and regional levels while taking into account similar global commitments. At its core, the RPIHSSP will aim at entrenching good governance and human rights, particularly, the rights of women and children in both governance and migrations/displaced populations issues through capacity and institutional development, empowerment of key stakeholders through sensitisation and advocacy and undertaking appropriate legal and regulatory reforms.

### **Stakeholders and beneficiaries**

The key stakeholders of this programme include the regional and national executive, legislative and judicial organs and institutions of the ROs and their Member States within their different areas of competence and jurisdictions. These include relevant parliamentary committees; national and regional courts, particularly the East African Court of Justice and the COMESA Court; audit institutions and; governments and national statutory bodies such as law enforcement agencies, migration and/or refugees administrations, anticorruption agencies, human rights commissions and electoral commissions. In addition, civil society organisations, private sector and media will play a big role in oversight, advocacy and providing checks and balances. There has been continuous consultations and engagement between ROs and the key stakeholders listed above which has contributed to the design of the project and already to the identification of some priority areas of focus. The commitment of ESA RO member states towards the implementation of this project has been demonstrated through the policy decisions already taken on the basis of consultations. For stakeholders who will also double up

as implementers, their capacity will be assessed in the first phase of the programme through baseline surveys and studies.

The ultimate beneficiaries of the programme will be the citizens of the ESA-IO region who will benefit from improved levels of good governance, human security and regional integration. In this context, the programme will make specific efforts to strengthen the participation of currently under-represented or excluded groups such as women, youth, children and cross-border communities. The programme will closely co-operate with regional and international organisations working in the area of management of refugees and forcefully displaced persons. In doing so, it will build on already existing capacities and use the existing infrastructure at both national and regional levels.

**4. IMPLEMENTATION ISSUES**

**4.1. Method of implementation**

A Financing Agreement will be signed between EAC and the Commission for the implementation of this project. Under this Financing Agreement, there will be two methods of implementation:

- 1. Partial decentralised management through the signature of the Financing Agreement with EAC as Regional Authorising Officer on behalf of all RECs. EAC will sub-delegate IGAD as Deputy Regional Authorising Officer for the implementation of IGAD activities. The procedures in this component will be programme estimates.

The Commission controls ex ante all the procurement procedures except in cases where programmes estimates are applied, under which the Commission applies ex ante control for procurement contracts > 50,000 EUR and may apply ex post for procurement contracts • 50,000 EUR. The Commission controls ex ante the contracting procedures for all grant contracts. Payments remain centralised except in cases where programmes estimates are applied, under which payments are decentralised for operating costs and contracts up to the ceilings indicated in the table below.

The Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

<b>Works</b>	<b>Supplies</b>	<b>Services</b>	<b>Grants</b>
< 300,000 EUR	< 150,000 EUR	< 200,000 EUR	• 100,000 EUR

- 2. Joint management through the signature by the Commission of a Standard Contribution Agreement with COMESA for the implementation of COMESA activities. COMESA continues to be compliant with the multi-pillar auditing requirements since 2005.

It is important to highlight that EAC, IGAD and COMESA will undertake activities in all 3 results areas of the project to align with the spirit of regional approach in achieving the objectives of each result area. A Memorandum of Understanding (MoU) governing the overall coordination mechanism, operational management and monitoring of the programme will be entered into between all participating RECs.

#### 4.2. Procurement and grant award procedures

**For the component under partially decentralised management:** All contracts implementing the action must be awarded and implemented in accordance with EC procedures and standard documents for implementation of external operations, in force at the time of the launch of the procedure in question. All programme estimates must respect the EC procedures and standard documents in force at the time of the adoption of the programme estimates in question.

**For the component under joint management:** All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

#### 4.3. Budget and Calendar

This Phase I of the Regional Political Integration and Human Security Support Programme will be implemented within 30 months.

The estimated cost for the successful implementation of this programme for which the ROs seek support from the EDF 10 Regional Programme is **Euro 4,920,000**.

**Table 1: Budget Estimates by Category of Expenditure<sup>11</sup>**

	in 000 Euros			
	COMESA	EAC	IGAD	Total by category
Result Area 1: Governance	430	1,005	140	1,575
Result Area 2: Democratisation	935	290	85	1,310
Result Area 3: Human Security	90	350	610	1,050
Project Management and Coordination	140	410	165	715
Audits and Evaluation	10	100	10	120
<i>Sub total by REC</i>	<i>1,605</i>	<i>2,155</i>	<i>1,010</i>	<i>4,770</i>
Contingency	-	-	-	150
<b>GRAND TOTAL</b>	<b>1,605</b>	<b>2,155</b>	<b>1,010</b>	<b>4,920</b>

\* The European Community's contribution to the "Contingencies" heading may be used only with prior agreement of the Commission.

#### 4.4. Performance Monitoring

The project will be guided by a Project Steering Committee (PSC) which will consist of all RECs concerned. Counterpart EC Delegations and the IRCC secretariat will participate in PSC as observers. AU and SADC representatives will also participate as observers.

Consolidated quarterly and annual reports of the programme will be produced by the Programme Coordinator and Experts at REC level for the PSC and stakeholders, including the EC Delegations.

Day-to-day technical and financial monitoring will be a continuous process as part of RECs responsibilities. To this aim, the participating RECs shall establish a permanent internal, technical and financial, monitoring system to the project, which will be used to elaborate the progress reports. The indicators to be monitored are reflected in the log frame, national, regional and international commitments.

<sup>11</sup> The procedures for EAC and IGAD are programme estimates.

Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out external monitoring ROM system.

#### **4.5. Evaluation and Audit**

In framework of programme estimates, the project accounts and expenditure will be subject to an external audit upon completion. The funds for the audits and evaluation will be drawn from the project budget.

An evaluation will be carried out at the end of the implementation of Phase I.

#### **4.6. Communication and visibility**

In line with EC Visibility Guidelines, acknowledgement of the EC contribution will be made in reports and publications connected with the RPIHSSP. A publicity and outreach strategy will be developed to ensure visibility of outcomes from the programme. The communication and visibility channels inbuilt into the programme vary with respect to each result area and the implementing institution. At the REC levels, sensitisation workshops and training of the management and to a limited extent the media will be the main mode of communication. At the national level, capacity building for undertaking the requisite reforms shall remain the key mode for communication.

## ANNEX VI

### 1. IDENTIFICATION

Title/Number	Regional Multidisciplinary Centre of Excellence (RMCE) start-up project 2009/021404		
Total cost	EUR 6.323.000 EC contribution : EUR 5,600,000 (0.9% of RIP) Government of Mauritius contribution : EUR 723,000		
Aid method / Method of implementation	Joint Management with Common Market for Eastern and Southern Africa (COMESA) - Contribution Agreement		
DAC-code	33181	Sector	Trade education/training

### 2. RATIONALE

#### 2.1. Sector context

Capacity building in the African public sector and Government agencies has been a central objective of national and international development efforts for several decades. The importance of capacity building as means to achieve sustainable development is demonstrated by empirical researches, which have established a positive correlation between institutional capacity and development as well as its ability to draw benefits from trade liberalisation. Observations from the implementation of programmes to support regional integration show that many countries suffer from a lack of knowledge of trade disciplines engrained in international trade law and of "best practices" in trade and investment policies.

Development in the regional integration process in the East and Southern Africa-Indian Ocean (ESA-IO) region strongly suggest that there will be increased demand for capacity-building both by the private and public sector in the coming years, specifically in the field of regional economic integration. Capacity-building will be needed in order to support the continued integration process, which is led by initiatives such as COMESA and East African Community (EAC) Customs Unions and Common Markets, the Inter-governmental Authority on Development (IGAD) integration agenda, Indian Ocean Commission (IOC) trade and economic cooperation policies as well as the COMESA-EAC-SADC (Southern Africa Development Community) Tripartite Process.

Setting up the Regional Multi-disciplinary Centre of Excellence (RMCE) is a concrete step towards capacity-building in regional economic integration (REI) as foreseen in the 10<sup>th</sup> EDF ESA-IO Regional Indicative Programme (RIP). The RIP provides for the "establishment of a pilot regional centre of excellence that would address the issue of human resources development", under its non-focal area.

The project to establish the RMCE in Mauritius has received the political support of the COMESA, IOC and SADC Councils and is technically justified by a feasibility study and a Business Plan, which were both funded by the European Union and executed by the World Bank. The feasibility was endorsed by the 24<sup>th</sup> COMESA Council in November 2007. The Business Plan was finalised in June 2009. The market analysis, which has been undertaken in the preparation of the Business Plan, shows that there is excess demand for skills in the area of REI and that there is need to develop a comprehensive approach to build capacity in this

sector. Capacity development is especially needed by regional organisations and governments, especially key ministries and agencies in the forefront of design, implementation and monitoring of regional economic integration policies. Furthermore, the analysis shows significant private sector needs (mainly large firms) with regard to developing managerial capacity to improving their outreach on regional markets.

## **2.2. Lessons learnt**

Recent programmes, such as the support to the Economic Partnership Agreement (EPA) negotiations (under the 9<sup>th</sup> EDF Regional Integration Support Programme - RISP) have highlighted the importance for negotiators to have adequate skills and knowledge on the key areas of negotiations in order to facilitate consensus. The RMCE will become the executive arm for Regional Organisations (ROs) to ensure that the build-up of human resources capacity in facilitating the design, formulation and implementation of regional policies and programmes and hence contribute to the institutional capacity building in the region towards regional integration. The Centre will also promote the articulation of capacity building programmes for ROs (and their national counterparts).

In ensuring its role, however, the RMCE will have to take into account the complementarities with existing programmes and institutions (e.g. the Namibian Economic Policy Research Unit) in the region and focus on its value-added and cost-effectiveness. A number of donor-supported training/advisory centres at the regional level as well as at the national levels in Africa already address some topics broadly related to regional integration. Through a survey of training services supply, the Business Plan shows that none of the existing institutions provide comprehensive human resource capacity building package to the Regional Organisation (ROs). This correlates with the findings of an evaluation of World Bank support on Capacity Building in Africa.

## **2.3. Complementary actions**

In addition to building complementarity with existing training or research institutions in the region the RMCE start-up project will be complementary to actions under the proposed RISP continuation programme in specific areas where continuous training is required to facilitate the implementation of agreed policies and regulations. It will also have a complementary value to the COMESA Fund and the Regional Integration Support Mechanism (2007 to 2012), particularly in enhancing the capacity of member countries in Public Finance Management (PFM). The RMCE could also offer a platform for cooperation with the French Outermost Region of La Réunion as a member of the IOC, through joint-programmes which can be co-financed through the appropriate instruments of the EC (DG-Regio).

## **2.4 Donor coordination**

The EC contribution will be used to start up the RMCE and bring it to operational stage. Subsequent contributions by other partners (including the EC) will also be sought to facilitate the rapid development of the Centre into a world class training institution for regional economic integration. Bilateral consultations have been held between the host country and other institutions and partners, namely the African Development Bank, Agence Française de Développement, the Commonwealth Secretariat, India, Singapore and Australia. Coordination among donors (at least between EC and EU Member States) in supporting the RMCE will be key, especially with the view of ensuring consistency with the European Consensus for Development. The link between institution capacity development with the promotion of policy reforms and regulations, good governance and poverty alleviation strategies is elaborated in the EC Communications on Governance and Development (COM (2003) 615) and Governance in the European Consensus on Development (COM (2006) 421).

The contributing agencies would be brought together to support the development of the RMCE. Overall coordination with the EC and other donors will be assured through the membership of the Project Steering Committee, which could develop into the supervisory board of the RMCE, once the latter is established as a legal entity.

### 3. DESCRIPTION

The RMCE will be a regionally owned training and advisory centre and a forum for dialogue serving as a capacity building and expertise hub for the COMESA, EAC, IOC, IGAD and SADC regional development initiatives. The headquarters of the Centre will be located in Mauritius, as approved by the 24<sup>th</sup> Council of Ministers of COMESA. It will be located in the new 'Knowledge Hub' site which will house tertiary education institutions. It is intended to improve Member/Partner States' capacity for addressing issues of REI with a comprehensive approach, and capacity needs of key stakeholders at policy as well as operational levels. The Centre will target five core areas of capacity development related to REI: trade and transit, cross border finance, macro-economic management, business development and investment, common sectoral policies. The scope of services will cover design, implementation and monitoring of policies in those areas.

The Business Plan considers that the RMCE may reach full capacity over a period of 5 years and become self-sustaining over a period of 8 years. The EC support will facilitate the start-up of the RMCE and provide the necessary leverage to start collecting fees from its services<sup>12</sup> and to mobilise additional support from other cooperating partners to sustain the Centre and expand its services. As host of the RMCE, the Government of Mauritius has made budgetary commitments to support the project by contributing to the initial investment and meeting part of the recurrent overhead costs including rental. EC contribution will be used to provide technical assistance, contribute to the initial investment in training needs, purchasing of ICT equipment and support to the ROs, their Member/Partner States (including non state actors which are eligible for support) in attending training courses. Contribution from Member/Partner States will be introduced gradually as part of an exit strategy (see Business Plan).

An interim Project Manager will be recruited in the first instance, for a period of 9 months to assist in setting up of the Centre. The Project Manager will assist in the recruitment of the Centre Director and staff in the RMCE, which will take over the day-to-day running of the Centre. The Director (under a long-term technical assistance contract) will be tasked with driving the RMCE. Total staff numbers for the start-up phase are expected to be 20 by the end of year 1. With substantial buy-in from other donors, these numbers could increase to meet demand.

#### 3.1. Objectives

The **overall objective** of the RMCE start-up project is to contribute to improved regional integration and regional cooperation policy decision making processes and regulatory quality in the ESA region. The **specific objective** is: improved knowledge, managerial skills and competences in Regional Economic Integration among relevant stakeholders (ROs, key ministries and agencies civil society, especially the private sector).

---

<sup>12</sup> See chapter 8 of Business Plan

### **3.2. Expected results and main activities**

The expected results of the project and the core activities required under each result are as follows:

*Result 1: RMCE is effectively established*

- i) Recruit interim Project Manager and fill in key long term positions of the RMCE
- ii) Set up the organisational structure and management systems as per governance arrangements,
- iii) Set up infrastructure and acquire adequate teaching, telecommunications, office and transport equipment to facilitate the programmes
- iv) Establish operations plan

*Result 2: Skill building and training services are operationalised*

- i) Develop detailed course curricula
- ii) Prepare course logistics
- iii) Undertake marketing actions
- iv) Carry out training courses

*Result 3: Advisory services and policy dialogue support with regard to REI related issues are available*

- i) Develop detailed conference programme
- ii) Develop advisory services
- iii) Carry out special studies

### **3.3. Risks and assumptions**

The main assumption is that Member States' regional economic integration goals are not affected by the economic crisis. Furthermore since, the human resource development is only one element in capacity development, it is assumed that other regional programmes will be in place to support the region on the other complementary areas of capacity development.

Like all service-oriented and demand-driven institutions, the main risk of the project is linked with packaging the course content in a way that it meets the highest needs. This will have to be mitigated by maintaining a well represented project steering committee/supervisory board, with stakeholders of relevant competencies to advise adequately on course design. Adequate marketing and advertising efforts will be undertaken to sell the courses.

### **3.4. Crosscutting Issues**

Since the success of policy reforms is conditioned to good governance, its promotion will be an underlying principle in the design of the training curricula for all topics to be covered by the RMCE. Gender issues will be taken into account both as a sub-topic for training as well as part of the target to be set by the Centre for its different training courses as well as conferences. Environment, climate change and HIV/AIDS will be mainstreamed in training programmes.

### **3.5. Stakeholders**

The RMCE will mainly address the training needs of COMESA, EAC, IGAD, IOC and SADC and their Member/Partner States in REI policy design, implementation and monitoring. Apart from ministries and government agencies, whose interest in the process is quite obvious, the Business Plan has also identified an interest from the private sector in learning more about regional integration in order to tap more trade and investment opportunities. As host country, the Government of Mauritius has shown particular interest in championing the

project, due to the complementarity of objectives with its own development strategy with regard to services.

The EC has been instrumental in facilitating the commissioning the feasibility study and provided funding to develop a business plan. The World Bank is a major player in Capacity Development in the region and has also supported the project through the execution of the Feasibility Study and the Business Plan preparation. Potential international stakeholders who have shown keen interest in the project include: the Governments of India, Australia and Singapore and the Commonwealth Secretariat, which has supported capacity building initiatives elsewhere through support to critical personnel. In addition a number of international regional and national level training institutions have shown interest in links with the RMCE either as general technical partners or as providers of expert resources.

#### **4. IMPLEMENTATION ISSUES**

##### **4.1. Method of implementation**

The programme will be implemented through a joint management through the signature of a Standard Contribution Agreement with an international organisation, with COMESA on behalf of the four ROs participating in the 10<sup>th</sup> EDF ESA-IO RSP/RIP. COMESA continues to be compliant with the multi-pillar auditing requirements since 2005. No Financing Agreement will be signed with the EC Delegation in Zambia. However, due to geographical proximity, the EC Delegation in Mauritius will ensure the day-to-day monitoring of the project.

##### **4.2. Procurement and grant award procedures**

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by COMESA. However, once the RMCE is legally established, COMESA may establish an MOU with the centre that will outline the appropriate procurement procedures with regard to services, supplies and grants to be used.

##### **4.3. Budget and calendar**

The cost of the project is estimated at €6,323,000 of which €5,600,000 funded by the EC, i.e. 88%. The Government of Mauritius would contribute €723,000.

<b>Result area</b>	<b>EC €000</b>	<b>Government of Mauritius €000</b>	<b>Total by result €000</b>
Result 1	1,190	138	1,328
Result 2	3,465		3,465
Result 3	386		386
Operations support	191	550	741
Audit and evaluation	138		138
Communication and visibility	56		56
Contingency	174	35	209
<b>Total by funding source</b>	<b>5,600</b>	<b>723</b>	<b>6,323</b>

\* The European Community's contribution to the "Contingencies" heading may be used only with prior agreement of the Commission.

In order to align the payment schedule to the planning, reporting and fiscal calendar year of COMESA, derogation from article 15.1 of the General Conditions has been sought. Payment

will be done in accordance with article 4(2) of the special condition. The programme will be implemented over a timeframe of **42 months**. Preparations for some of the activities will start before the start of the project.

#### **4.4. Performance monitoring**

Overall co-ordination will be ensured at the level of the Secretary General of COMESA through the Project Steering Committee, of which the 4 ROs, SADC and the EC will be statutory members. The RMCE will develop a monitoring framework to assist implementation.

The successive Annual Work Plans will be developed in consistency with the Logframe Matrix of the project and will set benchmarks to monitor performance, globally as well as annually. Indicators will be refined and monitored to measure achievement towards the specific objective. As a guiding principle, monitoring will be results-based rather than activity-based.

#### **4.5. Evaluation and audit**

An interim evaluation will be undertaken at the end of the second year. Lessons learnt and recommendations will be integrated in the remaining implementation period. A final evaluation will measure achievement towards the specific objective and provide recommendations for the continuation of RMCE.

Annual financial audits and a final audit will also be undertaken by the institution in line with internationally accepted procedures.

#### **4.6. Communication and visibility**

Communication and visibility is thus of utmost importance for the RMCE to be known by its potential beneficiaries, but also by other donors as well as counterparts at national level to promote its services and diversify its financial support. The AWP will make due allowance for Information, Communication and Visibility activities. Special attention will be given to the actions being suitable for awareness-raising of civil society in general on the activities undertaken under the banner of the ESA-IO RSP/RIP.

## ANNEX VII

### 1. IDENTIFICATION

Title/Number	ESA-IO Region - IRCC SUPPORT. CRIS code : 2009/021-403		
Total cost	EUR 11 500 000 (1.8% RIP) - EC contribution : 100%		
Aid method / Method of implementation	Project approach : Partially decentralised management Delegated partner : COMESA Secretariat		
DAC-code	11430	Sector	- Advanced technical and managerial training

### 2. RATIONALE

#### 2.1. Sector context

The 10<sup>th</sup> EDF ESA-IO Regional Strategy Paper (RSP) signed on 15 November 2008 covers four Regional Organisations (ROs), COMESA, EAC, IGAD and IOC, with overlapping memberships. The Inter-Regional Coordinating Committee (IRCC) plays an important role ensuring the effectiveness of this RSP, by co-ordinating the activities of the four ROs at all stages of the project cycle. It also seeks to promote the strategy of supporting integration and co-operation in Africa, and the ESA-IO region specifically. The approach is therefore consistent with, among others, the implementation of the Joint Africa-EU Strategy.

The continued need for an IRCC Support programme was reiterated in the 10<sup>th</sup> EDF ESA-IO Regional Indicative Programme (RIP). This envisages the IRCC secretariat as the hub for effective management and coordination of the ESA-IO EDF allocations, which are implemented by the four ROs. The underlying principle of the RSP is to support the medium-term strategies of the ROs in line with the Paris Declaration on Aid Effectiveness.

**THE REVISED IRCC TERMS OF REFERENCE (TORs) ADOPTED AT THE 17<sup>TH</sup> IRCC MEETING IN ZANZIBAR IN JANUARY 2009 CONSTITUTE A BASIS FOR THE IRCC TO PLAY A CENTRAL ROLE IN CO-ORDINATING EC FUNDING, AS WELL AS MECHANISMS SUCH AS AID FOR TRADE, THE TRIPARTITE PROCESS, EPA-LINKED ISSUES, IN ADDITION TO SUPPORTING REGIONAL AID EFFECTIVENESS INITIATIVES INCLUDING ALIGNMENT OF NATIONAL AND REGIONAL STRATEGIES.**

Other important strategic documents that underpin the EU support to the ESA-IO region include: (i) the EC Communication of 1 October 2008 on regional integration for development in ACP countries, (ii) the Joint Africa-EU Strategy (JAES) adopted in December 2007, and its first Action Plan 2008-2010, in relation to the area of 'trade and regional integration'; (iii) the EU Aid for Trade Strategy (October 2007); and (iv) the European Consensus on Development (December 2005), notably on the link between trade and development, the support for regional integration and cooperation and the importance of economic infrastructure.

#### 2.2. Lessons learnt

**THE PREVIOUS IRCC SUPPORT PROGRAMMES HAVE SUCCESSFULLY ENABLED THE IRCC SECRETARIAT TO BACKSTOP THE IRCC IN CARRYING OUT ITS COORDINATION ACTIVITIES. THEY**

ALSO PROVIDED TECHNICAL SUPPORT TO THE ROS AND STRENGTHENED THEIR CAPACITY TO EFFICIENTLY MANAGE REGIONAL PROGRAMMES AT ALL STAGES OF THE PROJECT CYCLE. ONE OF THE FOUR ROS, COMESA, HAS BECOME ELIGIBLE TO THE CONTRIBUTION AGREEMENT (CA) MECHANISM WHICH HAS SHOWN ITSELF TO BE GLOBALLY MORE EFFECTIVE AS A DELIVERY INSTRUMENT. SPECIFIC SUPPORT NEEDS TO BE CHANNELLED TO THE OTHER ROS TO ENSURE THEIR ELIGIBILITY DURING THE COURSE OF THE 10<sup>TH</sup> EDF.

THE 4 ROS BENEFITTING FROM THE 10TH EDF RSP/RIP FOR THE ESA- IO REGION HAVE THUS AGREED TO CONTINUE AND STRENGTHEN THE COOPERATION AND COORDINATION INITIATED UNDER THE 9TH EDF, THE RELEVANCE OF WHICH WAS ALSO FULLY RECOGNISED IN THE MID-TERM EVALUATION OF THE IRCC SUPPORT PROGRAMME. IN JANUARY 2009, IT WAS DECIDED TO INCLUDE THE AFRICAN UNION COMMISSION, AND THE ACP SECRETARIAT, AS OBSERVERS IN IRCC, AND TO CONTINUE TO INVOLVE SADC, IN PARTICULAR CONSIDERATION OF THE TRIPARTITE PROCESS, THOUGH SADC MANAGES ITS OWN DISTINCT RSP/RIP.

THE EXTENSIVE PREPARATIONS REQUIRED FOR BOTH IDENTIFICATION AND FORMULATION OF THE 10TH EDF AAP 2009 HAVE UNDERLINED THE COMPLEXITY OF THE MULTI-RO PROCESS, AND ATTRIBUTE A KEY ROLE TO THE IRCC IN PROVIDING TECHNICAL ASSISTANCE TO THE ROS.

THE ROS HAVE ALSO RECONSIDERED THE IMPORTANT ROLE OF THEIR EXISTING IRCC LIAISON OFFICER FUNCTIONS. THIS FUNCTION NEEDS TO BE STRENGTHENED, IN ORDER TO INTERNALISE THE FUNCTIONS CURRENTLY CARRIED OUT BY THE IRCC PROGRAMME MANAGERS.

THE REVISED TORS OF THE IRCC ESTABLISHED THREE PILLARS OF ACTIVITY FOR THE IRCC AND ITS SECRETARIAT: 1) PCM, 2) CONTRIBUTION TO THE REGIONAL INTEGRATION AGENDA, AND 3) CONTRIBUTION TO THE AID EFFECTIVENESS AGENDA.

### **2.3. Complementary actions**

The RISP II programme will equally be engaged in carrying out capacity-building of the ROs, some of this in support of achieving CA eligibility, with a more particular focus on specific institutional implementation capability.

This will complement IRCC activities in this field, which will be of a more horizontal and transversal nature (trainings on the four pillars, short term technical assistance, PCM, coordination with regional delivery instruments).

A complementary action in capacity building of the ROs is found in the “Implementation framework for capacity development of Regional Economic Communities and other Regional Integration Institutions” launched in March 2009 in the context of the African Development Bank’s new regional integration strategy.

Finally, greater operational synergies will be pursued between the IRCC Secretariat and SADC. This will include regular exchanges on programme implementation, sharing of good practice, M&E and inclusion of the SADC RIP information in the IRCC database. SADC costs will be covered through the SADC capacity building project.

## **2.4. Donor coordination**

The IRCC, through its Secretariat, has been admitted in April 2009 as observer member of the OECD Working Party on Aid Effectiveness thereby allowing IRCC to progress substantially on one of its three pillars: “Contribution to the Aid Effectiveness Agenda”. The overall plan is for IRCC to support donor coordination processes put in place under the OECD WP-EFF banner in particular South-South cooperation and the strengthening of regional trading blocks.

IRCC also fosters closer dialogue and collaboration between ESA-IO ROs, SADC, ESA-IO Member States, ACP Secretariat and recently the AUC, for proper alignment and complementarity between national strategies and the regional integration roadmaps.

## **3. DESCRIPTION**

### **3.1. Objectives**

The overall objective of the project is to contribute to the integration of the ESA-IO region in consistency with the overall African Union vision.

The project’s specific objective is to achieve enhanced capacity of the ESA-IO regional organizations to execute timely, effective and coordinated regional integration agendas.

### **3.2. Expected results and main activities**

As agreed at the IRCC high level meetings in January and May 2009 when the new IRCC Terms of Reference were endorsed, the programme intends to achieve the following:

Result 1: The preparation and implementation of the ESA IO RSP/RIP programmes is supported,

Result 2: The processes of regional integration at regional and national level are coordinated and harmonized,

Result 3: The implementation of the Aid Effectiveness Agenda at regional level is facilitated.

Activities will include: the overall programme management by a light structure based at the IRCC Secretariat, the coordination and facilitation of access for the ROs to relevant expertise to sustain activities under the three operational pillars of the IRCC, the capacity building of the ROs in project cycle management and efficient aid delivery (including CA eligibility process), the strengthening of the coherence building process between national strategies and the regional integration roadmap, the support to regional initiatives under the Accra Action Agenda on Aid Effectiveness, including facilitation of the coordination and complementarity with processes at the AUC, SADC and ACP levels, the organisation of the IRCC plenary and technical meetings, the training of the ROs relevant technical staff and other key stakeholders, the setting up of the IRCC Monitoring and Evaluation system, as well as some direct support to ROs to supplement their IRCC Liaison function. The support offered will respond to the identified needs of each RO and will initiate the phasing out of this support. The exit strategy will be addressed during the project duration.

### **3.3. Risks and assumptions**

Some outputs of the IRCC support programme rely on the effective functioning of a dedicated RO-IRCC liaison mechanism, one which will have to be ultimately owned and supported by the RO.

The IRCC support programme itself risks being undermined by reduced commitment for integration by Member States, if the economic crisis deepens. Institutional capacity across the four ROs is fundamental for this project, and for the other ESA-IO programmes and operations. Against the risk of delayed financial contributions from the ROs Member States to support development of the ROs capacity, the IRCC Support mechanism will enhance the ROs capacity to meet their mandates and their particular commitments under the IRCC structure.

### 3.4. Cross cutting Issues

Gender equality, environmental sustainability, good governance and human rights are all considered as crosscutting issues in each of the regional organisations and is an applied principle in the 10<sup>th</sup> EDF programme appraisal process and stakeholder consultations. IRCC support impacts on their realisation through its coordination tasks at all stages of the PCM and includes relevant issues during high-level discussions facilitated by the IRCC Secretariat.

### 3.5. Stakeholders

The beneficiary ROs of the ESA-IO RSP/RIP, COMESA, EAC, IGAD and IOC are the main stakeholders and beneficiaries of the programme. It is agreed that COMESA will be the lead RO and RAO. Other members of the IRCC are the EC and SADC. The AUC and the ACP Secretariat are observer members of IRCC and important stakeholders in the overall coordination and complementarity of ESA-IO activities at the AU and ACP levels.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

For this programme the EDF project approach is proposed for the following reasons:

The IRCC staff should be seen as serving to all the Regional Organisations (ROs) and not a specific one. Since the COMESA Secretariat is the only CA-compliant RO in the ESA-IO region, a project approach facilitates the maintenance of the independence of the Secretariat and ensures that the programme is owned by all the participating organisations rather than to be perceived as managed by COMESA under its rules and procedures.

The Project Approach has been approved as the implementing modality for the 10th EDF IRCC AF during the 18th IRCC Meeting.

The IRCC is constituted by COMESA, EAC, IOC, IGAD, the EC and SADC. COMESA implements the IRCC Support programme as RAO on behalf of the ESA/IO ROs.

The method of implementation is “**partially decentralised management**” through the signature of a **financing agreement** with the COMESA Secretariat which assumes the role of Regional Authorising Officer and Contracting Authority.

The Commission controls ex ante all the procurement procedures except in cases where programmes estimates are applied, under which the Commission applies ex ante control for procurement contracts > 50,000 EUR and may apply ex post for procurement contracts • 50,000 EUR. The Commission controls ex ante the contracting procedures for all grant contracts.

The Regional Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below. Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the beneficiary regional organisation for operating costs and contracts up to the ceilings indicated in the table below.

<b>Works</b>	<b>Supplies</b>	<b>Services</b>	<b>Grants</b>
< 300,000 EUR	< 150,000 EUR	< 200,000 EUR	• 100,000 EUR

The IRCC is the co-ordination mechanism of the ESA-IO regional strategy. The IRCC secretariat supports the IRCC in its tasks, which are laid down in ToRs agreed in 2009. The core tasks focus on co-ordinating EDF funding for the four ROs in the ESA-IO region, including procedural management aspects, but activities extend to aid effectiveness and wider capacity-building for the ROs (short-term expertise with the objective of achieving Contribution Agreement eligibility for all ROs). The secretariat takes its instructions from the chair of the IRCC, who is guided by the Steering Committee (in the form of the IRCC plenary meeting). Annual workplans will be established by the IRCC, which set out the planned activities for the IRCC secretariat. These form the basis of the PE for the IRCC secretariat, handled by COMESA.

The secretariat consists of the programme co-ordinator, a development expert and an M+E expert, plus support staff, who cover the essential horizontal activities of the secretariat. These long-term TAs will co-operate extensively with the liaison officers in each RO.

Direct assistance to the liaison officer in each RO seeks to ensure effective support of IRCC tasks in each RO, working through the (already existing) liaison officer in each RO. The support to be offered to the liaison officer is stipulated in the Steering committee, and implementation will be through a PE with each RO (except for COMESA, where this is included in the PE for the IRCC core tasks).

The IRCC project will also support programme formulation, through the provision of short-term expertise in the form of service contracts, which are managed directly by the regional delegations.

COMESA acts as RAO, but the four Regional Organisations will be involved in the management of the project. It will be **implemented through Programme Estimates for:**

- **the IRCC secretariat core tasks and the IRCC short-term experts and**
- **the respective support to the IRCC Liaison Officers in each RO.**

The **short-term expertise to be mobilised in support of COMESA, EAC, IOC and IGAD** (in support of project identification and formulation) will be recruited according to need through **service contracts by each regional EC Delegation** (Djibouti, Mauritius, Tanzania, Zambia) in agreement with the Regional Organisations concerned.

The indicative breakdown of distribution of funds and respective lead organisations and EC Delegations is as follows:

<b>Lead Regional Organisation</b>	<b>Component</b>	<b>Modality</b>	<b>Lead EC Delegation</b>	<b>Indicative allocation<sup>13</sup></b>
<b>COMESA</b>	IRCC Secretariat/Core tasks	PE	Zambia	7,380,000
(overall project coordination)	Short Term Experts (STE)	PE	Zambia	600,000
<b>COMESA</b>	IRCC STE COMESA	Service contracts	Zambia	400,000
	Support to IRCC Liaison Officer	PE (same PE as for IRCC secretariat)	Zambia	480,000

<sup>13</sup> Indicative figures which will be reviewed in the inception phase of the project.

<b>EAC</b>	STE EAC	Service contracts	Tanzania	400,000
	Support to IRCC Liaison Officer	PE	Tanzania	480,000
<b>IGAD</b>	STE IGAD	Service contracts	Djibouti	400,000
	Support to IRCC Liaison Officer	PE	Djibouti	480,000
<b>IOC</b>	STE IOC	Service contracts	Mauritius	400,000
	Support to IRCC Liaison Officer	PE	Mauritius	480,000
			<b>TOTAL</b>	<b>11,500,000</b>

## **DETAILS**

### **A. IRCC Coordination – Secretariat and STE (COMESA):**

A PE will be established with COMESA for the funding of the IRCC Secretariat and the core IRCC tasks. The Secretariat will consist of a light TA structure headed by a coordinator assisted by a trade and development expert and an M&E expert. These will be supported by local staff (finance, research, administration and conferences).

**Launching of procurement procedures:** The international tendering procurement procedure for the long-term technical assistance of the IRCC Secretariat (Coordinator, Trade and Development expert, Monitoring and Evaluation expert) will be launched by the COMESA Secretariat, in consultation with the EC Zambia Delegation, under a suspensive clause in the first part of 2010 so as to allow for their mobilization at latest from 1 July 2010 when the project is expected to start. A procurement procedure will also be launched for the IRCC local support staff.

Based on a PE signed between COMESA and the EC Delegation in Zambia, the Secretariat will manage a 'STE IRCC' facility for cross-cutting and horizontal technical assistance benefiting all ROs in coordination with the EC Zambia Delegation.

Plenary IRCC Meetings will set the annual work plans (basis for the programme estimates) for the IRCC Secretariat and act as Project Steering Committee of the project with COMESA co-chairing the IRCC (as RAO) for this purpose.

### **B. Support to IRCC Liaison Officers (COMESA, EAC, IGAD, IOC):**

**Support to the IRCC Liaison Officers:** The four ROs will benefit from direct financial assistance from the programme, to support the (existing) IRCC Liaison Officer function. The ROs will specify annually their needs in order to support the Liaison Officer with its IRCC reporting and management tasks. This replaces the current system of using outside (IRCC) consultants, who work in parallel to the Liaison Officer, and seeks to improve integration of these activities in the RO.

IOC, IGAD and EAC will sign a sub-delegated PE with the respective responsible EC Delegation for this purpose (and nominate an accounting officer and an imprest administrator). For COMESA this will be included as a specific budget line of the PE for the secretariat and its core tasks (rather than a parallel PE).

A memorandum of understanding will formalise this management arrangement.

### **C. Short-term expertise**

Given the complexity and the important level of financial support provided by the EC to the ESA/IO 10<sup>th</sup> EDF regional programme, the nature and the need both for the 4 ROs and EC Delegations of TA

for short assignments will be varied. The priority focus will be upon project identification and formulation.

#### 4.2. Procurement and grant award procedures and programme estimates

##### 1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations funded by 10<sup>th</sup> EDF, in force at the time of the launch of the procedure in question.

- Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by 10<sup>th</sup> EDF rules and regulations in force.

##### 2) Specific rules on programme estimates

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

#### 4.3 Budget and calendar

<b>Budget by expenditure type</b> (EUR)	<b>COM</b>	<b>EAC</b>	<b>IGAD</b>	<b>IOC</b>	<b>Total</b>
Long Term Technical Assistance Team	1,828,500				1,828,500
Short Term Experts (STE)	1,000,000	400,000	400,000	400,000	2,200,000
Local Staff	615,900				615,900
Meetings, Workshops, Conferences	4,016,000				4,016,000
Support to ROs for IRCC Liaison Officer	480,000	480,000	480,000	480,000	1,920,000
Office operating costs and equipment	470,000				470,000
Communications and Visibility (excl. TA)	120,000				120,000
Audits	130,000				130,000
Evaluations	80,000				80,000
Contingencies (approx. 1%)*	119,600				119,600
<b>TOTAL (100% EC Contribution)</b>	<b>8,860,000</b>	<b>880,000</b>	<b>880,000</b>	<b>880,000</b>	<b>11,500,000</b>

\* The European Community's contribution to the "Contingencies" heading may be used only with prior agreement of the Commission.

The operational implementation phase will be of 48 months.

The allocation of resources for short and long term TA has been balanced in order to meet the specific requirements of this regional programme.

#### 4.3. Performance monitoring

The programme's Logical Framework provides for a set of indicators at project purpose and results level. The quantification of process and output indicators for the internal monitoring of the programme will be established at the start of the project and further detailed in specific logical frameworks for each annual work plan.

The IRCC Monitoring and Evaluation system currently being designed will serve the performance monitoring function while allowing all IRCC members to be kept regularly informed of the programme's achievements.

Beyond the monitoring of the IRCC programme itself, the 18th IRCC Meeting, held in Nairobi on 26 May 2009, endorsed the setting up of an IRCC Monitoring and Evaluation system which will be the cornerstone of the M&E requirements both at the level of the ESA-IO RSP/RIP and at the level of the 10th EDF ESA-IO projects promoting standard methods for indicators assessment and reporting.

#### **4.4. Evaluation and audit**

This will be managed by the EC. Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out:

- external monitoring ROM system
- external evaluations : mid-term, final , possibly, an ex-post evaluation.

The Beneficiary and the Commission shall analyse the conclusions and recommendations of the mid-term evaluation and jointly decide on the follow-up action to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Besides the regular work of the COMESA internal audit department the EC shall appoint, in accordance with EC procurement rules, a reputable external auditor/accountant (i.e. international firm member of an internationally recognised auditing body) whose role shall include:

1. Monitoring the project's expenditure and auditing at the end of each Programme Estimate the project's accounts for submission to the Commission.
2. Monitoring that the segregation of duties between the Authorising Officer and the Accounting Officer is in place and respected.

#### **4.5. Communication and visibility**

The project's budget make due allowance for Information, Communications, and Visibility activities not only for the IRCC programme but also to respond to the IRCC function of ensuring appropriate visibility for the implementation of the whole ESA-IO RSP/RIP. These will be aligned with the requirements for visibility of EU aid while demonstrating the regional ownership of this project outputs as well as all the other initiatives fostered under the IRCC. Special attention will be given to the actions being suitable for awareness-raising of civil society in general on the activities undertaken under the banner of the ESA-IO RSP/RIP. Due regard will be given also the linguistic necessities (English and French).