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ACTION FICHE FOR REGIONAL LATIN AMERICA (ANNEX 1)

1. IDENTIFICATION

Title/Number	EUROsociAL II CRIS ref.: DCI-ALA/2009/21-542		
Total cost	EU contribution: 40 M EUR		
Aid method / Method of implementation	Project approach – centralised direct management		
DAC-code	43010	Sector	Multisector Aid

2. RATIONALE

2.1. Sector context

Latin America remains the most unequal region in the world where the average income per person in households located in the 10th decile is roughly 17 times higher than that of the poorest 40% of households¹. The poverty rate among the region's population was 33% in 2008, out of which 12.9% lived in extreme poverty or indigence - equivalent to 180 million poor and 71 million indigent persons. The most affected countries are Bolivia (54% of persons living in poverty and indigence), Guatemala (54,8%), Honduras (68.9%), Nicaragua (61.9%) and Paraguay (60.5%)². The social forecasts for 2009 are very discouraging taken into account the problems that the governments of the region face in maintaining high levels of investment in social policies.

The strong social and economic inequalities in addition to the difficulties of the governments to meet basic needs of their respective populations have formed barriers to sustainable human development and economic growth in Latin America. They constitute an obstacle to the advancement of the consolidation of democracy, the guarantee of individual liberties for current and future generations and the respect of civil, economic and social human rights and freedoms.

The structural character of growing inequality is a complex problem with strong and deep historical roots which are interwoven into country-specific contexts as well as into recent problems faced through the process of globalisation. The self-generation of multiple factors has triggered a web of interrelations which needs to be tackled by a set of active public policies. These policies should be conceived through a conceptual framework and consistent strategy by institutional and public platforms with political and technical capacity, credibility, efficiency and transparency.

Latin American countries consider the European experience of constructing and safeguarding social cohesion as an important source of knowledge and inspiration for concrete action. These countries have continuously expressed such an interest in various forums, meetings and summits (Lima Agenda, May 2008) as well as in the evaluations of co-operation programmes financed by the European Union. It should also be taken into account that the issue of social cohesion is widely integrated into the programmes of bilateral cooperation with Latin American countries.

2.2. Lessons learnt

The implementation of EUROsocial I allowed the mobilisation of a large number of key public institutions in various Latin American and European countries: at the end of October 2009, in the 387 activities carried out by the programme, 1,887 institutions (1,369 Latin American and 518 EU) and 10,707 persons (8,939 from Latin-American and 1,723 EU) were involved.

The most significant results were: (a) social cohesion became a conceptual frame of reference increasingly used in policy making and in the political discourse. It is also a valuable tool used by influential international entities within the region such as ECLAC; (b) a rapprochement of European and Latin-American institutions and experiences has taken place evidencing a global reinforcement of the bi-regional relations; (c) most of the participants have recognised the usefulness and value of the exchanges meant to bring about change and/or enrich the processes of innovation in which their respective institutions may be involved; (d) the programme has

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¹ ECLAC, Social Panorama of Latin America, 2008, p.72

² ECLAC, Social Panorama of Latin America, 2009, p.9, figures for 2007

managed to reach the Latin American region as a whole. Moreover, a greatly appreciated outcome has been the intra-regional cooperation based on a variety of Latin American institutions that have played the role of transferring bodies (in general, this role has been exercised by institutions situated in the more developed countries of the region).

The achievements to date in terms of impact on public policies remain heterogeneous. The main participants to the Programme were medium and high level officials. It is important to mention that diverse demands, expressed by the beneficiaries, have been fulfilled, although the programme has been more efficient in mobilising knowledge and realising a high amount of "micro" exchanges in multiple fields. Exchanges and supports related to the macro reforms of the policies have been less frequent.

However, there was a higher participation of policy makers in the justice and fiscal sectors, where the actions have been directed to more relevant thematic policies.

The implementation of the programme by thematic consortia has brought about some consequences which must be taken into consideration in the second phase of the programme, amongst which: (a) the definition of transferable experiences has been partly influenced by the institutions which jointly formed the consortia; (b) in some cases, sector interventions have prevailed over a multidimensional approach; (c) the co-financing mechanism of the grants has provoked a certain degree of internal tensions in the consortia as some institutions considered that the co-financing gave them the right to a proportional part of the grant; (d) lack of synergies and coordination with other development initiatives, such as those promoted by the Delegations.

Apart from the above-mentioned limitations, the global appreciation of EUROsociAL I has been positive. The intermediate internal and external (ECLAC) evaluations have showed that the beneficiary institutions have been very satisfied with the Programme. EUROsociAL I has revealed that in many Latin American countries there is a necessity to learn more about policies and institutional procedures which can lead to increasing social cohesion. It also pointed out a need for improving the communication with European counterparts and reinforcing the links among the countries within the region. EUROsociAL I has contributed to the achievement of these purposes.

2.3. Complementary actions

The new phases of the regional programmes URB-AL and AL-Invest, launched at the beginning of 2009, were designed with the assumption that all the levels of government jointly with civil society actors have to contribute to build cohesive societies. EUROsociAL II will therefore establish a strong link with the regional programmes URB-AL and AL-Invest, among other strategic partnerships, with the aim of creating spaces of reflection and promoting joint actions. Together with the actors involved in the URB-AL programme, EUROsociAL II will promote, for instance, a joint assessment of multilevel governance systems from the perspective of the achievements in the field of social and territorial cohesion and formulate recommendations. This exercise will concern especially the ongoing processes of de-centralisation in Latin America.

An important number of actions, projects and programmes financed by the European Union through bilateral agreements and those implemented by the EU Member States may be complementary to EUROsociAL II (through potential synergies, common objective of social cohesion, specific common actions in EUROsociAL II intervention sectors, etc.). Converting this theoretical complementarity into a reality is one of the challenges of the new phase of the Programme. With this purpose, an ex-ante coordination will be established with the EU Delegations in the region.

2.4. Donor coordination

Social cohesion is also included into the operational agenda of other international bodies in the region, such as the IBD, ECLAC and UNDP. One of the most important tasks of this phase of EurosociAL will consist in setting up an effective coordination framework which would allow to take advantage of different cooperation initiatives, to carry out concrete joint actions, to avoid duplications and, finally, to give continuity and sustainability to the Programme's results.

3. DESCRIPTION

3.1. Objectives

General Objective: To contribute to the increase of the social cohesion in Latin America.

Specific Objective: To support national public policies attempting to increase the level of social cohesion and to strengthen the institutions responsible of their implementation.

3.2. Expected results and main activities

3.2.1. Strategic considerations

EUROSociAL II foresees some elements of continuity and some innovations with comparison to the first phase, echoing the evolution of this initiative.

As in the first phase of the Programme, the cooperation *inter pares* will continue, i.e., the cooperation between public administrations, supporting the establishment of institutional partnerships between Latin American and European public administrations.

The exchanges of experiences between public administrations in the different thematic areas will remain the main activity of the Programme. These exchanges will be formulated through a rigorous methodology which builds on the experience of the first phase of EurosociAL. These exchanges will not only incorporate the lessons learnt from other EC programmes dealing with institutional partnership, but also the principles that inspire the triangular cooperation.

Each intervention will include a combination of various modalities of support: study visits, projects, technical assistance, officials' exchanges, seminars/workshops, training and advice activities.

The actions will continue to respond to concrete demands for support coming from Latin American states (demand-driven). Actions which are clearly and particularly linked to policies and processes of reform, taking into account those with an inter-sectoral approach. This will lead to a better focalization of EUROSociAL II and consequently to a reduced number of actions.

The regional dimension of the programme will be maintained giving the priority to actions involving different Latin American countries which have similar policies and reforms under way. The participation of the less developed countries in the region will be assured.

The demand identification process will be substantially reinforced in order to put into practice adequate support actions. These actions will aim concrete and sustainable results and determine the responsibilities and engagement of the beneficiary and supporting institutions. The management system of EUROSociAL I will be partially modified to achieve this objective.

The Commission will launch appropriate initiatives to identify the demand in close collaboration with the EU Delegations and, through these, with the Embassies of the Member States in the

Latin American countries. The Commission will take into account the most urgent demands coming from the Latin American governments which are assuming the challenge of social cohesion and which consider the programme as a useful instrument for the incorporation of social cohesion dimension into the different policies.

EUROsociAL II could also promote the social cohesion perspective in the political debate and the public agendas through transversal actions such as seminars, surveys, support to institutional networks and the consolidation of strategic alliances (ECLAC, UNDP, opinion leaders, etc.).

3.2.2. *Central themes*

With the objective of promoting an integrated approach to the development of policies which contribute to social cohesion and in line with the results of EUROsociAL I, the Programme will work mainly on the following thematic lines:

Themes	Priorities
(i) Universal access to quality social services (ex. education, health) and the promotion of children, teenagers and youth rights	Reform of sector policies and implementation of innovative processes in the ongoing policies
(ii) Social protection and promotion of active policies of employment	Reform of policies in view of creating a new system of social protection and generating and maintaining of employment
(iii) Fiscal systems and public finances which facilitate the redistribution and efficiency of expenditure	Reform of the fiscal bodies and management of the tax system and public spending.
(iv) Democratic institutionalism, coordination between different levels of government, promotion of the respect of the rule of law and the fight against corruption	Construction of sustainable models of states with multilevel and multiple actors governance system (complementarity with URB-AL) and implementation of reforms oriented towards transparency and civil control.
(v) Public safety, right and access to justice	Reform of public policies which aim to prevent and counteract violence through democratic methods and strengthening the justice sector
(vi) Other thematic lines related to social cohesion which can result from the demands expressed by Latin American countries	

3.2.3. *Expected results and main activities will be the following:*

1. Public institutions responsible for the policies which contribute to improve the degree of social cohesion in Latin American countries are strengthened through the following indicative activities:
 - Dissemination of methods, best practices and procedures related to public policies of social cohesion;
 - Development and reinforcement of networks of public institutions between Europe and Latin America as well as within the Latin American continent in order to deepen conceptual achievements, disseminate the social cohesion perspective

- and the social policies integrated in the Latin American public policies as well as facilitate cooperation among the Latin American countries;
- Awareness-raising and capacity-building for the policy makers in charge of public policies seeking to generate social cohesion and civil servants in charge of the implementation of those policies.
2. Public policies and reforms attempting to increase the level of social cohesion in Latin America are consolidated through the following indicative activities:
 - Specific support to national policies through exchanges of good practices, projects, technical assistance and advice;
 - Analysis and assessment studies of sector and inter sector public policies as in input to the formulation and reformulation of the national plans from the perspective of social cohesion;
 - Incorporation of the "social cohesion" objective and the "integrated social policies" into the public agenda of the Latin American governments participating in the programme.
 3. Latin American policy makers and social actors have a better awareness of the importance of social cohesion and the possibilities to integrate the social cohesion perspective into public policies through the following indicative activities:
 - Regional and sub-regional seminars/workshops with the participation of the European actors of the Programme on the issues related to social cohesion;
 - Development and reinforcement of mechanisms of dialogue and coordination on issues related to social cohesion between public administration and social actors (private sector, trade unions, academic institutions, etc.).

3.3. Risks and assumptions

The main assumptions and risks which may affect the achievements of the Programme objectives are:

- Social cohesion remains a priority area in the relations between LA and the EU;
- Sufficient interest for cooperation between public administrations of both regions exists;
- Political changes in Latin American countries do not jeopardise the interest in social cohesion;
- The financial crisis does not dramatically affect Latin American countries' investment in social policies.

3.4. Crosscutting Issues

EUROsociAL has been conceived as an integral and multidisciplinary programme with transversal dimensions. In particular, a special emphasis will be placed on the gender equality and ethno-cultural diversity.

3.5. Beneficiaries and stakeholders

The key actors of this programme are, on the one side, the policy makers responsible for the strategic decisions on public policies and technical professionals which are in charge of their implementation. On the other hand, there are public administrations in beneficiary countries which carry out the Programme's activities as well as civil society bodies and institutions associated to the implementation of the Programme.

Intellectuals, politicians, members of Parliament, representatives and institutions of civil society, who participate directly or indirectly to social cohesion policies with public or private funds, can also be considered as relevant actors for the Programme.

The final beneficiaries are the inhabitants of Latin American countries, particularly the most vulnerable and impoverished segments of them.

4. IMPLEMENTATION ISSUES

4.1. Methods of implementation

In order to establish the implementation method, the internal organisation and the functioning of the second phase of this Programme, the following elements need to be taken into account:

- The lessons learnt from the implementation of EUROsocial I in order to avoid the dispersion of activities;
- The analysis of the demand;
- The recommendations formulated by the mid-term evaluation of the programme and the monitoring mission, especially with regard to the need to achieve an integrated approach and a greater relevance and focalization of the actions;
- The comments and suggestions expressed by the internal services of the EC and by the institutions linked to the first phase of the programme; specially those regarding the reduction of the number of actions and the active implication of the EU Delegations in the region;
- The specific nature of the actions promoted by the programme which are more than only technical assistance;
- The necessity to plan actions on a bigger scale and promoting the participation in the programme of the less developed countries in the region;
- The necessity to give the priority to the “demand driven” approach during the entire implementation phase of the programme, acknowledging that the demand can only be defined through the process of an iterative analysis and a dialogue on the policies;
- The inevitable implicit political orientation of the decision to incorporate the objective of 'social cohesion' into different policies;
- The necessity to maintain the programme open to contributions from EU Member States while guaranteeing an active and efficient implementation of activities.

The programme should then:

- Be implemented through a direct centralised management;
- Be financed through a single grant of 40 million euro awarded to a consortium of the representative bodies of two or three Member States. These Member States should demonstrate their commitment and capacity to work jointly with Latin American public administrations. This consortium should also include two or three Latin American countries, which have already incorporated the social cohesion objective in their public policies and which have the capacity and the will to share their experience and offer technical assistance, applying the approach of triangular cooperation. In order to highlight the Community's commitment to the Programme and to allow the possibility to all Member States to fully participate to the EUROsocial II activities, notably by enabling Member States' officials to take part to the Programme, the European Commission will cover the total cost of the action, having regard to the Article 169 of the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial

Regulation applicable to the general budget of the European Communities³ and the point e). of the Article 253.1 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Communities⁴. The potential voluntary co-financing will not give way to an exclusive right of use of a proportional part of the grant.

The responsibilities of the consortium will include:

- a. The following responsibilities related to the preparation of the Programme:
 - To define support actions and projects jointly with the beneficiary institutions;
 - To formulate the terms of reference for these actions;
 - To identify the most appropriate bodies/experts/institutions for the transfer of their know-how;
 - To follow-up and accompany the implementation of the actions;
 - To organise events of strategic dimension in order to deepen and extend the dialogue on social cohesion in Latin-America;
 - To support the existing Euro-Latin-American public networks with the aim of strengthening their collaborative links and their capacity to promote the incorporation of social cohesion perspective into public policies;
 - To formulate the communication and visibility strategy.

- b. The following responsibilities related to the implementation of the Programme:
 - To draft the methodology and the mix of support actions and projects geared towards the achievement of sustainable results;
 - To assign the executive tasks of each intervention to the most suitable institutions in the Consortium, taking into account the required profile specified in the terms of reference. All the potentially interested public institutions in Latin America and Europe could be invited to participate, even if they are not members of the consortium;
 - To set up a system of indicators in order to follow up the actions and measure the results;
 - To reinforce the collaborative links among the public administrations of both regions;
 - To collaborate with the Coordination area on the transversal actions and on the dissemination of good practices and the results of the programme.

In order to guarantee the global strategic orientation of the programme, the European Commission will create and chair a 'Steering Committee' which will meet twice per year and will accompany the programme during the implementation period. This Committee will permanently interact with the consortium, discuss and approve the programming documents which will be produced.

To better define the scope of the Programme's action, the European Commission will launch a preliminary study on the demand in the different countries of Latin America, with the support of the EU Delegations and the Member States' Embassies, which will be consulted during the identification study.

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³ OJEU L 248 of 16.09.2002 p. 1

⁴ OJEU L 357 of 31.12 2002, p.1.

The implementation modalities and the requirements to be respected by the executive consortium will be developed in a document which will detail, in particular, the following concepts already mentioned in this fiche:

- demand driven approach;
- participation of the European Commission to the programming and decision making;
- ex ante approval by the European Commission of the programming and of the main decisions;
- interrelationships between the programming/coordination and the implementation phases;
- possibility to participate in the activities of the Programme for all Latin American countries and all the EU Member States;
- establishment of permanent communication channels directed to the Member States regarding the Programme activities;
- following up and control competencies of the European Commission and of the Steering Committee

4.2. Procurement and grant award procedures

Later on, the Commission will establish the deadlines for the award of grant(s) as well as the conditions that the Consortium will have to satisfy.

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 VI 'Grants' of the Financial Regulation applicable to the general budget.

The Commission reserves the right to attribute the contract directly and transparently to a beneficiary consortium after having duly informed and widely consulted the Member States as such.

4.3. Budget and calendar

The total EU budget for this project is €40 million. The following table shows the estimated breakdown in Euro:

Expenses	EU contribution
1. Coordination (programming, logistics, annual seminars, visibility, monitoring and evaluation) and functioning of the Steering Committee	10 million
2 Implementation activities (exchanges of experience, technical assistance, advice, etc)	30 million
TOTAL	40,000,000

EUROsociAL II is to be implemented during a 48 month period.

4.4. Performance monitoring

The Programme's Coordination will propose an internal monitoring system and formulate a methodology for the evaluation *in itinere*.

The monitoring will include a structured observation and documentation activities which will evaluate the Programme from the point of view of its performance (i.e., implementation process)

and its results. The monitoring will provide information to enrich the evaluation *in itinere* which will also use other evaluation tools, for example, focal groups, field visits, EU-LA Council, etc.

The objective of the evaluation *in itinere* will be to support the decision-making process during the implementation of the Programme, making relevant corrections and adjustments formulated on the basis of the analysis and valorisation of the Programme's actions, results and developing processes. The evaluation methodology will include performance indicators associated both to the Programme's objectives and its actions. The coordination unit will produce periodical evaluation reports which will be presented to the European Commission. The monitoring system and the evaluation *in itinere* will serve as inputs for the external evaluations of the Programme.

4.5. Evaluation and audit

The Programme will undergo two external evaluations - intermediate and final. The evaluators will judge the achievements of the EUROsociAL II specific objective to support national public policies attempting to increase the level of social cohesion in Latin America and to strengthen the institutions responsible of their implementation.

An independent audit mission will be carried out at the closure of all disbursements and/or settlement of committed funds, in accordance with EC auditing regulations.

4.6. Communication and visibility

In compliance with the Commission Standard Guide on Communication and Visibility regular initiatives will be taken to ensure an adequate visibility of the Programme, both at national and at regional level. Each of the Programme's intervention will count on a specific amount of resources for carrying out visibility and communication actions.