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This action is funded by the European Union

ANNEX 3

of the Commission Decision on the Annual Action Programme 2016 in favour of the Republic of Sierra Leone to be financed from the 11th European Development Fund

Action Document for the “11th EDF Support to the Office of the National Authorising Officer for the EDF”

1. Title/basic act/ CRIS number	11 th EDF Support to the Office of the National Authorising Officer for the EDF CRIS number: SL/FED/038-476 financed from the 11th European Development Fund			
2. Zone benefiting from the action/ location	Sierra Leone. The action shall be carried out at the following location: based in Freetown, Sierra Leone			
3. Programming document	11 th EDF National Indicative Programme (NIP) for Sierra Leone			
4. Sector of concentration	Cross-cutting support measures			
5. Amounts concerned	Total estimated cost: EUR 3 500 000 Total amount of EDF contribution EUR 3 500 000			
6. Aid modality and implementation modalities	Project Modality Indirect management with the Government of Sierra Leone Direct management for procurement of services (Technical Assistance, Audit, Evaluation).			
7. DAC code	15110 Public Sector Policy and Administrative management			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
	Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	x	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>

9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A
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SUMMARY

The overall objective of the 11th EDF Support to National Authorising Officer's (NAO) Support Office is to contribute to sustainable inclusive growth and poverty reduction in Sierra Leone, as outlined in the National Agenda for Prosperity, through effective delivery of EU cooperation in line with the Paris Declaration, the Accra Agenda and the EU's commitments to the Busan New Deal.

The specific objective is to contribute to efficient and effective programming and implementation of EU funded projects and programmes through a greater integration of the NAO functions into the national system and involvement of government ministries, departments and agencies (MDAs), in accordance with EDF procedures and the Development Cooperation Framework (DCF).

To improve ownership in relation to EU cooperation, support is to be further integrated into the Sierra Leonean administration and the specific NAO Support Office structure, created to monitor cooperation with the EU, should be tailored to recommendations outlined in the DAC Peer Review of the EU - © OECD 2012. This new EDF support to the NAO Support Office functions would therefore be fully consistent with the commitments made by the EU in the Paris Declaration, Accra Agenda and the Busan New Deal which led the European Commission to develop its new strategy for technical cooperation. This project will focus on improving the coordination and exchange of information between all stakeholders involved in EDF cooperation activities in Sierra Leone, with a special focus on MDAs.

Expected results of the project include:

R.1 The role of the NAO Support Office in coordination of the EDF portfolio (notably with line ministries) is enhanced.

R.2 MDAs' strategic planning capabilities, increased capacity for accountable and fair service delivery and policy dialogue capacities are enhanced at sector level, particularly in areas pertaining to the focal sectors of the 11th EDF National Indicative Programme (NIP): Governance, Agriculture, Education and Infrastructure.

R.3 MDAs' capacities to manage technical and financial issues related to the implementation of EDF-funded programmes are strengthened.

R4: Results oriented monitoring and reporting is strengthened, and accountability on EU funded actions is enhanced.

The preparation of the proposed project is based on the conclusions and recommendations of the 2013 Advisory Report on the future of EU support to NAO Support Office; the European Centre for Development Policy Management (ECDPM) Discussion Paper No. 73 (*Striking the right balance: The Future of NAO Support Office's in ACP-EU Cooperation*); Development Assistance Committee (DAC); The European Commission's Backbone Strategy: *Reforming Technical Cooperation and Project Implementation Units for External Aid provided by the European Commission's (July 2008)*; the *Study of Options for Improving Institutional Capacity in the framework of Aid Management Units* (GFA Consulting Group, June 2014), a formulation mission held in April 2015, as well as various discussions and communications between the EU and the government.

1 CONTEXT

1.1 Country context

The Government of Sierra Leone, in its pursuit to accelerate economic growth and reduction of poverty, is implementing the Agenda for Prosperity. The EU has allocated EUR 376 million under the 11th EDF to support the government to implement development projects and poverty reduction interventions in order to attain growth and poverty reduction objectives. The magnitude of the allocation confirms the position of the EU as a major strategic development partner in Sierra Leone. Four sectors (Governance & Civil Society including a budget support state building contract and accompanying measures, Agriculture & Food Security, Education and a specific transport intervention) have been selected as EU focal sectors under the 11th EDF. Selection of these focal sectors is in line with the government's priorities under the Agenda for Prosperity.

The NAO Support Office represents the government in all its operations financed by the EDF. The EU provides support to run a unit to help the NAO Support Office (who, in the case of Sierra Leone, is the Minister of Finance and Economic Development - MoFED) to implement EDF-funded projects. The office of the NAO coordinates project design and oversees project implementation and determines the degree of operational and financial responsibility of the relevant ministries.

Some ministries (e.g. Ministry of Agriculture, Forestry and Food Security - MAFFS and Ministry of Education, Science and Technology - MEST) have the ambition to take a greater responsibility in the financial management of their externally funded projects. EU support programmes will be tailored to reflect and support the responsibilities determined by the NAO Support Office.

The 11th EDF Support to the NAO Support Office aims to improve the EU's **aid effectiveness** through more efficient implementation of projects and therefore contribute to growth and the reduction of poverty as stipulated in the Agenda for Prosperity.

1.1.1 Public Policy Assessment and EU Policy Framework

In the Paris Declaration and the Accra Agenda, developing countries have pledged to strengthen their systems and donors committed to use those systems to the greatest extent possible.

With regard to NAO Support Office, the analysis of prior practices concluded that they should have closer cooperation with the line ministries for everything related to project implementation. The NAO Support Office should remain responsible for the financial circuits while maintaining the central role of coordinating operations.

The proposed support is geared towards facilitating involvement of line ministries and other beneficiaries in programme preparation and implementation in order to ensure **ownership** and **alignment** of the EU support to the above-mentioned strategies and plans – through strengthening capacities and systems to effectively manage the available resources. This is also important in the context of possible future joint programming for greater development impact by making aid more effective and enhancing ownership. The support will also facilitate effective monitoring and hence contribute to **managing for results** which is critical for the government's A4P and EU's Agenda for Change.

This new support will be fully consistent with the commitments made by the EU in the Paris Declaration, the Accra Agenda and the Busan New Deal for Engaging with Fragile States, which led the European Commission to develop its new framework strategy for technical cooperation.

1.1.2 Stakeholder analysis

- *Ministries, Departments and Agencies (MDAs):* MDAs are the key players in the implementation of EDF programmes and projects. Their skills enhancement in effective financial and project management, procurement, and monitoring requires continued support. Under the 10th EDF the need for building a more effective relationship between the NAO Support Office and MDAs has been identified. Monitoring information from each sector will feed into the review process of general budget support.
- The main MDAs involved in EDF programmes are: Ministry of Finance and Economic Development; Ministry of Agriculture, Forestry and Food Security; Ministry of Education; Ministry of Local Government and Rural Development; Ministry of Works; Environmental Protection Agency; Ministry of Social Welfare, Gender and Children's Affairs; the Anti-Corruption Commission and Ministry of Energy and Water Resources.
- *The Delegation of the European Union:* The EU Delegation has devolved powers to represent the European Commission in all spheres of its competence and in all its activities in Sierra Leone. Having the responsibility for the European Commission's technical and financial execution of its cooperation with Sierra Leone, the EU Delegation is the key interlocutor for the NAO Support Office. The EU Delegation is a co-partner with the NAO Support Office in the management of programmes and projects. The EU Delegation, in cooperation with the NAO Support Office, is responsible for assuring a productive partnership that guarantees success for EU-Sierra Leone cooperation.
- *Other Departments and Ministries:* The Development Assistance Coordination Office (DACO) relies on the NAO Support Office for information sharing on EU support and should liaise closely with the NAO Support Office. DACO would require enhanced input from the NAO Support Office to optimise EU-related data gathering for the Aid Management Platform and to improve and harmonise national aid-management approaches and tools.
- *The NAO Support Office:* The NAO Support Office is composed of the Director of the NAO Support Office, his deputy Director. The day-to-day activities of the Office are managed by the Director and his deputy. The activities include provision of managerial support and policy guidance to the National Authorising Officer (Minister of Finance) himself in order for him to carry out his mandate; interaction with the EU Delegation and all relevant MDAs to support effective implementation of programmes and projects. The Office is beneficiary and in charge of the NAO support programme. The programme provides means to execute its mandate as defined by the ACP-EU Partnership Agreement (Cotonou Agreement).

1.1.3 Priority areas for support/problem analysis

Cooperation between the European Commission and the Government of Sierra Leone – managed jointly by the EU Delegation and the NAO Support Office – has experienced challenges in the form of delays, ineligible expenditure, results with limited sustainability and implementation difficulties.

The EU is one of the most important providers of overseas development aid in Sierra Leone (foreign aid represented about 40% of capital expenditure in 2012). The *Study of Options for Improving Institutional Capacity in the framework of the EDF* (2014) highlighted persistent challenges to the implementation of the principles of the Paris Declaration under the current model of development cooperation. It pointed to room for improvement in the use of national systems and integration into national plans, as the current situation has a tendency to limit ownership and compromise sustainable results.

The NAO Support Office, due to its historical presence and close relationship with an important source of external funds, is a well-known structure among Sierra Leone institutions. Its role and functioning, however, are not well understood by its technical counterparts in MDAs. It is anticipated that the NAO Support Office will play a more proactive role in the programming, and preparation of cooperation programmes and reduce turnaround times of project documents, reduce ineligible expenditure and levels of unspent funds. The added value of the NAO Support Office could be increased, notably on support and facilitation for project management purposes, including on technical issues and project supervision.

Given the human resources capacity constraints in Sierra Leone, a NAO Support project will be central to improving the management of the EDF, with support being given to Government of Sierra Leone at both the centralised and decentralised level. To address this need over the past five years, the NAO Support Office has benefitted from a specific support programme with the potential to largely improve the working environment, including through the construction of a new NAO building. The 11th EDF support programme will aim to consolidate progress and address weaknesses identified in the last support programme.

Under current projections, around 50% of the resources in the 11th EDF will be allocated to support individual projects and programmes in the Governance, Education, Agriculture & Food Security, and Infrastructure focal sectors. There are still on-going projects/programmes under 10th EDF which means added workload for both NAO Support Office and the EU Delegation in the run-up to the phasing out of 10th EDF programmes in around 2017/2018.

Programming and management of the projects/programmes need specialised knowledge of Commission/EDF procedures, which requires considerable training and time to acquire. The main foreseen challenge is limited capacities in line ministries that will implement significant EU funded projects/programmes for the first time. Even for ministries that have been implementing the projects, there has been a challenge of keeping the experienced staff due to high staff turn-over. The increase of EDF funds under the 11th EDF (from EUR 245 million in 10th EDF to EUR 376 million in 11th EDF) needs to be matched with improved and increased capacity both within the NAO Support Office but also in the line ministries managing EDF-funded programmes.

So far the NAO Support Office in Sierra Leone has been principally preoccupied with the administrative, procedural and regulatory facets of implementation of EDF funded programmes. This has constrained the Support Office from actively performing more strategic functions such as planning, programming, and monitoring as well as provision of requisite coordination, methodological and procedural support to line ministries and other beneficiaries.

To address the above challenges, the proposed action is intended to improve the interface between the NAO Support Office, the EU Delegation and line ministries as well as other beneficiaries of EDF resources.

In order to strengthen cooperation between the NAO Support Office and the MDAs, the appointment of dedicated focal points – preferably programme and financial officers - under EU programmes in each of the relevant line ministries is recommended. This would contribute to building capacity in the national administration, mainstreaming their roles in development cooperation management and allowing, over time, for reliance on country systems as a default option, stipulated in the Accra and Busan¹ declarations.

In the context of the evolution of the Cotonou Partnership Agreement, the rationalization of NAO Support Office activities and increased capacities within line ministries are important for future management of EU funded projects beyond Cotonou. Therefore, a sharper focus

¹ European Union - Development Assistance Committee (DAC) Peer Review 2012.

during implementation of the proposed programme will be placed on ensuring that this strategy feeds into and informs a broader capacity development strategy within government. The aim, over time, will be to ensure that government management of external support is of a high quality, sustainable and principally financed through domestic resources.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
High staff turn-over in government ministries and agencies may bring challenges in implementing EU funded projects given the use of specific EU rules and procedures.	M	Memoranda of Understanding were signed to guarantee the availability of quality staff for coordination of EU funds at Ministerial level. The present NAO Support Office will set up a Helpdesk function to advise MDAs in the daily management of EDF projects.
Performance frameworks are insufficiently defined, if at all.	M	A Common Result oriented Monitoring Framework will be set in place, as a result of preparation work made jointly by the NAO Support Office and MDAs and with the involvement of the EU Delegation.
NAO Support Office system is disconnected from best practices in implementing aid effectiveness. For instance, NAO Support Office staff performs basic accounting tasks independently from the mandated national institution in charge of aid administration, or NAO Support Office does not sufficiently inform on key financial information on the global EU aid at country level.	M	Regular dialogue and feedback mechanisms should support the change towards an enhanced coordinating role for the NAO Support Office.
Required re-focussing on core responsibilities and quality improvements assumes that the national stakeholders will be appropriately staffed, both in terms of quantity, competency and skills mix.	M	Government will be able to second staff with required skills to the NAO Support Office.
Assumptions		
<ul style="list-style-type: none"> - The present action model implies there is a clear attribution and distribution of responsibilities between MDAs and a NAO Support Office at the central level. This will be done through the formal delegation of the implementation from the NAO Support Office to the MDAs concerned. This delegation should be reflected in future primary commitments through their formal endorsement of the relevant Authorising Officer. - It also relies on a clear political drive that should ensure that the MDAs concerned undertake the necessary steps to take financial responsibility over their expenditures. - The NAO Support Office and EU Delegation staff – aided by technical assistants - will coach the decentralised units notably in the first years of operations, so as to smooth the “learning curve” for MDAs to deal directly with EDF procedures. 		

- The information flow between the NAO Support Office at central level, MDAs and the EU Delegation should be closely monitored by all three stakeholders.
- Relationships with the national coordinating bodies for external aid (such as Development Aid Coordination Office (DACO)) remain to be formalised, as part of an exit strategy for direct EU support for the management of EU aid.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Lessons learnt from the past five years support and clearly spelt out in the recent evaluation can be articulated at three levels: Institutional; Functional and Structural.

At an **institutional level** there is a potent case for developing an NAO Support Office system better tailored to supporting implementing MDAs. With dedicated EU focal points in each MDA allowing for smoother integration in line with the Cotonou agreement. There is a common understanding that there should be more direct involvement of line MDAs and beneficiary entities in specialised areas of expertise requiring input from technical ministries. The main objective is to strengthen the capacity of MDAs beneficiaries of EDF funding. This increase in ownership and capacity building would result in economies of scale that would benefit the government. The NAO Support Office will have a role in managing the funds for the NAO support project, managing training activities, EDF information coordination, project monitoring, communication and sustaining links with the Government of Sierra Leone Public Finance Management (PFM) system.

With regards to strategic positioning of the Unit as recommended in the ECDPM Discussion Paper No. 73 (Striking the right balance: The Future of NAO Support Offices in ACP-EU Cooperation), the Support Office is strategically positioned at the Ministry of Finance and Economic Development. The European Commission Paper on Reforming Technical Cooperation and Project Implementation Units for External Aid outlines characteristics for a Unit to be defined as "parallel" or "integrated". However the Sierra Leone NAO support office could be defined as partially integrated, because it functions within the government management framework, albeit with challenges in its relations with line ministries. Challenges remain to ensure a timely turnaround of files, a better integration of EU assistance into the government's planning and implementation cycles, and further harmonisation of EU aid with that provided by other donors.

The NAO Support Office has a critical role to play in providing requisite support to ensure that the formulation and implementation of EU funded programmes and projects are in line with the government objectives, plans and policies as well as the agreed cooperation arrangements between the Government of Sierra Leone and Development Partners (DPs), particularly the EU.

Moreover, there is a need for greater accountability of the NAO Support Office as a service provider to national stakeholders, beneficiaries of EDF funding. A system providing feedback and follow up on performance of the NAO support office functions would allow beneficiaries to contribute to improvements in intra-government service provision.

At a **functional level** the "operational" functions of the NAO Support Office need to be accentuated and strengthened. A key area that will require attention in the new programme is design and use of a monitoring and evaluation (M&E) system, training and capacity building in MDAs to effectively engage in development processes as ultimate goals. Indeed, one of the elements emphasised in the recent evaluation of EU Delegation - NAO Support Office

relations² relates to weak monitoring and evaluation systems for EU funded projects in Sierra Leone. The report calls for reinforcement of internal monitoring and evaluation tools and devices as well as communication and visibility of the projects. Therefore monitoring and evaluation and visibility will be given a greater priority under the proposed action. One envisaged means is to prepare a joint monitoring framework for the EU Delegation and the NAO Support Office and to ensure its systematic implementation. A scheduled monitoring mission plan should be established taking in all EDF-funded projects with agreed standards for monitoring reports. The NAO Support Office's role in encouraging and facilitating a more structured technical dialogue with the MDAs should be bolstered and a stronger follow-up on recommendations from monitoring and evaluation reports should be enacted by the NAO Support Office.

There is a need to develop a performance-oriented culture within the NAO and beyond, whereby the NAO Support Office, in close collaboration with the EU Delegation, can set performance targets in EDF-funded programmes for MDAs that are realistic and adapted to their needs. A systematic strategy for communicating these results through enhanced visibility activities should be developed. This ties in to a framework of mutual accountability as outlined above with regard to the possibility for MDAs to feedback on NAO Support Office performance. Internal controls within the NAO system should be improved and clearer delineation of hierarchical relationships will be essential to an improved functioning of the NAO Support Office (for example, ensuring a more independent relationship between the Imprest Administrator and the Imprest Accounting Officer as stipulated in the Practical Guide to Contract Procedures for EU External Actions (PRAG³)).

At the **structural level**, and in the context of the final years of the Cotonou Agreement and the EU's commitments to the Busan New Deal, a strengthened relationship with the Government of Sierra Leone's Development Aid Coordination Office (DACO) will be essential. Ensuring accurate data availability, eradicating duplication and strengthening the use of country systems will be key to the sustainable success of any programme to support the NAO Support Office. The on-going support programme has provided substantial infrastructure – most notably a new NAO Support Office building currently undergoing completion – to allow for a more autonomous and sustainable functioning of the NAO system in the coming period. During a recent EDF-funding hiatus the Government of Sierra Leone stepped in to cover core running costs of the NAO support office. Greater national ownership should go hand in hand with the EU's commitment to improving and using country systems in line with the Busan New Deal, which should form the backbone of future support.

3.2 Complementarity, synergy and donor coordination

Given its nature, the proposed action is complementary to aid management initiatives of the Government of Sierra Leone and contributes to the management and oversight of all EDF funded actions. The NAO Support Office is unique and no other development partner provides such specific similar support programmes to assist the government in aid management. The Support Office plays a pivotal role in assisting implementing agencies to use EDF procedures and regulations. It should be added that dialogue on a variety of issues between EU Delegation (and other donors) and the Minister of Finance and Economic Development, or more generally the government, is facilitated through various DP secretariats (notably General Budget Support (GBS) and Public Finance Management (PFM) but also others), in which the NAO Support Office is not directly involved.

² *Study of Options for Improving Institutional Capacity in the framework of Aid Management Units* GFA consulting group 2014

³ <http://ec.europa.eu/europeaid/prag/>

3.3 Cross-cutting issues

The project aims to intervene in all areas included in the NIP and the Regional Indicative Programme. It will also be able to focus on all cross-cutting issues including gender equality and women's empowerment, good governance and the fight against corruption, the environment and HIV/AIDS.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective of the 11th EDF Support to the NAO Support Office programme is to contribute to sustainable inclusive growth and poverty reduction in Sierra Leone, as outlined in the National Agenda for Prosperity, through effective delivery of EU cooperation in line with the Paris Declaration, the Accra Agenda and the EU's commitments to the Busan New Deal.

The specific objective is to contribute to efficient and effective programme preparation and implementation of EU funded projects and programmes through a greater integration of the NAO Support Office functions into the national system and involvement of Government Ministries, Departments and Agencies (MDAs), in accordance with EDF procedures and the Development Cooperation Framework (DCF).

The proposed action will be targeting the following results:

R.1 The role of the NAO Support Office in coordination of the EDF portfolio (notably with line Ministries) is enhanced.

R.2 MDAs' strategic planning capabilities, increased capacity for accountable and fair service delivery and policy dialogue capacities are enhanced at sector level, particularly in areas pertaining to the focal sectors of the 11th EDF NIP: Governance, Agriculture, Education and Infrastructure.

R.3 MDAs' capacities to manage technical and financial issues related to the implementation of EDF-funded programmes are strengthened.

R4: Results oriented monitoring and reporting is strengthened, and accountability on EU funded actions is enhanced.

4.2 Main activities

Activities will focus on strategic issues such as mid-term and end-term programme reviews, coordination, and facilitating technical discussions among relevant parts of government including line ministries and agencies. They will be implemented by the NAO Support Office, the teams in charge of EDF projects within MDAs, and the Technical Assistance that is foreseen in the present action.

Activity 1.1. Support the restructuring and internal organisation of the NAO Support Office.

It is proposed to: update a capacity needs assessment for the NAO Support Office and MDAs; review and update internal manuals and reporting of the NAO Support Office; establish internal planning, monitoring and reporting standards; set up an internal quality and financial control system (including for IT data collection, IT use, archive system, human resources (HR) management, and own expenditures).

The following should be ensured: effective systems for Monitoring and Evaluation utilised; financial management manual utilised; NAO Support Office Monitoring and Information System utilised; Human Resource manual utilised.

Activity 1.2. Improve the coordination of the EDF portfolio at the level of the NAO Support Office.

This will be achieved through the effective coordination of the programming, planning and budgeting of the EDF, notably in the view of the preparation of the Mid Term Review of the 11th EDF. The NAO Support Office will undertake regular progress reviews of the portfolio of EDF projects, ensuring that the timetable of commitments and disbursements agreed at the time of formulation is adhered to. In parallel, it will plan and facilitate training activities for all recipients of EDF.

Activity 2.1. Defining methods of work that are conducive to policy dialogue.

The NAO Support Office will ensure that the programme and project cycle management of EU aid are the result of in-depth discussions with the concerned MDAs and other parties.

The NAO Support Office will assist in strengthening institutional capacity of the relevant national institutions in the development policy, sector-strategy planning and resource allocation.

It is expected that relationships with the Government of Sierra Leone's Development Aid Coordination Office (DACO), other institutions related to budgeting and planning (National Planning Unit, other initiatives), and other stakeholders of external aid not directly related to project implementation (such as: fiscal actors, Court of Auditors, Parliament, Civil Society Organisations) are sustained on a regular basis. Outputs of this dialogue will be reported consistently, notably in terms of clear achievements.

Activity 2.2. Improve the capacity of the NAO Support Office for policy analysis in the focal sectors of the 11th EDF NIP (Governance, Agriculture, Education and Infrastructure).

The NAO Support Office will identify and liaise with existing initiatives related to the strengthening of planning and budgeting exercises within MDAs. It will elaborate joint (NAO Support Office / MDAs) work plans for the purpose of planning the use of EU funds at sector level. The NAO Support Office will ensure that these directly contribute to the country's development agenda.

Activity 2.3. Strengthening institutional capacities of MDAs.

Upon their request, and when in line with the objectives of the present support project, dedicated TA and the NAO Support Office may reinforce MDAs in their sector policy-making, strategic planning, resource allocation, internal processes, and preparation to the requisites related to the preparation of budget support operations. This should be done in close cooperation with the department in charge of donor coordination within the beneficiary MDAs.

Activity 2.4 Organisation and delivery of specific trainings related to thematic or strategic areas.

The NAO Support Office, with TA support, will organise and facilitate the delivery of trainings on specific contents, related for instance to reform programmes (budget planning, budget credibility, financial accountability, local governance, sector M&E, policy dialogue, gender mainstreaming, environmental and climate change mainstreaming, etc); or cross cutting issues to enhance the inclusion in projects/programmes of specific results and indicators (gender, environment, climate change, HIV/AIDS).

Activity 3.1. Elaboration and implementation of a capacity building map on EDF procedures for relevant MDAs and Non State Actors.

In line with Activity 1.1, this will consist of elaborating and implementing a training map on EDF procedures for recipients of EDF support actions, including the relevant MDAs, other public institutions and Non State Actors (essential training packages may include: financial management, project cycle management, managing calls for proposals).

Activity 3.2. Setup a Helpdesk function at the level of the NAO Support Office, to ensure that EDF stakeholders receive timely and quality assistance to prepare and implement projects, tenders, contracts and programme estimates.

This activity implies identifying and launching the organisational processes related to the operationalisation of a Helpdesk function for the NAO Support Office. It will thereby ensure rapid assistance is given to implementers, especially with recurrent challenges such as procurement and financial management, providing pro-active support to the dedicated focal points and projects teams assigned in each MDA, including through the provision of updated information on EU templates and procedures.

Activity 3.3. Provide direct technical assistance support to the implementation of EDF projects.

The NAO support project will, where necessary, provide technical assistance to MDAs, notably in their department dedicated to the management of external support, so as to facilitate the daily management of EDF projects.

Activity 4.1. Elaborate a joint MDA/NAO Support Office monitoring tool based on a Common Results Oriented Monitoring (ROM) Framework.

Support the NAO Support Office staff and the relevant MDAs to define a common ROM framework on the basis of their needs and of existing information and indicators at both project and sector level. This implies determining relevant indicators, systematic sources of verification, and identifying necessary additional studies to implement the common ROM framework.

Activity 4.2. Improvement of accountability on the use of the resources of the EDF.

Facilitate the follow-up of the performance of the EDF, including of the funding used by the NAO Support Office, by national stakeholders, including the Audit Service Sierra Leone, MDA beneficiaries of the EDF, the Minister of Finance and Economic Development (MoFED), and other potential EDF beneficiaries. Encourage the improvement of overall performance within the NAO Support Office and MDAs in the EDF focal sectors (e.g. through monitoring of internal performance, setting operational performance targets, fair reporting on progress towards objectives).

Activity 4.3. Establishment of a communication plan for the NAO Support Office, in line with the findings of the Common Results Oriented Monitoring Framework.

Strengthen the capacities of NAO Support Office staff to communicate on progress and achievements of EDF-funded projects. The communication activities should also support the exchange of best practices, know-how and expertise in priority areas and therefore also be conducive to dialogue with other EDF stakeholders.

4.3 Intervention logic

The proposed action intends to support the functions of the NAO Support Office as per the following four dimensions (each one being reflected in the expected results).

Primarily, the NAO is the representative of the State and acts as Contracting Authority for the EDF, responsible for the use of public resources. In practice, this can be done by putting the NAO Support Office in charge of giving strategic guidance to its thematic counterparts (i.e. the MDAs), performing an **overall coordination and supervision** of the use of the resources made available. The focus here is put on a central NAO Support Office which acts as a supervisory and coordination body.

Coordination implies planning activities and following progress against schedule, building structured M&E systems, making informed decisions, managing technical and financial information. The NAO also has a pivotal role in making sure that resources of the EDF are integrated into central planning, budgeting and accountability systems.

The second dimension is related to the preparation of the EDF-supported actions in the focal sectors. Indeed, the NAO is notably in charge of ensuring the relevance of the primary commitments according to national strategies and plans, in terms of objectives, time schedule and dedicated budget. In Sierra Leone, it notably implies ensuring **the coherence of the programming and improving planning and reporting capacities at sector level**. Related activities will focus on the link between a central NAO Support Office and MDAs and facilitating dialogue with the EU Delegation.

The third dimension is on **the implementation and management of EDF projects on a daily basis**. This involves managing ongoing contracts and payments, and ensuring a smooth implementation of the activities.

The NAO is also in charge of representing the interests of the final beneficiaries. This is done through **ensuring accountability and measuring performance of the EU-Sierra Leone cooperation**. There is a role for the NAO Support Office to ensure that this cooperation is facilitated by:

- a) a stronger M&E system notably at portfolio level, for the whole of the 11th EDF,
- b) information related to EU support (projects, activities, commitments, payments, potential support) that is better communicated and integrated into national systems (aid coordination and planning, national programming and budgeting of public funds, Audit Service Sierra Leone, Parliament, civil society actors, etc).

Both tools should be used in synergy with the other actions funded by the EU. It is indeed the opportunity to support the exchange of best practices, know-how and expertise in priority areas, support visibility and communication activities, including specialised seminars and conferences.

5 IMPLEMENTATION

5.1 Financing agreement

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

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 36 months from the date of entry into force of the financing agreement.

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

5.3 Implementation of the budget support component

Not applicable.

5.4 Implementation modalities

5.4.1.1 Procurement (direct management)

The procurement of the service contract to provide technical assistance to the NAO Support Office will be directly managed by the EU Delegation, in common accord with the NAO Office. It has been agreed by all parties that this will allow for greater reactivity on the part of the TA, based on past performance and ensure improved levels of impartiality when providing expert advice on organisational development. The NAO Office will be closely involved in producing the terms of reference (ToR) and in the selection process for, as well as the performance assessment of, the technical assistance.

For the sake of expediency, the tender process for the afore-mentioned service contract may be launched prior to the approval of this document by the EDF committee, using a suspensive clause, in accordance with Article 19b of Annex IV to the ACP-EU Partnership Agreement.

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical Assistance	Services	1	Before the signature of the Financing Agreement, with a suspensive clause (Art. 19b of Annex IV of the ACP-EU Partnership Agreement)

5.4.1.2 Indirect management with the partner country

A part of this action with the objective of *contributing to efficient and effective programme preparation and implementation of EU funded projects and programmes through a greater integration of the NAO functions into the national system and involvement of Government Ministries, Departments and Agencies (MDAs), in accordance with EDF procedures and the Development Cooperation Framework (DCF)* may be implemented in indirect management with Sierra Leone in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323 according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The programme estimate imprest team will be drawn from the Government of Sierra Leone representatives (indirect management). The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 100 000 (or lower, based on a risk assessment) and may apply ex post control for procurement contracts up to that threshold. The Commission will control ex ante the contracting procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the partner country for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and up to EUR 100 000 for grants.

The financial contribution partially covers, for an amount of EUR 1 200 000, the ordinary operating costs incurred under the programme estimates.

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

5.5 Scope of geographical eligibility for procurement and grants

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

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

5.6 Indicative budget

	EU contribution (EUR)
5.4.1 – Technical Assistance (direct management)	1 620 000
5.4.2 – Indirect management with Sierra Leone (programme estimate)	1 700 000
5.8– Evaluation, 5.9 – Audit	100 000
5.10 – Communication and visibility	50 000
Contingencies	30 000
Total	3 500 000

5.7 Organisational set-up and responsibilities

A Supervisory Committee will be created to demonstrate a high level political commitment at national level over the present action. It will provide strategic guidance to the overall project and specifically to the Management Board of the project (see below). The Supervisory Committee will comprise at least the NAO, the Head of the EU Delegation (Chairs), and the Ministers of Agriculture, Education, and Infrastructure.

Management-level meetings will also be prepared at least twice a year, through a Management Board that will include the NAO Support Office, the Head of Cooperation of the EU Delegation, and the Focal Points in the MDAs (MEST, MAFFS and Sierra Leone Road Authority). The foreseen technical assistance team will support the process. Project stakeholders maybe invited when relevant.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this end, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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

5.9 Evaluation

Having regard to the importance of the action, a mid-term evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for problem solving, learning purposes, in particular with respect to the progress made towards the expected results, the capacity of the institutions involved in the present Action, and the suitability of the institutional arrangements made, with the view of launching a second phase of the action. For this reason, the timing of the mid-term evaluation is crucial, as its recommendations and conclusions should be used in the preparation of the second phase.

The Commission shall inform the implementing partner at least two weeks in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded by month 22 after implementation start.

5.10 Audit

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

Indicatively, one contract for audit services shall be concluded by month 20 after implementation start.

5.11 Communication and visibility

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

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.66 above.

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

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