



EN

This action is funded by the European Union

ANNEX 3

of the Commission Implementing Decision on the financing of the annual action programme in favour of the Asia region for 2018 part III, 2019 part I, and in favour of Central Asia for 2018 part III

Action Document for the Partnerships and Policy Dialogue Facility

MULTIANNUAL PROGRAMME

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	The Partnerships and Policy Dialogue Facility CRIS number: ACA/2018/041-490; ACA/2019/041-584 financed under Development Cooperation Instrument	
2. Zone benefiting from the action/location	DCI regions Asia and Central Asia The action shall be carried out at the following location: Countries covered by the Multiannual Regional Indicative Programme for Asia for the period 2014-2020 (RIP) ¹ are eligible. A component of this action will also benefit countries covered by the Multiannual Indicative Programme between the European Union and Central Asia for the period 2014-2020 (RIP) ² .	
3. Programming document	Addendum No 1 to the Multiannual Regional Indicative Programme for Asia for the period 2014-2020 (RIP) and the Addendum No 1 to the Multiannual Indicative Programme between the European Union and Central Asia for the period 2014-2020 (RIP). ³	
4. Sector of concentration/ thematic area	Investment and Partnerships	DEV. Aid: YES
5. Amounts	Total estimated cost: EUR 34 000 000	

¹ Development cooperation under the Asia Regional Multi-Annual Indicative Programme (MIP) financed by the Instrument for Development Cooperation (DCI) covers the following 19 countries: Afghanistan, Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Democratic People’s Republic of Korea, Lao PDR, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam.

² Development cooperation under the Central Asia Regional Multi-Annual Indicative Programme (RIP) financed by the Instrument for Development Cooperation (DCI) covers the following 5 countries: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

³ C(2018) 4741 of 20/07/2018

concerned	<p>Total amount of EU budget contribution: EUR 20 000 000</p> <p>The contribution is for an amount of EUR 3 000 000 from the general budget of the European Union for 2018 and for an amount of EUR 17 000 000 from the general budget of the European Union for 2019, subject to the availability of appropriations following the adoption of the relevant budget.</p> <p>This action is co-financed in joint co-financing by:</p> <p>The OECD for an indicative amount of EUR 3 300 000 The World Bank for an indicative amount of EUR 8 800 000 UNICEF for an indicative amount of EUR 1 900 000</p>			
6. Aid modality(ies) and implementation modality(ies)	<p>Project Modality</p> <p>Direct management – Grants (call for proposals)</p> <p>Indirect management with the OECD, the World Bank, and UNICEF</p>			
7 a) DAC code(s)	<p>15110 – Public sector policy and administration management</p> <p>15111 – Public financial management</p>			
b) Main Delivery Channel	<p>40000 – Other multilateral institution</p>			
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"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9. Global Public Goods and Challenges (GPGC) thematic flagships	<p>NA</p>		
10. SDGs	<p>Main SDG: 17 – Partnerships for the goals</p> <p>Secondary SDGs: 1 – No Poverty; 8 – Decent work and economic growth; 16 – Peace, justice and strong institutions</p>			

SUMMARY

The Partnerships and Policy Dialogue Facility (PPDF) will contribute to the implementation of the Agenda 2030 in Asia through strengthening policy dialogue, partnerships, budget support effectiveness and Sustainable Development Goals (SDG) implementation capacity, including in more advanced developing countries.

The overall objective of the action is to promote sustainable and inclusive development by strengthening the means of implementation and revitalising the global partnership for the SDGs.

The specific objective is to increase the overall capacity of beneficiary countries to design and implement SDG related policies, regulations and activities.

The following results are anticipated:

1. Improved technical capacity of key stakeholders in designing and implementing SDG related policies and regulations.
2. Strengthened regional cohesion and triangular cooperation on sustainable development.
3. Increased awareness and understanding of how to implement the SDGs
4. Strengthened dialogue and cooperation on SDGs, economic challenges and national policy reforms.
5. Reforms introduced and practitioners trained, in order to increase the efficiency and effectiveness of Public Financial Management (PFM) systems, as well as the orientation of public expenditure towards the SDGs.

The action will be composed of two components: a partnerships facility; and a policy support component:

1. Partnerships Facility

a) Technical assistance: Provision of EU public sector technical expertise to carry out specific technical support in areas identified jointly with partner countries through policy dialogue. Technical support in the form of peer-to-peer exchanges will support partner countries' technical SDG implementation capacity, by providing expertise where needed and sharing EU policy experience.

b) Dialogue support structure: support to organisation of conferences, seminars and workshops to exchange experiences and approaches, to share knowledge and disseminate best practices and success stories. This can include, among others: national or international events promoting a multi-stakeholder perspective on sustainable development by engaging civil society, business and government representatives; support to policy dialogue fora aiming at generating commitment to translate the SDGs into action; Events for exchange of ideas/good practices on SDG implementation and monitoring; and the promotion of cooperation between countries and between regions on SDG support initiatives.

c) Support to Triangular Cooperation (TC) and South-South Cooperation (SSC).

2. Policy Support

This component will support strategic dialogue on economic challenges and national policy reforms, and will be implemented in indirect management with the Organisation for Economic Cooperation and Development (OECD), the World Bank, and the United Nations Children's Fund (UNICEF).

1. CONTEXT

1.1 Sector/Country/Regional context/Thematic area

This action encompasses the whole Asia region, covering South Asia, South East Asia, and East Asia as well as Central Asia: a politically and socio-economically extremely diverse region, which comprises regional security threats, fragile states and situations, least developed countries, as well as some of the world's most dynamic economies and societies, emerging global actors and evolving regional cooperation structures. The quality of our partnerships with the more advanced developing countries of the region as well as the regional integration structures (Association of South-East Asian

Nations - ASEAN), are key determinants for the EU as global actor and for the implementation of the Agenda 2030 and the Paris Agreement on Climate Change as well as for Europe-Asia connectivity.

Growth in many ASEAN countries and China has picked up on a strong trade rebound and resilient domestic consumption, while growth in India has edged downwards owing to taxation and monetary reforms. The region's growth is also projected to remain solid in the medium term. While growth will slow in China, it is expected to stay brisk in India. South East Asia is poised to maintain strong growth momentum from 2018 to 2022 on robust domestic private consumption and infrastructure initiatives planned by a number of governments.

ASEAN promotes inclusive and innovation-led economic growth to enhance the performance of the ASEAN Economic Community (AEC). In 2017, ASEAN members adopted the AEC 2025 Consolidated Strategic Action Plan to implement the 2025 AEC Blueprint. Endorsed by ASEAN economic ministers and the AEC Council, the Strategic Action Plan aims to foster regional integration by increasing trade and investment; integrating micro, small and medium-sized enterprises into the digital economy; and developing an innovation-driven economy.

Emerging Asia – the region including Southeast Asia, China and India – is thus experiencing strong economic growth. The region is expected to experience an average growth rate of 6.3% per year over 2018-22 according to the OECD publication, the *Economic Outlook for Southeast Asia, China and India 2018*. However, development challenges persist. Significant development disparities, particularly in the areas of poverty and human resource development, are seen across and within Emerging Asian economies. For example, Gross Domestic Product (GDP) per capita (at Purchasing Power Parity) in Singapore is approximately 25 times higher than that in Cambodia.

The problem of poverty is acute in South Asia. Despite the sub-region's economic dynamism and remarkable achievements of the Millennium Development Goals (MDGs), the sub-region still accounts for 36% of the world's poor, nearly half of the world's malnourished children, and suffers from a number of development and infrastructure gaps, as described in the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) report, *Achieving the SDGs in South Asia*.

The countries of South Asia have lagged behind other sub-regions in several indicators of development. Wide gaps in physical and social infrastructure persist, and among other deprivations, unemployment levels especially among the youth have been rising, inequality has been widening, and widespread hunger continues across the sub-region. Furthermore, South Asia is increasingly vulnerable to the effects of climate change in the form of extreme weather events including droughts and floods.

The Central Asia region is geo-politically important, but increasingly fragile. It borders Russia, Iran, Afghanistan, and China, and is close to Pakistan. Authoritarian regimes have resulted in poor governance, weak institutions and endemic corruption. It is characterised by unequal development and significant diversity in terms of political, economic and social systems. Poverty reduction and sustainable and inclusive growth, despite overall positive economic growth rates, remain considerable challenges. The region is environmentally at risk and vulnerable to the adverse impact of climate change. All countries are under growing pressure as a result of stringent infrastructure demand, limited capacity to cope with demographic growth and the needs of a surging young population seeking education and income generating activities.

In addition to the most undesirable progress on halting biodiversity loss, equitable economic growth, reducing greenhouse gas emissions and protecting forest areas, where the entire region is regressing together, each sub-region is in an especially alarming situation regarding a few other areas, as the UNESCAP paper *Asia and the Pacific: SDG Progress Report* has highlighted. In East and North-East Asia these areas relate to CO₂ and greenhouse gas emissions, and corruption perception. In South-East Asia they relate to material footprint and domestic material consumption, and in South Asia they relate to the prevalence of malnutrition, medium and high-tech industry and CO₂ emissions. In Central Asia problems concerning mental health and well-being (measured by suicide mortality rate) and Research and Development (R&D) expenditure are particularly critical.

1.1.1 Public Policy Assessment and EU Policy Framework

The Millennium Development Goals (MDGs) have made an enormous contribution in raising public awareness, increasing political will and mobilising resources for the fight to end poverty. The *2030 Agenda for Sustainable Development* builds on this experience. At the core of the Agenda are the SDGs, which address both poverty eradication and the economic, social and environmental dimensions of sustainable development in a balanced and integrated manner. The *2030 Agenda* also addresses issues which were reflected in Millennium Declaration but not the MDGs; including issues such as effective institutions, good governance, the rule of law and peaceful societies.

While there is agreement on what the global goals are, there is significant variation in the likelihood of achieving these goals by 2030 across region and countries of Asia. Although Asian countries have achieved many of the MDGs, progress has also been slow in some of the areas. The region is on track to do well on five goals related to halting deforestation, bringing an end to extreme poverty, improving access to sanitation, expanding energy access, and economic growth in Least Developed Countries. A further eight goals are progressing, but at speeds nowhere near fast enough to reach targets by 2030, and four goals are of particular concern: these will need to see a reversal in current trajectories, as they are moving in the wrong direction. These targets relate to reducing slum populations, reducing waste, combating climate change and marine conservation. There are also differences between sub-regions, for instance between South East Asia and South Asia where progress has indeed been unequal.

As highlighted by UNESCAP, the region has unfinished work and needs to increase the pace of progress. At the current rate of progress, the region should achieve SDG 4 on ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all, but needs to accelerate progress towards all other SDGs to achieve the 2030 agenda. Progress has been made but it is very limited for some goals. The region has made some progress towards eradicating poverty (Goal 1) and has shown evidence of healthier lives and increased well-being (Goal 3). Insufficient progress has been achieved in making cities and human settlements inclusive, safe, resilient and sustainable (Goal 11).

The region has made very little progress towards ensuring availability and sustainable management of water and sanitation for all (Goal 6) and protecting, restoring and promoting the sustainable use of and protecting life on land (Goal 15). Efforts to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, have not yet translated into enough progress towards achieving Goal 8.

Asia is home to more inequality and less peace and justice. The region needs to reverse the trend in increasing inequalities (measured by the Gini coefficient). Efforts towards achieving Goal 16 on peace, justice and strong institutions, at promoting peaceful and inclusive societies, providing access to justice for all and building effective, accountable and inclusive institutions at all levels have by and large stalled.

In many countries, MDG implementation was constrained due to insufficient coordination between planning and budgeting entities and a lack of effective alignment between countries' national plans, sector policies, budget processes and its ultimate impact on social outcomes. SDGs are now facing similar challenges. More than ever there is now a need to build a stronger bridge between the SDGs, countries' planning and budget execution processes and Public Financial Management (PFM) practices, with clear linkages to social outcomes.

At country level the EU is working to build SDG implementation capacity with a central role for policy dialogue; here the place of strong institutions, well designed regulation and quality PFM is critical to key development outcomes. This approach is also reflected in the SDGs in particular Goal 16: "To promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels". To this end the EU is providing technical expertise to countries in strategic areas; one such method of doing so is through peer-to-peer exchanges.

In addition to SDG implementation capacity at the technical regulatory and policy level, quality Public Financial Management (PFM) is a key foundation for sustainable development. The EU, through its existing partnership with international financial institutions, and with the use of Budget Support instrument and contribution to PFM related tools (e.g. PEFA, TADAD) has a long tradition of supporting quality and use of country systems. Over the last couple of decades, the EU has provided financial and technical support to strengthen PFM systems both a central and sector level in developing countries, often as a key pillar of its cooperation and development policy.

Effective PFM and regulatory environments are key to achieving the SDGs, and are key areas addressed under the *Agenda 2030*. The *Agenda* makes specific reference to the need to engage with graduated countries, where the development challenges are of a different nature to the challenges in Least Developed Countries. Asia's growth projections mask these underlying development challenges; these challenges highlight the importance of going beyond GDP to better understand the lingering issues impeding development, and to determine ways of engaging differently and with a broader set of actors to drive change.

In light of this, the proposed action has a conceptually strong link to SDG 17 – "To strengthen the means of implementation and revitalize the global partnership for sustainable development." The EU is committed to enhancing country ownership, partnership and dialogue, in order to contribute to greater effectiveness of development cooperation in all its dimensions, with special consideration for the specific transitional challenges of more advanced developing countries as reflected in the new European Consensus on Development. The EU seeks to deepen political, economic, social and cultural dialogue between the Union and third countries and regional organisations, and to support implementation of bilateral and international commitments; engaging industrialised and more advanced developing countries on the implementation of the 2030 Agenda, global public goods and challenges, including in the area of South-South and triangular cooperation. Encouraging good neighbourly relations, regional integration, cooperation and dialogue is critical, as is leveraging financing for connectivity, including sustainable infrastructures and networks favouring regional integration, social inclusion and cohesion and sustainable growth.

1.1.2 Stakeholder analysis

- Partner country governments through policy dialogue, identifying priority areas for the implementation of the 2030 Agenda.
- Partner country public administrations through engagement with EU technical expertise. They may also participate in the action as providers of public sector expertise for triangular or South-South cooperation.
- Regional organisations, such as the Association of Southeast Asian Nations (ASEAN), and the South Asian Association for Regional Cooperation (SAARC).
- Civil society and private sector stakeholders involved in the 2030 Agenda implementation in the region.

While the above will be the target groups of the action, the final beneficiaries will be the people of Asia and Central Asia.

1.1.3 Priority areas for support/problem analysis

Effectively achieving national plans for sustainable and inclusive development as well as peaceful societies requires Asian countries to strengthen their own institutional capacities. This involves, for example, looking both at the drivers of successful public-sector reforms and at the role of institutional and judicial reforms in addressing informality. Asia's success in implementing the SDGs hinges on addressing current capacity gaps and strengthening the means of implementation

At a regional level, implementation of SDGs requires inclusive partnerships that consider countries' different conditions and circumstances and build on the experience and resourcing strategies of multi-stakeholder partnerships. The draft Asia and the Pacific regional road map for implementing the

Agenda 2030 launched at the third Asia-Pacific Forum on Sustainable Development identified five priority areas of cooperation, namely: data and statistics, technology, finance, policy coherence, North-South, South-South, international and regional partnerships with particular emphasis on the practical means of implementation to achieve the SDGs. Thematic issues include social development, Disaster risk reduction and resilience, Climate change, Management of natural resources, Connectivity for the 2030 Agenda, and Energy.

Asia's middle-income countries are seeking new strategies to transform their factor accumulation growth models to productivity-led growth that fuels broad-based and sustained prosperity. Malaysia, Indonesia and Thailand, for example, are seeking strategies to overcome the middle-income trap. Malaysia and China are the two middle-income countries that are expected to reach high-income status before 2030. The rest of the countries will need more time, with Viet Nam and India not expected to reach this status until the mid-2050s. Yet, such economic transformation requires evolving manufacturing, growing the services sector, developing financial systems, embracing the benefits of regional co-operation, and carving out a role for institutions in combating the middle-income trap. This also requires specific investments in transport infrastructure, including the role of public-private partnerships to meet the challenge of expanding transport networks to stimulate both internal and regional trade growth.

South Asian countries need to pursue structural transformations without jeopardizing social, fiscal and environmental sustainability. Progress on this transformation has, however, been slow and marked by a declining share of agriculture contribution to GDP. Simultaneously, the rising contribution of the services sector to GDP has surpassed that of industry. Sustainability in South Asia must rest on a core foundation of diversification and competitiveness. Adopting open and transparent investment and trade policies and incentive frameworks, as well as improving the ease of doing business and promoting skill development will boost the sub-region's transformation and competitive edge.

Central Asian countries are struggling with the heritage of planned economies, infrastructural challenges and lack of economic diversification and insufficient investment and jobs. Recently however there is a new dynamic for regional economic growth which needs to be supported by enabling administrations and efficient public institutions.

The proposed action will be a demand-driven tool that will enable the EU to mobilise targeted, flexible, and tailor-made short-term support to help take Asian partner countries to move forward across a broad range of the interlinked goals of the SDGs. The facility will help address countries' needs in coordinating, planning and implementing SDGs, in line with countries' priorities and timeframe with a focus on doing so through strengthening dialogue, partnerships, cooperation, and awareness. There is a need to build more awareness of the SDGs, as well as the technical capacity to reach them, and to build more fruitful partnerships for achieving the goals across a broader range of actors. The action will thus strengthen SDG implementation capacity, and although it will be demand-driven in nature and respond quickly and provide short-term support, individual actions will be rigorously selected and required to form part of a wider strategic policy dialogue on SDGs.

Technical expertise will be provided for support to policy and regulation design in strategic areas, and in doing so will strengthen SDG implementation capacity. Strengthening institutional capacity at a technical and regulatory level is not an end in itself, but in the same way as for improvements in PFM, improvements in these areas are essential upstream contributors to improving the quality of service delivery in a country and enhancing shared prosperity. Sound PFM systems should encourage strategic allocation of budget resources that accurately reflect governmental development priorities. In addition, they should aim to achieve a high level of technical efficiency, meaning that the resources efficiently and effectively contribute to the desired programme outcomes.

The action as a whole will be geared towards relieving development bottlenecks through the provision of technical expertise, triangular cooperation, and dialogue; which are instruments well suited to the context in many more advanced developing countries. As countries transition to higher levels of income, they risk receiving less bilateral aid and concessional loans and need to remain engaged through different instruments. There is a growing need for shaping strategic visions and coordinated

policy actions to respond effectively – here the OECD Development Centre is well equipped to provide added value.

Enhancing regional cooperation on social and economic issues is a critical need which is not being met particularly in South Asia which remains one of the most economically fragmented regions in the world. The region will benefit from additional technical expertise on public finance and social protection for strategic work not only in providing direct technical assistance to countries but also to enhance the knowledge sharing mechanisms and helping to build networks and forums. The UNICEF facility in this regard will strengthen efforts at concerted advocacy for addressing governance issues, improving fiscal space for human capital and cognitive development and support policy making processes for longer-term sustainable development.

There are considerable challenges in terms of optimally utilizing public expenditure as one of the most critical public policy instruments for the realization of the rights and wellbeing of children, as stipulated in the Convention of the Rights of the Child. These challenges include but are not limited to the existing environment of deliberate political choices disfavoring investments in social sectors critical for building cognitive capital of children; institutional and technical difficulties such as incremental budgeting to suboptimal functioning of some of the key regional cooperation mechanisms. Setting up a facility that can address these challenges at scale both at the country and the regional level will have a significant effect on the achievement of SDGs.

2. RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
The individual interventions under the facility remain do not contribute to deepening the policy dialogue and EU development priorities.	M	Specific interventions need to be thoroughly embedded in policy dialogue and closely monitored by EU Delegations.
Ownership of the programme by partner countries.	M	The interventions should reflect policy priorities for the partner country identified through policy dialogue.
The activity overlaps with or duplicates existing EU support.	L	Close coordination in HQ and Delegations, including with EU Member States locally.
Lack of sustainability in support to institutional and PFM capacities.	L	Establishing long-term strategic partnerships with key development partners. Emphasis on building expertise in partner countries and focus on few priorities in-country.
Partner countries perceive that policy dialogue does not respond to the specific needs of the country.	L	Clearly link the project activities to the areas of priority for partner countries.
Unavailability of relevant professionals / decision-makers in partner countries for activities.	L	Joint design and identification of activities, including identification of participants.
Assumptions		
Partner countries are engaged in policy dialogue and express interest in EU public sector expertise. Countries are interested in strengthening cooperation on SDGs with the EU through a variety of means. Countries undertake structural and other reforms necessary to spur economic growth.		

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learned

The main lessons learned during the past 10 years in the implementation of the different facilities, established by the European Commission are the following:

- Responses to demand-driven initiatives strengthened the countries' ownership
- Quick and flexible platforms allowed for the speedy actions
- Involvement in the facility by EU Delegations allowed the validation of needs and constraints reflected in the requests
- A tailor-made and flexible approach to meet the needs of diverse beneficiaries is required
- Assistance must be driven by local needs and demands
- Quality control and result-orientation are required
- A minimum momentum to achieve sustainability is required
- Actions supported must be need based, result-orientated, based on a longer term structural framework, coherent with EU policy, embedded in policy dialogue.
- The importance of reinforcing the sustainability of actions such as this through a longer term structural framework, e.g. a national work programme.

So far, the EU experience in supporting Triangular and South-South Cooperation (SSC) in the framework of the different programmes implemented in the region has been positive. Through the four different modalities of SSC used by EU programmes, i.e. networking, exchange of experiences, technical assistance and partnership twinnings, the Commission has enabled and supported the peer learning among countries, has facilitated the creation of networks and partnerships and has empowered the development processes of many beneficiary countries since such "learning from a peer" is particularly relevant.

The importance of identifying priority areas for enhancing partnerships, allowing efforts to be concentrated in sectors with clear strategic interest and foreseeable mutual benefits is recognised. The importance of maintaining a high degree of flexibility to respond to changing priorities or political commitments, while also planning and ensuring continuity of activities in a number of key priority areas is similarly recognised.

All these elements have been taken into consideration in the preparation of the proposed action.

3.2 Complementarity, synergy and donor coordination

As EU engagement in the region has a strong focus on assisting partners in implementing SDGs, the proposed action will complement EU and Member States' supported initiatives in the region. The Agenda 2030 has been adopted by all development partners and partner countries alike. Synergy with development partners, especially with UN agencies who are actively engaging with key stakeholders (government, private sector and CSOs) in the region have been established or will be sought in order to ensure the effectiveness of results and impact. Donor coordination at country level will ensure complementarity and avoid duplication; good coordination between stakeholders is important for the success of this action.

The proposed action has high complementarity and synergy with E-READI, which promotes policy EU-ASEAN policy dialogue and ASEAN regional integration. The proposed facility will be able to engage with ASEAN Member States in a different and more flexible manner, as it will not require the participation of all/the majority ASEAN Member States in activities. It will also be able to engage with ASEAN through different instruments, namely the peer-to-peer learning component. In order to ensure there is no duplication of activities, EU Delegations will always be involved in the selection of activities.

The ongoing FPI Policy Support Facility supports policy dialogues between the EU and partner countries worldwide including in Asia with the aim to support the EU's priorities and to positively influence the partner countries' agenda. The Partnership Instrument also funds TAIEX activities worldwide to support alignment of partner countries towards EU standards, norms and regulatory

framework allowing the EU to carry out its bilateral agenda in line with its own and mutual interests. This proposed action will also intervene, on demand in strategic sectors – but it will have a strict developmental focus and ensure coordination with FPI actions through the steering mechanisms.

The OECD partnership will allow the EU to strengthen its policy dialogue activities with Asia through analysis and the prioritisation of challenges. It would complement and strengthen rather than duplicate ongoing efforts. Similarly for the proposed PFM component with the WB to support the Public Expenditure Management Network in Asia (PEMNA) and the one in Central Asia (PEMPAL), which complements rather than replaces efforts by development partners to support PFM reform at the national level. Rather than a reliance on international experts to share PFM reform experiences and practices, national officials engage directly with their peers in neighbouring countries. The informal environment created by the Community of Practice and the gradual building of personal relationships, helps facilitate openness and candour about the challenges each one faces and how they have confronted them.

While the EU increasingly recognises UNICEF’s ongoing contribution and value added in social sector reform, there has been only sporadic engagement of UNICEF in accompanying the EU policy dialogue in its budget support operations. It is in this context, a regional PFM joint facility has emerged as a possible instrument to explore and support new avenues for engagement in this area. This joint PFM facility is envisaged to provide complementary support to UNICEF country offices and EU Delegations in support of their activities that directly feed into the design, implementation and/or monitoring of the EU sector budget support operations. Support under this facility may also be extended to countries without ongoing EU budget support operations, in the case of positive eligibility assessments.

3.3 Cross-cutting issues

Given the broad spectrum and the inclusiveness of the 17 SDGs, the normative cross-cutting issues (such as environment, climate change, gender, democracy, human rights, etc.) have become goals *per se* of the SDG. As a result, cross-cutting issues will therefore be addressed in all activities implemented under the action. These cross-cutting issues will be key criteria in selecting which activities are implemented under the facility.

All analytical research conducted and reports produced by the OECD Development Centre with the EU’s support will take into account the implications for human rights related to gender equality and vulnerable groups. The OECD Social Institutions and Gender Index (SIGI) can feed into the country-by-country structural policy notes that are part of the Regional Economic Outlooks for Emerging Asia. The Multi-Dimensional Country Reviews (MDCRs), built on the five pillars of people, planet, prosperity, peace and partnerships, evaluate the main constraints to development including issues related to gender and social exclusion. Similarly, sectoral studies, particularly those related to the future of work, connectivity and social protection, will pay attention to the implications for women and/or other vulnerable groups and ethnic minorities.

This action will also focus on children's development through the UNICEF partnership. How governments use public funds matters enormously to children. If allocations are insufficient, poorly targeted or used inefficiently, all children, and especially the most vulnerable, lose out – as does all of society in the long term. Notwithstanding the low tax to GDP ratios in many countries of the region, public funds obtained through domestic revenue mobilization remain by far the largest and the most strategic investment policy tools to address inequality and improve social cohesion to achieve sustainable development. This logic is also relevant for the proposed World Bank partnerships.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 17 – Partnerships for the goals, but also promotes progress towards Goals 1

– No Poverty; 8 – Decent work and economic growth; 16 – Peace, justice and strong institutions; and is flexible enough to promote progress across the 17 goals. This does not imply a commitment by the countries benefiting from this programme.

The overall objective of the action is to promote sustainable and inclusive development by strengthening the means of implementation and revitalising the global partnership for the SDGs.

The specific objective is to increase the overall capacity of beneficiary countries to design and implement SDG related policies, regulation and activities.

The following results/outputs are anticipated:

1. Improved technical capacity of key stakeholders in designing and implementing SDG related policies and regulation.
2. Strengthened regional cohesion and triangular cooperation on sustainable development.
3. Increased awareness and understanding of how to implement the SDGs.
4. Strengthened dialogue and cooperation on SDGs, economic challenges and national policy reforms.
5. Reforms introduced and practitioners trained, in order to increase the efficiency and effectiveness of PFM systems, as well as the orientation of public expenditure towards the SDGs.

4.2 Main activities

In line with priority actions described under 1.1.3, specific activities to be conducted through this facility include:

1. Partnership Facility

a) Technical assistance: Provision of EU public sector technical expertise to carry out specific technical support.

This component will contribute to result/output 1) – Improved technical capacity of key stakeholders in designing and implementing SDG related policies and regulation; and result 4) – Strengthened dialogue and cooperation on SDGs, economic challenges and national policy reforms. Peer-to-peer learning, through drawing on the wealth of EU experience and knowledge, will support beneficiary countries in the design of regulatory and policy areas relevant for the achievement of the SDGs. This will cover the whole Asia region, but not Central Asia.

Twinning-like activities foster partnership, dialogue and exchange of experience. They can be a valuable contribution to implementing a shift from traditional financial cooperation to policy-based cooperation. Indeed, in view of the universal nature of the SDGs, for the first time there is a common basis for policy making for partner and donor countries which puts all countries on an equal footing. Twinning-like activities can be instrumental for the transfer of the EU policy model and ways of working to partner countries, and thereby contribute to mainstreaming EU values, principles and policies.

Twinning-like activities may well be interesting for cooperation with more advanced developing countries in light of their existing levels of public sector capacity, and in certain key thematic sectors (such as security, migration, private sector investment, climate change, gender) that are of mutual interest. Nevertheless, Least Developed Countries (LDCs) would still of course be able to benefit from this flexible policy support structure. Activities will be identified jointly through policy dialogue and will not constitute "stand-alone" initiatives. This is important to ensure the sustainability of the action.

Private sector consultants may also supplement the public sector expertise, if difficult to mobilise appropriate public sector expertise. The ability to quickly mobilise technical assistance (TA) which would not otherwise be provided through public experts will further add to the flexibility and strategic relevance of this facility. That said, public sector expertise will always be the preferred choice because of its strategic value as an instrument for strengthening partnerships and cooperation. The Commission will set up a strong governance mechanism in order to keep a high degree of control over this component, including regular project management meetings and annual steering committee meetings with the implementing partner.

b) Dialogue support structure

Logistical support to the organisation of conferences, seminars, workshop to exchange experience and approaches, to share knowledge and disseminate best practices and success stories. This can include, among others: national or international events promoting a multi-stakeholder perspective on sustainable development by engaging students, academics, NGOs, business and government representatives; support to policy dialogue fora aiming at generating commitment to translate the SDGs into action; Events for exchange of ideas/good practices on SDG implementation and monitoring; Promotion of cooperation between countries and between regions on SDG support initiatives.

This will support participation in conferences, seminars, and workshops as well as participation of Government officials, Civil Society organisations' and private sector associations' representatives in national, regional and international events on topics of relevance to the SDGs. Outreach, Communication and Visibility activities will promote inclusive SDG processes, by supporting the mobilisation of CSO and private sector association representatives in SDG consultations, and support outreach/communication and visibility activities aiming at increasing the understanding of SDGs and EU visibility. This will contribute to result/output 3) – Increased awareness and understanding of how to implement the SDGs.

c) Logistical support to Triangular Cooperation (TC) and South-South Cooperation (SSC)

This component will in principle facilitate TC and SSC through logistical support and contribution of EU expertise to ensure EU added-value and policy exchange. In this way, the proposed action could also act as an "incubator" for possible TC (as well as twinning). If such an exchange would prove useful and effective, it could be followed-up by more exchanges and lead to standalone activities outside the facility. This will contribute to result/output 2) – Strengthened regional cohesion and triangular cooperation on sustainable development.

2. Policy Support

This component will support strategic dialogue on economic challenges and national policy reforms, and will be implemented in indirect management with the OECD Development Centre, the World Bank, and UNICEF.

a) The OECD Development Centre

The OECD Development Centre (DEV) is already working closely with the Emerging Asia region of Southeast Asia, China and India. Thus, the OECD is a key partner in achieving the EU's goal of broadening the range and depth of its actions to work better and more closely with Asia, including the region's middle-income economies. The OECD partnership will aim to contribute to the European Commission's efforts to strengthen its policy dialogue activities with the region through analysis and the prioritisation of challenges. This component will contribute to result/output 4) – Strengthened dialogue and cooperation on SDGs, economic challenges and national policy reforms.

Policy makers in Emerging Asia countries are interested in a number of development topics and their implications for their countries' development trajectories and the region's integration. Several of these themes figure prominently on the Development Centre's research and policy dialogue agenda, thereby offering opportunities for feeding the policy debate in the region and forming partnerships.

National development strategies offer another way for the EU to pursue tailored partnerships with Emerging Asia economies. The Development Centre already produces Multi-Dimensional Country Reviews (MDCRs) that support countries in their efforts to develop strategies for sustained development progress. To date, the Development Centre has completed an MDCR with Myanmar, and it is currently working with Thailand on one, having finished the first phase.

The *Economic Outlook for Southeast Asia, China and India* is a bi-annual publication on Asia's economic growth, development and regional integration process, managed by the Development Centre. A defining feature of the publication is how it promotes policy dialogue. The EU's support

will substantially expand the publication's convening power as a platform for dialogue and knowledge sharing.

b) The World Bank financing PEMNA and PEMPAL

The Public Expenditure Management Network in Asia (PEMNA) was launched in 2012 as a peer-learning network for PFM practitioners from East Asia and Pacific countries. The objective of PEMNA is to create a regional member-driven PFM platform where members can share reform experience and learn from each other. More specifically, PEMNA allows members: (a) to exchange experience on specific, high priority PFM reforms and their implementation; (b) to analyse common challenges faced; and (c) to benchmark their own performance to one another. Brunei, Cambodia, China, Indonesia, Korea, Lao PDR, Malaysia, Mongolia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste, and Vietnam are the 14 member countries of PEMNA.

The Public Expenditure Management Peer-Assisted Learning network (PEMPAL) in Central Asia and Central and Eastern Europe includes a number of EU/OECD countries (including four Central Asian countries as official members, with Turkmenistan attending unofficially), as a peer-learning network of Budget, Treasury and Internal Audit practitioners. The network allows members to: (a) exchange experience on specific, high priority reforms and their implementation; (b) analyse common challenges faced; and (c) to benchmark their own performance to one another. While the initiative initially was conceptualized in 2005 by the World Bank and the UK's DFID, it is well suited for supporting peer-to-peer learning between practitioners in Central Asia and EU Member States. Many practitioners indeed themselves experienced first-hand the transition from the Soviet system and meeting international requirements and the EU's best practices for sound financial management.

The WB partnerships will aim to contribute effectively to the implementation of PFM reforms in PEMNA and PEMPAL member countries. It will do this through organising various annual PFM knowledge exchanges. The participation of the EU at PEMPAL's and PEMNA's Steering Committees, and the participation of the EU at Community of Practice (COP) meetings will provide effective means for policy dialogue to take place. This component will contribute to result/output 4) – Strengthened dialogue and cooperation on SDGs, economic challenges and national policy reforms; and result/output 5) – Reforms introduced and practitioners trained, in order to increase the efficiency and effectiveness of PFM systems, as well as the orientation of public expenditure towards the SDGs.

c) UNICEF

With its advocacy for not just higher allocations to social sectors but also more efficient and effective use of public funds, UNICEF is a natural partner for the EU in the area of supporting children's development through strengthening PFM systems. This partnership will aim to provide specific analysis (public expenditure tracking surveys, public investment needs, procurement reviews etc.) in South and South East Asia. It will mobilise TA in order to enhance the adequacy, effectiveness and efficacy of social sector expenditures, programmes, processes and institutions pivotal for children's rights and development. It will also support the EU's policy dialogue in countries where the EU is providing sector Budget Support in education.

The region will benefit from technical expertise on public finance and social protection for strategic work not only in providing direct technical assistance to countries but also to enhance the knowledge sharing mechanisms and helping to build networks and forums that can bring countries together. This component will contribute to result/output 4) – Strengthened dialogue and cooperation on SDGs, economic challenges and national policy reforms; and result/output 5) – Reforms introduced and practitioners trained, in order to increase the efficiency and effectiveness of PFM systems, as well as the orientation of public expenditure towards the SDGs.

The joint facility may support activities such as the following:

- Country Surveys for measurement of multi-dimensional poverty;
- Public Expenditure Reviews;

- Publics Investment needs analyses for children and young people during the first one thousand days;
- Resource distribution analysis with the aim of targeting investments to the most vulnerable groups of population;
- Training programmes on public finance, budget analysis or tailored to specific social sectors or thematic topics;
- Capacity building activities for the government to enhance coherence and synergy between social sector policy and public expenditure;
- Dissemination of successful experiences and lessons learned;
- Procurement reviews;
- Tracking expenditure surveys.

4.3 Intervention logic

The proposed action is based on the logic of the European Consensus on Development that in order to achieve the Agenda 2030 and the SDGs contained therein, countries in Asia must strengthen their SDG implementation capacity at the regulatory, policy, PFM, and public awareness levels.

Crucial to the logic of this action is the notion of partnerships, as defined in SDG 17 – "To strengthen the means of implementation and revitalize the global partnership for sustainable development." This action proposes to strengthen SDG implementation capacity at the regulatory, policy, PFM, and public awareness levels by focussing on instruments which foster partnerships as well as capacity-building.

5. IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Action Document.

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 technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation⁴.

5.3.1 Grants: call for proposals "Partnerships and Policy Dialogue Facility" (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The successful applicant shall be responsible for the implementation of the partnerships facility, as described in section 4:

⁴ https://eeas.europa.eu/sites/eeas/files/restrictive_measures-2017-04-26-clean.pdf

- i) Technical assistance: Provision of technical expertise including from the public sector to carry out specific technical support;
- ii) Dialogue support structure;
- iii) Support to Triangular Cooperation (TC) and South-South Cooperation (SSC).

(b) Eligibility conditions

Eligible applicants under this call shall be:

- EU Member States' public institutions;
- Public institutions of eligible Asian countries;
- Private sector bodies registered in an EU Member State.

The successful applicant shall be a consortium which must include an EU public institution and must be composed of at least three beneficiaries. The participation of an Asian public institution in the consortium constitutes a distinct advantage, as does the participation of a private sector consultancy.

The consortium should have the capacity to mobilise EU public sector expertise (or equivalent) effectively and rapidly, in order to respond to requests for technical assistance by beneficiary countries.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 8 000 000 and will be awarded to a consortium of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 60 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 100%.

If full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call: 2019 Q1

5.3.2 Indirect management with an international organisation

A part of this action may be implemented in indirect management with the Organisation for Economic Cooperation and Development (OECD). This implementation entails strengthening strategic dialogue between the EU and Asia in areas strategic to the achievement of the SDGs. This implementation is justified because of the specific expertise, experience and capacity of the OECD Development Centre in development cooperation with emerging Asia. The OECD Development Centre is a strong partner in achieving the EU's goal of broadening the range and depth of its actions to work better and more closely with Asia, including the region's middle income economies.

The entrusted entity would carry out the following tasks: carrying out procurement, signing and executing the resulting procurement contracts, notably accepting deliverables, carrying out payments and recovering the funds unduly paid.

5.3.3 Indirect management with an international organisation

A part of this action may be implemented in indirect management with the World Bank. This implementation entails support to both PEMNA and PEMPAL, which will aim to contribute effectively to the implementation of PFM reforms in PEMNA and PEMPAL member countries. The

participation of the EU at PEMPAL's and PEMNA's Steering Committees, and the participation of the EU at COPs meetings will provide effective means for policy dialogue to take place. This implementation is justified because both networks are unique in their memberships and there is no other relevant institutional framework that would be more suitable to achieve the intended objectives. The World Bank is one of the key development partners in South East Asia in the PFM sector with good collaboration with the EU and long-term experience of working on PFM reforms with Governments.

The entrusted entity would carry out the following tasks: carrying out procurement and grant award procedures, signing and executing the resulting procurement and grant contracts, notably accepting deliverables, carrying out payments and recovering funds unduly paid.

For the tasks not yet assessed, the World Bank is currently undergoing the ex-ante assessment. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with tasks under indirect management.

5.3.4 Indirect management with an international organisation

A part of this action may be implemented in indirect management with the United Nations Children's Fund (UNICEF). This implementation entails supporting children's development through strengthening PFM systems. The aim is also to support the EU's policy dialogue in countries where the EU is providing sector Budget Support in education. This implementation is justified because one of the objectives is to develop a strategic partnership with UNICEF in order to better link budget and policies in beneficiary countries.

The entrusted entity would carry out the following tasks: carrying out procurement and grant award procedures, signing and executing the resulting procurement and grant contracts, notably accepting deliverables, carrying out payments and recovering funds unduly paid.

5.4 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 9(2)(b) of Regulation (EU) No 236/2014 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.

5.5. Indicative budget

	EU contribution (EUR)	Indicative third party contribution (EUR)
5.3.1 Direct management – Call for Proposals (partnership facility)	8 000 000	0
5.3.2 Indirect management - OECD	4 000 000	3 300 000
5.3.3 Indirect management - World Bank The Central Asia Region (PEMPAL) The Asia Region (PEMNA)	3 000 000 2 000 000	7 300 000 1 500 000
5.3.4 Indirect management - UNICEF	3 000 000	1 900 000
Total	20 000 000	14 000 000

5.6 Organisational set-up and responsibilities

i) Partnerships Facility

The projects will be implemented by a consortium of public institutions/private sector firms, with a minimum of three beneficiaries. This consortium must include an EU public / non-profit institution, and may also include an Asian public institution and/or a private sector consultancy. The lead agency will establish a project management unit.

The lead agency will ensure quality, monitoring and evaluation, and reporting to the Commission. The members of the consortium will play an active role in the thematic back-up and quality assurance.

The European Commission will remain fully engaged in the planning, monitoring, annual reviewing and evaluation process. A project Steering Committee, with the European Commission and the implementing partners, will be established to provide overall strategic guidance, assess and, if necessary, adapt activities. The Steering Committee will indicatively meet twice a year. There will also be quarterly project management meetings. EU Delegations will be closely involved in the implementation and steering of the project.

The implementing partner will be responsible for mobilising public expertise under the technical assistance subcomponent. The implementing partner will choose and contract individual experts but DEVCO HQ will be responsible for approving the activities. This is also the case for the logistics and TC subcomponents

The project will begin with a six month inception phase. During the inception period, the details of the project will be further outlined, including conduct of the baseline survey, finalization of the Monitoring and Evaluation framework, development of the communications and visibility strategy, formulation of a concrete sustainability plan, etc.

ii) Policy Support

a) OECD

The Project Management Team will be composed of staff from the OECD. Throughout implementation, the project management team will work in close collaboration with EU delegations in all of the project countries.

The governance framework will provide strategic and technical governance at regional and national levels. The Commission, EU Delegations and relevant partner country/regional bodies will be involved. There will be regular contact between the OECD project management team and the Commission. The project will begin with a 6 month inception phase.

b) PEMNA and PEMPAL

Oversight on the entire PEMNA network is provided by the Steering Committee (SC). The SC is composed of representatives from member countries, CoP Chairs, the Secretariat, and development partners. SC is the principal decision-making body of the network. The SC also provides guidance on the policy, plans, and budget of PEMNA. This governance structure is almost identical for PEMPAL.

At the heart of PEMNA are two communities of practice (CoP) for budget and treasury, composed of PFM practitioners from the 14 member countries. CoPs provide an open-learning platform for the members to interact regularly to exchange experiences on specific, high-priority PFM reforms and lessons learned from their implementation. These two CoPs are led by their respective CoP Chairs whose nominations are confirmed by the SC. The CoP Chairs are delegated to represent the general membership at the SC and lead the CoP Leadership Teams. PEMPAL has a similar governance structure, with three CoPs for budget (BCOP), internal audit (IACOP) and treasury (TCOP).

Each CoP is governed by a CoP Leadership Team (LT) comprised of volunteers from the member countries, who discuss the overall work programs of each CoP, together with the CoP Chairs and the CoP Facilitators. The CoP Facilitators, appointed by the World Bank, assist CoPs with developing the learning agenda, facilitating the CoP activities, and identifying strategies for the development of CoPs.

c) UNICEF

On UNICEF side, the Regional Office for East Asia and the Pacific (EAPRO) and Regional Office for South Asia (ROSA) will manage the Technical Assistance Facility jointly under the leadership of the Regional Deputy Directors and liaise with the respective Country Office Representatives on project planning, implementation and reporting. The Regional Advisers for Social Policy and Economic Analysis and their PFM/Social Policy specialist teams in the two Regional Offices will provide technical leadership, ensure quality control and liaise with the Social Policy Chiefs and their teams in the Country Offices. The Country Office Social Policy Chiefs will be responsible for the execution of specific activities

On EU side, the Budget Support team for the Asia Pacific based in Brussels and in Bangkok will manage the Technical Assistance Facility and will liaise with the Delegation project managers. Specific activities will be designed and agreed jointly with the EU and government partners to ensure government ownership and alignment to national priorities as well as access to and collection of data at national and subnational level given. Further, UNICEF and EU Delegation, with national governments in lead, will convene relevant stakeholders and engage in policy advocacy to ensure sustainability and impact.

5.7 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 aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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

5.8 Evaluation

Having regard to the nature of the action, a mid-term and ex-post evaluation are foreseen for this action or its components via independent consultants contracted by the Commission.

A mid-term evaluation would be carried out for problem solving, learning purposes, in particular with respect to the effective mobilisation of public sector expertise, and the intention to launch a second phase of the action.

An ex-post evaluation would support accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that certain aspects of this action constitute an innovative approach to policy dialogue and partnerships in the region.

The Commission shall inform the implementing partner at least 60 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. 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.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.9 Audit

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

The financing of the audit shall be covered by another measure constituting a financing decision.

5.10 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 5.5 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 other 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.

APPENDIX - INDICATIVE LOGFRAME MATRIX

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

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To promote sustainable and inclusive development by strengthening the means of implementation and revitalising the global partnership for the SDGs	<ol style="list-style-type: none"> 1. Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions 2. Proportion of resources allocated by the government directly to poverty reduction programmes 3. Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups 4. Proportion of youth (aged 15-24 years) not in education, employment or training 5. Total government spending in social protection and employment programmes as a proportion of the national budgets and GDP 6. Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar) 7. Number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the sustainable development goals 8. Foreign direct investments (FDI), official development assistance and South-South Cooperation as a proportion of total domestic budget 	See global baselines available in the SDG framework	See global targets available in the SDG framework	International organisations reports and statistics (OECD, World Bank, UN) National statistical data National reports Reports of International donors SDG annual progress reports and statistical annexes	

Specific objective(s): Outcome(s)	To increase the overall capacity of beneficiary countries to design and implement SDG related policies, regulation and activities	<ol style="list-style-type: none"> 1. Number of newly developed/adjusted policies/regulations in areas relevant for the SDGs (disaggregated by country) 2. Number of beneficiary countries which adopt/develop mechanisms to enhance policy coherence of sustainable development 3. Proportion of sustainable development indicators produced at the national level with full disaggregation when relevant to the target, in accordance with the Fundamental Principles of Official Statistics 4. Number of countries with an increased proportion of public expenditure going towards public service provision 	tbd during inception phases	<ol style="list-style-type: none"> 1. 20 2. 4 3. 50% 4. 3 	<p>Reports and statistics (OECD, World Bank, UN)</p> <p>Final project reports and evaluations.</p> <p>Publications on lessons learnt and operational guidance.</p> <p>Country policies and programmes.</p>	Economic prospects do not undermine global progress against the selected indicators.
Outputs	ER1: Improved technical capacity of key stakeholders in designing and implementing SDG related policies and regulation	<ol style="list-style-type: none"> 1. Number of experienced and available experts for expertise in SDG related areas mobilised for specific actions with the support of this programme (disaggregated by sex) 2. Number of requests received from partner countries 3. Share of actions that are implemented as a series of several actions within a longer term support framework 4. Number of public civil servants from requesting institutions trained with the support of the action 	tbd during inception phases	<ol style="list-style-type: none"> 1. tbd ($\geq 30\%$ women) 2. 50 3. 60% 4. tbd 	<p>Reports and statistics (OECD, World Bank, UN).</p> <p>Intermediary and final project reports.</p> <p>Project ROMs and evaluations reports.</p> <p>Reporting and documentation of completed actions.</p>	<p>Political stability in the countries concerned, without excessive changes of government and a rapid turnover of policy makers and civil servants.</p> <p>Availability of qualified experts for short-term missions / in short deadlines.</p>
	ER2: Strengthened regional cohesion and triangular cooperation on sustainable development.	<ol style="list-style-type: none"> 1. Number of TC and SSC initiatives implemented by partner countries. 2. Number of TC and SSC initiatives supported by this action. 3. Number of public officials mobilised for TC and SSC initiatives. 4. Number of partner country governments participating in TC and SSC. 	tbd during inception phases	<ol style="list-style-type: none"> 1. tbd 2. 8 3. tbd 4. 5 	As above.	Asian countries are interested in providing and receiving aid from other countries in the region.
	ER3: Increased awareness and understanding of	<ol style="list-style-type: none"> 1. Number of SDG-centred events/conferences organised under this action 2. Number of participants in such events 	tbd during inception phases	<ol style="list-style-type: none"> 1. tbd 2. 500 ($\geq 30\%$ women, (\geq 	As above.	Partner countries, international organisations,

	how to implement the SDGs.	<p>(disaggregated by sex and country)</p> <p>3. Number of participants from development partners, research and academic institutions and CSOs at international and regional levels participating knowledge sharing events organised by the project (disaggregated by sex and country)</p> <p>4. Number of information notes and other knowledge sharing materials produced and disseminated</p>		<p>30% from LDCs)</p> <p>3. 50 (≥ 30% women, (≥ 30% from LDCs)</p> <p>4. 40</p>		development partners and other stakeholders (social partners, academia, civil society, etc.) are willing to participate in the project.
	ER4: Strengthened dialogue and cooperation on SDGs, economic challenges and national policy reforms.	<p>1. Number of publications/reviews/recommendations on SDGs, economic challenges and national policy reforms realised under this action</p> <p>2. Number of new entry points/policy areas in which the DEVCO is able to engage in meaningful dialogue with partner countries.</p> <p>3. Number of EU-Asia networks of policy makers and or practitioners created or strengthened with the support of this action</p>	tbd during inception phases	<p>1. tbd</p> <p>2. tbd</p> <p>3. 4</p>	As above.	Partner countries, international organisations, development partners and other stakeholders (social partners, academia, civil society, etc.) are willing to participate in the project.
	ER5: Reforms introduced and practitioners trained, in order to increase the efficiency and effectiveness of PFM systems, as well as the orientation of public expenditure towards the SDGs.	<p>1. Social sector expenditures, programmes, processes and institutions for children's rights and development developed or supported by this action</p> <p>2. Number of PFM realignments supported by UNICEF (data disaggregated per country)</p> <p>3. Percentage of high level officials stating that the PFM professionals' capacities were strengthened as a result of this action.</p> <p>4. Number of officials trained in PFM with the support of the action (data disaggregated by sex and country)</p> <p>5. Number of PEMPAL/PEMNA cross-COP projects/working groups and/or initiatives supported by this action</p> <p>6. Number of Ministers/Deputy Ministers and other high-level officials attending or opening PEMPAL/PEMNA events with the support of this action.</p>	tbd during inception phases	<p>1. 6</p> <p>2. 6</p> <p>3. 50%</p> <p>4. tbd</p> <p>5. 20</p> <p>6. tbd</p>	As above.	<p>Countries are willing to engage in PFM reform.</p> <p>Countries undertake structural and other reforms necessary to spur economic growth.</p>