ANNEX

Action Fiche for Addendum to the Technical Cooperation Facility

1. IDENTIFICATION

<table>
<thead>
<tr>
<th>Title/Number</th>
<th>Technical Cooperation Facility / FED/2011/023-165</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost</td>
<td>EUR 5,845,529.78</td>
</tr>
<tr>
<td></td>
<td>10th EDF contribution</td>
</tr>
<tr>
<td>Aid method / Method of implementation</td>
<td>Project approach</td>
</tr>
<tr>
<td></td>
<td>– Partial Decentralised Management – Joint Management</td>
</tr>
<tr>
<td>DAC-code</td>
<td>15010</td>
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<tr>
<td>DAC-code</td>
<td>15010</td>
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</tbody>
</table>

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

The Technical Cooperation Facility (TCF) aims at facilitating and supporting the implementation of the Country Strategy Paper (CSP) in the Dominican Republic, by means of technical assistance (including short-term studies), training activities for projects and programmes, and conferences and training (including actions of communication on principles and values of the Cotonou Agreement).

The project purpose is the identification and implementation of actions under the National Indicative Programme and other EDF/European Union funds (including programming process for the 11th EDF 2014-2020) together with improved awareness among key actors in Dominican Republic of general development and trade issues and of other European Union policies through training of beneficiaries in Dominican Republic.

2.2. Context

In various regions of the world, the European Union uses a facility for the provision of short-term consultancies to assist in identifying, preparing, evaluating, monitoring and auditing actions and projects under the EU’s Programme of development co-operation. These services enable to conduct studies on upcoming themes and priorities, to assist in delineating European Union interventions, improve coordination with Member States and other donor’s activities, assist in the preparation of specific programme proposals and allow a number of analytical and evaluation exercises.

Upcoming priorities are mainly identified in the current scenario of the 11th EDF programming process for the period 2014-2020. Delays in the ratification of the 11th EDF are envisaged and therefore the impossibility of making commitments against the
11th EDF before 2015. Mobilization of extra resources will be necessary to cover unforeseen needs, reinforce existing activities and assist in the preparation and formulation of programmes to be supported from the 11th EDF.

2.2.1. Country context

2.2.1.1. Economic and social situation and poverty analysis

The Dominican Republic (DR) can be described as a consolidating democracy, despite persistent challenges in terms of rule of law, and a growing, middle income economy, where growth has nevertheless largely failed to benefit the majority and to impact significantly on human development parameters.

The economy has experienced remarkable growth over a long period, but without real impact on social development or poverty reduction. Real progress has been made towards the Millennium Development Goals MDGs and extreme poverty has been reduced, but the general poverty rate remains close to 40%. More than 65% of employment is provided by the informal economy. Largely based on tourism and tax-free zones with limited upstream and downstream linkages, and on low added value agriculture and a few large mining operations, the economic model is increasingly feeling the strain of competition on internal and external markets (notably since the signature of the free trade agreements with Central America and the US and with the Environmental Protection Agency (EPA) and of a constrained natural resource base. The National Development Strategy (NDS) and the current administration do aim at a broader based growth, by giving priority to Small and Medium Enterprises (SME) development and increasing investment in education.

2.2.1.2. National development policy

With a view to aligning and simplifying the future EU bilateral development cooperation programme with the DR, the Delegation carried out an assessment whether the existing national development plans provide sufficient basis for programming the period corresponding to the 11th EDF. The general conclusion of this assessment is that the existing National Development Strategy 2030 (NDS) can be used as the reference document for the programming process and as the main basis for coordination with EU Member States and other donors. The NDS is a very thoroughly prepared document, based on sound methodological and technical work. Approved as a law in 2012, it will steer national policies and budget allocations for the years to come. The NDS is accompanied consistently by a rolling multi-annual (4 year) public sector plan (MPSP), which spells out targets and actions. The priorities in the NDS respond largely to the priorities and values of EU development policy. Work is still on-going to improve performance monitoring, since the existing instruments and past practices reveal certain shortcomings in this crucial area.

2.2.2. Sector context: policies and challenges

No changes compared to the original action fiche.
2.3. Lessons learnt

The present Technical Cooperation Facility will try, based on lessons learnt, to strengthen the support to cooperation and relations between European Commission and Dominican Republic at all levels, becoming a flexible and complementary instrument of the cooperation programme. Lessons from past cooperation include: i) the need for flexibility to respond to emerging necessities; ii) the importance of solid dialogue with the main sectoral institutions; iii) the usefulness of appropriate technical assistance; iv) the need to reduce risk by diversifying implementation modalities; and, v) the value-added of donor coordination.

2.4. Complementary actions

No changes compared to the original action fiche.

2.5. Donor coordination

The donor community in the Dominican Republic is very small and unequal in terms of volume of aid and approaches. The EU is the largest provider of development assistance, while the Inter-American Development Bank (IADB) and the World Bank (WB), and to a lesser degree the "Agence française de Développement" (AFD), are important sources of reimbursable assistance. Among EU Member States, the Spanish Agency for International Cooperation and Development (AECID) has also had traditionally a strong presence (though reduced now) including through delegated cooperation with the EU, while the UK and Germany provide punctual development assistance at national level. All these Member States in addition pursue police cooperation. The US, and to a lesser degree, Canada also have significant development cooperation UN agencies have strong presence as project implementers, among others with EU funding. Other development partners are Japan (mostly technical cooperation), USAID, Venezuela, Taiwan and South Korea but their approaches differ the EU’s.

During the last 2 years, considerable efforts have been made to strengthen coordination with the Member States along the lines of the EU Code of Conduct, with some success in the field of bi-national cooperation, with the French cooperation agency AFD, illegal drugs and education with the Spanish cooperation agency AECID.
3. **Detailed Description**

3.1. **Objectives**

As provided in the Annex II of the FA, the overall objectives of the proposed programme remain unchanged, as for:

- The implementation of the National Development Strategy through the support of sound development programmes financed by the European Development Fund (EDF) and by the European Union Budget.

- The fostering of a more coherent and informed approach to development and trade issues.

3.2. **Expected results and main activities**

Expected results and main activities as provided in the FA remain unchanged and a precision is made in the scope of activity ii) as follows:

ii) Preparation and formulation of programmes to be supported from the European Development Funds and/or other funding sources. In particular, this Facility will be used for studies or services for preparatory actions of upcoming priorities under the programming process of the 11th EDF for the period 2014-2020.

3.3. **Risks and assumptions**

- There is a need for consultancy services to cover all the steps of the project cycle management, from the identification to the evaluation and audit phases. There is a scarce and weak capacity of the Dominican Government to design programmes and projects in accordance with European Development Funds (EDF) rules and procedures.

- The procedural delays in approval mechanisms of complex (e.g. regional) programmes make it often necessary to support preparatory or complementary activities in order to profit from a political momentum or the right timing for coordination with other donors or actions.

3.4. **Cross-cutting issues**

Detailed consideration of the social, good governance, human rights and environmental impacts of the future development programmes forms an integral part of the studies to be carried out. The gender perspective must be reflected in the results, and therefore also in the formulation and implementation phases of the future National Indicative Programme 2014-2020. Environmental impact assessments, if necessary, will be carried out within the context of a strategic policy analysis.
3.5. Stakeholders

The stakeholders in this TCF project are staff and decision makers in government institutions, private sector or non-state actors which are potential beneficiaries of European Union programmes and projects under current 10th EDF and future interventions for focal sectors defined for the 11th EDF for the period 2014-2020, for which the Technical Cooperation Facility would be used to identify and prepare actions, and Dominican citizenship, in general.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

Implementation of this action is foreseen under the current FA No. DO/FED/23-165, as referred to in Article 184(2)(b) of the Financial Regulation or in Article 17 of Annex IV to the Cotonou Agreement.

4.2. Indicative operational implementation period

As specified in Article 5 of the Special Conditions of FA No. DO/FED/23-165.

4.3. Implementation components and modules

See 4.3.4

4.3.1. Procurement (direct centralised management)

No changes compared to the original action fiche.

4.3.2. Indirect centralised management with Member States agencies

No changes compared to the original action fiche.

4.3.3. Joint management with an international organisation

No changes compared to the original action fiche.

4.3.4. Partially decentralised management with the partner country

As in the nature of this Facility, an important part of this action with the objective of supporting the implementation of the EU cooperation programme in the country will be implemented in partially decentralised management with the Dominican Republic in accordance with Articles 21 to 23 of the 10th EDF Financial Regulation 215/2008. Ceilings in the payment modalities are modified in the original FA according to current EDF procedures and guidelines, as follows:
Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the partner country for operating costs and contracts up to the ceilings indicated in the table below.

<table>
<thead>
<tr>
<th>Works</th>
<th>Supplies</th>
<th>Services</th>
<th>Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 300,000 EUR</td>
<td>&lt; 300,000 EUR</td>
<td>&lt; 300,000 EUR</td>
<td>≤ 100,000 EUR</td>
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</tbody>
</table>

4.4. **Scope of geographical eligibility for procurement in direct centralised and decentralised management**

No changes compared to the original action fiche.

4.5. **Indicative budget**

The total cost of the project is estimated at 5,845,529.78 Euros, all financed from the National Indicative Programme in the framework of the revised ACP-EU Partnership Agreement.

Modifications in the original indicative budget are established as follows:

<table>
<thead>
<tr>
<th>Categories</th>
<th>ORIGINAL EDF contribution (EUR)</th>
<th>Amount allocated</th>
<th>CURRENT EDF contribution (EUR)</th>
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<tr>
<td>Technical Cooperation Facility (TCF)</td>
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<td>5,570,529.78</td>
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<tr>
<td>Technical Assistance Facility (including audits, monitoring and evaluations)</td>
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<td>Training support for projects and programmes on EC development and sector policies and EDF procedures</td>
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<td>500,000.00</td>
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<tr>
<td>Conferences and Seminars (indicative amount)</td>
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<td>200,000</td>
<td>300,000.00</td>
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<tr>
<td>Monitoring, External Evaluation and Audit (of this programme)</td>
<td>50,000.00</td>
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<td>Contingencies *</td>
<td>150,000.00</td>
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<td>TOTAL</td>
<td>1,700,000.00</td>
<td>4,145,529.78</td>
<td>5,845,529.78</td>
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</table>

* The EU contribution to the “Contingencies” heading may be used only with prior agreement of the Commission.

4.6. **Performance monitoring**

Original provisions set in Annex II of the FA remain unchanged.

4.7. **Evaluation and audit**

Original provisions set in Annex II of the FA remain unchanged.

4.8. **Communication and visibility**

Original provisions set in Annex II of the FA remain unchanged.