

## ANNEX 10

of the Commission Implementing Decision on the Annual Action Programme 2014 of the  
DCI Pan-African Programme

### Action Document for 'EU-Africa Infrastructure Support Mechanism'

#### 1. IDENTIFICATION

Title/Number	EU-Africa Infrastructure Support Mechanism CRIS number: DCI/PANAF/037-500	
Total cost	Total estimated cost: EUR 6 000 000  Total amount of EU budget contribution for an amount of EUR 6 000 000 from the general budget of the European Union for 2014, subject to the availability of appropriations following the adoption of the relevant budget	
Aid method / Management mode and type of financing	Project approach Part in direct management - procurement of services; and Part in indirect management with GIZ and SIDA (alternatively UNDP).	
DAC-code	23010 14010 21010	Sector: Energy, climate change, water and transport policies and administrative management

#### 2. RATIONALE AND CONTEXT

##### 2.1. Summary of the action and its objectives

Infrastructure is responsible for more than half of Africa's recent improved growth performance and has the potential to contribute even more in the future. Against this backdrop, the 4<sup>th</sup> Africa-EU Summit of April 2014 decided on further cooperation and actions in Infrastructure under the joint priority area "Sustainable and inclusive development and growth and continental integration" for the period 2014-2017. Under this priority area, (i) cooperation between the two continents is presented as essential, (ii) has high potential in the framework of the 2014-2017 Joint Strategy road map and (iii) substantial added-value can be expected.

In response to address this challenge, the **purpose/overall objective** of the proposed EUR 6 000 000 'EU-Africa Infrastructure Support Programme ' is to contribute to the efficient and effective implementation of the Joint-Africa-EU Strategy (JAES) 2014-2017 infrastructure agenda in the domains of energy, climate change, water, transport and information and communications technology (ICT). Its **specific objective** is to help improving access to integrated regional and continental infrastructure networks in the fields of water, energy, climate change, transport and ICT by ensuring both horizontal and sectoral infrastructure coordination under one single entry point. This approach will (i) overcome the past fragmentation of infrastructure coordination under different strategic partnerships under the 2007-2013 JAES sector action plans and (ii) extend and reinforce those structures that have

proven to deliver well. The envisaged operational duration of the programme is 36 months as from January 2015.

The programme will furthermore provide the basis on which the **Reference Group for Infrastructure** - established under the previous JAES action plan and confirmed at the 4<sup>th</sup> Africa-EU Summit – will build its cross-sectoral infrastructure coordination on. The programme's architecture will also reflect on the structure of the Programme for Infrastructure Development in Africa (PIDA) as to best facilitate the dialogue with the African partners on strategic infrastructure development in the above four domains.

## **2.2. Context**

### **2.2.1. Continental context**

#### 2.2.1.1. Economic and social situation and poverty analysis

After two decades of growth (between 1980 and 2000 average annual growth of 2.3%) and a decade of unstable results (between 2000 and 2010, with lowest growth in 2009) due to the world financial crisis, Sub-Saharan Africa recorded in 2012 real Gross Domestic Product (GDP) growth of 6.34% compared to 8.66%<sup>1</sup> in 2011. Due to the political context, results have been slightly different for North African countries with stalling growth since 2011. Africa's road towards sustainable development remains long. Today, 48%<sup>2</sup> of all Africans are still living on less than one and half dollars a day, 70%<sup>3</sup> of persons who die of AIDS are Africans, one African out of five lives in a country affected by war or violent conflicts, and Road Safety is already number one killer in Africa for the youth and will become number one overall in 2030. In terms of per capita income, 18 out of the 20 poorest countries in the world are African and the continent is the only part of the developing world where life expectancy has been falling over the last 30 years.

Currently, Africa is the least integrated continent physically and economically, with low levels of intra-regional trade and global trade at 10% and 3% respectively<sup>4</sup>. Infrastructure inefficiencies are costing the continent billions of dollars annually, stunting African GDP growth by an estimate of 2% every year. Bridging the gap in infrastructure is thus vital for economic advancement and sustainable development.

#### 2.2.1.2. Continental development policy

The **Programme for Infrastructure Development in Africa (PIDA)**<sup>5</sup> is the African Union (AU) strategy regarding infrastructure development priorities for the whole continent. It assumes that the average economic growth rate for African countries will be 6% a year between 2010 and 2040, driven by a surging population, increasing levels of education and technology absorption. This growth implies that, over the 30 years to 2040, the GDP of African countries will multiply six fold, and the average per capita income will rise above USD10,000 for all countries. This continuing growth and prosperity will swell the demand for infrastructure, already one of the continents greatest impediments to sustainable development. Assuming that this growth is achieved, Africa's infrastructure needs are starkly apparent:

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<sup>1</sup> [World Economic Outlook Database, October 2013](#) – IMF.

<sup>2</sup> World Bank 2013.

<sup>3</sup> WHO 2013.

<sup>4</sup> Programme for Infrastructure Development in Africa (PIDA).

<sup>5</sup> Endorsed by African Heads of State and Government at their 18th Summit in January 2012 in Addis Ababa, Ethiopia.

- Power demand will increase from 590 terawatt hours (TWh) in 2010, to more than 3,100 TWh in 2040, corresponding to an average annual growth rate of nearly 6%. To keep pace, installed power generation capacity must rise from present levels of 125 gigawatts (GW; comparable with the United Kingdom) to almost 700 GW in 2040.
- During this century, temperatures in the African continent are likely to rise more quickly than in other land areas, particularly in more arid regions.<sup>6</sup> Given high vulnerability and low resilience, costs will be very high and will necessitate significant investment into climate-proofing of infrastructure.
- Transport volumes will increase 6–8 times, with a particularly strong increase of up to 14 times for some landlocked countries. Port throughput will rise from 265 million tons in 2009, to more than 2 billion tons in 2040.
- Water needs will push some river basins - including the Nile, Niger, Orange and Volta basins - to the ecological brink.
- Information and communications technology (ICT) demand will swell by a factor of 20 before 2020 as Africa catches up with broadband. Demand, around 300 gigabits per second in 2009, will reach 6,000 gigabits per second by 2018.

The **Declaration of the 4<sup>th</sup> Africa-EU Summit**<sup>7</sup> reflects PIDA objectives and recalls the importance of greater economic integration and therefore a focused cooperation to develop transport, access to drinking water and to sustainable and affordable energy, with a particular focus on renewable energy and energy efficiency and towards the 2020 targets of the Africa-EU Energy Partnership (AEEP). In addition, it confirms the strategic importance of promoting interconnections in the areas of energy and transport between the two continents, as well as better management of water resources and the strengthening of the water-energy-food nexus. The Summit Declaration further acknowledges the strategic priorities developed under the four sectoral strategy papers in above mentioned domains under the umbrella of the Reference Group on Infrastructure<sup>8</sup>. Regarding coordination mechanisms, it refers to the mandate of the latter Group to ensure cross-sectoral coordination. It also highlights that Africa and the EU shall jointly identify, where needed, the working mechanisms and structures required to implement the agreed actions and reach the expected results.

### **2.2.2. Sector context: policies and challenges**

The EU Development Policy ("**The Agenda for Change**") acknowledges the importance of regional integration (and the impact of infrastructure networks, and cross-border cooperation on water, energy and security) for broad and inclusive growth. Cooperation on energy forms a main priority under this framework. For the African Continent, the PIDA, a flagship of the African Union, provides the strategy for the development of a continental infrastructure for the next decades. Both are in coherence and are complementary to each other.

All actors are of the opinion that a **specific coordination mechanism** dedicated to the four technical sectors involved in both PIDA and Africa-EU Partnership Roadmap 2014-2017 should be developed to efficiently and effectively guide and facilitate future implementation of intervention in those sectors. This mechanism is justified on one side by the technical and administrative specificities of these four technical sectors, and on the other side by the particular importance (strategically and financially) given by both parties (AU and EU) to

<sup>6</sup> International Panel on Climate Change (2014), Fifth Assessment Report: Impacts, Adaptation and Vulnerability. Chapter 22, Africa (p3)

<sup>7</sup> Signed on 3 April 2014 in Brussels.

<sup>8</sup> Created in 2013 to ensure coordination, knowledge-sharing and coherence of the JAES structures in developing and implementing the sectoral responses in the areas of transport, energy, ICT and transboundary water.

infrastructure development for the economic growth of the continent. This last point could be highlighted by the two general figures already available for the four sectors: (i) Total capital cost foreseen in the PIDA's Priority Action Plan (PAP): USD 67.9 billion through 2020, (ii) EDF 11<sup>th</sup> and ENI first financial estimations of grant (Sub-Saharan Africa and Neighbouring south): more than EUR 5 billion.

### 2.3. Lessons learnt

The infrastructure partnership between the EU and Africa in the domains of energy, transport, water and ICT has a long tradition and reached its "cruising speed" with the establishment of the Africa-EU Partnership on Infrastructures in 2005<sup>9</sup>. Strategic infrastructure cooperation subsequently formed an integral part of the 2007-2013 JAES action plans but domains such as water, energy, transport or ICT were tackled under different Partnerships<sup>10</sup> and different coordination mechanisms (see also hereunder point 2.5).

This initial organisation structure further created duplications and confusion since the specific topics were discussed in the sector partnership, for example energy in the AEEP and in the overarching Partnership on Infrastructures; water issues under MDG and the latter, but mainly outside of the JAES structure. Overall infrastructure coordination of the sectors has therefore been a difficult and inefficient task.

The partners therefore attempted to overcome this **coordination problem** in 2013 by creating the 'reference Group on Infrastructures' which is now recognised across partners, as the appropriate structure for overall guidance of infrastructure coordination. Yet, human resources and financial means to fulfil this task in a satisfactory manner were very limited and mainly organised under ad-hoc arrangements. Therefore, good experience with the JAES set-up has clearly shown (i) the need to continue with a single coordination structure for all infrastructures' sectors, and (ii) that the availability of secretariat support functions is a crucial success factor for effective and efficient collaboration.

Finally, it will remain a challenge to continuously integrate further relevant policy processes, such as priority climate change mitigation and adaptation under the African Environmental Ministers Conference (AMCEN). Overall the new project would need to consider adaptation to climate change as a cross-cutting theme in preparing and promoting the large infrastructure projects. The major infrastructure projects will need to consider adaptation and factor it in.

Support to the African water agenda is addressing the integrated management of water as a natural resources, including in its environmental dimension of protection of water ecosystems.

### 2.4. Complementary actions

#### 2.4.1 *Horizontal Infrastructure Coordination:*

Envisaged scope of extension of the on-going JAES support mechanism is to focus – as bridging tool – on horizontal infrastructure coordination as from the 4<sup>th</sup> Africa-EU Summit. This support will phase out once component I (horizontal coordination component) under this programme will materialise.

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<sup>9</sup> The Commission launched this partnership with Africa for the development of large infrastructure networks.

<sup>10</sup> Partnership 3 ("Trade, Regional Integration and Infrastructures", covering all domains: energy, transport, water, ICT), Partnership 4 ("Millennium Development Goals (MDGs)" covering water, Partnership 5 (energy) and Partnership 8 ("Science, Information Society and Space" covering ICT.

#### **2.4.2 Sectoral Infrastructure Coordination and Actions:**

- On-going support of the Africa-EU Water Partnership via the existing Contribution Agreement with UNDP-SIWI which will expire by the end of 2014;
- Institutional strengthening for trans-boundary water resources management in Africa, implemented with the Global Water Partnership and the African Network of Basin Organisations (ANBO);
- Support to Water Centres of Excellence (New Partnership for Africa Development (NEPAD) programme);
- Work is further developed around the water-energy-food nexus, in cooperation with Germany (following on the 2011 Bonn Conference on the nexus). The African component of that work will constitute a central area of the future framework, in particular for the water-energy nexus;
- On-going support of Africa-EU Energy Partnership (AEEP) via the existing contract with the EU Energy Initiative – Partnership Dialogue Facility (EUEI PDF) which will expire by the end of 2014.
- Priority investments under the Africa Adaptation Programme on climate change of the African Environment Ministers Conference.

#### **2.4.3 Other actions under the Multi-Annual Indicative Programme 2014-2017 of the Pan-African Programme:**

SSATP – Africa Transport Policy Programme: The deliverables of SSATP will provide further policy guidance to the transport sector dialogue. SSATP is recognised and respected as a key transport policy development forum and knowledge production platform in Africa, bringing together diverse stakeholders, while developing networks of specialists (researchers, operators and consultants) in most land transport related fields in Africa.

Continental infrastructure: The strategic development of infrastructure networks in Africa is guided by the orientations of PIDA. Blending PanAf DCI grants with loans from eligible Financing Institutions will be the main financing modality to be applied. This programme under its horizontal coordination "component I" will monitor PIDA implementation and coherence of proposed interventions under blending approaches.

#### **2.5. Donor coordination**

The purpose of this programme being precisely to coordinate actions between African and European partners on infrastructures, details on the proposed coordination mechanism are provided hereafter (point 3). Previous coordination mechanisms were the following:

- For the AEEP, the **EU Energy Initiative - Partnership Dialogue Facility (EUEI PDF)** has provided secretariat services since 2009. The AEEP is considered to be the most active and successful partnership under the JAES with concrete goals supported by European and African energy ministers, ministerial meetings that have been organised twice and its own implementing instrument RECP (Renewable Energy Cooperation Programme) with EU Member States supporting and co-financing these structures.
- For the Africa-EU Partnership on water affairs and sanitation, a support mechanism has been provided to assist the co-chairs (**African Ministers' Council on Water (AMCOW)**, EU Members States and Commission) to sustain a strong dialogue on

water-related issues and a contribution to the implementation of the African Water Vision and AU commitments to achieve water and sanitation goals.

- For the transport and ICT sectors, coordination matters were mainly dealt with under the Partnership on Infrastructure under a lighter set-up than in the energy and waters sectors.

### 3. DETAILED DESCRIPTION

#### 3.1. Objectives

##### General Objective

The general objective of the proposed EU-Africa Infrastructure Support Programme is to contribute to **the economic and social development of the African continent** by improving access to integrated regional and continental infrastructure networks. It will therefore also contribute enabling Africa to build a common market for goods and services.

##### Specific Objective

The specific objective of the programme is to help **improving access to integrated regional and continental infrastructure networks** in the fields of water, energy, transport and ICT. The programme therefore aims at facilitating the leverage of resources for investment in infrastructures<sup>11</sup>.

The two main results expected are therefore the following:

- horizontal/**cross-sectoral infrastructure coordination** reinforced to maximise support to the Joint Priority Area "Sustainable and inclusive development and growth and continental integration" and to each sector;
- **Sectoral strategic infrastructure coordination** stabilised in order to find synergies between partners and to increase impact of sectoral interventions.

This approach will overcome the past fragmentation of infrastructure coordination under different partnerships under the 2007-2013 JAES action plans and will tackle the JAES infrastructure agenda under one single entry point. It will guide and facilitate the operations of the JAES Reference Group on Infrastructure.

#### 3.2. Expected results and main activities

**Expected Results** will be linked to:

- Infrastructure coordination mechanism established and operational, ensuring efficient and effective horizontal and sectoral coordination in domains of energy, water, transport and ICT;
- Institutional and technical support for maintaining, updating and implementing the road map of the JAES 2014-2017 infrastructure agenda provided;
- Formal and informal meetings under the JAES 2014-2017 infrastructure agenda and its road map prepared and delivered;
- Visibility of EU contribution to the development of infrastructure in Africa enhanced;
- Cooperation with the private sector on infrastructure development enhanced.

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<sup>11</sup> EDF 11<sup>th</sup> and ENI first financial estimations of grant (Sub-Saharan Africa and Neighbouring south): more than EUR 5 billion.

**Main activities** will entail:

- Strategic and logistical support of core processes is provided, including
  - o Development and maintenance of a road map for the implementation of the infrastructure pillar;
  - o Delivering of Africa-EU meetings in the framework of the JAES 2014-2017 infrastructure road map.
- Technical advisory and backstopping is provided, through:
  - o Support to the development of sectorial/horizontal concepts and proposals,
  - o Technical assistance for background studies and policy analysis.
- Communication and outreach is implemented, through:
  - o Development and implementation of a communication strategy,
  - o Maintenance of the existing web-presence of the partnership,
  - o Development and streamlined application of a corporate design,
  - o Support to handling of all media-related activities.
- Complementary policy dialogue and stakeholder engagement is achieved, through:
  - o Development and implementation of a concept for stakeholder involvement,
  - o Organisation of complementary dialogue activities.
- Capacity development for African counterparts is provided, through:
  - o Secondment of staff to the respective structures,
  - o Provision of specific advisory on the implementation of day to day affairs.

**Specific sectorial activities** are formulated in a Logical Framework comprising detailed sub-components for each sector.

### 3.3. Risks and assumptions

The overall assumption is that infrastructure development will remain a priority – as stated in the 4<sup>th</sup> Africa-EU Summit Declaration - for European and African partners as an engine for growth.

<i>Risk</i>	<i>Mitigation</i>
<i>Unpreparedness and unwillingness of all stakeholders to cooperate</i>	<i>Motivation to be ensured by effective and efficient steering of the programme towards the delivery of results.</i>
<i>Removal of platforms/mechanisms that have 'proven to function' well in the past 2007-2013 JAES framework</i>	<i><u>For Energy:</u> important that the existing structures and networks between institutions and people within the AEEP can be sustained under this programme. Especially since the Member States involved in the AEEP (as co-chair or financial supporter) have a legitimate interest that the AEEP will not be affected by the JAES reform.</i>  <i><u>For Water:</u> the existing dialogue and coordination with African Partners, EU Member States and other stakeholders will be reinforced by a stronger integration into the JAES framework, facilitating a necessary interaction with other relevant sectors. <u>For overall infrastructure coordination:</u> important to keep the momentum and continuation of the 2013 created Reference Group on Infrastructure to oversee horizontal infrastructure coordination.</i>
<i>Non-Acceptance of PIDA as strategic framework</i>	<i>Further active acknowledgment and support to PIDA, its provisions and orientations by all partners to be ensured ('Political PIDA buy-in').</i>

<i>Lack of credibility of implementation partners</i>	<i>Motivation of main implementation partners to establish and sustain good communication structures and trust relationships with the Partnership members and the partner governments to be ensured</i>
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### **3.4. Cross-cutting issues**

A number of cross-cutting issues are dealt with due to the nature of the programme:

- Support to private sector led development and growth is inherent in the programme concept;
- Good governance – policy component activities will contribute to strengthen governance, including environmental governance (particular emphasis to be put on the importance of systematising environmental impact assessment for all important infrastructure projects) and the enabling policy environment for doing business.
- Biodiversity, environmental and climate change impacts should systematically be assessed and taken into account during the preparation and the execution of all infrastructures projects, with a view to minimizing negative environmental impacts and promoting environmental and biodiversity objectives in a balanced manner. The 'EU-Africa Infrastructure Support Programme' will be a platform to advocate the application of this principle for all partners.

### **3.5. Stakeholders**

In the context of the JAES, the aim is also to empower non-state actors (private sector, economic and social partners including trade union organisations and civil society in all its forms according to national characteristics) and enable them to play an active role in development, democracy building, conflict prevention and post-conflict reconstruction processes. Limited resources in ministries in the region call for continued assistance, through the provision of know-how and coordination mechanisms.

The key stakeholders/targeted groups to be involved to the proposed project are the:

- European Commission, European External Action Service, African Union Commission
- EU Member States and African States, energy centres, private sector and civil society
- NEPAD, Forum of African Energy Ministers, AMCOW, ANBO, Regional Economic Communities (RECs), AMCEN, UNEP Africa, and resource centres
- European and international financial institutions (FIs), regional banks
- Non-EU Donors in view of their interest in the mobilisation of increased financial, technical and human resources in support of Africa's infrastructure, energy, water and ICT sectors
- Sectoral expert platforms such as the SSATP

It is important for the programme to establish contact points in each one of the beneficiary countries (if not existing already) in order to guarantee the participation of the above-mentioned stakeholders to the process. The RECs and other relevant regional and

international organisations and FIs will be informed and involved in the process (where necessary) via the EU Delegations that are coordinating the work in the sectors and via the EU Delegation to the AUC which plays a key role in coordinating the sectoral work with the AUC.

The main stakeholder for the overall coordination and coordination in the sectoral groups is the AUC (including through Specialised Committees such as AMCOW). Experience of the past has shown that limited human resources impede the AUC to fulfil its role and act as pro-active counterpart in the partnership. Therefore it will be necessary to carry out an analysis on how this gap could be overcome. The possibilities involve secondments of Member States' experts to the AUC; hiring of experts to work in the sectors and capacity building measures.

The involvement of the private sector and civil society is foreseen via consultation process in all stages of the dialogue process (definition of focal points for each group in each sector) and via stakeholder forums and dialogue events that have proven to be a successful tool to ensure the engagement of these groups. Also financial assistance to the participation of representatives to the established dialogue fora is necessary so as to prevent low participation.

**4. IMPLEMENTATION ISSUES**

**4.1. Financing agreement**

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

**4.2. Indicative operational implementation period**

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is **54 months** from the adoption of this Action Document, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

**4.3. Implementation components and modules**

The programme and its components will be implemented through direct centralised management. In selected cases, indirect centralised management with EU National Agencies or with international organisations is envisaged.

Overview: Indicative implementation modality

<b>Component/sub-component</b>	<b>Management Mode/Means</b>
Component I: horizontal coordination and action	
<i>Overall cross-sectorial infrastructure coordination</i>	<i>Direct management: Service contract</i>
Component II: sectorial coordination and action	
<i>Energy</i>	<i>Indirect management: IMDA with GIZ</i>
<i>Water</i>	<i>Indirect management: IMDA with SIDA or UNDP</i>
<i>Transport/ICT</i>	<i>Direct management: Service contract</i>

The proposed approach and management modes are taking into account the necessary transition from ongoing sectorial mechanisms for energy (PDF) and water that will cease by the end of 2014.

#### **4.3.1. Component 1: Horizontal coordination and action**

##### Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Overall cross-sectorial coordination and actions (component I)	Services	1	4 <sup>th</sup> quarter 2014

#### **4.3.2. Component 2: Sectorial coordination and action**

The rationale of this action is to respond to the objectives of the Africa-EU Infrastructure partnership in which the the European Commission plays a leading role for the above sectors. Within this framework, GIZ and SIDA were identified as best suited partner for the implementation of the specific components on energy and water in view of their acknowledged technical and administrative capacities.

This will be achieved by delegating the financial implementation of parts of the action to GiZ/SIDA that will perform budget implementation tasks on behalf of the EC. It is recalled that GiZ and SIDA will not implement their own activities by the provision of financial support through a grant, but to make the best use of their specific expertise and leadership – as referred to above - in the respective sectors of energy and water.

##### 4.3.2.1. Indirect management with GIZ

A part of this action with the objective of contributing to the sectoral strategic infrastructure coordination in the field of energy may be implemented in indirect management with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

The EU Energy Initiative – Partnership Dialogue Facility (EUEI PDF) was established in September 2004 by six EU Member States and the European Commission as a flexible instrument of the EU Energy Initiative (EUEI) to facilitate upstream policy dialogue and to support the integration of energy into national and regional development strategies. The EUEI PDF is hosted by GIZ. The EUEI PDF acts as the secretariat to the Africa EU Energy Partnership (AEEP) and implements the Renewable Energy Cooperation Programme (RECP).

This funding of the EUEI PDF is not only ensured by the EU as a whole but also by individual EU Member States. The EUEI PDF is currently funded by the European Union, Austria, Finland, France, Germany, the Netherlands and Sweden. The third party contribution to EUEI PDF amounts to EUR 7,000,000; the third party contribution to the RECP is EUR 11,000,000.

GIZ, as an EU Member State agency, is the fund-managing donor to whom the Commission entrusts budget-implementation tasks aiming to contribute to the strengthening of a wider division of labour process. With its technical and financial management capacity GIZ provides comparative advantages to the achievement of the action objectives. GIZ will implement EU resources through launching of calls for tenders or for proposals, through awarding contracts and grants, through carrying out payments, etc., according to its own rules and procedures.

The costs incurred by the entrusted entity shall be eligible as of the date stipulated in the delegation agreement.

4.3.2.2. Indirect management with SIDA (or alternatively with UNDP)

A part of this action with the objective of contributing to the sectoral strategic infrastructure coordination in the field of water may be implemented in indirect management with the Swedish International Development Cooperation Agency (SIDA) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

SIDA, as an EU Member State agency, is the fund-managing donor to whom the Commission entrusts budget-implementation tasks. With its technical and financial management capacity, SIDA is the key partner supporting water management in Africa. SIDA therefore provides comparative advantages to the achievement of the action objectives. This will reinforce a partnership approach and opportunities for synergies between Commission and Member States programmes. SIDA will implement EU resources through launching of calls for tenders or for proposals, through awarding contracts and grants, through carrying out payments, etc., according to its own rules and procedures.

If negotiations with the above-mentioned entrusted entity fail, a part of this action may be implemented in indirect management with the United Nations Development Programme (UNDP). The implementation by this alternative entrusted entity would be justified by the fact that the UNDP is successfully managing the on-going coordination mechanism of the Africa-EU Water Partnership. The alternative entrusted entity would manage the same tasks as foreseen by the entrusted entity.

The costs incurred by the entrusted entity shall be eligible as of the date stipulated in the delegation agreement.

4.3.2.3. Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Transport/ICT sectoral coordination and action (transport/ICT part of component II)	Services	1	4 <sup>th</sup> quarter 2014

**4.4. 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 shall apply.

The responsible authorising officer may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, for reasons of extreme urgency, or if the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### 4.5. Indicative budget

The total budget for the proposed project is estimated at EUR 6 000 000 following the indicative cost breakdown below:

<b>Component I: horizontal coordination and action</b>	<b>Indicative Budget in EUR</b>
4.3.1.1. Procurement	900 000
<b>Component II: sectoral coordination and action</b>	
4.3.2.1. (Energy) Indirect management	2 800 000
4.3.2.2. (Water) Indirect management	1 800 000
4.3.2.3. (Transport/ICT) Procurement	500 000
<b>Grand Total:</b>	<b>6 000 000</b>

Travel and accommodation of elected officials and other participants will not be covered unless ex-ante approval is given on a case by case basis by the contracting authority.

#### 4.6. Performance monitoring

The project implementation, including progress of activities per component, compliance with the foreseen timeframe, the achievement of results and fulfillment of objectives, will be monitored regularly. Each implementing organisation will be responsible for undertaking close monitoring of the project implementation in order to detect any potential problems at an early stage and to be able to report - in detail - on programme progress.

It is the responsibility of the contractors and co-solicitors to maintain daily monitoring of the technical and financial implementation of the programme. A permanent Monitoring and Evaluation (M&E) System will be implemented, which will also generate data for the periodic progress reports. A full report at the end of each programming period shall be presented by contractors to EU.

Moreover, the contractors implementing the proposed activities will have to include a performance monitoring mechanism in their methodology, enabling the measurement of the evolution and implementation of activities.

The integrated Logical framework of the project, include key qualitative and quantitative indicators and their target objectives will be updated during the first three months of the project and through the project implementation. Consequently, the choice of indicators and the design of M&E procedures should all be a matter of mutual understanding and agreement between all the implementing entities and the European Commission. Thus, recurrent monitoring of indicators devised by these entities is a prerequisite for permanent learning about project objectives and their expected results.

Key indicators are incorporated in the project's design for periodic assessment of the progress of the project components. This mechanism shall be specified in the project plan and the observed performance shall be described in the periodic progress reports.

#### **4.7. Evaluation and audit**

Based on perceived needs, the European Commission will decide to carry out audits and evaluations. Two evaluation missions are proposed: one at mid-term and one at the end of the programme.

The final evaluation will address relevance, efficiency, effectiveness, impact and sustainability of the project. These evaluations will be in compliance with the existing procedures.

These evaluations will be implemented by way of procurements (framework contracts). These Consultancy contracts (service contract) will be financed via other funding sources.

The beneficiaries, the implementing organisations and the European Commission will analyse the conclusions and recommendations of the mid-term evaluation and jointly decide on the follow-up actions to be taken and any adjustment to be made. The beneficiaries and the implementing organisations will collaborate efficiently and effectively with the evaluation experts to provide them with all necessary information and documentation.

#### **4.8. 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 before the start of implementation and supported with the budget indicated in section 4.5 above.

The measures shall be implemented either (a) by the European Commission, and/or (b) by the partner country, contractors, grant beneficiaries and entrusted entities. Appropriate contractual obligations shall be included in, respectively, financing agreements, 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.