

ANNEX 3

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

Action Document for "African Union Research Grants II (AURG II)"

1. IDENTIFICATION

Title/Number	African Union Research Grants II (AURG II) CRIS number: DCI/PANAF/037-621		
Total cost	Total estimated cost: EUR 10 000 000. Total amount of EU budget contribution: EUR 10 000 000. Other donors will be sought during the lifetime of the action.		
Aid method / Management mode and type of financing	Indirect management with the African Union Commission		
DAC-code	43082	Sector	Research institutions

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

This action will provide funding to the African Union Commission (AUC) to organise calls for proposals for collaborative research projects and to fund the selected projects.

The action has two parallel objectives:

- to support collaborative research that contributes to the sustainable (including climate-resilient) development of African countries and the fight against poverty, while respecting ethical and gender issues;
- to develop the capacity of the AUC to design, implement and monitor Research and Development (R&D) funding programmes and establish an efficient, credible and reputable African framework programme for research and innovation (R&I), which can also attract funds from other sources.

2.2. Context

The rationale for using calls for proposals is that it enables open and equitable access for applicants from Africa and Europe and allows the selection of the best collaborative research projects based on appropriate criteria, in this case: scientific excellence, good implementation and expected impact, as well as the transnational collaborative nature of the projects.

In the African context, this will contribute to improve the capacity of African researchers to address the challenges facing their countries, as it is critical that they should be better supported and better connected together and with the rest of the global scientific community.

The programme will also provide a means of strengthening Africa-EU collaboration in R&I and implement jointly agreed priorities for R&I, such as those stemming from the High Level Policy Dialogue on Science, Technology and Innovation.

Furthermore, developing the capacity to plan and implement calls for proposals according to the highest standards is a prerequisite for the AU to establish a framework programme to support research and innovation that is efficient, credible and reputable to funders and attractive to researchers.

This approach was first implemented in 2011 and 2012 as a pilot phase in the framework of the EU-Africa Strategy and in particular the 8th Partnership on Science, Information Society and Space. In the same framework, it was identified as an "early deliverable" in the EU-AU Commissions 2008 joint-statement on implementation of the AU-EU partnership.

2.2.1 Pan African context

Few African countries have R&D strategies or long term research programmes. With a few notable exceptions, low investment in Science and Technology (S&T) capacity in Africa has resulted in a low level of scientific infrastructure and human resources. In addition, African researchers are often not well connected among each other and with the rest of the scientific community. African researchers therefore face significant obstacles to progress in their work and to become well integrated in the global research communities. As a result, the continent is not drawing the full possibilities of knowledge-based development to provide socio-economic benefits for its citizens. The continent also faces the risk of the situation worsening through brain drain due to the lack of support and opportunities for its researchers.

This action is also in line with the European Consensus on Development which states that the EU will "increase its support to development-related research"¹ and complements EU Member States activities in this field, both in Europe and in Africa.

Research and innovation were also identified as one of the 12 policy areas that could accelerate progress towards the UN's Millennium Development Goals (MDGs) in the EU Policy coherence for development approach.

2.2.1.1 Economic and social situation and poverty analysis

Africa has experienced impressive growth despite the global economic crisis maintaining an average growth rate of about 4% in 2013. But growth performance varied widely across country classifications and regions with Sub-Saharan Africa recording 5% in 2013, while East and West Africa recording 6% or above in 2013. External financial flows and tax revenues play an increasingly important role in Africa's development and economic growth prospects. External financial flows have quadrupled since 2000 and are projected to reach over USD 200 billion in 2014. Official remittances have been continuing their increasing trend since 2009 and are projected to reach USD 67.1 billion in 2014².

¹ Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus' OJ (2006/C 46/01).

² OECD/AfDB/UNDP (2014), African Economic Outlook 2014: Global Value Chains and Africa's Industrialisation, OECD Publishing.

Africa's poverty rates are declining, according to the Millennium Development Goals Report (AUC et al., 2013a). The proportion of people living in extreme poverty (on less than USD 1.25 a day) in the regions of Central, East, Southern and West Africa fell from 56.5% in 1990 to 48.5% in 2010. However, due to the slow pace of poverty reduction, the actual number of people living in extreme poverty in those four regions increased from 289.7 million to 413.8 million over the same two decades³. Besides the high rates of poverty, Africa continues to face other challenges such as fragility, conflicts and need to consolidate democratic institutions. Similarly, 26 out of the 47 fragile states identified by the Organisation for Economic Co-operation and Development (OECD) Fragile States Report in 2013 are African. There is also room for more progress in the areas of inclusion, gender equality and environmental sustainability which are needed to further promote sustainable human development. Climate change is an issue of vital importance for Africa⁴. Climate resilient low-emission development poses serious challenges also in the research field, in view of estimating impacts and planning for socio-economic development that is up to the multi-dimensional challenges ahead.

Currently, much of Africa's much-vaunted growth is driven by strong domestic demand and higher production in the mineral resources, agriculture and service sectors (The World Bank, Africa's Pulse report, October 2013), while relatively little growth is driven by innovation in products and services.

Investment in research and innovation has been demonstrated to have a very positive correlation with socio-economic development, both in developing countries (e.g. South Korea in the past) and developed countries (e.g. Finland, Sweden, US).

This has also been recognised by the African governments who have committed themselves to spending 1% of their Gross Domestic Product (GDP) on R&D (Khartoum Decision, 2006). However, very few African countries have come close to this goal and for many the average figure is significantly lower (0.2-0.5% according to one study⁵).

2.2.1.2 AU development policy – Joint Africa EU Strategy

This action would support the AU's Agenda 2063, as R&I underpins sustainable development. More specifically, it is well in line with the objectives of the AU's Strategy 2024 on Science, Technology and Innovation for Africa (STISA-2024): "The mission of STISA-2024 is to accelerate Africa's transition to an innovation-led, Knowledge-based Economy".⁶ Furthermore, "STISA-2024 places science, technology and innovation at the epicentre of Africa's social-economic development and growth".²

The AURG would provide a foundation for the Africa Science, Technology and Innovation Fund (ASTIF), as articulated within STISA-2024 that includes a competitive grant system to support cross-border and international research cooperation. The AURG programme, as one of the flagship programmes to drive the STISA-2024 process, will help to ensure the sustainability of the programme.

³ Ibid.

⁴ For the most recent summary on the likely impacts of climate change for Africa see http://cdkn.org/wp-content/uploads/2014/04/AR5_IPCC_Whats_in_it_for_Africa.pdf

⁵ AU-NEPAD (African Union-New Partnership for Africa's Development) (2010), African Innovation Outlook 2010, AU-NEPAD, Pretoria.

⁶ AU Strategy 2024 on Science, Technology and Innovation for Africa (STISA-2024) – April 2014.

In the context of the Joint Africa-EU Strategy (JAES), the roadmap agreed at the EU-Africa Summit held in Brussels in April 2014 stated that *"Investments in science, technology and innovation (STI) are vital to promote growth and employment, improve competitiveness and identify and address pressing global societal challenges [...]. EU-Africa cooperation on STI is cross-cutting in nature, contributing to the attainment of all other socio-economic development objectives. We will work towards reinforcing cooperation between research communities and the creation of joint academic research programmes"*.

The roadmap stresses also the need to implement jointly funded and managed research and innovation partnership. Furthermore, the Africa-EU High Level Policy Dialogue on Science, Technology and Innovation has intensified and recently led to the identification of several thematic priorities for research to be implemented through available instruments. One of these is the EU's Horizon 2020 programme; another will be the AURG.

2.2.2 Sector context: policies and challenges

The key role of R&D in driving innovation and thereby, development and growth has been demonstrated in the context of both developed and developing countries.

Truly international programmes, such as the EU framework programmes, provide a means to pool resources on an unprecedented scale, achieve economies of scale, enhance cross-border cooperation in research and innovation, and thereby yield social and economic benefits through advances in various areas such as health, energy, environment (including adaptation to climate change and variability), disaster risk reduction, transport and information and communication technologies (ICT).

Furthermore, the EU promotes international research cooperation through the Council Directive 2005/71/EC on a specific procedure for admitting third country nationals for the purposes of scientific research.

2.3. Lessons learnt

This approach was introduced in the African context through the AURG, funded through the 10th EDF (African component of the ACP Research Programme for Sustainable Development) and implemented through two calls for proposals in 2011 and 2012. The outcome was deemed very satisfactory from several perspectives: the response to the calls was good, both quantitatively and qualitatively, the selection of research projects that were funded was deemed excellent and the AUC rapidly built the capacity to manage the process. It also demonstrated that transnational cooperation in R&I can be encouraged and recognised as beneficial by the participants. Concurrently it contributed to strengthen both intra-African and international cooperation.

Nevertheless, a number of lessons can be drawn from this initial pilot and taken up in the new programme in order to make it more attractive, more efficient and more visible, and better coordinated with other European and African initiatives.

The attractiveness of the programme to potential applicants, as well as potential donors, could be improved by lowering barriers to participation, providing more clarity of the mechanisms and benefits, giving evidence of its transparency and fairness, and reducing the time to grant. The efficiency of the programme should be improved by streamlining the process for applicants, evaluators and programme managers; this could also lead to a decrease in the percentage of management costs

over time. The visibility of the AURG should also be improved in order to attract more high quality applicants and to raise awareness among other potential funders. More detailed analysis of the challenges and suggestions for improvement can be found in the AUC's internal "*Lessons Learnt*" exercise and the individual project monitoring carried out by the AUC Project Management Unit (PMU) for all project grants. For these reasons, the EU Delegation to the AU should continue to work closely with the AUC team managing the AURG in order to further enhance their capacity. For instance the AUC should take over tasks that were previously performed through technical assistance, such as the evaluation of proposals. It should also strive to streamline and improve the entire workflow: calls for proposals, project evaluations, grant finalisation and its monitoring processes.

The expanding scope of the AUC's management of the AURG towards management of the entire process requires close collaboration with the EU, in particular through the EU Delegation to the AU. It is therefore necessary that the Programme Management Unit (PMU) continues to operate from the AUC headquarters in Addis Ababa for the duration of this programme.

Finally, more coordination should be sought with other initiatives from the AU, the EU and their Member States that address the issues related to the "knowledge triangle" (research, innovation, education). Indeed the AUC is currently establishing the African Scientific Research and Innovation Council (ASRIC) and foresees to assign the management of AURG to it.

2.4. Complementary actions

In order to avoid any risk of duplication, the programme will take duly into account the actions and results of the other projects under implementation.

A number of actions can be considered to complement this initiative, such the AU Pan African University, the AU Nyerere Scholarship programme and the Kwame Nkrumah awards, as well as EU programmes: Horizon 2020, intra-ACP, Erasmus+.

Complementarities need to be identified with other EU funding programmes, and potential synergies and cooperation to be sought; e.g. with EU Member States bilateral programmes: for instance, France (*Programme d'Appui à la Recherche en Réseau en Afrique*), Germany (Federal Ministry of Education and Research, Federal Ministry for Economic Cooperation and Development), Sweden (SIDA Research Cooperation), United Kingdom (Royal Society-DFID Africa Capacity Building Initiative) but also with other possible stakeholders like the African Development Bank (AfDB). In particular, bilateral support programmes for research could encourage their beneficiaries to combine and leverage their activities with those of the AURG.

Complementary actions and funding could also come from philanthropic organisations that support research.

2.5. Donor coordination

The potential for joint or parallel funding from other donors and partners (e.g. AU Member States and/or AfDB) is being explored by the AUC and strongly encouraged by the EU.

The AURG should be developed so as to be recognised as an attractive and efficient conduit for co-funding research on shared priorities. This requires that its mechanism are straightforward and efficient in terms of costs and time, that common priorities can be agreed upon – for instance by basing these on the High Level Policy Dialogue

for STI which involves the EU, the AU and their respective member states, and that the principle of openness to participants from all African and European (MS/AC) countries can be maintained.

In principle, it should be possible to increase the amount of funds administered by the AUC and the number of grants allocated quite significantly with limited increase in administrative costs.

Obviously, the visibility of the AURG will be critical to raise awareness and attractiveness among other potential funders. In this regard, specific EU-Africa projects supporting policy dialogue such as ERAfrica and Caastnet+ and higher education projects like Tuning, could be of support in knowledge and information dissemination thanks to their existing effective networks in Europe and Africa.

3. DETAILED DESCRIPTION

3.1. Objectives

The overall objective of the programme is to improve science and technology research capacity and international collaboration between Europe and Africa and within Africa and thus contribute to sustainable development and poverty reduction.

The action has two concurrent objectives:

- to support collaborative research and innovation (R&I) activities that address critical issues facing African countries and contribute to the sustainable development of African countries and the fight against poverty, while respecting ethical and gender issues;
- to develop the capacity of the AUC to design, implement and monitor R&I funding programmes and establish the basis for a credible and reputable African framework programme for R&I that could attract additional funds from other sources (AU member states and other partners and donors).

Achieving these objectives would also open the way to making Africa less reliant on specific donors and partners to decide and implement its own research agenda.

This action will provide funding to the AUC to organise calls for proposals for collaborative research projects, to fund the selected projects and to monitor their progress. The calls will be defined in close collaboration with the AUC and should be aligned with the priorities jointly identified through the EU-Africa High Level Science, Technology and Innovation Policy Dialogue, such as food and nutrition security, environment & climate change, global health, and improved livelihood.

3.2. Expected results and main activities

This initiative will result in the funding of transnational multi-partner research and innovation projects addressing the priorities decided jointly by the AUC and the EU (represented by the EU Delegation to the AU).

The projects will be expected to yield results, new products, services and policy advice that will contribute to the socio-economic development of Africa, while respecting ethical and gender equality issues in the way research is carried out.

The programme itself should strive to be recognised as efficient and attractive, both to applicants and to potential funders. Ultimately, it will be expected to receive additional funds from other sources to increase and eventually replace the EU

contribution by the end of the funding period and ensure the sustainability of the AURG.

Main activities:

The AUC will plan and publicise the (up to three) calls for proposals; receive and register the proposals and verify their eligibility; organise their evaluation by independent experts (peer review) according to predetermined criteria and guidelines (including ethics and gender issues); formally select the short-listed projects; prepare the grant agreements; arrange their signature by all relevant parties; organise the formal launch of the projects and publicise this actively; monitor the progress of the projects and verify their good management.

Furthermore, the AUC will actively seek to secure additional funds from its Members States and other AU partners. The aim should be to achieve a matching of the EU contribution by the end of the action and subsequently to achieve sustainability at the end of the actions carried out through the Pan-African Programme from 2020 onwards.

The EU will, in addition to providing the starting fund, oversee the process, contribute with advice on priorities and processes, and help promote the programme.

3.3. Risks and assumptions

The main risks and assumptions are:

- Insufficient visibility of the calls for proposals would undermine fair and equal access across Africa, therefore it will be required that information will be provided broadly, clearly, in a timely fashion, whilst paying attention to language barriers;
- Lengthy or complex procedures or poor management of the calls would detract from its attractiveness and effectiveness, for both applicants and potential funders, therefore efforts must be made to streamline the process;
- Poor coordination and management at project level could compromise their viability; therefore contingency plans will be needed;
- Loss of key staff and institutional knowledge and know-how would damage the capacity to achieve efficiency and effectiveness; therefore the assumption is that stability and adequate resources will be insured;
- Poor coordination with the European Commission (represented by the EU Delegation to the AU in Addis Ababa), due to lack of proximity or poor communication; therefore efforts will be made to maintain the dialogue;
- Lack of transparency and fairness of the evaluation procedure would jeopardise the reputation of the programme and its attractiveness to applicants and to potential funders; therefore this will need to receive particular attention from both partners;
- Failure to convince potential funders would put into question the sustainability of entire initiative, so this issue must be the overriding concern of both partners;
- Failure of other partners & donors to honour their commitments in a timely fashion.

3.4. Cross-cutting issues

Issues such as ethics in research, good governance, and gender equality should be addressed comprehensively in all projects, according to guidelines provided.

Communication: project leaders and participants will be expected to contribute to the overall objectives of the programme by paying attention to the visibility of their project, both within the scientific community and the broader public.

3.5. Stakeholders

The EU, through the European Commission, as the lead funding body and advisor on research funding mechanisms.

The AUC, represented by the Department of Human Resources, Science and Technology (HRST), is the main beneficiary and agent of implementation which will have the opportunity to continue to develop this capacity and establish a foundation for the Africa Science, Technology and Innovation Fund (ASTIF) proposed in its Strategy 2024 on Science, Technology and Innovation for Africa (STISA-2024).

The scientific community mainly in Africa, but also in Europe, will be the funding beneficiaries and will have additional possibilities for collaboration, building R&I capacity and producing results.

The people of Africa and Europe who should benefit from the results, new products, services and policy advice generated by the projects that will contribute to the socio-economic development of Africa.

Potential partners and donors, including governments, international organisations (e.g. AfDB) and philanthropic organisations, willing to top-up the funds during the lifetime of the action and take over funding at the end the action.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, EURATOM) No 966/2012.

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 96 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

Indirect management with the African Union Commission

This action with the objective "to improve science and technology research capacity and international collaboration between Europe and Africa and within Africa" may be implemented in indirect management with the AUC in accordance with Article 58(1)(c)(i) of the Regulation (EU, Euratom) No 966/2012. This implementation is justified as it constitutes a continuation of a similar project supported by Intra-ACP 10th EDF funding, successfully managed by the department HRST of the AUC.

The entrusted entity (AUC) would act as the contracting authority for the grants. The delegation agreement will mainly cover the research grants, as well as the following activities to be carried by AUC: plan, prepare, publish and publicise (up to three) calls for proposals for collaborative research projects; plan and carry out the evaluation of proposals according to international standards of peer review by independent experts, finalise the grant agreements for the proposals to be funded, publicise the results, monitor the scientific and financial progress of the grants during their life time; ensure communication and visibility of the AURG programme, develop the reputation of the AURG programme and strive to find additional partners and funders with the aim of matching the EU contribution over the span of this action and take over completely the funding after 2020. All the operating and management costs will be included in the delegation agreement and should not exceed 5% of the total amount, with the majority of the funds dedicated to the research grants. The AUC PMU for AU Research Grants is financially supported through the AU Support Programme II till 2016. In addition, the delegation agreement will also contain a specific budget for communication and visibility.

The entrusted entity is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The responsible authorising officer of the European Commission deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002, the long-lasting cooperation and the role that AUC plays in the strategic partnership between the EU and Africa, the entity can be entrusted with budget-implementation tasks under indirect management.

This delegation agreement, of a total amount of EUR 10 000 000, may be signed subject to mitigation measures – e.g. use of EU rules for grants management – to be developed in line with the main outcome of the ex-ante assessment.

The delegation agreement should contain an amount for contingency e.g. possible future PMU staff salaries, potential costs related to the possible transfer of PMU to the African Scientific Research and Innovation Council (ASRIC) to be established in Abuja (Nigeria), and possible technical assistance.

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 in accordance with Article 9(3) 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 other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

4.5. Indicative budget

Module	Amount in EUR	Third party contribution (indicative, where known)
4.3. Indirect management with AUC	10 000 000	N.A.
Total	10 000 000	N.A.

4.6. Performance monitoring

The following indicators have been identified in the Multi-Annual Indicative Programme of the Pan-African Programme:

1.1 Number and quality of calls for proposal for collaborative research projects organised by the AUC (quality assessed by specialised Technical Assistance).

1.2 Number and quality of research projects selected through an independent and competitive evaluation process under supervision of the AUC.

1.3 Number and amount of alternative funding sources for the AURG Programme implemented through non-Official Development Assistance (ODA).

1.4 Profile of participants: public authorities, research organisations (including universities) and private sector.

The day-to-day scientific and financial monitoring, as a continual process, will be part of the Contracting Authorities' responsibilities. This includes the monitoring of all research grants awarded. To this end, the Contracting Authority shall establish a permanent internal, technical and financial monitoring system, which will be used to elaborate the progress reports.

The EU (represented by the EU Delegation to the AU) will monitor progress with respect to the initial plan and calendar of each call, as well as progress on the overarching objective of developing the initiative into the basis for a framework programme and securing additional funding, thereby ensuring the sustainability of the AURG.

Performance indicators will include adherence to the calendar, geographical distribution of the response to calls for proposals, full and appropriate utilisation of funds, level of awareness of programme among various stakeholders, amount of additional funding secured.

4.7. Evaluation and audit

The external audits and evaluation are funded under other funding sources.

Independent consultants recruited directly by the European Commission on specifically established terms of reference may carry out external evaluations, as follows: mid-term evaluation; and, possibly, an ex-post evaluation.

The Beneficiary and the European Commission shall analyse the conclusions and recommendations of the mid-term evaluation and jointly decide on the follow-up action to be taken and any adjustments necessary. The reports of the other evaluation and monitoring missions will be given to the Beneficiary, in order to take into account any recommendations.

The European Commission shall inform the Contracting Authority at least 1 month in advance of the dates foreseen for the external missions. The Contracting Authority shall collaborate efficiently and effectively with the monitoring and/or evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

Audits of research activities, if needed, will take place according to the rules in force at the time of signing the grant contracts.

The European Commission shall appoint, in accordance with EU procurement rules, an external auditor/accountant (i.e. international firm member of an internationally recognised auditing body). The external audit may be carried out during the implementation of the action and will be carried out at the end of the action.

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 IMDA will have a specific budget for communication and visibility.

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.

One of the objectives of the action is to continue to build the reputation and visibility of the AURG programme in order to make it an attractive conduit for other partners and donors and more broadly to raise awareness among policy-makers of the importance of supporting research, in particular collaborative research.

The AUC, as the implementing agent, must make communication a priority. Since one of the key objectives of the action is to establish the AURG as a reputable and transparent programme for funding research, it is of utmost importance that the AUC devote appropriate resources to this objective and that these efforts are supported at the highest levels of the AUC.

The leaders and participants of funded AURG projects will be requested to contribute to this broader objective of the programme by paying attention to the visibility of their project, both within the scientific community and the broader public. The guidelines of each call for proposals should include a request for a budget allocation for communication and outreach activities in each project.

The European Commission services, via the EU Delegation to the AU, will strive to provide support in the communication strategy and its implementation.