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ANNEX 3

to the Commission Implementing Decision on the financing of the annual action plan for Global Challenges - Partnerships for 2021

Action document for the 'collect more — spend better: domestic revenue mobilisation and debt management' action

ANNUAL PROGRAMME
This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation and action plan within the meaning of Article 23(2) of the NDICI-Global Europe Regulation.

1. SYNOPSIS

ACTION SUMMARY TABLE

1. Title **OPSYS business reference** **Basic act**	'Collect more — spend better': domestic revenue mobilisation and debt management OSPYS number: 43516 Financed under NDICI-Global Europe
2. Team Europe initiative	No
3. Zone benefitting from the action	The action is global and benefits developing partner countries in particular.
4. Programming document	'Global challenges' multiannual indicative programme 2021 annual action plan for the 'partnerships' pillar
5. Link with relevant MIP(s) objectives/expected results	Enhanced global and multilateral partnerships Stronger economic governance and inclusive societies
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority area(s), sectors	Global challenges, partnership, priority area 2 (stronger economic governance and inclusive society) DAC code 151 All actions will support the creation of fiscal space to finance sustainable development and recovery, and contribute to the EU's Global Recovery Initiative. The actions in the field of domestic revenue mobilisation (DRM) will strengthen cooperation around common commitments for a fair and efficient tax system and support tax administration reform based on reliable assessments. The action in the field of debt management will aim to have a positive impact on human development and good governance, and macro-economic stability through better public financial management (PFM).
7. Sustainable development goals (SDGs)	Main SDG: SDG 1 (end poverty in all its forms everywhere) Other significant SDGs (up to 9) and where appropriate, targets: SDG 5 (achieve gender equality and empower all women and girls)

	SDG 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) SDG 10 (reduce income inequality within and among countries (10.4)) SDG 13 (take urgent action to combat climate change and its impacts) SDG 16 (promote just, peaceful and inclusive societies (16.4)) SDG 17 (revitalise the global partnership for sustainable development (17.1 and 17.4))			
8 a) DAC code(s)	15111 Public finance management (main code) 15114 Domestic revenue mobilisation (65%) 15119 Debt and aid management (35%)			
8 b) Main delivery channel	International Monetary Fund (IMF-TADAT) — 43001 *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) — 13000 UNCTAD — 41112			
9. Targets	☐ Migration ☒ Climate ☒ Social inclusion and human development ☒ Gender ☐ Biodiversity ☐ Education			
10. Markers (from DAC form)	**General policy objective @**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☐	☒
	Aid to environment @	☐	☒	☐
	Gender equality and women's and girls' empowerment	☐	☒	☐
	Trade development	☒	☐	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster risk reduction @	☒	☐	☐
	Nutrition @	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity @	☒	☐	☐
	Combat desertification @	☒	☐	☐
	Climate change mitigation @	☐	☒	☐
	Climate change adaptation @	☒	☐	☐
11. Internal markers	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	Digitalisation	☐	☒	☐
	Migration @	☒	☐	☐
	COVID-19	☐	☒	☐

BUDGET INFORMATION	
12. Amounts concerned	**Budget line:** Total estimated cost: EUR 33.9 million, i.e. sum of International Tax Compact (ITC) (EUR 9.4 million), Tax Administration Diagnostic Assessment Tool (TADAT) (USD 9.5 million; EUR 8.5 million), Debt Management and Financial Analysis System (DMFAS) (USD 18 million; EUR 16 million for 3 years) Total amount of EU budget contribution: EUR 7 million, i.e. sum of **ITC** (**ATI** — EUR 3 million), **TADAT** (EUR 2 million), **DMFAS** (EUR 2 million) These actions are co-financed by: *For the **ITC (ATI, NTO)**:* - Germany (EUR 7.0 million) *For the **TADAT**:* Current pledges stand at USD 7.2 million. The action is co-financed jointly by the following donors (amounts include contributions received and expected): - France (EUR 0.3 million) - Germany (EUR 0.4 million) - Japan (USD 0.1 million) - Netherlands (USD 2.0 million) - Norway (USD 1.2 million) - Switzerland (USD 1.0 million) - United Kingdom (USD 1.2 million) and complemented by international transfers (Japan: USD 0.1 million; Switzerland: USD 0.1 million; UK: USD 0.3 million). *For **DMFAS**:* - Switzerland (USD 3 million) - Netherlands (USD 1.65 million) - Germany (USD 1.2 million) - Ireland (USD 0.57 million) - France (EUR 0.1 million) - UNCTAD contribution: (USD 3.26 million) - user fees and contributions (USD 6.1 million)
MANAGEMENT AND IMPLEMENTATION	
13. Implementation arrangements (type of financing and management mode)	Project modality **Indirect management** through a contribution agreement with UNCTAD and IMF. **Indirect management** with a Member State organisation (GIZ)

SUMMARY OF ACTION

The Global Recovery Initiative (GRI), as proposed by Commission President von der Leyen in May 2020, links debt relief with sustainable investment for the attainment of the SDGs and makes a strong case for the recovery to be green, digital, just and resilient. It will require fiscal space to finance it. Domestic revenue mobilisation (DRM) and better debt management will help in this respect.

Domestic revenue is the most important source of financing for the SDGs. It has become an international policy priority reflected in the International Conference of the Financing for Development, the Addis Ababa Action Agenda (AAAA), Agenda 2030 and the SDGs (10.4, 16.4, 17.1). It is equally well anchored in the Commission's staff working documents, such as *Collect more — spend better*. The Addis Tax Initiative (ATI) has kept DRM high on the political agenda since 2015, fostering collective action to support developing partners' capacities to mobilise taxes and duties.

The 2025 ATI Declaration[1] launched in April 2021 promotes tax systems in developing countries that benefit societies and economies by supporting investment and economic growth, strengthening gender equality, protecting the environment and reducing inequalities. It also recognises that collecting taxes effectively is complex and requires cooperation across state agencies and alignment with anti-corruption efforts.

The proposed action is aimed at enhancing sound domestic public finance systems and fostering effective environmentally and socially responsible DRM in developing countries. Support for regional tax organisations responds to the increased need to deliver the services required by their members, but also to effectively articulate their region's priorities in the international tax discussion.

Debt sustainability was a key concern for sustainable development even before the COVID-19 crisis. As the crisis unfolded, it became clear that debt problems could become an obstacle to the achievement of the SDGs in many countries. The proposed action on debt focuses on increasing debt transparency, which is a critical element of debt sustainability, accountability and coordination among debtors and creditors.

In this context, we propose the following actions:

- support for the ***Addis Tax Initiative (ATI)***, an established multi-stakeholder partnership that aims to promote fair and effective DRM in developing countries, policy coherence and the social contract through partnerships and knowledge building. Committing to the ATI fosters partner countries' efforts to establish tax systems that work for people and achieve the SDGs by 2030. Support for the ***Network of Tax Organisations (NTO)*** is aimed at helping tax organisations to play a full role in promoting best practices, south-south cooperation and exchanges of experience between regions;
- support for the ***Tax Administration Diagnostic Assessment Tool (TADAT)***, which helps assess the strengths and weaknesses of tax administrations and thereby informs nationally driven reform programmes to increase the transparency, efficiency and effectiveness of revenue mobilisation;
- support for the ***Debt Management and Financial Analysis System (DMFAS)*** programme, which focuses on the 'downstream' areas of debt management (debt data recording, reporting and statistics and facilitating debt analysis) and provides the basic input for critical assessments such as debt sustainability analyses (DSAs) and debt management performance assessments (DeMPAs). The programme is a global public good which helps developing countries in improving transparency on their public debt.

2. RATIONALE

2.1. CONTEXT

DRM and debt management were confirmed as key pillars in the GRI. Most partner countries are faced with reduced fiscal space in the aftermath of the COVID-19 crisis. This affects their ability to finance a green, digital, just and resilient recovery and achieve the SDGs. The three actions under this proposal provide tools and cooperation platforms to create fiscal space and address those financing needs.

Even before the crisis, many partner countries had tax-to-GDP ratios of less than 15%, often considered a minimum for financing basic social services that are fundamental for more equal societies and the well-being of the whole population, particularly women and groups living in vulnerable situations. The crisis further aggravates the situation, with an estimated set-back in the ratio of 1.75 percentage points. The challenges include tax policies that are not equitable, tax administrations that are not efficient or effective, a weak social contract between taxpayers and the state leading to low tax morale, and a small tax base with a large informal sector. The tax gap in developing countries is estimated to account for 30-60% of potential tax revenue.

Even before the pandemic, public debt in low-income countries had increased from 35% of GDP in 2011 to 47% (and 55% in sub-Saharan Africa) in 2019. Increased reliance on funding on commercial or near-commercial terms has raised financing costs and exposure to interest-rate, exchange-rate and rollover risks. The composition of bilateral creditors has also changed, with the share of Paris Club creditors declining and that of China and other non-traditional creditors increasing. The pandemic has severely hit low-income countries and fuelled concerns about a fully fledged external debt crisis. The proportion of low-income countries with at least high risk of debt distress has now reached 50%. The debt burden of many developing countries has become a clear obstacle to lifting them out of the current crisis. The high debt-service costs drastically reduce their fiscal space for social and health expenditure.

The third Conference on Financing for Development (FfD) in Addis Ababa in July 2015 called on countries to put domestic public finances at the heart of their efforts to achieve the overriding objectives of inclusive growth, poverty eradication, gender equality and sustainable development. The 2030 Agenda for Sustainable Development confirmed

[1] Source: https://www.addistaxinitiative.net/sites/default/files/resources/ATI%20Declaration%202025.pdf

the vital role of domestic public finance in providing essential public goods and services to all, including groups living in the most vulnerable and marginalised situations, and in catalysing other sources of finance. The 2025 ATI Declaration[2] promotes fair and transparent tax systems around four commitments and partnership principles that also reflect the Commission's priorities of addressing inequalities and climate change, promoting digitalisation and strengthening gender equality.

The COVID-19 crisis has generated political momentum at international level to address the issue of debt sustainability. A debt service suspension initiative (DSSI) for 77 International Development Association (IDA) and least-developed countries was adopted by the G20 and Paris Club in April 2020, in order to free up resources for crisis response. It will last until end-2021. In November 2020, the G20 and the Paris Club endorsed a Common Framework for Debt Treatment beyond the DSSI that constitutes a breakthrough in the international financial and monetary system, extending Paris Club procedures to non-Paris Club creditors (i.e. China) and including mandatory private creditor participation under the Paris Club principle of comparability of treatment. Chad, Ethiopia and Zambia are the first countries to restructure their debt under the new framework. In order to implement these initiatives and encourage creditors to participate in orderly debt restructuring, enhanced debt transparency is of key importance.

At the same time, effective debt management helps to create fiscal space. As low- and middle-income countries are increasingly borrowing from bilateral official and private creditors and gaining access to international financial markets, they will need enhanced capacity to manage complex debt instruments. A basic pre-condition of this is the availability of complete and reliable debt data and regular debt reporting to all stakeholders.

'Collect more –spend better'[3] became the Commission's motto in promoting a holistic approach to PFM in partner countries. Increasing DRM was mirrored in the need to use financial resources more efficiently and more equitably, and ensuring that debt is managed in a sustainable fashion. The proposed actions are part of this approach, while adapting it to the recovery circumstances and the Commission's priorities of a green and digital transition. Enhanced DRM is also important in the context of the work on integrated national financing frameworks (INFFs).

Although not a Team Europe initiative, all three actions provide strong potential to strengthen a Team Europe approach. For the ATI, 13 of the 20 development partner members (12 Member States and the Commission) are from the EU, with the Commission on the Steering Committee. The Intra-European Organisation of Tax Administrations (IOTA) represents the Member States in the NTO. For both TADAT and DMFAS, the Commission is joined on the Steering Committee by three Member States, which facilitates regular consultation and coordination on global and country-level actions. This provides ample opportunities to promote EU interests and visibility through closer coordination and alignment.

2.2. PROBLEM ANALYSIS

All countries need to intensify their efforts to improve DRM and its effective use to implement nationally owned sustainable development strategies.

The mobilisation and effective use of domestic public finance provides by far the largest and most stable source of finance for sustainable development. Domestic public finance is also part of the social contract between a government and its citizens, women and men, including those living in vulnerable and marginalised situations, whereby citizens pay in exchange for the services that government provides. It is essential for the smooth functioning of the state and the provision of equitable and affordable public goods in line with economic and social goals. Reflecting changing priorities in the international tax and development landscape, the 2025 ATI Declaration also identifies problems in DRM to finance the SDGs.

Weaknesses in tax administration systems, processes and institutions in many countries are accompanied by shortfalls in the coordination of stakeholders, such as country authorities, international organisations and technical assistance providers. The risk of corruption is high in tax administration, also due to discretion in the application of tax laws. Tax morale is usually low in the context of a lack of state legitimacy or a perception of corruption and misuse of public funds.

Debt transparency — debt management needs to be strengthened in many countries. This would increase the confidence of creditors and in the population. Many of our partner countries need continued support to be able to increase transparency, while taking on an ever more complex debt portfolio. In the current context of market turbulence and increasing debt sustainability concerns, transparency has become a top priority. By increasing confidence, transparency lowers borrowing costs and facilitates debt re-negotiations, where necessary.

2 Source: https://www.addistaxinitiative.net/sites/default/files/resources/ATI%20Declaration%202025.pdf

3 "Collect More, Spend Better. Achieving development in an inclusive and sustainable way: staff working document", SWD(2015)198. https://ec.europa.eu/international-partnerships/system/files/swd-collect-more-spend-better_en.pdf

Key cross-cutting issues:

This action covers crucial cross-cutting issues such as governance (including anti-corruption), the reduction of inequalities, gender equality, environmental protection, climate change mitigation and the promotion of civil society actors. For the latter, the inclusion of youth stakeholders will also be promoted. Good governance is at the heart of all actions. The actions concern these cross-cutting issues indirectly by opening fiscal space for crucial reforms. Increased fiscal space could be used to address adverse impacts of climate change through investments in the necessary technologies (including adaptation). In addition, environmental fiscal policies (e.g. the elimination of fossil fuel subsidies, carbon taxation, subsidies to clean technologies) can play an important role in climate change mitigation and pollution control.

Beyond providing fiscal space for development priorities, DRM is part of a social contract that underpins participation, social cohesion and helps to shape good governance. Furthermore, the mobilisation of additional resources and more efficient expenditure management will liberate scarce public money for poverty reduction policies.

Tax administration reform and the fight against corruption are mutually reinforcing.

While good governance is the principal objective of the three actions, environmental, climate and gender issues are substantive objectives and should be fostered through integration in the field of cooperation on taxation and tax administration assessments, and through the increased availability of domestic resources.

The 2025 ATI Declaration clearly features environmental protection, climate change, gender, the role of civil society and inequalities. By promoting tax systems that are more equitable, efficient and effective, while pledging to intensify the fight against illicit financial flows, it tackles inequalities at source. This is further underpinned by the aspiration of enhancing space and capacity for accountability stakeholders in partner countries to engage in tax and revenue matters. The vision, mission, partnership commitments and principles cater for all these dimensions. The monitoring framework will help to follow up on them. Both the ATI and NTO will include gender- and climate-sensitive activities, such as the organisation of events that address these issues and inform assessments of the impacts of tax policy and tax administration on women and gender-responsive procedures and policies. In addition, a gender and climate change analysis will be undertaken under ATI/NTO to inform the description of action to identify which additional measures can be taken to mainstream these dimensions further in the action.

Likewise, by improving tax systems in partner countries, TADAT supports cross-cutting issues, with a special focus on gender inclusion and inequalities, e.g. by developing specific gender-based assessment criteria for the TADAT framework.

UNCTAD is committed to implementing gender mainstreaming in all its technical assistance programmes, including the DMFAS programme. At the project development stage, DMFAS systematically conducts an analysis of gender issues and applies a checklist for 'mainstreaming gender equality and women's economic empowerment in technical cooperation projects'. At the implementation stage, it promotes equal participation of women and men in DMFAS activities. In monitoring and evaluating gender mainstreaming, it reports on a yearly basis, at project and programme level, on the participation of men and women in DMFAS training events. The monitoring and evaluation will be based on data broken down according to sex, age and disability, and assess impacts and results on gender equality and the implementation of a rights-based approach in working method principles (participation, non-discrimination, accountability and transparency) in the implementation of the project and the project outcomes.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The participating governments are the duty-bearers of the action and the rights-holders are people in targeted partner countries. Civil society organisations (CSOs) will be involved as key stakeholders and represent the rights of rights-holders.

The other key stakeholders are the members of the ATI Steering Committee, the 20 ATI development partner countries (12 of which are EU Member States), 25 ATI partner countries and 17 supporting organisations (including the OECD, the African Tax Administration Forum, OXFAM and the International Budget Partnership). Key stakeholders for the NTO are the nine regional and international tax organisations that form the NTO.

The key stakeholders for TADAT are the tax administrations around the globe to be assessed. Relevant bodies are the TADAT Secretariat, the TADAT Steering Committee, the TADAT Technical Advisory Board and TADAT partners.

The DMFAS programme works closely on workshops and mentorship programmes with the main debt capacity building partners such as the World Bank (on debt management capacity and transparency), the IMF (on debt statistics and data quality), Debt Relief International (DRI) and regional organisations such as the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), the Centre for Latin American Monetary

Studies (CEMLA) and the West African Economic and Monetary Union (UEMOA). There is close donor coordination in various international forums to make sure that they are complementary.

3. DESCRIPTION OF ACTION

3.1. OBJECTIVES AND EXPECTED OUTPUTS

Overall objective:

Increase availability of domestic sources for financing sustainable development

Specific objectives:

For the **ATI/NTO** programme:

1. The fairness and effectiveness of tax systems (incl. tax administrations) have improved.

For the **TADAT** programme:

2. Tax administration systems are strengthened globally through TADAT.

For the **DMFAS** programme:

3. Improved effectiveness and sustainability of governments' debt management in support of poverty reduction, inclusive development and good governance.

For **ATI/NTO and TADAT**:

4. Gender and climate/environmental dimensions in tax policy and administration questions strengthened.

The *expected outputs* contributing to the corresponding specific objectives (outcomes) are:

For the **ATI/NTO**:

- 1.a Capacity of ATI to provide high-quality services is strengthened.
- 1.b Capacity of the NTO to provide high-quality services is strengthened.

For the **TADAT** programme:

- 2.a Capacity of the TADAT Secretariat to support high-quality TADATs is strengthened.

For the **DMFAS** programme:

- 3.a Improve the technical and functional capacity of debt management offices to record, process, monitor, disseminate and analyse and report the country's public debt in a sustainable and gender-responsive manner.
- 3.b Improve the capacity of the DMFAS programme to deliver, effective, efficient and sustainable responses to countries' needs.

For the **ATI/NTO** and **TADAT** programme:

- 4a. Capacity of ATI and TADAT to reflect gender and climate considerations in tax administration assessments and best practices exchange increased.

3.2. Indicative activities

For the **ATI/NTO:**

- conduct a gender and climate analysis before implementing the action;
- coordinate monitoring of the ATI commitments;
- facilitate outreach activities to attract new ATI members;
- conduct evidence-based dialogue within the ATI;
- enable peer-to-peer support on ATI commitment and implementation;
- include questions on gender in the ATI matchmaking forms and webinars on tax laws and reforms;
- gender-sensitive tax/revenue events and climate-sensitive events, e.g. on extractive industries, green investments and green fiscal reforms; taxation and health events.
- facilitate events and up-scaling of tax administration products among NTO members;
- enable coordination of tax administrations associations.
- event/study on tax exemptions on ODA

For the **TADAT** programme:

- facilitate/support 80–100 first-time or repeat TADAT assessments globally over the programme period;
- expand the use of and qualify 'TADAT-trained' persons as assessors;
- research and analytical work on TADAT design and implementation;
- outreach activities for future TADAT exercises;
- encourage countries and technical assistance providers to conduct TADAT baseline or repeat assessments;
- develop specific gender-based assessment criteria for the TADAT framework and field guide.

For the **DMFAS** programme:

- support DMFAS with EUR 2 million for:
- development and implementation of DMFAS 7, including delivery to clients;
- training seminars, capacity-building workshops and conferences on debt data validation, debt statistics, debt bulletins, debt portfolio analysis and procedure manuals;
- development of e-learning and self-learning modules;
- advisory services for integration with overall national integrated financial management information systems (IFMISs);
- certification of skills in DMFAS usage;
- knowledge management through newsletters and website resources.

3.3. Mainstreaming

Environmental protection & climate change

The 2025 ATI Declaration covers the climate and the environment. The monitoring framework will help address follow-up in this area and the Commission will promote it as part of its role in the Steering Committee and through work planning. More effective and transparent DRM can foster environment and climate-related policies by widening the fiscal space.

Gender equality and empowerment of women and girls

As per the OECD gender DAC codes identified in Section 1.1, this action is labelled as G1.

The 2025 ATI Declaration covers gender. The monitoring framework will help address follow-up in this area. The Commission will promote it as part of its role in the Steering Committee and through work planning. The TADAT programme aligns with this priority by including gender-sensitive performance measurement metrics. At the project development stage, DMFAS systematically conducts an analysis of gender issues and completes a checklist for 'mainstreaming gender equality and women's economic empowerment in technical cooperation projects'. At the implementation stage, it promotes equal participation of women and men in DMFAS activities. Where there is capacity building or any other activity, it will be ensured that women participate and benefit equally.

Human rights The Commission proposed a dedicated component in the ‘global public goods and challenges’ thematic programme aimed at enhancing sound domestic public finance systems and fostering effective environmentally, gender and socially responsible domestic revenue mobilisation and use in developing countries. This has a direct positive impact on governance and the realisation of human rights. **Democracy** A better oversight of PFM and governments’ actions by the respective external audit institution and civil society leads to greater transparency and accountability, which directly fosters democracy. Better availability of reliable debt data helps increase domestic scrutiny of borrowing, again contributing to democratic accountability. **Anti-corruption** Tax reform enhances fiscal space and tax revenue go hand in hand with reducing corruption co. There is growing evidence that countries that benefit most from tax reform are those that are engaged in tackling corruption. **Other considerations if relevant** Poverty reduction: effective PFM institutions and systems play a critical role in implementing national policies on sustainable development and poverty reduction.

3.4. RISKS AND LESSONS LEARNED

Category	**Risks**	**Likelihood (high/medium/low)**	**Impact (high/medium/low)**	**Mitigating measures**
General risk (all actions)	Insufficient integration of gender equality and lack of gender sensitivity and responsiveness in implementation of actions.	**M/L**	**M**	For ATI/NTO, GIZ will conduct a gender analysis before implementing action; technical expertise on gender equality, gender awareness and a human rights-based approach are envisaged and will be included in webinars and, if possible and applicable, in capacity-building activities and documents.
General risk (all actions)	Lack of climate and environmental aspects integrated in action.	**L**	**L**	For ATI/NTO, GIZ will conduct a climate analysis before implementing action in order to insure climate sensitivity. Analysis will also explore covering climate-sensitive questions and topics in webinars and, if possible and applicable, in capacity building.
ATI/NTO (action-specific)	2. *ATI:* coordination between partner countries, ATI development partners and ATI supporting organisations faces difficulties. Insufficient partner countries’ involvement	**M/L**	**M**	Regular meetings, dialogues and follow-up reports Reaching out to partner countries through ATI

	in ATI activities as main drivers for achieving 2025 Declaration.			governance bodies regularly, follow-up. Wider ATI membership could contribute to better engagement.
ATI/NTO (action-specific)	Risk of corruption particularly high in relation to tax administrations. Tax law is complex and tax officials can have a high degree of discretion in its enforcement.	**M/L**	**M**	Emphasise link between DRM reform and anti-corruption efforts in knowledge-building events.
TADAT (action-specific)	3. *TADAT:* governance (Steering Committee, SC) and supervisory (IMF Fiscal Affairs Department, FAD) support (IMF Institute for Capacity Development, ICD) and TADAT Secretariat (TS) arrangements ineffective. Multi-partner funding of TADAT framework insufficient for effective delivery of programme	**M/L**	**H**	SC members, FAD and ICD ensure that required meetings and consultations take place regularly and that TS accounts fully for all TADAT activities in a timely manner. TADAT partners, ICD and FAD ensure that programme is fully funded.
DMFAS (action-specific)	4. *DMFAS:* uncoordinated actions in debt management capacity building result in overlaps and inefficient support. Debt hidden in extra-budgetary funds, public-private partnerships and state-owned enterprises in contingent liabilities and other fiscal risks not captured in debt databases	**M/L**	**M**	For both risks, existing capacity building initiatives such as World Bank Debt Management Facility, DMFAS and IMF work together to coordinate efforts to capture hidden debt and fiscal risks, expand coverage and improve accuracy of debt data. Capacity-building missions are requested to establish contact with public finance donor groups in partner countries and coordinate with bilateral support actions.

Lessons learnt: Peer pressure has encouraged a positive dynamic stimulating enhanced action in the area of DRM. The monitoring framework on the ATI commitments helps to maintain this dynamic. The external evaluation of the ATI concluded that it remains important and necessary in order to increase DRM in developing countries and to finance Agenda 2030. However, it recommended amending the new ATI mandate to address the changing institutional landscape. There should be better alignment with the SDGs and the AAAA, to

promote strategies for tax policies that are environment- and gender-sensitive, and equitable. Other lessons learnt are to improve the formulation of commitments so as to make them more specific while keeping the ambition on the level of ODA funding; to increase visibility and extend membership to ensure more balanced representation (e.g. Latin America and Neighbourhood countries). The regional tax networks are best placed to advocate for ATI membership among their members.

Donor requests for TADAT prior to engaging in reform support proved conducive to the rollout of the tool. Several countries have embedded the TADAT methodology in their national DRM strategy and promoted its application in guiding work in revenue departments. However, as TADAT assessments are not generally made public and only some countries decide to publish them, it is not possible to obtain an overview of the TADAT assessment results for the ATI partner countries concerned. The ATI encourages its partner countries to conduct TADAT assessments and to publish the results. Other key lessons from the TADAT assessment in 2019 are that:

- despite putting TADAT in place, fundamentals of good tax administration practice are frequently not available;
- there is room for improving (revenue) performance;
- the main areas of weak performance relate to poor data quality, undocumented procedures, inaccurate taxpayer registration databases, suboptimal risk management, etc.

The recent audit of UNCTAD by the Multilateral Organisation Performance Assessment Network (MOPAN) highlighted the relevance and effectiveness of the DMFAS programme. It emphasises that DMFAS covers a niche area in debt management capacity building. At the same time, the programme should strengthen its reporting on results and pay attention to their sustainability, in particular in a context of the beneficiary countries’ increasingly complex debt portfolios. The rapid development and rollout of DMFAS 7 (the new version of the system) is therefore extremely important.

3.5. INTERVENTION LOGIC

The mobilisation and effective use of domestic public finance provide by far the largest and most stable source of finance for development. Oversight of governments' actions through external audit and by civil society strengthens the effectiveness and efficiency of the delivery of public goods and services.

As indicated in the European Consensus on Development, DRM is key to achieving inclusive growth, poverty eradication and sustainable development. It also increases the stability of financing for sustainable development and reduces aid dependency. Together with sound public expenditure management, it can deliver more public goods and services and strengthen the social contract between government and citizens[4]. The action proposals and their ongoing implementation support this narrative, as follows:

- The **ATI** aims to increase cooperation among DRM actors on different development levels more actively and engage developing countries in discussions to enhance DRM for sustainable development. Development partners' collective pledge to double capacity support for DRM in partner countries between 2015 and 2020 has shown a positive dynamic, *inter alia* through the reporting mechanism developed and managed by the ATI Secretariat. Mindful of developing partners' limited resources, the Secretariat plays a fundamental role in collecting data for reporting developing countries' progress against their ATI commitments. Furthermore, the ATI ensures cooperation and peer support via a set of instruments under international initiatives, including the NTO. The political will of all actors to stay committed to enhancing DRM is the main prerequisite.
- The **NTO** aims to develop and promote effective tax systems as a means of contributing to people's well-being. To this end, it fosters capacity development within and cooperation among its member organisations and provides opportunities for capacity development, exchange and peer-learning between national tax administrations. In an initiative implemented by the GIZ, the ITC provides the Secretariat for the ATI and NTO.
- Despite sustained growth rates and abundant natural resources, many developing countries have not been able to increase their domestic revenues. This is partly due to the capacity constraints and under-performance of revenue administrations. The **TADAT** tool assesses the performance of revenue administrations and identifies their strengths and weaknesses. This will contribute to better reform design and therefore in the medium term to increased DRM through more efficient and effective administrative procedures.
- The availability of accurate and complete debt data is critical for countries and their creditors. **DMFAS** supports effective debt and public financial management, and increases market confidence in countries. As a result, it facilitates countries' access to financial markets and lowers their cost of debt. With the recent rise in debt levels in many countries and more complex country debt portfolios, debt transparency has become increasingly important to avoid unforeseen debt crises. This will contribute to enhanced macroeconomic stability and more sustainable growth. The assumption is that enhanced debt management capacities are accompanied by stability-oriented macroeconomic policies and, in particular, prudent and coherent debt strategies. The programme contributes to these aims in its 60 or so user countries.

[4] https://ec.europa.eu/international-partnerships/system/files/european-consensus-on-development-final-20170626_en.pdf

3.6. Logical framework matrix

Results	Results chain: Main expected results (maximum 10)	Indicators: (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Increase availability of domestic sources for financing sustainable development	Tax-to-GDP ratio in partner countries Number of DMFAS countries showing an improvement in public and publicly guaranteed debt service-to-GNI ratio	15.4% (2019) Baseline: In 2019, of 50 DMFAS user countries for which data is available, average external debt-to-GNI ratio was 56.70	16% (2024) TBD	World Bank DMFAS	
Outcome 1	**ATI/NTO:** Fairness and effectiveness of tax systems have improved	1.1 Status of implementation of commitments in 2025 ATI Declaration	1.1 TBD (monitoring framework to be developed and finalised by February 2022; baseline ATI monitoring report to be conducted by end of 2022)	1.1 TBD (based on results of baseline ATI monitoring report)	ATI monitoring report for 2023 (to be published in 2025)	*Not applicable*
Outcome 2	Tax administration systems are strengthened globally through TADAT	2.1 Percentage of assessed countries that use TADAT assessments for reform plans. Average TADAT overall scores have improved in repeat TADAT assessments	2.1 TBD	2.1 Above 50% by end 2023	TADAT independent evaluation (after 3 years of phase II implementation — 2022/2023)	*Not applicable*
Outcome 3	**DMFAS:** 3. Improved effectiveness and sustainability of governments' debt management in support	3.1 Number of DMFAS countries showing improved external debt-to-GNI ratio	3.1 Baseline: In 2019, of 50 DMFAS user countries for which data is available, average external debt-to-GNI ratio was 56.70	TBD	3.1 World Bank — global development finance: economic policy and external debt	*Not applicable*

	of poverty reduction, inclusive development and good governance	3.2 Number of DMFAS countries showing improvement in public and publicly guaranteed debt service-to-GNI ratio	3.2 In 2019, of 50 DMFAS user countries for which data is available, average public and publicly guaranteed debt service-to-GNI ratio was 2.76			
Outcome 4	4. Gender and climate/environmental dimensions in tax policy and administration questions strengthened	4.1. Number of country representatives who have participated in ATI/NTO events with a gender and environmental dimension 4.2 Number of countries that have applied gender-specific assessment criteria in TADATs	4.1 2021:0 4.2. 2021:0	At least 60 by end 2023 4.2 At least 10 by end 2023	ATI/NTO reporting 4.2 TADAT regular reporting	*Not applicable*
Output* 1a	ATI/NTO: 1a. Capacity of ATI to provide high-quality services is strengthened	1.1a Number of partner countries that have engaged actively in ATI activities (e.g. number of presentations given in ATI events) 1.2a Number of ATI member countries 1.3a Number of high-level outcome documents in which the ATI and DRM are mentioned	1.1a 10 (2020) 1.2a 5 partner countries, 20 development partners (2020) 1.3b 0 (2020)	1.1a 100 (25 per year) (2025) 1.2a 35 partner countries, 23 development partners (2025) 1.3a 8 (2 per year) (2025)	1.1a Records and concept notes of ATI activities 1.2a ATI membership list, endorsement letters 1.3a Outcome documents of relevant international processes	DRM remains a political priority for decision-makers in ATI member countries Willingness of ATI partner countries and development partners to deliver on their commitments and implement necessary

						reforms
Outcome/outcome/output* 1b	ATI/NTO: 1b. Capacity of NTO to provide high-quality services is strengthened	1.1b Number of participants in NTO activities that confirm applicability of knowledge, disaggregated by sex 1.2b Number of products for tax administrations that were jointly developed by NTO members or scaled up from a single TO product for use by the whole NTO	1.1b 0 (no survey conducted) 1.2b 0 (no joint product)	1.1b 1 000 confirmed applicability (60% of participants respond to survey, 70% of surveys confirm applicability) (250 participants per year confirm applicability) 1.2b 4 (1 product jointly developed by NTO members per year) (2025)	1.1b Surveys among tax organisations and tax authorities participating in NTO activities 1.2b Records, concept notes and website articles about products, surveys about product's added value	Participants of NTO activities are in a position and ready to initiate, contribute to or implement change processes in their respective institutions
Output 2a	TADAT: Capacity of TADAT Secretariat to support high-quality TADATs is strengthened.	2a.1 Number of TADAT assessors trained. 2a.2 Number of analytical work/research projects based on TADAT assessment results 2a.3 Number of case studies that evaluate use and impact of TADAT framework	TBC (2021/2022 — May to April)	2a.1 At least 300 by end 2023 2a.2 b At least two analytical papers each year produced by TADAT Secretariat or in collaboration with other stakeholders 2a.3 At least four podcast or videocast programs a year featuring TADAT assessment beneficiary countries/entities	2a.1 TADAT annual reporting 2a.2 Records, TADAT annual reporting 2a.3 TADAT annual reporting	

Output3a **Output 3b**	DMFAS: Improved technical and functional capacity of debt management offices to record, process, monitor, disseminate, analyse and report country's public debt in a sustainable manner **DMFAS:** Improved capacity of DMFAS programme to deliver effective, efficient and sustainable responses to countries' needs.	3.1a DMFAS effectiveness indicators demonstrate improvements in national capacities 3.2a Percentage of DMFAS users reporting effectively to World Bank debt reporting system 3.3a Number of DMFAS user countries with links with treasury systems 3.4a Percentage of domestic debt under responsibility of debt office using DMFAS, as recorded in DMFAS	3.1a 43 countries meeting minimum (score C) PFM performance assessment (PEFA) requirements for DPI 13.1 3.2a 73% of DMFAS countries reporting to DRS 3.3a 23 user countries in 2020 3.4a 68% in 2020	3.1a 45 countries meeting minimum (score C) PEFA requirements for DPI 13.1 3.2a 92% of DMFAS countries reporting to DRS 3.3a 26 user countries in 2024 3.4a 76% in 2024	3.1a DMFAS annual reports and mid-term review — external evaluation 3.2a DEMPA scores 3.3a PEFA reports	Governments request UNCTAD's assistance to increase their debt management capacity. Adequate financing available for core operations and country projects Governments integrate debt in fiscal and macroeconomic frameworks Effective coordination between TA providers Adequate funding for internal improvement projects

Output 4a	ATI and TADAT: 4a Capacity of ATI and TADAT to reflect gender and climate considerations in tax administration assessments and best practices exchange increased	ATI/NTO: 4a.1 Percentage of events that are gender-sensitive 4a.2 No taxation and gender event per year 4a.3 Number of events organised to address climate and environmental issues 4a.4 TADAT: Gender-specific outcomes and performance measurement metrics in TADAT	ATI/NTO: 4a.1 2021: 0 4a.2 2021:0 4a.3 No taxation and environmental/climate event per year 4a.4 TADAT: No gender-based assessment criteria for the TADAT framework/field guide	ATI/NTO: 4a.1 100% of all events are gender-sensitive. 4a.2 At least one taxation and gender event per year 4a.3 At least one taxation and environmental/climate change event per year. 4a.4 TADAT: Yr. 1(2021/22) — develop specific gender-based assessment criteria for TADAT framework Yr. 2 (2022/23) — pilot TADAT-based gender assessment criteria in all assessments conducted during the year. Yr. 3 (2023/24) — incorporate gender-based specific assessment criteria / measurable dimensions in TADAT field guide.	4a.1 ATI/NTO reporting 4a.2 ATI/NTO reporting 4a.3 ATI/NTO reporting 4a.1 TADAT Thematic Fund reports to Steering Committee 4a.4 TADAT reporting	

*For output specifications, see Section 3.1.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing agreement

It is not envisaged that a financing agreement will be concluded with a partner country to implement this action.

4.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in Section 3.1 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date on which the Commission adopts this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation arrangements

The Commission will ensure compliance with the appropriate EU rules and procedures for providing financing to third parties, including review procedures, where appropriate, and EU restrictive measures[5].

4.3.1. Indirect management with a Member State organisation / international organisation

In application of the provisions of Financial Regulation[6] on indirect management, especially with regard to the article 154, as follows:

The ATI/NTO component of this action may be implemented in indirect management with GIZ, which has been selected on the basis that it is uniquely mandated to host the ATI and NTO secretariats.

The TADAT component may be implemented in indirect management with the IMF, which has been selected on the basis that it is mandated to host the TADAT Secretariat.

The DMFAS component may be implemented in indirect management with UNCTAD, which has been selected as it is mandated to run the DMFAS programme, a unique debt management and financial analysis system supporting partner countries in managing debt in a sustainable fashion.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility conditions (place of establishment for participating in procurement and grant award procedures; origin of supplies purchased), as established in the basic act and set out in the relevant contractual documents, apply, subject to the following provisions.

The Commission's authorising officer may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) of the NDICI-Global Europe Regulation).

4.5. Indicative budget

Indicative budget components	**EU contribution (EUR)**	**Third-party contribution (identify currency)**

5 www.sanctionsmap.eu. The sanctions map is an IT tool for identifying sanctions regimes. The data is based on legal acts published in the *Official Journal* (OJ). In the event of discrepancy between the published legal acts and the updates on the website, the OJ version prevails.

6 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012

Overall objective 1: The fairness and effectiveness of tax systems as a means to finance sustainable development have improved. Supporting ITC (ATI) and NTO Indirect management with GIZ	EUR 3 million	Germany (EUR 7.0 million)
Overall objective 2: TADAT contributes to strengthened tax administration systems and DRM efforts globally Supporting implementation of TADAT Indirect management with IMF	EUR 2 million	France (EUR 0.1 million) Germany (EUR 0.4 million) Japan (USD 0.1 million) Netherlands (USD 2.0 million) Norway (USD 1.2 million) Switzerland (USD 1.0 million) UK (USD 1.2 million) and complemented by international transfers (Japan USD 0.1 million, Switzerland USD 0.1 million, UK USD 0.3 million)
Overall objective 3: Strengthen governments' capacity to manage their debt effectively and sustainably, in support of poverty reduction, development and good governance. Supporting the DMFAS programme Indirect management with UNCTAD	EUR 2 million	Switzerland (USD 3 million) Netherlands (USD 1.65 million) Germany (USD 1.2 million) Ireland (USD 0.57 million) UNCTAD contribution (USD 3.26 million) user fees and contributions (USD 6.1 million)
Total estimated cost:	**EUR 7 million**	

The total estimated costs for all overall objectives include evaluation and audit.

4.6. Organisational details and responsibilities

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for the implementation of the action.

ATI activities are overseen by the ATI Steering Committee, which provides strategic guidance and monitors progress towards the goals in the 2025 ATI Declaration. The Steering Committee is responsible for pursuing the ATI's objectives. This includes approving the yearly work plans, ensuring that monitoring and reporting on the ATI commitments are on track, cooperating closely with the ATI Secretariat, consulting with the ATI members and approving the annual monitoring report.

The Steering Committee consists of representatives of three development partners and three partner countries. It is headed by two co-chairs, with one co-chair from a development partner and the other from a partner country. Its members serve for 1 year, renewable once. Currently, it consists of representatives from the Commission, Italy, Kenya, Madagascar, Sierra Leone and the UK.

The Steering Committee meets virtually and on an *ad hoc* basis. If necessary, other ATI member countries or supporting organisations can participate as observers. To ensure transparency, minutes are taken at all meetings and provided to all ATI members. The ATI Secretariat is facilitated by the ITC, which is based in Bonn, Germany. As such, the ITC is responsible for all activities, including support for the Steering Committee, outreach to potential new members, support for ATI members and the monitoring of the ATI commitments.

The **NTO** membership consists of a core group of participating tax networks (ATAF, CATA, CIAT, CREDAF and IOTA). The ATI and NTO secretariats make sure that the different objectives and work plans are consistent with the guidance provided by the ITC Steering Group.

TADAT is a partnership between the IMF, the World Bank and partners contributing to the TADAT initiative. The TADAT partners jointly establish the objective and scope of the TADAT programme, define the content of TADAT and criteria for its use, provide institutional support for its implementation and mobilise the necessary resources for its activities.

All financial contributions to the TADAT trust fund are paid into a multi-donor subaccount established by the IMF. This subaccount will be used to receive and disburse financial contributions for the sole use of financing activities under the work plan; all contributions will be commingled. The IMF will administer and account for all donor contributions in accordance with its financial regulations and other applicable IMF practices and procedures. It will provide donors with reports on the subaccount's expenditure and commitments. The operations and transactions conducted through the subaccount during the IMF's financial year will be audited as part of the IMF's framework administered account and the report of the external audit firm will be posted on the IMF's external website as part of its annual report. Separate reporting on the execution of the TADAT budget will also be provided at each Steering Committee meeting.

The TADAT programme is managed and implemented through a structure comprising the TADAT Steering Committee, which directs and monitors the programme, and the TADAT Secretariat, which implements the programme activities. The Secretariat is hosted by the IMF as a technical service to its members. Its structure and responsibilities are set out in the following sections and there is no change in these arrangements for phase II of the programme.

Guided by the Steering Committee, the TADAT Secretariat will plan, implement and oversee the day-to-day running of the TADAT programme. Its key responsibilities are to:

(i) provide secretarial support to the Steering Committee;

(ii) propose, for Steering Committee review and endorsement, an annual TADAT work plan and budget, as well as related operational strategies and procedures;

(iii) act as custodian of the TADAT brand, including managing a website (www.tadat.org);

(iv) set up and implement processes and procedures to help ensure the delivery of high-quality assessments, including through assessor training and other quality controls;

(v) consult and coordinate with TADAT partners and other stakeholders as needed;

(vi) report to the Steering Committee; and

(vii) represent TADAT externally, in consultation with the Steering Committee chair.

The **DMFAS** programme is managed by UNCTAD, which ensures its operational, day-to-day management. It is supervised by the Donors' Steering Committee, which meets every year, and the Advisory Group, which comprises representatives of the DMFAS user countries and meets every 2 years. The EU is on the Steering Committee and receives regular information on progress with implementation and other *ad hoc* requests. Relevant information concerning country operations and issues is shared with relevant Commission services.

Gender equality, climate sensitivity and human rights expertise will be ensured in the implementation of the action and will be integrated in relevant seminars and capacity building, where possible and applicable.

5. PERFORMANCE MEASUREMENT

5.1. MONITORING AND REPORTING

Roles and responsibilities for data collection, analysis and monitoring:

The day-to-day technical and financial monitoring of this action will be a continuous process and part of the implementing partner's responsibilities. For this, the implementing partner must establish a permanent internal, technical and financial monitoring system for the action and produce regular (not less than annual) progress reports and final reports. Every report must provide an accurate account of implementation of the action, difficulties encountered, changes introduced and 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). The report must 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 (narrative and financial) report will cover the entire period of action implementation.

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

A report on all ITC activities, including **ATI** and **NTO**, and summary financial statements will be prepared annually, in addition to a final report at the end of the action. Every report must provide an accurate account of implementation of the action, difficulties encountered, changes introduced and the degree of achievement of its results (outputs and direct outcomes), as measured by corresponding indicators, using as reference the logical framework matrix. The final (narrative and financial) report will cover the entire period of action implementation. The ITC will commission external audits annually to provide the annual financial report with audited statements.

After 3 years of operations under phase II of the **TADAT** programme (starting in 2019/2020), an independent evaluation of the work under the Thematic Fund will be conducted. External experts will assess the effectiveness of the work and formulate recommendations. The findings will inform discussions on operations for the remainder of the implementation for the thematic fund. The IMF will propose terms of reference, methodology and performance indicators for endorsement by the Steering Committee.

DMFAS annual reports are prepared and presented to the Steering Committee. A logical framework and performance indicators ensure that programme results are monitored. In addition, programme performance is reported to the DMFAS Advisory Group, a group of DMFAS users in partner countries. A mid-term review report is planned for 2022.

Gender-specific data will be collected on the development capacities of the DMFAS programme at project and implementation level. In monitoring and evaluating gender mainstreaming, the programme reports on a yearly basis, at project and programme level, on the participation of men and women in DMFAS training events. Similarly, the ATI and NTO commit to collecting gender-sensitive data on participants in their events.

Monitoring and evaluation will take into account gender equality results and implementation of a human rights-based approach in working method principles. Key stakeholders will be involved in the monitoring process as appropriate.

5.2. EVALUATION

The evaluation reports will be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination[7]. The implementing partner and the Commission will 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 appropriate, the reorientation of the project.

Specific measures for evaluation include a report on all ITC activities, including **ATI** and **NTO**, and summary financial statements will be prepared annually, as well as a final report at the end of the action (see Section 5.1). An evaluation will also be produced by an external contractor.

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7 See best practice of evaluation dissemination.

An independent evaluation of the **TADAT** programme will be conducted after 3 years of phase II operations (starting in 2019/2020) under the thematic fund, with external experts assessing the effectiveness of the work and formulating recommendations (see Section 5.1).

Yearly work and financial plans will be prepared by the **DMFAS programme** and submitted to the donors. This will be complemented by an external evaluation.

5.3. AUDIT AND VERIFICATIONS

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 will be covered by another measure constituting a financing decision.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will involve a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials relating to the actions concerned. This obligation will continue to apply, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States.

However, action documents for specific sectoral programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in cooperation facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

APPENDIX 1: REPORTING IN OPSYS

An intervention (also referred to as a ‘project’ or ‘programme’) is the operational entity associated with a coherent set of activities and results structured in a logical framework and aimed at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the Commission’s operational follow-up of its external development operations. As such, they constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary interventions are contracts or groups of contracts producing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other reportable-result contracts is considered a ‘support entity’. The sum of all primary interventions and support entities is equivalent to the full development portfolio of the institution.

Primary interventions are identified during the design of each action by the responsible service (Delegation or HQ operational unit).

The level of the primary intervention is set in the relevant action document and is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left-hand column one of the three options for the level of definition of the primary intervention(s) identified in this action.

In the case of ‘Group of actions level’, add references to this action and other actions concerning the same primary intervention.

In the case of ‘Contract level’, add the reference to the corresponding budgetary items in point 4.5 (Indicative budget).

Option 1: Action level		
☐	Single action	
Option 2: Group of actions level		
☐	Group of actions	
Option 3: Contract level		
☒	Single contract 1	**Specific objective 1:** The fairness and effectiveness of tax systems have improved. Managed though indirect management with **GIZ**
☒	Single contract 2	**Specific objective 2:** Tax administration systems are strengthened globally through TADAT. Managed through indirect management with the **IMF**
☒	Single contract 3	**Specific objective 3:** Strengthen governments’ capacity to manage their debt effectively and sustainably, in support of poverty reduction, development and good governance. Managed through indirect management with **UNCTAD**
☐	Group of contracts 1	