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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX 2

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

Action Document for Contribution to monitoring results using innovative technology for selected countries in Sub-Saharan Africa

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

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Contribution to monitoring results using innovative technology for selected countries in sub-Saharan Africa CRIS 43544 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe initiative	No
3. Zone benefitting from the action	Sub-Saharan Africa.
4. Programming document	‘Global challenges’ multiannual indicative programme (2021-2027)
5. Link with relevant MIP(s) objectives / expected results	‘Partnerships’ pillar, specific objective 1: Enhanced global and multilateral partnerships Expected result 6: Capacity-building support for developing countries, including least developed countries and small island developing states, is enhanced to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographical location and other characteristics relevant in national contexts
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Strategic partnership on building evidence for development impact — ‘global challenges — partnerships’
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): 17.18 Other significant SDGs: 5 and 10
8 a) DAC code(s)	16062 Statistical capacity building
8 b) Main Delivery Channel @	Private sector institution 60000

9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and human development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human rights, democracy and governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girls' empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster risk reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity @ Tags: transport people2people	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	energy digital connectivity		<input type="checkbox"/>	<input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BUDGET INFORMATION

12. Amounts concerned	Budget line(s) (article, item): 14.020243 Total estimated cost: EUR 2 million Total amount of EU budget contribution: EUR 2 million The contribution is for an amount of EUR 2 million from the general budget of the Union for 2021, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget.
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MANAGEMENT AND IMPLEMENTATION

13. Type of financing	Direct management through the award of a grant agreement

1.2 SUMMARY of the Action

The action will expand and consolidate an ongoing pilot involving about 200 women-led SMEs in Ghana and Kenya, and pave the way for important technological improvements to the monitoring of interventions worldwide that will upgrade the evidence base used to guide policy decisions. The support will help to pilot the use of the highly innovative blockchain technology to monitor the results of the lending activities of the Women Impact Fund in favour of women-led MSMEs in 10 African countries. This technology will permit direct tamper-proof results reporting by the beneficiary (instead of the implementing partner). In addition, the results data to be collected on job creation is of an unprecedented richness, both in terms of periodicity (i.e. monthly, as opposed to annual) and scope (indirect and direct job creation). This data will complement other efforts to estimate the job creation impact of EFSD+ interventions. The action will contribute mainly to SDG 17 ('strengthen technology') and innovation capacity for least developed countries, and enhance the use of enabling technology, in particular information and communications technology. It will contribute to SDG 5 ('gender equality') and SDG 10 to reduce inequality.

2 RATIONALE

2.1 CONTEXT

The action is aimed at strengthening the role of the EU as a leading global actor in actively promoting a culture of evidence-based policy-making and fostering strategic partnership in this field. It will test and promote the use of innovative technology to measure the dynamic impact of interventions linked to the policy priorities of equal opportunities for women, job creation in Africa (particularly for women) and reduced inequalities. It contributes to SDGs 17, 5 and 10. Subsequently, the tools can be used to measure the dynamic impact of interventions in other sectors and geographical areas.

Measuring the impact of external assistance is key to achieving a number of EU objectives. This was most recently reaffirmed in a Communication on EU budget performance¹, aimed at fostering the use of relevant and reliable performance data. In a 2019 special report, the Court of Auditors² found that low data quality in budget support resulted in weaknesses in some indicators.

The EU is recognised as a key provider of funding for research. The action will help to consolidate this role while reinforcing our action in shaping innovative approaches in selected areas consistent with EU priorities. More specifically, the improved data on job creation will complement efforts under the Strengthen2 programme to improve the measurement/estimation of the job creation impact of EFSD+ interventions and to develop a methodology that can be adopted by the community of financial institutions with which the Commission collaborates.

2.2 PROBLEM ANALYSIS

1. *Reliability of results data collected at intervention level*

Results data is collected and reported by implementing partners. This involves the encoding and storing of data in spreadsheets and the transfer of data between spreadsheets, which is prone to human error. This action uses blockchain technology to enable beneficiaries to report results data directly. Once the results have been reported onto the blockchain, they are immutable, thus ensuring the accuracy of the database.

2. *Possibility of employment results data collection at intervention level*

Job creation is an important objective of numerous interventions. These interventions involve direct, indirect and induced job creation. Direct job creation corresponds to the jobs created by the beneficiaries of the intervention. This is the only component of job creation that can be monitored currently. Indirect job creation corresponds to the jobs created by the beneficiaries' suppliers. This component has not been observable previously, so it has been estimated using models. It is thought to represent far more jobs than the direct component, but data has never been collected. This action includes a mechanism to incentivise the beneficiaries' suppliers to participate in the results data reporting process directly on the blockchain.

3. *Frequency of results data collection at intervention level*

Results data collection and reporting is typically carried out annually. However, this limits our understanding of the dynamic effects of our interventions on specific results. This is particularly problematic for job creation, because anecdotal evidence points to significant variations within the year that would be completely missed by annual observations. This action includes results data reporting on a monthly basis.

An objective scoring methodology that balances quantifiable factors such as founder experience and track record, sector of operation, financial performance and investment thesis with other selection criteria (including psychometric measures) could reduce bias and enhance the chances of selecting women entrepreneurs for financing.

The action will enhance country processes for better gender equality and women's empowerment.

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

The main stakeholders will be the women entrepreneurs targeted by the programme. Other potential stakeholders are investment funds interested in expanding financial opportunity for women-led SMEs in Africa. The pilot may also offer synergies with the future EFSD+ operations.

3 DESCRIPTION OF ACTION

3.1 OBJECTIVES AND EXPECTED OUTPUTS

The overall objective (impact) of this action is to facilitate global knowledge exchange, partnerships and capacity building, while promoting gender equality and women's empowerment.

¹ [Communication on the EU budget performance framework 2021-2027 | European Commission \(europa.eu\)](#)

² [Special Report No 25/2019: Data quality in budget support: weaknesses in some indicators and in the verification of the payment for variable tranches \(europa.eu\)](#)

The specific(s) objective is to:

1. increase the reliability of results data on women entrepreneurs.

The outputs to be delivered by this action contributing to the corresponding specific objectives (outcomes) are:

- 1.1 a monitoring system in which the beneficiaries (and their suppliers) report results directly onto the blockchain;
- 1.2 monitoring data on indirect job creation;
- 1.3 monthly results data.

3.2 INDICATIVE ACTIVITIES

Activities relating to output 1.1:

Development of a monitoring system in which the beneficiaries (and their suppliers) report results directly onto the blockchain

Activities relating to output 1.2:

Development and implementation of a mechanism to incentivise beneficiaries' suppliers to participate in the results data reporting process.

Activities relating to output 1.3:

Implementation of the monitoring system that collects results data on a monthly basis

3.3 MAINSTREAMING

As per the OECD gender DAC codes identified in Section 1.1, this action is labelled as G1. The core activity is to promote an innovative process in collecting data for results, but is applied to women entrepreneurs.

3.4 RISKS AND LESSONS LEARNT

Category	Risks	Likelihood (high/medium/low)	Impact (high/medium/low)	Mitigating measures
2 - planning, processes and systems	Too many beneficiaries might not have direct access to blockchain and therefore depend on implementing partner for reporting results	Medium	Medium	Strengthen selection process to identify target entrepreneur
2 - planning, processes and systems	Too many suppliers of beneficiaries might not accept invitation to contribute to results reporting process.	Medium	Medium	Possible cash bonus to invite participation of suppliers Planned information campaign with facilitators

Lessons learnt:

The action will built on current pilot targeting 200 SMEs in Ghana and Kenya to create a digital footprint for women-led SMEs.

3.5 INTERVENTION LOGIC

The underlying intervention logic for this action is that using blockchain technology will resolve a number of technical issues limiting the reliability and quality of monitoring data. Better monitoring data means an improved evidence base for project design and policy-making, thus increasing the impact of EU external cooperation and assistance. This action will enable the EU to position itself as a leader in this emerging domain by strengthening partnership and dialogue with key development partners.

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	To facilitate global knowledge exchange, partnerships and capacity building	1 Number of use cases of tools mobilised to share project results	1 zero (2020)	1 to be confirmed at start of operations	1 project monitoring system	<i>Not applicable</i>
Outcome 1	1 Increased reliability of results data	1.1	1.1	1.1	1.1	
Outcome 2	2 Improved understanding of dynamics of job creation	2.1 quality of discussion on lessons learned regarding dynamics of job creation in final evaluation for project	2.1 not applicable	2.1 discussion includes clear analysis of how monthly data has (not) confirmed understanding of job creation underlying project design	2.1 project evaluation	
Output 1 (relating to outcome 1)	1.1 a monitoring system developed in which beneficiaries (and their suppliers) report results directly onto the blockchain	1.1.1 status of blockchain-based monitoring system 1.1.2 percentage of beneficiaries reporting directly onto blockchain	1.1.1 non-existent (2020) 1.1.2 zero (2020)	1.1.1 fully operational 1.1.2 to be confirmed at start of operations	1.1.1 project monitoring system 1.1.2 project monitoring system	
Output 1 (relating to outcome 2)	2.1 monitoring data on indirect job creation generated	2.1.1 number of suppliers of beneficiaries reporting results data 2.1.2 percentage of suppliers of beneficiaries reporting directly onto blockchain	2.1.1 zero (2020) 2.1.2 0% (2020)	2.1.1 to be confirmed at start of operations 2.1.2 to be confirmed at start of operations	2.1.1 project monitoring system 2.1.2 project monitoring system	

Output 2 (relating to outcome 2)	2.2 monthly results data collected	2.2.1 median lapse between data reports by beneficiaries 2.2.2 median lapse between data reports by suppliers of beneficiaries	2.2.1 to be measured at end of first year of operations 2.2.2 to be measured at end of first year of operations	2.2.1 monthly 2.2.2 monthly	2.2.1 project monitoring system 2.2.2 project monitoring system	
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4 IMPLEMENTATION ARRANGEMENTS

4.1 FINANCING AGREEMENT

It is not envisaged that a financing agreement will be concluded with partner countries 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 will be carried out and the corresponding contracts and agreements implemented, is 24 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 measures³.

4.3.1 Direct management (grants)

In accordance with art 195 e), a direct grant might be the most realistic option in view of the research-based, innovative and pilot character of the action. The action is based on an original proposal drawn up by a prospective applicant that has already identified an initial sample of 200 women-led SMEs in Ghana and Kenya. The sample will be extended to 10 African countries. The proposal was outlined at a high-level European Investment Bank (EIB) seminar in March 2021 on innovative ways to assess impact measurement. The prospective grantee has multiple offices in Africa, with significant coverage of the continent.

The innovative character rests on the technology used (blockchain) and its application to credit rating (which will prevent fraud) and the scope: assessing job creation based on data provided by beneficiaries. This will pave the way for more robust assessment of job creation through investment in Africa, a key objective of EFSD+. Should direct award not be possible, a call for proposals will be considered.

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.

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).

³ 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 prevails.

4.5 INDICATIVE BUDGET

Indicative budget components	EU contribution (EUR)
Implementation modalities — see Section 4.3	
Grant (direct management) — see Section 4.3.1	
[Objective/outputs] development framework and data quality testing in 1 SSA country	300 000
[Objective/outputs] <Roll out data collection in 10 SSA countries name 3>	1 650 000
Grant — total envelope under Section 4.3.1	1 950 000
Evaluation — see Section 5.2 Audit — see Section 5.3	will be covered by another decision
Contingencies	50 000
Totals	2 000 000

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.

5 PERFORMANCE MEASUREMENT

5.1 MONITORING AND REPORTING

The day-to-day technical and financial monitoring of this action will be a continuous process and part of the implementing partner's responsibilities. To this end, 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 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).

5.2 EVALUATION

In view of the nature of this action, a final evaluation will not be carried out for the action.

The Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons at its own initiative or that of the partner.

If an evaluation is undertaken, the evaluation reports must be shared with the development partner and other key stakeholders following the best practice of evaluation dissemination⁴.

⁴ See best [practice of evaluation dissemination](#).

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 audit or verification assignments for one or several contracts or agreements.

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.

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Contract level		
<input checked="" type="checkbox"/>	Single contract 1	Direct management
	(...)	