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ANNEX II

of the Commission Implementing Decision on the financing of the 2020 Annual Action Programme for the Thematic Programme on Global Public Goods and Challenges in the area of Migration and Asylum to be financed from the general budget of the Union

Action document for “Supporting hosting communities and integration of Venezuelan refugees”

ANNUAL PROGRAMME

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation No 236/2014.

1. Title/basic act/CRIS number	Supporting hosting communities and integration of Venezuelan refugees CRIS number: MIGR/2020/042-705 financed under the Development Cooperation Instrument (DCI)	
2. Zone benefiting from the action/location	Latin America and the Caribbean The action will be carried out at the following location: Colombia, Peru and Ecuador	
3. Programming document	Multiannual Indicative Programme 2018-2020 for the Development Cooperation Instrument Global Public Goods and Challenges programme ¹	
4. Sustainable Development Goals (SDGs)	Overall objective to ‘leave no-one behind’; primarily SDG target 10.7 (migration), as well SDGs 3.8 (health coverage), 4.3 (access to education), 5 (gender equality), 8.8 (employment) and 16.7 and 16.b (inclusive decision-making, non-discrimination)	
5. Sector of intervention/ thematic area	Migration and Asylum	DEV. Assistance: YES
6. Amounts concerned	Total estimated cost: EUR 27 605 000 Total amount of EU budget contribution: EUR 27 500 000 This action will benefit from joint co-financing by:	

¹ Commission Implementing Decision C(2018) 4919 final of 30.7.2018.

	<p>- UNDP for an amount of EUR 75 000; - Ayuda en Acción for an amount of EUR 30 000.</p>			
7. Aid modalities and implementation modalities	<p>Project modality Direct management through: - Grants</p> <p>Indirect management with United Nations Development Programme (UNDP)</p> <p>Blending (indirect management) The contribution to the Regional Blending Facility will be implemented in indirect management by the entities indicated in the appendix to this action document, in accordance with the Regional Blending Facility award procedure.</p>			
8 a) DAC code(s)	15190 Facilitation of orderly, safe, regular and responsible migration and mobility			
b) Main delivery channel	13000 - THIRD COUNTRY GOVERNMENT (DELEGATED COOPERATION) 40000 - MULTILATERAL ORGANISATIONS 20000 - NON-GOVERNMENTAL ORGANISATIONS (NGOs) AND CIVIL SOCIETY 21000 - INTERNATIONAL NGO			
9. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	X	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with disabilities	X	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>

10. Internal markers	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation	X		
	Migration			X
11. Global Public Goods and Challenges (GPGC) thematic flagship	N/A			

SUMMARY

The region is facing the largest mass population movement in its history. The number of Venezuelans abroad rose from 700 000 in 2015 to 3 million in 2018 and to over 4.5 million migrants by the end of 2019 (close to 20% of Venezuela’s population). The number of Venezuelans who have left the country is expected to reach 6.5 million by the end of 2020, 5.5 million of who will remain in the region, moving mainly to neighbouring countries such as Colombia, Ecuador and Brazil, but also Peru, Chile, Argentina, North and Central America, and the Caribbean islands. While most displaced Venezuelans would qualify for international protection, they are registered under various statuses, including as economic migrants, and will be referred to as ‘migrants’ and ‘refugees’ in this document.

The crisis has created significant short-term challenges due to pressure on services and housing and has caused tension with the local population. Many of these neighbouring countries are also going through a period of political and social instability, and this is aggravated by the arrival of hundreds of thousands of displaced Venezuelans. The total cost to cover the needs of Venezuelans in Colombia in 2019 was estimated at USD 1.5 billion. None of the countries in the region is in a position to cope with the massive influx of new arrivals in very vulnerable situations. The COVID -19 crisis has aggravated significantly the problems, particularly affecting the most vulnerable social groups in the affected countries, including Venezuelan migrants and refugees.

The migration crisis has become a political priority for these countries. Upon the request of the affected countries, the EU, together with the International Organization for Migration (IOM) and United Nations High Commissioner for Refugees (UNHCR), organised the International Solidarity Conference on the Venezuelan refugee and migrant crisis in October 2019. One of the conference’s conclusions was the need to mobilise substantial additional support and it was decided to organise a pledging conference for the region in the first half of 2020. This led to the International Pledging Conference on the Venezuelan Refugee and Migrant Crisis, co-organised by Spain, the EU, UNHCR and IOM on 26 May 2020, which mobilised over EUR 2.5 billion in funding for the crisis (of which EUR 600 million in grants).

The magnitude of the displacement crisis, which has reached a similar scale to the one created by the civil war in Syria, but benefits from much lower levels of funding for the affected countries, calls for the use of a variety of tools, including financial ones. Financial instruments are a powerful tool for supporting policy objectives, and blending (i.e. mixing EU grants, equity or guarantees with loans from financial institutions) can increase the impact and reach of the support. At city level, investment in social infrastructure is needed to address longer-term integration challenges. However, cities often lack the fiscal space to borrow and rely on political support from national governments to access external financing and to generate their own financial resources through transfer of resources. By providing grants to partner financial institutions, the EU can support comprehensive social infrastructure projects or employment policies, and can also attract investment by the private sector by reducing the perception of risk.

The proposed action aims to support the local integration and human rights realization of refugees and migrants from Venezuela in Colombia, Peru and Ecuador, and to relieve the financial and social stress on the hosting communities. It will broaden and deepen EU support to the host countries in terms of access to social services for refugees and migrants from Venezuela providing technical assistance to urban local authorities in designing a response strategy that is fully integrated into existing urban strategies, particularly on health services, education, and housing and tenure. The action will also support local services, in particular: (i) psychosocial and legal support for the regularisation of migrants' and refugees' legal situation; (ii) children's access to the educational system; (iii) detection and referring of gender-based violence cases to the protection system; (iv) building entrepreneurial skills among migrants and refugees and assisting in the development of business plans; (v) access to financial services and marketing platforms; and (vi) developing competency profiles adapted to the jobs on offer, as well as adapting training plans to the needs of these profiles, including both technical and soft skills in coordination with Chambers of Commerce and Production, the private sector and the Ministry of Labour. Foreseen activities will also raise awareness of the particular situation of migrant/refugee populations, including those in the most vulnerable situations, support campaigns against xenophobia and discrimination, prevent and mitigate community conflict, promote positive interaction between communities, including through sport and cultural activities, and where necessary support the establishment of communal spaces.

The action is in line with the commitments of the Global Compact on Refugees as well as the "Regional Refugee and Migrant Response Plan" (RMRP), the response platform and the IOM/UNHCR action supported by the Joint UNHCR-IOM Special Representative for Venezuelan refugees and migrants. The 2020 RMRP requested USD 1 350 million in support for 4 million people in need, covering both Venezuelan migrants and refugees and the host communities.

The proposed modalities would enable the support of a number of projects in the countries most affected by the Venezuelan migratory crisis taking the following approaches:

- 1) For Colombia and Peru, projects will be implemented through a Regional Blending Facility award procedure. The implementing international financial institutions will be selected at a later stage in line with the Latin America Investment Facility (LAIF) procedures. The Directorate-

General for International Cooperation and Development in charge of the LAIF Blending Facility is currently receiving proposals from different European and Regional development financial institutions.

2) For Ecuador, due to its particular national characteristics, the action will comprise institutional policy support and local interventions. This will allow the operationalization of the nexus between humanitarian and development interventions through the socio-economic integration of migrants and refugees at local level. The action will be implemented in indirect management by UNDP for the institutional support, and a direct award to a consortium of International NGOs led by “Ayuda en Acción”, in the most affected provinces where they have an extensive work experience both in humanitarian assistance and development.

This action will be implemented in a COVID-19 context and adapted as necessary for a successful completion.

1 CONTEXT ANALYSIS

1.1 Context Description

Venezuela’s socioeconomic situation is deteriorating significantly, as illustrated by growing food insecurity and a massive resurgence of malaria cases. The country is further debilitated by political instability, violations of fundamental rights, including the right to peacefully demonstrate, as well as violence and insecurity, notably in mining and border areas. The results of the May 2018 elections confirming Nicolas Maduro as President were not recognised by the vast majority of Latin American countries, the United States, or the EU and its Member States. The political conflict and humanitarian crisis are unlikely to be resolved in the short-term, with an increasing polarisation of the Venezuelan society. Diplomatic initiatives combined with economic pressure have not succeeded in helping to resolve the political crisis to date.

Political and economic turmoil and outward migration have had an increasingly destabilising effect in the region. Examples of this include: (i) the recent suspension of Brazil’s Community of Latin American and Caribbean States membership that makes explicit reference to Venezuela in its justification letter; (ii) the strain on Colombia’s fragile peace process exacerbated by more than 1.8 million migrants and refugees and the insecurity in border areas; and (iii) the recent rise of radical/extremist parties in Peru that campaigned strongly against migration from Venezuela and obtained more than a third of the seats in the National Parliament in the January 2020 election.

The number of Venezuelans abroad rose from 700 000 in 2015 to 3 million in 2018 and to 4.5 million migrants in 2019 (close to 20% of Venezuela’s population), causing the largest and swiftest mass migration in Latin America’s history. Venezuela’s GDP is estimated to have shrunk by 75% over the past 4 years, with a further reduction of 39% preliminarily estimated for 2019. Venezuelans who have already left the country say they are likely to remain displaced for many years to come.

The number of Venezuelans that have left the country is expected to reach 6.5 million by the end of 2020, 5.5 million of who will remain in the region moving mainly to neighbouring countries such as Colombia, Ecuador and Brazil, but also Peru, Chile, Argentina, North and Central

America, and the Caribbean islands. Some have found residence in Northern America or in Europe (Spain and Portugal in particular). In Colombia, the number also includes 400 000 Colombian returnees who had fled violence in Colombia, as well as numerous families of mixed Venezuelan and Colombian nationality. The legal status of Venezuelans varies across and within the countries in the region, which can determine their rights to work and to access basic services. A positive example is Colombia's decision in August 2019 to grant nationality status to Venezuelan babies born inside the country after their parents fled across the border.

The impact of the migration crisis on countries in the region is significant. The three Latin American countries most affected by the massive influx of Venezuelan refugees and migrants are Colombia, accounting for almost 1.8 million migrants and refugees, followed by Peru, with 861 000, and Ecuador with 366 596. Argentina, Brazil and Chile also host sizeable populations. In the case of neighbouring Caribbean islands, due to their small size, the proportion of Venezuelan migrants and refugees relative to the total population is very high, especially in Trinidad and Tobago.

The hosting capacities of the most affected countries are under heavy stress. The overall registration process of migrants is often inaccurate due to illegal crossings and limited capacities for registration. The main obstacles to Venezuelan migrants' integration are a lack of access to job opportunities, housing and sustainable livelihoods. Many Venezuelans earn a living as informal street vendors or garbage recyclers and have severe housing problems. The situation disproportionately affects Venezuelan women, as they are more exposed to high levels of gender-based violence and other types of abuse while remaining the primary care givers for children in a context of food scarcity and limited access to basic services². Informal border crossings and lack of documentation make migrants particularly vulnerable. Indigenous migrant communities face additional challenges due to cultural and language barriers.

The situation has led to increasing levels of vulnerability, xenophobia and conflicts with the already very vulnerable host communities. Criminal organisations responsible for human trafficking and commercial sexual exploitation are taking advantage of displaced people, particularly women and children. It is vital to ensure that any action will not exacerbate the tensions between host communities and migrants.

The situation is largely constantly evolving and decisions in one country (e.g. the introduction of a visa requirement or changes in residence permits) have had repercussions on overall movements. Movements towards the Southern Cone also indicate that many consider returning home within the near future to be unlikely. Given their proximity, islands in the Caribbean continue to attract Venezuelans. In all recipient countries, urban centres attract the most Venezuelans as they offer better economic opportunities. Latin America is already the world's most urbanised continent with more than 80% of the population living in cities.

The COVID-19 outbreak will further deteriorate the already delicate situation in the countries of the region. The substantial health and economic consequences of the emerging crisis are likely to affect refugees and migrants who remain most vulnerable in terms of access to basic services and economic opportunities, particularly women, children and indigenous people. Colombia's closure of the border to Venezuela on 14 March 2020 as part of its measures to stem

² <https://reliefweb.int/report/colombia/care-rapid-gender-analysis-latin-america-caribbean-venezuelan-migrants-refugees>

the spread of the pandemic put at least a temporary stop to its open border policy towards Venezuelan refugees and migrants, and forced those wanting to leave to resort to irregular channels.

1.2 Policy Framework (Global, EU)

The EU has been at the forefront of pushing forward comprehensive, development-led responses to forced displacement, as shown in its approach set out in the 2016 Communication ‘Lives in Dignity’³ and confirmed in the European Consensus on Development. As such, the EU assists many host countries worldwide in supporting the socioeconomic inclusion of forcibly displaced people and the resilience of host communities. This action would extend this approach to the Americas. On local actors, the Communication stressed: *‘Close cooperation with local authorities as well as longer-term investment in their response capacity is crucial to ensure local ownership and the sustainability of the response. The most innovative approaches are developed at this level, such as cooperation between cities to boost capacity in areas like urban planning, local economic development and service delivery.’*

The action is in line with the commitments of the Global Compact on Refugees⁴ *‘Local authorities and other local actors in both urban and rural settings, including local community leaders and traditional community governance institutions, are often first responders to large-scale refugee situations, and among the actors that experience the most significant impact over the medium term. In consultation with national authorities and in respect of relevant legal frameworks, support by the international community as a whole may be provided to strengthen institutional capacities, infrastructure and accommodation at local level, including through funding and capacity development where appropriate’* (para 37.). The action also meets Objective 16 of the Global Compact for Safe, Orderly and Regular Migration⁵, empowering migrants and societies to realise full inclusion and social cohesion, *‘in line with the acknowledgement that fully integrated migrants are better positioned to contribute to Prosperity’*. This involves the establishment of *‘programmes at the local level to facilitate migrant participation in the receiving society’*.

Moreover, the Council Conclusions of June 2018 on EU Cooperation with Cities and Local Authorities in Third Countries⁶ recognised the relevance of urban settings and urban challenges in humanitarian crises, and the need for sound humanitarian and development approaches linking sustainable development solutions, urban planning and resilience. The Conclusions provide the policy framework for reinforced dialogue with local authorities and other urban actors (planners, etc.) in crisis and disaster preparedness contexts, and the mainstreaming of vulnerable groups in EU support to cities and local authorities.

In the joint Communication ‘European Union, Latin America and the Caribbean: joining forces for a common future’ (16 April 2019)⁷, the EU calls to *‘step up cooperation on migration and mobility, including within the framework of the United Nations’*, with the aim of forming partnerships to increase resilience to ensure social cohesion, which is one of the four priorities of

³ COM(2016) 234 final.

⁴ A/73/12 (Part II).

⁵ A/73/L.66.

⁶ 10319/18 EU cooperation with cities and local authorities in third countries – Council conclusions (25 June 2018)

⁷ Joint Communication to the European Parliament and the Council of the European Union, ‘Latin America and the Caribbean: joining forces for a common future’ JOIN(2019)6 final.

the new strategy. In this regard, the Communication specifically recognises the impact that the crisis in Venezuela has had in Latin America.

In 2018-2019 the EU mobilised EUR 172 million in response to the Venezuela regional displacement crisis (Venezuela Compact, bringing together humanitarian assistance with stabilisation and development actions). Since 2018, DG DEVCO actions have focused on reducing social tensions and violence, protecting the people displaced by the crisis in the most affected regions, and food security and nutrition, water, sanitation and hygiene within the country, as well as the socioeconomic inclusion of migrants and refugees. In addition to the Compact, other bilateral, regional or thematic projects will help with the response to the regional migration crisis (EUROFRONT, EUROSOCIAL, LAIF and MIEUX). The EU approach is comprehensive and balanced and addresses all aspects of migration and forced displacement, and the EU is committed to putting it into practice in a spirit of genuine partnership and shared responsibility, in full respect of international law - including international human rights law, and taking into account the division of competences between different levels of government.

The EU has notably supported local/urban integration through the first two phases of the ‘Cities of solidarity’ (EUR 16 million) programme implemented in several countries in the region. The proposed action would broaden and deepen the EU support to the countries hosting refugees and migrants, in this and other identified thematic areas where the needs are considerable. In addition, the Latin American Investment Facility (LAIF) Board has endorsed a EUR 10 million Inter-American Development Bank (IDB) proposal for the project ‘Fiscal and Public Investment Expenditure Strengthening Program for Municipalities: Strategies for Rapid Socio-Urban Integration of Migrants in Colombian Cities’⁸ to strengthen the capacity of the Colombian metropolitan areas receiving Venezuelan migrants to integrate newcomers effectively.

The action will respond to the 2030 Agenda’s call to leave no-one behind and to manage the movement of migrants and refugees well. It should also support the paradigm shift initiated by the New York Declaration and carried forward under the Global Compacts on Migration and Refugees, where local authorities are identified as key stakeholders.

The action will also contribute to the Gender Action Plan II (2014-2020), specifically the objectives related to gender-based violence in crisis situations, equal access to education and access to decent work.

1.3 Public Policy Analysis of the partner country/region

Latin America has very progressive policies on human mobility including asylum. Numerous agreements on free movement, the 1984 Cartagena Declaration (translated into legislation of 15 countries in the region), the 2002 Mercosur Residence Agreement, several Andean Community normative instruments (‘Decisiones’) and the 2014 Brazil Declaration and Plan of Action are an expression of the region’s leadership in fostering regional and integrated responses to migration and asylum. At an event in October 2017 to take stock of the Brazil Plan of Action, States issued the ‘100 points of Brasilia’ in response to the consultations on the Global Compact on Refugees. In it, States reiterated their ‘commitment to regional solidarity, south-south cooperation and shared responsibility to find effective and predictable responses to the humanitarian needs of displaced persons, asylum-seekers, refugees and stateless persons’. Many of the good

⁸ The project is in the contracting phase and was endorsed by the DCI Blending Board on 18 October 2019.

practices highlighted relate to local integration. The important role of local authorities is also recognised.

Latin American and Caribbean countries adopted a road map to facilitate the integration of refugees and migrants from Venezuela. The road map was adopted during the fourth international technical meeting of the Quito Process. The partners set up a regional coordination platform, under which the International Organization for Migration (IOM) and United Nations High Commissioner for Refugees (UNHCR) launched their emergency plan for refugees and migrants from Venezuela (RMRP) in December 2019.

Of the people that are entitled to protection under the 1984 Cartagena declaration and the 1951 Convention on Status of Refugees, few have filed asylum claims. Since 2014, some 650 500 asylum claims have been lodged by Venezuelans - over 250 000 in 2019 alone. Under general migration legislation or special measures, 2 million Venezuelans have achieved regular status so far. Both refugee and other residence permits generally guarantee the right to work, to health and education, and to freedom of movement, as well as the right to start a business and the possibility to access social protection schemes. However, many Venezuelans still do not have a regular status and some do not even possess passports or other documentation as it is not always available in Venezuela.

1.4 Stakeholder analysis

In all targeted countries, key stakeholders will include:

- migrants and refugees and their host communities as beneficiaries of the action, including women and children, and people from indigenous communities;
- municipal authorities, notably departments for migration/refugee affairs, social protection and service delivery;
- education and vocational training agencies;
- territorial and urban planning departments;
- institutions providing financing to micro, small and medium enterprises (MSMEs) and micro-financers;
- local and regional authorities;
- associations of local authorities, both national and regional, having information on key challenges and able to act as multipliers for sharing good practices;
- local, national and international civil society organisations, notably those focusing on urban development, human or migrant rights, gender equality, and private sector actors;
- line ministries for migration, refugee and development affairs and decentralisation/local governance, and for women's rights/gender;
- the Regional Inter-Agency Coordination Platform⁹: UN and international agencies active in the migration, forced displacement and migrants integration, notably UNHCR, IOM, International Labour Organization, UNDP and the IDB;

⁹ The Regional Inter-Agency Coordination Platform was established at the request of the UN Secretary-General to UNHCR and IOM on 12 April 2018, to lead and coordinate the response to refugees and migrants from Venezuela.

- at regional level - the Organization of American States(OAS) and the Lima Group that brings together 17 States in the region to address the crisis in Venezuela, and the Pan-American Health Organisation.

1.5 Problem analysis/priority areas for support

Venezuela’s neighbouring countries were already experiencing political and social instability which was seriously aggravated by the arrival of hundreds of thousands of displaced Venezuelans and - in 2020 - the COVID-19 outbreak. The total cost to cover the needs of Venezuelans in Colombia in 2019 was estimated at USD 1.5 billion and in Peru at 0.5% of GDP. The UN issued a regional refugee and migrant response plan (RMRP) for 2020 calling for USD 1 350 million to assist 4 million people in need, both Venezuelan migrants and refugees and host communities. It is severely unfunded at the time of drafting (March 2020).

The large-scale arrival of Venezuelans has overwhelmed local - and to some extent - national response capacity. An increase in demand has caused pressure on basic services, notably education and health, and the identification of particular vulnerabilities, such as those related to human trafficking and exploitation. Xenophobic incidents are rampant.

	Number of Venezuelan refugees / migrants	Total population	Share	Main hosting cities / regions
Colombia	– + 1 630 000	48 million	3.4%	Main cities, border region (2 000 km border with VZ)
Peru	– + 861 000	30 million	3.3%	Lima
Ecuador	– + 385 000	16 million	2.4%	Quito, Guayaquil

Source: <https://r4v.info/en/situations/platform>

It is likely that a significant number of Venezuelans will continue to leave their country in 2020 considering the further degradation of the economic and political situation. The COVID-19 crisis could easily lead to a rapid and total breakdown of the deteriorating Venezuelan health system, creating new dynamics. While establishing diaspora networks will facilitate movements, those with the greatest mobility potential will have already left and some lack resources to move beyond the area of immediate arrival. However, most Venezuelans move on from their area of immediate arrival to other countries, and within these countries, to urban centres in the hope of greater economic opportunities. This might not only include capital cities, but also secondary and smaller centres. Host community reactions also affect decisions on onward movements. Finally, due to the COVID-19 pandemic, a small number of Venezuelans returning home has also been noted.

Despite being considered upper-middle income countries, destination countries in the region face significant inequality, poverty and underemployment for the populations already established there. This is particularly true for urban informal settlements, where local populations suffer from insecure tenure, precarious housing and exposure to hazards. Irregular migrants are often overcharged for rent, leading to poor health conditions and overcrowding – and many are homeless. Some cities could therefore face particular challenges in providing tailored support

– healthcare in particular - to all vulnerable populations if their number were to increase services. The particularly fragile situation in Colombia after the decades-long conflict makes a seamless integration difficult and unlikely.

Any relevant integration challenges would therefore arise in cities, reflective also of the fact that Latin America is already the world's most urbanised continent with more than 80% of the population living in cities. Urban centres have already grown significantly over the past years and there is major inequality between the excellent facilities for high-income populations and the slums with insecure housing, little access to services and high levels of poverty.

The hosting capacities of the most affected countries are under stress. The official number of migrants is often inaccurate due to illegal crossings and limited registration capacities. In July 2019, the new visa requirement for Venezuelans entering Ecuador led to an increase in irregular entries, posing additional barriers to those needing international protection, and increasing the risk of theft, extortion, harassment, violence, exploitation and human trafficking. Less than 120 000 people have been granted a residence permit and it is estimated that less than 50%¹⁰ would be able to meet the requirements. The situation became even more difficult in Colombia after the decision to officially close the Colombian-Venezuelan border due to the COVID-19 pandemic in March 2020. Hundreds of thousands of Venezuelans depended on daily or weekly border crossings for their livelihoods, healthcare and even education. Before the closure of the border, in Cúcuta alone 30 000 Venezuelans entered Colombia every day. Many of these back-and-forth movements will continue informally over the green border, which will create additional risks (to control the virus, direct risks for travellers as many informal border crossings are controlled by armed gangs).

Main obstacles to Venezuelan migrants' and refugees' integration include a lack of access to job opportunities, housing, health and education, and the inability to maintain sustainable livelihoods. Many Venezuelans earn a living as informal street vendors or garbage recyclers, and have severe housing problems. However, a higher demand for products, services and labour - including high-skilled labour, could significantly improve conditions for migrant workers while having a positive effect on the host cities. A high proportion of Venezuelan migrants and refugees hold a university degree, so there is high potential to integrate them into the labour market (for instance Peru is in need of qualified doctors and Venezuelan doctors have similar high standards and speak the language).

According to a World Food Programme (WFP) survey, 75% of migrants in Colombia work in the informal sector, often earning considerably less than Colombians for the same work. In addition, 32% of migrants and refugees from Venezuela in Colombia do not have access to proper housing, creating additional COVID-19 risks due to bad sanitary conditions and close contacts (*'hacinamiento'*). In Peru, some 21% of migrants from Venezuela experience food insecurity, 80% of working age migrants do not have formal employment contracts, and less than 10% are in possession of a *'carné de extranjería'* which gives them access to social services. In Ecuador, the economic crisis and reduction in public spending have affected social policies for assisting migrants and refugees. There are 16 000 Venezuelan children outside the education system, exposing them to child labour and exploitation. In Ecuador, according to a UNDP survey, 55% of Venezuelan refugees and migrants do not earn enough to cover their basic needs, 71% of

¹⁰ 48.2% of the Venezuelan population in Ecuador entered with a passport. Source: DTM.

Venezuelan households that have been in Ecuador for up to 1 year do not have access to the basic food basket, only 5 % have a formal labour contract, 88% receive a salary below the minimum national wage and 37% of households live in poverty or extreme poverty¹¹. Given their vulnerable situations, migrants and refugees are expected to be especially affected by the COVID-19 crisis.

In Colombia, there is also a particular risk to the peace process. However, emergency and short-term assistance by the EU and other actors can help address this challenge.

Migrants and refugees also often have problems accessing bank loans for various reasons such as difficulty in creating professional networks, lack of familiarity with administrative and legal requirements to start a business in the host country, and difficulties securing funding — notably linked to a lack of credit history or secure legal status. Microcredits can play an important role in giving migrant entrepreneurs access to finance, helping them to develop their businesses¹².

The situation has led to increasing xenophobia and conflicts with the already very vulnerable host communities. Criminal organisations responsible for human trafficking and commercial sexual exploitation are taking advantage of displaced people. According to the UN, 20% of Venezuelan women migrants in Ecuador report having to engage in prostitution. Likewise, gender-based violence affects women, girls and LGBT migrants, who face unsafe conditions during their journey.

Although people used to show solidarity towards Venezuelan migrants, fear and insecurity about their presence is growing. Last June, a survey by Peru's government found that 86% of Peruvians expect to be the victim of a crime in the coming year. A Gallup poll from June 2019 showed that acceptance of refugees among Colombians had fallen below 50% for the first time. Venezuelans' 'negative image' rose to 67% - its highest level ever. A survey of Chileans, published in July 2019 found that 73% approved of the government's crackdown and 83% backed restrictions on immigration. In Trinidad, opposition politicians have called for tighter controls on Venezuelan migrants.

Without access to appropriate social protection, referral mechanisms and tailored services, Venezuelan migrants are at risk of destitution and social exclusion and could adopt negative coping strategies, such as survival sex, exploitative labour and child labour. Inadequate or unequal responses to vulnerabilities without considering host community needs and perspectives could fuel social tensions and foster dissatisfaction with local authorities.

Medium to long-term measures are therefore needed to balance humanitarian and development policies. This action will focus on integrating these migrants and refugees in host communities by strengthening the adaptive and receptive capacities of host cities, by providing migrants, refugees and host communities with increased job opportunities and skills and by catalysing larger investments that would otherwise be difficult for municipal governments to attract.

¹¹ UNDP.

¹² <https://ec.europa.eu/futurium/en/inclusion-migrants-and-refugees/financial-blending-facilities-cities-migrants-and-refugees>

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
(1) Loss of engagement of local governments or politicisation of the migration/displacement situation.	M	(1) The action will contribute to a better human rights and gender situational analysis and improved participation of affected communities, both host and migrant/refugees. This will help maintain relevant issues on the agenda. The action will also link all target stakeholders to sustain a positive dynamic, giving visibility to their efforts.
(2) Loss of engagement of national governments	H	(2) The action will closely involve national governments. In case of sovereign lending of the involved international financial institutions (IFIs), national endorsement is required and therefore alignment is ensured.
(3) A significant increase in movements from Venezuela leads to a greater focus on emergency response.	M	(3) The EU actively engages on the Venezuela crisis with humanitarian, development and political actions.
(4) Host communities become even more negative towards Venezuelans and social conflicts arise.	M	(4) The programme will monitor the development of social tensions and actively contribute to preventing xenophobia.
(5) Large number of Venezuelans leaving to another country.	M	(5) The selection of target areas will factor in the likelihood of stay and/or sustainability of measures in case of large movements. In the case of significant changes, it could be considered to select another target area.
(6) Worsening of the situation in Venezuela in terms of internal conflict or conflict with neighbouring countries	M	(6) The programme will closely monitor the situation of the crisis and take all the necessary and appropriate measures to adapt its actions to the developing circumstances.

Assumptions		
<ol style="list-style-type: none"> 1. Improved situational analysis, capacity to provide services, increased social cohesion and awareness will improve access to basic and social services by vulnerable migrants/refugees and host community members and ultimately reduce the gap with other host community members and favour integration. 2. Reflecting the views and needs of host communities when designing responses will ensure vulnerable host community members are also assisted, social cohesion preserved, perspectives for local integration enabled and local development improved. 		

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

Based on lessons learnt from its own cooperation efforts and accompanied by a global paradigm shift, in 2016 the EU adopted a development-led approach to forced displacement¹³. It outlines the need to engage right from the outset of a forced displacement crisis, with political, developmental and humanitarian instruments, and to boost the resilience and self-reliance of forcibly displaced people and their host communities in an integrated manner.

Adopting a needs rather than a status-based approach was one of the key lessons incorporated in this approach. This relies on better data and evidence to understand vulnerable conditions among displaced populations, and their host communities. The key role played by local authorities is fully recognised, as set out above.

Cities offer opportunities to link crisis response with developmental approaches and to support existing capacity, services and infrastructure while avoiding parallel service delivery. This requires careful targeting to ensure assistance is needs-based and should reflect the vulnerable conditions of host communities. Stressing the need for a facilitative, multi-sector approach, the protection of and secure housing for the most vulnerable were identified as major challenges. The ‘Cities of Solidarity’ project, which covers 15 cities or districts in Dominican Republic, Colombia, Lima, Ecuador, Panama and Trinidad, is still at its inception phase but has been developed with strong support from national and local governments.

During the consultation, the concerned countries strongly urged for increased resources, to be able to cover more activities in the targeted areas to balance humanitarian and development nexus in favour of Venezuelans migrants and refugees. Support will be directed towards: 1) better registration systems; 2) accreditation of education/professional certificates; 3) better vocational training schemes; 4) suitable financial instruments; 5) migrants’ and refugees’ inclusion into the public healthcare system; 6) integration into the education system; 7) support for house searching; and 8) support for getting a job. To this end, it is proposed that the funding for this action is increased using the instruments outlined in Chapter 5.

Combining instruments will increase complementary and help tackle different aspects and challenges of the migratory crisis. The blending operations will include a grant portion financed mostly by the EU as well as a loan at sovereign or sub-sovereign level that the beneficiary country will request from the IFIs, often in close cooperation with the private sector. The loan can be used for areas such as social infrastructure, access to basic services, access to financial services, urban planning, and health and education facilities. The grant component can provide

¹³ 2016 Communication ‘Lives in Dignity’ COM(2016) 234 final

tailored technical assistance or a subsidy for the investment (investment grant) to focus on social complementarity, coordination of donors, and integrating migrants and refugees into the productive workforce of the host communities.

In the last 2 years, UNDP and the NGO Consortium led by Ayuda en Acción carried out projects in Ecuador to integrate human mobility into national and local development processes. The livelihoods strengthening programme for people in vulnerable situations - mainly migrants and refugees - was particularly successful. Coordinated with the municipality, this project supported their access to employment and entrepreneurship in the city of Quito. The main lesson learnt is that migration and development efforts should be strengthened, with a focus on: (i) the socio-economic integration of migrant and local communities; and (ii) local governments' capacities to coordinate with the national level as a medium and long-term nexus strategy to adequately bridge humanitarian with development interventions.

3.2 Complementarity, synergy and donor coordination

The action is part of the EU's overall response to the Venezuela crisis, combining humanitarian, development and political engagement, to alleviate the crisis inside Venezuela and to support countries in the region that are negatively affected. It will build on results from the EU humanitarian assistance and support under the Foreign Policy Instrument in Colombia and Brazil, notably on a TAIEX preparatory technical workshop that preceded the meeting that the countries of the Group of Quito process held in Bogota in November 2019, as well as on short-term technical assistance provided under the EU-funded MIEUX project for Brazil and Peru. Focusing on emergency and short-term needs, such support is essential to ensure that medium-term needs addressed by this action are manageable. It also generates useful information on the population and on particular challenges, and starts building local capacity to respond better. Coordination will be particularly important in the action's early phase, and when its target areas overlap with those of other instruments and projects. Synergies could also arise with EU assistance on disaster prevention and disaster risk reduction in the region.

The action complements EU development cooperation with countries in the region, notably where it focuses on target cities. This includes several on-going actions under the Instrument contributing to Stability and Peace which are providing support in response to the Venezuela migratory crisis in various Latin American countries. In Colombia, Peru and Ecuador, these actions focus improving the protection and integration environments for Venezuelan refugees, migrants and other vulnerable host communities (Colombia, Ecuador, Peru); supporting the early warning and rapid response on the northern border (Ecuador); and improving the protective environment for Venezuelans and other persons of concern (including returning nationals) within a context of conflict prevention, peace building and crisis preparedness (Brazil, Colombia). A new regional action in response to the COVID-19 outbreak is planned and aims to promote integration and peaceful coexistence by improving the health response, community engagement and the access to and information about COVID-19 response measures and social protection initiatives. In South America, the action will focus on countries most affected by the Venezuelan refugee and migration crisis and the outbreak of COVID-19 (Venezuela, Colombia, Brazil, and Ecuador).

The action also complements several Latin American Investment Facility projects in Colombia, Peru and Ecuador (on urban planning, housing and basic services, for example) and in the region (Sustainable cities and Climate change, LAIF City LIFE).

In light of the crisis, several IFIs have expressed interest in joining EU efforts to increase the integration of migrants and refugees in host countries, as well as the resilience of the host communities. Examples include the European Investment Bank, the Agence Française de Développement, the IDB and the World Bank. In 2017 some multilateral development banks joined the Platform on Migration and Forced Displacement (members include the IDB, the World Bank, the European Bank for Reconstruction and Development, and the European Investment Bank.).

Although European IFIs are the preferred implementing channel, the IDB is active in the region (particularly in Colombia) and has long-standing experience working with local governments.

The action can also incorporate lessons and good practices into relevant initiatives, such as the EU-funded ‘Cities of Solidarity’ programme for migrants and refugees from Venezuela, which seeks to improve conditions for vulnerable newcomers and address the impact on host communities. It will seek to design stable and durable medium and long-term solutions and to strengthen the capacity of government bodies by creating a network of cities, including those targeted by the IDB initiative. In Ecuador, the action can take account of lessons from the EU pilot scheme to improve sustainable development through migration.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objectives, expected outputs and indicative activities

The action’s overall objective is to strengthen resilience and reduce inequality between Venezuelans in vulnerable situations and host community members in Colombia, Peru and Ecuador.

The Specific Objectives of the intervention are:

- 1) Improved socio-economic inclusion for host and migrant/refugee populations in vulnerable situations;
- 2) Improved quality of and access to basic health, education and housing services, particularly COVID-19 related.

The results (outputs) of the intervention are:

Result (output) 1.1: Strengthened participation of affected communities in handling the integration of migrant and refugee groups in vulnerable situations.

Result (output) 1.2: Enhanced inclusion of migration and asylum-related challenges and opportunities in urban strategies and planning.

Result (output) 1.3: Social cohesion and conflict prevention promoted between host communities and migrants/refugees.

Result (output) 2.1: Strengthened capacity of local governments to respond to the education, labour and health needs and challenges faced by migrants and refugees, with an emphasis on women.

Indicative activities

To ensure the action’s medium-term sustainability, all activities will be undertaken together with local authority partners and through public channels and through existing local actors, notably the private sector and civil society. The full engagement of local actors and national

authorities is needed for its successful implementation. If possible, all project results will include specific actions to cope with the COVID-19 crisis.

Activities under Result 1.1:

To strengthen the participation of migrant/refugee populations and local communities, the action, through the provision of technical assistance, will build the capacity of national and local authorities to handle the integration of migrant and refugee groups in vulnerable situations and monitor progress in this area. Particular attention will be given to enabling the people in most vulnerable conditions to be heard.

Activities under Result 1.2:

Migration will be mainstreamed into development planning and management processes. The action will identify existing urban strategies, coordination mechanisms and activities and assess how the population inflow affects these processes.

Activities under Result 1.3:

The activities will raise awareness of the particular situation of migrant/refugee populations, including those in the most vulnerable situations, support campaigns against xenophobia and discrimination, prevent and mitigate community conflict, promote positive interaction between communities, including through sport and cultural activities, and where necessary support the establishment of communal spaces.

Activities under Result 2.1:

The action will provide technical assistance to urban local authorities in designing a response strategy that is fully integrated into existing urban strategies, particularly on health services, education, and housing and tenure. The action will also support local services, in particular: (i) psychosocial and legal support for the regularisation of migrants' and refugees' legal situation; (ii) children's access to the educational system; (iii) detection and referring of gender-based violence cases to the protection system; (iv) building entrepreneurial skills among migrants and refugees and assisting in the development of business plans; (v) access to financial services and marketing platforms; and (vi) developing competency profiles adapted to the jobs on offer, as well as adapting training plans to the needs of these profiles, including both technical and soft skills in coordination with Chambers of Commerce and Production, the private sector and the Ministry of Labour.

As for the blending selection of proposals

The selection will follow DCI Blending Comitology¹⁴. IFIs will submit a concept note followed by a developed project fiche for consideration. Each proposal will be received and assessed by EU Delegations, the European External Action Service and relevant units within the European Commission's Directorate-General for International Cooperation and Development, as well as relevant line Directorate-Generals. Selection will be based on blending selection criteria (additionality of EU contribution, leverage, impact, economic social and environmental sustainability) and on the expected impact and rapidness of response to the crisis. Based on preliminary

¹⁴ <https://europa.eu/capacity4dev/t-and-m-series/documents/guidelines-eu-blending-operations>

conversations with IFIs, the proposals will target both specific objectives (improved socioeconomic inclusion for host and migrant/refugee populations in vulnerable situations and access to health, housing, education and other basic services) but the combination of instruments (technical assistance, investment grant) is not known at this stage. Additional criteria can include:

- An estimate of the medium-term socioeconomic impact in the municipality, based on
 - the number and profile of the Venezuelan nationals present in the country in terms of vulnerabilities and capacities; and
 - local response capacity, related for instance to institutional strategies and frameworks, markets for employment and housing, capacity to expand and adapt service delivery, and urban poverty.
- The overall impact on the country receiving vulnerable migrants - notably on its population size, gross national income and human development, and external support provided by EU and other humanitarian and development partners. Blending operations usually require a 10 to 1 leverage (EUR 1 of EU support leverages EUR 10 from other partners including the IFI), however in this particular context flexibility will be provided so that lower leverages can also be considered.
- The potential for a sustainable impact, based on:
 - national and local policy frameworks and willingness to introduce measures for the socioeconomic inclusion of migrants and refugees, including by mobilising national or local resources;
 - engagement by other local stakeholders, notably the private sector and civil society organisations;
 - the likelihood of migrants and refugees staying in the city for several years, and the usefulness of possible changes if they were to leave; and
 - the financial leverage, i.e. how much money will be mobilised through the EU contribution.

Proposals are being developed with the EU Delegations and the IFIs, and the selected proposals will be formally assessed as soon as the funding becomes available.

All activities will bear in mind the importance of bridging humanitarian responses with development policies. The ‘humanitarian-development nexus’ is a fundamental approach to ensure greater sustainability of actions during crises or shocks.

4.2 Intervention logic

The basic hypothesis is: if an investment project in a host community can increase the quantity and quality of basic services (health, water and sanitation, housing, education) for both migrants/refugees and the local population, the tensions will be reduced and the potential opportunities of hosting migrants and refugees can be realised.

The action will focus on providing assistance and capacity building to leverage local resources and capacities, and help mobilise national and international resources, in a way that is beneficial to both migrant/refugee and host communities, and within these communities to those that actually require specific support.

Empowerment of host and migrant/refugee communities will ensure their voices are heard and promote accountability in all decisions affecting them, beyond those supported by the action.

Through the blending component, the EU contribution will be accompanied by a commitment from the national or subnational government, as migration-related measures are most likely to be taken by the public sector. Not being a pure grant/donation, the country's financial contribution will prove their commitment to improving the situation in critical areas. The EU support will help reduce the perception of risk of the investments, provide much needed technical assistance and capacity building and finance soft and hard investments to ease the debt of the national and subnational governments.

In Ecuador, the action will strengthen the capacity of local governments to promote the socio-economic integration of migrants, refugees and host communities and adequately bridge humanitarian with development interventions (nexus). The action will promote the design of effective measures that can be scaled-up. It will include a platform to help accelerate civil society, NGO and private sector efforts to: (i) create sustainable livelihoods for migrants; (ii) facilitate the labour and business formalisation of migrant and host populations; and (iii) ensure vulnerable communities have access to rights.

4.3 Mainstreaming

The specific needs of women and girls, children - especially unaccompanied children, people with disabilities and indigenous people will be reflected, notably by providing training to local authorities and service providers on how to cater to their specific needs. The action will also ensure that the voices of particularly vulnerable groups are heard in discussions on local affairs.

The 'do no harm' principle and social cohesion will be the two essential cross-cutting themes, achieved by promoting understanding, communication and positive interaction within and between displaced and host communities, and ensuring that measures are needs-based. This will be particularly important in Colombia, in view of the ongoing peace process.

Environmental considerations could be necessary in target cities with natural resource constraints (e.g. fresh water), especially for spatial planning and waste management. The action will include capacity building and advice on environmental aspects. Integrating environmental protection into disaster risk reduction measures in affected cities could also be considered.

The social and environmental safeguard systems of partner IFIs are well known. For example, the IDB recently (January 2020) finalised the consultation on its new environmental and social safeguards. Respect of these safeguards in line with EU standards will be extended to other stakeholders (e.g. NGOs, local authorities, intermediary IFIs) in order to strengthen resilience and environmental sustainability in the face of emergencies (health, environmental and climatic).

4.4 Contribution to SDGs

This action is relevant to the 2030 Agenda, and contributes primarily to SDG 10.7 (migration), as well as SDGs 3.8 (health coverage), 4.3 (access to education), 16.7 and 16.b (inclusive decision-making, non-discrimination), 8 (decent work and economic growth), and 5 (gender equality).

5 IMPLEMENTATION

5.1 Financing agreement

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

5.2 Indicative implementation period

The action's indicative operational implementation period, during which the activities described in Section 4 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of adoption by the Commission of this financing decision.

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

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁵.

5.3.1 Grants (*Direct management*)

Ecuador component 1

Purpose of the grant

The grant will contribute to achieve the Specific objectives and in particular Results 1.1, 1.3 and 2.1.

It aims to contribute to multidimensional socioeconomic integration of host and migrant/refugee populations in vulnerable situations - including by developing economic opportunities, and to improve the quality of and access to basic infrastructure and services, particularly those related to health and COVID-19.

Justification of direct grant

Under the responsibility of the Commission's authorising officer responsible and in accordance with Article 195(f) of the Financial Regulation, the grant may be awarded without a call for proposals to a consortium composed of three international NGOs (Ayuda en Acción -AeA; Hebrew Immigrant Aid Society - HIAS; and Comitato Internazionale per lo Sviluppo dei Popoli - CISP) and led by AeA. The recourse to an award of a grant without a call for proposals is justified by the action's specific characteristics that require technical competence and the high degree of specialisation provided by the organisations in the consortium.

Activities covered by the grant will include: (i) support to Venezuelan migrants and refugees in Ecuador in terms of their legal rights and security; (ii) inclusive integration of Venezuelans

¹⁵ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website, the OJ version prevails.

residing in Ecuador in the labour market, under appropriate employment conditions; and (iii) improving social cohesion and peaceful coexistence between Venezuelans and host communities in Ecuador, and forging links with key social and protection services. These activities will involve local authorities, private sector, national financial institutions, Chambers of Commerce and Production, the Ministry of Labour and other international and local organisations, including civil society organisations. The interventions will require geographic presence in all of the country's worst affected provinces as well as long-standing experience in humanitarian and development migration project management.

As Ecuador is in the middle of the COVID-19 crisis, the action requires an implementing partner with a clear and specific nexus strategy, as is the case with the three consortium partners. Currently, all other migration-focused organisations in Ecuador are exclusively specialised in humanitarian aid. However, a nexus approach is crucial to ensure a smooth link between humanitarian and development goals and to develop mid- and long-term responses. The three consortium members are in a good position to ensure consistency as they currently benefit from ECHO funds (until May 2020) and have experience in projects with a nexus approach. They are also committed to generating evidence for learning and scaling up.

The three partners also participate in coordination platforms such as the GTRM (Working Group for Venezuelan Refugees and Migrants) or the EHP (Humanitarian Country Team), ensuring synergies of their actions and avoiding duplication.

Moreover, one of the consortium partners (HIAS) is recognised as the national reference point for migration management and protection. The other two partners (AeA and CISP) are the only ones having already signed administrative agreements which allows them to access financial loans for refugees and migrants. The consortium has demonstrated that it has a consolidated legal expertise, a unique methodology and a case management approach that can provide refugee and migrant families with comprehensive and tailored assistance to uphold their human rights.

AeA, the leader of the consortium, is a NGO that fights against poverty, exclusion and inequality. It has been present in Ecuador since 1986, accumulating considerable experience in the management of development and humanitarian aid projects, with the financial cooperation of public and private entities and the business sector. It has worked with local governments and local communities, generating alliances across sectors.

Finally, the three consortium partners are present in 11 of Ecuador's provinces, have decades of work experience, are fully adapted to the local context, and have had considerable success in migration, development and humanitarian assistance projects. Developing a multidimensional intervention model in the operation areas of each NGO will allow them to expand their geographical coverage with permanent professional teams, and reach more of the target population. The consortium's consolidated coordination and communication mechanisms will also facilitate synergies with the UNDP action and other migration programmes in the same areas.

5.3.2 *Indirect management with UNDP*

Ecuador component 2

Part of this action may be implemented in indirect management with the United Nations Development Program (UNDP) who will contribute to the specific objectives and in particular Results 1.2 and 2.1.

The entity was selected based on its technical competence and extensive expertise for the activities implementation in Ecuador. Between 2018 and 2019, following the state of emergency declared by Ecuador's Ministry of Foreign Affairs and Human Mobility, due to the growing number of migrants and refugees from Venezuela, UNDP implemented a project to mainstream human mobility into national and local development processes. UNDP also worked closely with three local governments (including Quito) to strengthen its work on migration and development issues focusing on the socioeconomic integration of migrant/refugees and local communities in Ecuador, as a medium- and long-term strategy to adequately bridge humanitarian interventions with development goals.

Working with UNDP on this action is also justified because of its technical expertise and proven experience with CONQUITO - the local government economic promotion agency with the country's most advanced experience on economic promotion with the private sector. UNDP has gained considerable experience in combining local government initiatives with private sector support for the socioeconomic integration of migrants and refugees.

5.3.3 Contribution to the Latin America Investment Facility (LAIF) Regional Blending Facility

Colombia and Peru Component

This contribution will be implemented under indirect management with the entities, called Lead Finance Institutions identified in the appendix to this action document.

The Lead Finance Institutions eligible for presenting proposals are listed in appendix II and have been selected using the following criteria:

- (a) alignment with the strategic priorities as agreed with EU partner countries in the context of the programming and midterm review process;
- (b) compliance with EU policies, sector/thematic policies;
- (c) additionality of EU contribution;
- (d) potential cooperation on policy dialogue topics; and
- (e) maturity of the project preparation. Moreover, in accordance with Article 4(e) the Regulation (EU) No 236/2014, financial instruments shall be implemented whenever possible under the lead of the European Investment Bank (EIB), a multilateral European Financial Institution, or a bilateral European Financial Institution.

In accordance with the recommendations made under the EU Platform for Blending in External Cooperation (EUBEC), the involvement of non-European FIs as lead financiers should be assessed and approved by the Board of the DCI Blending Framework on a case by case basis following a tailored approach, based on the specific added value as a lead financier vs other alternatives brought in a particular project or region.

The Lead Financial Institution will be entrusted with the implementation of European Union funds which consist in the implementation of procurement, grants, financial instruments and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it.

In addition, the implementation of EU funds may also be sub-granted by the entrusted entity to other entities (including the partner country) under conditions equivalent to those applying to the Commission, in accordance with 4(7) of Regulation (EU) No 236/2014. The entrusted budget implementation consists in the implementation of procurement and grants following the rules assessed and approved by the Lead Financial Institution. Payments may be executed by the sub-granted entity under the control by the Lead Financial Institution or by the entity itself.

EU Members States or other donor's contributions to blending operations can be done through a dedicated Fund for the specific project, which will be integrated in the governance structure described above.

In case not enough suitable proposals are received under the blending component, part of this action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria:

- being a Member State Organisation, or third donor country or EU specialised (traditional/regulatory) agency or international organisation;
- being pillar assessed or undergoing a pillar assessment;
- possessing the adequate technical and administrative competence to strengthen the capacities of national or local governments to promote the socioeconomic integration of migrants, refugees and host communities or to improve quality of and access to basic health, education and housing infrastructure and services;
- having long-standing cooperation relations with the institutions of the countries concerned.

The EU funds implemented by the entity could be used to:

- technical assistance, to build the capacity of national and local authorities to handle the integration of migrant and refugee groups in vulnerable situations and monitor progress in this area;
- technical assistance to national and local authorities in designing response strategies and in mainstreaming migration into development planning and management processes;
- organising awareness and support campaigns against xenophobia and discrimination, preventing and mitigating community conflict, and promoting positive interaction between communities;
- support national and local governments to improve the quality of and access to basic health, education and housing infrastructure and services for vulnerable groups, particularly migrants and refugees.

The entrusted entity would carry out the following budget implementation tasks: provision of technical assistance, procurement of services, works and goods, awarding grants, monitoring, communication, and providing programme visibility.

5.4 Changes from indirect to direct management mode due to exceptional circumstances

In case the selected agency mentioned at point 5.3.2 would not be able to implement the action due to circumstances outside of the Commission's control, the direct management can be preferred as alternative implementation modality to the foreseen indirect management.

5.5 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 and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution (EUR)	Indicative third party contribution (EUR)
<i>Ecuador</i>		
Direct management (grant) (<i>Ecuador component 1 - 5.3.1</i>)	3 000 000	30 000
Indirect management UNDP (<i>Ecuador Component 2- 5.3.2</i>)	3 100 000	75 000
<i>Colombia and Peru Component</i>		
Indirect management – Blending (<i>Colombia, Peru component -5.3.3</i>)	21 400 000	N.A.
Evaluation, (cf. section 5.9), 5.10 – Audit(cf. section 5.10)/Expenditure verification	will be covered by another decision	N.A.
Communication and visibility (cf. section 5.11)	N.A.	N.A.
Totals	27 500 000	105 000

5.7 Organisational set-up and responsibilities

DCI Blending Framework:

LAIF will operate under the governance of the Development Cooperation Instrument (DCI) blending framework.

The operational decision-making process will be organised in a two level structure:

- opinions on projects will be formulated by the Board, held whenever possible, back to back with the respective financing instruments' committees (DCI Board);
- such opinions will be prepared in dedicated Technical Meetings (TAMs).

Strategic orientations will be discussed in strategic meetings with beneficiary countries and relevant regional organisations, as well as in Technical Meetings. The Commission services and the EEAS will conduct and co-chair strategic discussions at an appropriate level with Member States, beneficiary countries and relevant regional organisations. Financial Institutions will participate in the discussions as observers. TAMs have been identified as a relevant forum to share strategic orientations and planning of the IFIs and the EU.

These strategic discussions will cover:

- i. the consistency and compatibility of LAIF's operations with EU Policies, relevant regional or bilateral agreements, Action Plans, Strategy Papers and the Multi-annual Indicative Programmes in force;
- ii. the needs and the evolutions in the various priority support sectors;
- iii. LAIF's effectiveness, results and impact at strategic level.

The Rules of Procedure for the DCI Blending Framework Board further detail the decision making process.

The Board is chaired by the Commission and includes the EEAS and EU Member States as voting members, and Financial Institutions (FIs) as observers. The opinion of the Board can be positive, negative or recommend re-submission of the project proposals. FIs will be present mainly for the purposes of presenting their proposals and responding to any request for clarifications on proposals submitted but they will not be present during the formal formulation of opinions by the Board. The part of the meeting where opinions on EU contribution requests are expressed will be restricted only to voting members. The conclusions, including their justifications, will subsequently be communicated to the financial institutions in writing.

The Board will also be responsible for:

- Providing guidance to participating institutions on appropriate future financing proposals (based on strategic priorities defined in the context of the programming process and in relevant strategic discussions).
- Examining project related results (including the annual reports) and monitoring the portfolio of approved projects.

- Promoting exchanges of best practices.
- Drawing upon the specific expertise of the financial institutions as appropriate and respect the appropriate division of labour.
- Examining the involvement of non-European FIs as lead financiers on a case by case basis following a targeted approach, based on the specific added value as a lead financier brought in a particular project or region. This would include those aspects in which non-European FIs might contribute to fill the gap left by European FIs, in particular regarding their:
 - a. specific thorough knowledge of local conditions and presence in the region;
 - b. specific analytical capacities and specific expertise and know-how, notably on private sector financing and the promotion of financial instruments and /or of innovative financing tools that attract private funding;
 - c. specific know-how and experience in relevant sectors;
 - d. additional technical and/or financial capacity to substantially leverage further resources.

In accordance with the recommendations made under the EU Platform for Blending in External Cooperation, non-European finance institutions active in a particular region should be invited to attend technical and board meetings as observers.

In principle, the Board would meet several times a year depending on the needs and back to back with the respective financing instruments' committees. When duly justified by time constraints, opinions on projects could be requested by written procedure.

Technical Assessment Meetings (TAMs) chaired by the Commission Services with the participation of EEAS and financial institutions will be held to:

- Review and discuss the pipeline to ensure coordination at an early stage, including in relation to geographical balance and agreed EU political objectives. Results of the pipeline discussion shall be transmitted to the Board;
- Assess project proposals submitted by a Lead Financial Institution based on the appropriate application form. The proposal will also be shared with other Financial Institutions for peer review and possible written comments. In particular, such assessment will include alignment to EU policy objectives, the justification of the added value of the grant contribution, social and environmental aspects, appropriate financial structure and other issues such as debt sustainability;
- Facilitate exchanges on good practices and lessons learned across regions, including the possible development of selected blending operations or financial instruments that extend across geographical regions.

These meetings will be held on a regular basis depending on the needs and will be organised bringing together appropriate experts from the FIs, the Commission Services and the EEAS. If appropriate, such meetings may include or be complemented by virtual meetings and/or written exchanges facilitated by the Secretariat. The Lead Financial Institution, on the basis of, and depending on, the comments made, will then be able to submit a revised proposal for further technical discussions at a later technical meeting or a final revised application form in view of submission to the Board.

The Commission Services will support and contribute to the work of the secretariat of the DCI blending framework, supporting the Board in all its tasks (opinions on individual blending operations, internal Commission Services/EEAS, monitoring at Facility level, consolidation of the pipeline on the basis of the information provided by the Financial Institutions including a short project description, production of regular up-to-date information and annual reports on the facilities, preparation of exchanges on best practices. It will also support the organisation of communication events and the general implementation of the communication strategy (websites and other communication tools), thereby contributing to the visibility of the EU. The Secretariat also organises the technical level assessment of proposals and is the central contact point for all stakeholders involved in the blending framework.

Additional committees may be set up for national coordination or at the level of each action supported by LAIF.

For the Ecuador component, a Steering Committee will be established to overview programme implementation, ensure coordination/synergies with relevant stakeholders and actions and provide, strategic guidance, notably in terms of corrective measures/adaptation and prioritisation of needs in line with developments.

The Steering Committee will be chaired by the EU and will include the contracting parties, UNDP and the selected NGOs, other relevant stakeholders and actors involved in programme implementation might also be included. It will convene two times a year, or on an ad hoc basis if needed.

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 governing the implementation of the action.

5.8 Performance and Results monitoring and reporting

It is of vital importance that a sound reporting and monitoring system is put in place.

The continuous day-to-day technical and financial monitoring of this action will be part of the implementing partner's responsibilities. The implementing partners must therefore establish a permanent internal, technical and financial monitoring system for the action and prepare regular progress reports (not less than annual) and final reports. Every report should provide an accurate account of the action's implementation, difficulties encountered, changes introduced, and the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using the Logframe matrix.

SDGs and GAP indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

Reports shall 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 report, narrative and financial, will cover the entire period of the action implementation.

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

5.9 Evaluation

Having regard to the nature of the action, mid-term and final evaluation(s) will be carried out for this action or its components via independent consultants. It will be carried out for learning purposes, in particular with respect to inform policy and programming at various levels (including for policy and programming revision).

The Commission shall inform the implementing partner at least 2 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall 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 indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.10 Audit

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 shall be covered by another measure constituting a financing decision.

5.11 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 at the start of implementation based on the Annex VI of the Contribution Agreement signed with each IFI for each action.

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

[APPENDIX I- INDICATIVE MATRIX (FOR PROJECT MODALITY)¹⁶]

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources of Data	Assumptions
Overall objective: Impact	Strengthen resilience and reduce inequality between Venezuelans in vulnerable situations and host community members in Colombia, Peru and Ecuador.	<p>1. Proportion of the target population (host communities and migrant/refugee persons) living below the national poverty line, compared to the national average (disaggregated by sex, age, disability and migratory status) (SDG 1.2.1)</p> <p>2. Unemployment rate of the target population compared to the national average (disaggregated by sex, disability and migratory status) (SDG 8.5.2)</p> <p>3. Proportion of the target population (host communities and migrant/refugee persons) in urban local areas living in slums, informal settlements or inadequate housing (disaggregated by sex, age, disability and migratory status)</p>	A baseline study is foreseen to collect information required to measure progress on the indicators laid out in the Intervention.	To be determined	1-3) Baseline and endline urban data collection (linked to SDG reporting).	
Specific objectives: Outcomes	SO1. Improved socio-economic inclusion for host and migrant/refugee populations in vulnerable situations	<p>SO1.1) Percentage of host community members who would welcome migrants/refugee persons to stay in their community permanently (disaggregated by sex and age)</p> <p>SO.1.2) Number of migrants, forcibly displaced people or individuals from host communities protected or assisted with EU</p>	A baseline study is foreseen to collect information required to measure progress on the indicators laid out in the Intervention.	To be determined	<p>1.1 Baseline and endline urban data collection (linked to SDG reporting).</p> <p>1.2 Annual and final reports from imple-</p>	<p>1. Favorable policies should permit over time to overcome the displacement specific vulnerabilities.</p> <p>2. Improved access to social, and economic services by migrants/refugee persons will close the gap</p>

¹⁶ Mark indicators aligned with the relevant programming document mark with ‘*’ and indicators aligned to the EU Results Framework with ‘***’.

	SO2. Improved quality of and access to basic health, education and housing services, particularly Covid-19 related.	<p>support (EURF 2.17) (disaggregated by sex and age)</p> <p>SO.1.3) % of migrants/refugees reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law (disaggregated by sex, age and migratory status) (SDG 10.3.1 and 16.b.1)</p> <p>SO2.1) Proportion of target population satisfied with their last experience of public services (disaggregated by sex, age, disability and migratory status)</p> <p>SO2.2) Number of people in the target population who obtained documentation of legal stay (disaggregated by sex, age and type of document)</p> <p>SO2.3) Participation rate of targeted youth and adults in formal and non-formal education and training in the previous 12 months, compared to the national average (disaggregated by sex and displacement status) (SDG 4.3.1)</p> <p>SO2.4) Number of target beneficiaries gainfully (self-)employed (disaggregated by sex, disability and migratory status)</p>			<p>menting organisations, ROM reviews, evaluations.</p> <p>1.3 Baseline and endline urban data collection (linked to SDG reporting).</p> <p>2.1 National unemployment reports from the National Statistics Office of Employment Service.</p>	vis-à-vis the host population.
Out-puts	Result (output) 1.1: strengthened participation of affected communities in handling the	R1.1 Number of participants at roundtables/workshops/conferences orga-	Baseline studies to collect information required to measure	To be determined	1.1 Participants attendance lists	1. Improved understanding will improve targeting of activities supported by the

	<p>integration of migrant and refugee groups in vulnerable situations.</p> <p>Result (output) 1.2: Enhanced inclusion of Migration and asylum-related challenges and opportunities in urban strategies and planning.</p> <p>Result (output) 1.3: Social cohesion and conflict prevention promoted between host communities and migrants/refugees.</p> <p>Result (output) 2.1: Strengthened local governments capacity to respond to the education, labour and health needs and challenges faced by migrants</p>	<p>nized by the intervention to promote debate on urban actions related to addressing migration/displacement issues (disaggregated by sex, migratory status)</p> <p>R1.2.1 Number of urban response strategies addressing migration/displacement-related challenges and opportunities revised/drafted with intervention support</p> <p>R1.3.1 Number of persons reached through advocacy/media programmes aiming to combat discrimination against migrants/refugee persons</p> <p>R1.3.2 Number of institutions disseminating campaigns for integration and against xenophobia with the support of the intervention</p> <p>R2.1 Number of service providers with increased knowledge in responding to the health, education and labour needs and vulnerabilities of migrants/refugee persons</p>	<p>progress on the outcome indicators laid out in the Intervention.</p>		<p>2.1 Strategy documents</p> <p>3.1 Media reports, events attendance reports</p> <p>3.2 Dissemination reports</p> <p>4.1 Pre and post training assessments</p>	<p>intervention and those of other stakeholders</p> <p>2. Thanks to improved response strategies, actions by local authorities will better reflect the needs of target populations</p> <p>3. Increased awareness will lead to less discrimination of refugee persons</p> <p>4. Using improved capacity, service providers will provide improved services to migrants/refugee persons</p>
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	and refugees, with an emphasis on women.	and host community members (disaggregated by sex, location and service sector)				
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APPENDIX II: LIST OF ENTITIES PARTICIPATING IN THE FACILITY

Acronym	International Organisations (IOs)¹⁷
CABEI	Central American Bank for Economic Integration
CAF	Development Bank of Latin America
EIB	European Investment Bank
EIF	European Investment Fund
IADB	Inter-American Development Bank
WBG	World Bank Group (IBRD, IDA, IFC, MIGA, ICSID)
Acronym	National Entity, Country
AECID	Agencia Española de Cooperación Internacional al Desarrollo, Spain
AFD	Agence Française de Développement, France
CDP	Cassa depositi e prestiti S.p.A., Italy
COFIDES	Compañía Española de Financiación del Desarrollo, Spain
DEG	Deutsche Investitions- und Entwicklungsgesellschaft mbH, Germany

¹⁷ For non-EU institutions included in the list, please refer to section 1.2 of the Action Document.

FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden, Netherlands
KfW	Kreditanstalt für Wiederaufbau, Germany
PROPARCO	Groupe Agence Française de Développement, France
RVO	Rijksdienst voor Ondernemend Nederland (Netherlands Enterprise Agency), Netherlands
SIMEST	Società Italiana per le Imprese all'Estero, Italy