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ANNEX 4

to the Commission Implementing Decision on the financing of the multi-annual action plan for Global Challenges (Partnerships) for 2023-2024

Action document for Collect More – Spend Better 2023/2024

MULTI ANNUAL PLAN

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

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Global Challenges Partnerships: Collect more - spend better 2023/2024 OPSYS number: ACT- 61997 Financed under the Neighbourhood, Development and International Cooperation Instrument NDICI-Global Europe
2. Team Europe Initiative	No
3. Zone benefiting from the action	Global The action shall be carried out at the following location: developing countries.
4. Programming document	NDICI-Global Europe Global Challenges Multiannual Indicative Programme (MIP) 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Objective 2: Stronger economic governance and inclusive societies
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Human Development — Good Governance — Public Finance Management/Domestic Revenue Mobilisation
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG1: End poverty in all its forms everywhere Other significant SDGs (up to 9) and where appropriate, targets: SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all SDG10: Reduce income inequality within and among countries SDG 13: Take urgent action to combat climate change and its impacts SDG16: Promote just, peaceful and inclusive societies

	SDG17: Revitalise the global partnership for sustainable development			
8 a) DAC code(s)	15114 Domestic Revenue Mobilisation (30%) 15111 Public Finance Management (40%) 15142 Macro-economic policy (30%)			
8 b) Main Delivery Channel	<p>The Collect More Spend Setter Strategic Partnership with the IMF: International Monetary Fund (43000)</p> <p>Improving public procurement systems: AFD with Expertise France (option 1) or The World Bank (44000) and OECD (47000) (option 2)</p> <p>Stronger Supreme Audit Institutions for transparency and accountability: INTOSAI Development initiative (IDI) (47000)</p> <p>The Macro Fiscal Facility: service contract (60000)</p> <p>Improving National Statistical Systems: The World Bank (44000)</p>			
9. Involvement of multilateral partners	Yes, see 8b)			
10. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
11. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Internal markers	Policy objectives	Not targeted	Significant	Principal

and Tags:			objective	objective
	Digitalisation @ digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input 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"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity @ transport people2people energy digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <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				
13. Amounts concerned	<p>Budget line: 14 02 02 43</p> <p><u>Total estimated cost:</u> EUR 221 000 000</p> <p><u>Total amount of the EU budget contribution for 2023-2024:</u> EUR 35 000 000</p> <p>The contribution is for an amount of EUR 25 842 276 from the general budget of the European Union for 2023 and for an amount of EUR 9 157 724 for 2024, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.</p> <p>The contribution is for the following purposes:</p> <p>Collect more – spend better strategic partnership with the IMF (EUR 23 000 000),</p> <p>Improving public procurement systems (EUR 3 000 000),</p> <p>Stronger Supreme Audit Institutions for transparency and accountability (EUR 3 000 000),</p> <p>Macro Fiscal Facility (EUR 4 000 000) and</p> <p>Improving National Statistical Systems (EUR 2 000 000).</p> <p><u>Other donors' contributions (indicative) for 2023-2028:</u> EUR 186 000 000</p> <p>These actions are indicatively co-financed jointly by:</p> <p>For the Collect more – spend better strategic partnership with the IMF: Belgium, Denmark, Germany, France, Luxembourg, Japan, Netherlands, Norway, Sweden, Switzerland, United Kingdom</p>			

	<p>Budget for the total program (2024 to 2028): indicatively EUR 105 000 000 (based on past experience, exact draft budget available later in 2023)</p> <p>Other co-donors: EUR 82 000 000</p> <p>For Improving public procurement systems: France, Switzerland, Germany Budget for the total program est. (2024 to 2027): EUR 7 000 000 Other co-donors: EUR 4 000 000</p> <p>For Stronger Supreme Audit Institutions for transparency and accountability: Norway (Riksrevisjonen) Sida, ADA, UKAID, Canada, Germany, France, IDB, IrishAid, USAID et al. Budget for the total program est. (2024 to 2027): EUR 30 000 000 Other co-donors: EUR 27 000 000</p> <p>For Improving National Statistical Systems: Budget for the total program est. (2023 to 2026): EUR 75 000 000 Other co-donors: EUR 73 000 000</p>
MANAGEMENT AND IMPLEMENTATION	
14. Type of financing	<p>Project Modality</p> <p>Indirect management:</p> <ul style="list-style-type: none"> • Strategic Partnership Framework fiscal policies: with IMF • Improving National Statistical Systems with the World Bank • Improving public procurement systems AFD with Expertise France (option 1) or The Word Bank (44000) and OECD (47000) (option 2) • Macro Fiscal Facility: international organisation and/or an EU MS <p>Direct management</p> <ul style="list-style-type: none"> • Supreme Audit Institutions: Direct grant with INTOSAI/IDI • Macro Fiscal Facility: service contract, procurement

1.2 Summary of the Action

Implementing the 2030 Agenda for Sustainable Development, as well as the NDICI-Global Europe requires sound domestic public finance systems and fiscal space. Implementation of the Global Gateway at the level of the partner country needs good economic governance and certainty in the legal context, taxes, public services and administrative capacity. Domestic Revenue Mobilization, Debt Management, and better Public Finance Management will help creating these conditions.

Bearing also the current economic context in mind, we propose the following actions for 2023/2024:

The **Collect more spend better strategic partnership with the IMF**: This to enhance revenue mobilization through equitable tax policies and efficient and effective tax administrations and improve resource allocation and spending efficiency to support growth and sustainable development. The programme will serve as an anchor to policy dialogue between the institutions on fiscal and macro-economic issues, both at between HQs as well as at country level. The action will help advance on thematic priorities, such as Green PFM/DRM as well as the equity, gender and digital dimensions of fiscal policies. It will also allow to reflect geographic priorities of the EC, including for fragile and conflict affected countries. It will complement IMF support through Regional Capacity Developing Centres. The

capacity building work complements and interlinks with the Funds surveillance and lending operations. It will take on board lessons learned from recent evaluations and discussions, in particular stronger focus on country level engagement strategies, closer coordination with local donor groups, more ambition on mainstreaming macro-critical dimensions of climate and gender and better linkages between capacity development, surveillance, and lending dimensions of the fund.

In addition, it will make sense to combine the currently three DRM related funds (Revenue Mobilisation Thematic Fund, RMTF, Managing Natural Resource Wealth Thematic Fund, MNRW, Tax Administration Diagnostic Assessment Tool) into one single trust fund in order to enhance coherence. An overarching strategy, combining the revenue and expenditure side, as announced by the Fund and, similar to the EU's "collect more – spend better" approach, will also help to ensure a holistic approach in supporting DRM/PFM reforms.

Improving public procurement systems: Public procurement, considered as a policy lever, plays a key role in supporting partner countries Public Finance Management reforms. Capitalizing on spending efficiencies and best value for money is part of building back better. Sound public procurement systems are key to achieving the SDGs (12 and 16 as main ones). Indeed, they are a prerequisite for effective public service. In addition, tackling integrity risks in procurement contributes to better quality of services for the people and stronger infrastructure, but it also enables substantial government savings, resulting in increased domestic resources to further finance other initiatives.

Stronger Supreme Audit Institutions for transparency and accountability: Supreme Audit Institutions (SAIs) play a key role in promoting good governance, curbing corruption and fostering accountability. Strong SAIs are both a part of SDG 16 and an important enabler of achievement of other SDGs. The action will support an INTOSAI (international organisation of supreme audit institutions) led program to strengthen SAI capacities and performance in developing countries.

The Macro-Fiscal Facility: In order to support sound macroeconomic and fiscal policy making in our partner countries and promote efficient Public Finance Management in partner countries with a particular focus on green PFM/DRM reforms, this Facility will provide inputs for the identification of emerging macro-fiscal critical risks/opportunities and their policy implications for EU partner countries. It will help making recommendations on EU's and international support. It will also provide relevant support for policy implementation.

Improving National Statistical Systems: This initiative will contribute to improve National Statistical Systems in low- and middle-income countries, based on objective and comprehensive diagnosis of strength and weaknesses. It will also support better coordination among donors through a demand driven mechanism developed by the World Bank, the Global data Facility (GDF)

The actions will reinforce support otherwise provided, notably in the form of **budget support**, which is an important implementing modality for EU support to partner countries. They will contribute to maintaining the leadership role the EU has forged itself in the global context in Public Finance Management. The **Global Gateway** strategy will benefit from the different proposed actions mentioned above, insofar as they are reinforcing the enabling environment in partner countries, by enhancing economic governance, which is essential to the sustainability of investments.

2 RATIONALE

2.1 Context

The 'Global Challenges' programme of NDICI-Global Europe covers the global and multilateral dimension of the EU's action to implement its political priorities. It aims to strengthen the EU as a global actor in the delivery of the United Nations' 2030 Agenda for Sustainable Development and the Paris Agreement to help eradicate poverty, reduce inequalities, and achieve sustainable development. In line with the EU's Global Gateway strategy, the 2030 Agenda, the 2017 European Consensus on Development and the European Union's strategic interests and geopolitical priorities, it will support global actions contributing to the objective of 'a stronger Europe in the world'.

The global impact of the prolonged crisis due to COVID-19 and the Russian war of aggression against Ukraine which are triggering inflationary pressures in the energy and food sector in particular and a global tightening of financing conditions, as well as the climate crises are posing exceptional challenges on public finances, reducing fiscal space, and exacerbating debt problems. Rising energy prices and supply disruptions have further pushed inflation, triggered a rise of interest rates and lowered global growth expectations with increased risk on debt sustainability in Low- and Middle-Income countries. Presently 55% - 55 out of 99 - of DSSI eligible countries are now in debt distress or high risk of debt distress. Fiscal space is limited while substantive spending needs for health and social support remain, in parallel with the urgent need to address the effects of climate change.

The Global Gateway communication notes domestic revenue mobilisation and public finance management as key work strands to create an environment for sustainable investments. The mobilisation and effective use of domestic public finance provides by far the largest and most stable source available for financing sustainable development and the SDGs. It has become an international policy priority reflected in the International Conference of the Financing for Development, the Addis Ababa Action Agenda (AAAA), the Agenda 2030 and the SDGs (10.4, 16.4, 17.1). It is equally well anchored in the Commission's staff working documents, such as "Collect more – spend better". The Addis Tax Initiative (ATI) kept domestic revenue mobilisation (DRM) centrally on the political agenda since 2015, fostering collective action for support of developing partners' capacities to mobilize taxes and duties.

Effective domestic public finance management is also part of the social contract between a government and its citizens, women and men, including those that are living in vulnerable and marginalised situations, whereby citizens pay in exchange for the services that government provides for citizens. It supports the provision by the State of equitable and affordable public goods in line with economic and social goals, and in turn reduces inequalities between income groups, which is essential for the well-functioning of the society. When considering fiscal reforms, it is worth considering the introduction of green taxes. Green taxes not only encourage a sustainable use of resources, reduce waste and pollution and bring economic, social and health benefits, but can also help to broaden the tax base and encourage the shift away from labour taxes.

While the tax revenues as a share of GDP have rebounded to pre-pandemic levels in some developing countries, the pandemic and the continued shocks, including high inflation and surging energy and food prices, have increased debt and fiscal deficits making the 2030 SDGs more difficult to achieve.

Good Governance and transparency is one of the basic principles of the Global Gateway. Public Finance Management, in particular Domestic Revenue Mobilisation and Debt Management, as well as macro-economic stability and debt sustainability, constitute key enablers for this values-based offer from the EU and its Member States to partner countries, to develop their climate, energy, transport and digital networks and infrastructure and their health, education and research systems. This will allow EU's partners to develop inclusive societies and economies, but also create opportunities for the private sector to invest and remain competitive, whilst ensuring the highest environmental and labour standards, as well as sound financial management.

The Global Report on Public Financial Management 2022 points to budget execution and public availability of fiscal information as particularly weak links in the PFM systems globally. Globally recognised and standardised assessment tools such as PEFA (PFM system overall), TADAT (tax administration diagnostic assessment tool), MAPS (Methodology for Assessing Procurement Systems) and PIMA (Public Investment Management Assessment) are increasingly recognised as making progress comparable and help set the basis for reforms.

Although not a Team Europe Initiative, all five actions provide strong potential to create an enhanced Team Europe approach. They also set the framework for the strategic partnership with the IMF on fiscal issues and enhance the Team Europe's approach in the IMF decision making. The actions facilitate

regular consultation, technical assistance, and coordination at a global and the country level. This provides ample opportunities to promote both EU interests and visibility through closer coordination and alignment with the goals outlined above.

2.2 Problem Analysis

Making Public Finance Management (PFM) systems more efficient is all the more necessary as they are instrumental to responding to the multiple crisis and achieving broader development objectives: macroeconomic stability and debt sustainability, efficient resource allocation, and service delivery. Good PFM ties together public resources mobilization, delivery of public services, and the achievement of government policy objectives. It is key to ensure that revenues are collected efficiently and used appropriately and sustainably.

All countries need to intensify their efforts to improve domestic revenue mobilisation, debt management, and public finance management in order to implement nationally owned sustainable development strategies and address the impact of climate change. Many partner countries have tax to GDP ratios of less than 15%, often considered a minimum to finance basic social services that are fundamental for more equal societies and for well-being of the whole population, particularly for women and for groups that are living in vulnerable situations. Domestic Revenue Mobilisation is a key pillar to finance the SDGs. Tax administration and tax policy reforms both need to contribute to reach the objective of fair and effective tax system while taking into account the importance of a green and sustainable transition. In line with the Global Gateway strategy tax certainty and ease of payment will contribute to the wider climate conducive for sustainable investments.

Effective institutions and systems of public financial management (PFM) play a critical role in implementing national policies on sustainable development and poverty reduction. Strengthening public procurement systems have important potential. Public procurement accounts for 15% of world GDP. The UN estimate that approximately 10-25% of procurement value is wasted through inefficiency and corruption, undermining trust in institutions and private sector development.

Oversight over PFM and governments' actions by the respective external audit institution and by civil society lead to greater transparency and accountability. Effective oversight also contributes to improved efficiency and effectiveness, as well as less corruption in the delivery of public goods and services. During the pandemic, structural weaknesses of fragile countries exacerbated and independence as well as the professional capacity of supreme audit institutions were and are still threatened a number of countries.

Despite the global consensus on increased investment in data and statistics, comprehensive quality data to drive critical investments for achieving the SDGs is still lacking. The lack of data is due to two major problems: (a) chronic underfunding—funding for data from internal and external sources has been almost static for the past eight years, failing to keep up with needs; (b) fragmentation of support—lack of cooperation among multilaterals, bi-laterals, foundations, NGOs, and countries for optimized, long-lasting impact. The World Bank Global Data Facility (GDF), set up in 2021, is a new financing architecture and a unique partnership with the United Nations and development partners aiming at mobilizing important additional financial resources and coordinate support to enable long-term support and durable data and statistics transformations.

The proposed actions are part of a wider approach to create fiscal space under the “Collect more spend better” agenda, while adapting it to the recovery circumstances and the Commission’s priorities of a green and digital transition. Enhanced domestic revenue mobilisation and improved public finance management system is also an important element in the context of the work on Integrated National Financing Frameworks (INFF).

The five actions under the present programme will contribute to improved macroeconomic and public finance management, and support an effective, fair and transparent use of public resources in partner countries.

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

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

For the **Collect more spend better strategic partnership with IMF**: The main stakeholders of the Action will be the IMF and the partner countries benefitting from this support, in particular Ministries of Finance and tax and customs agencies, as well as regional and continental mechanisms, such as Regional Economic Communities (RECs). A whole range of stakeholders, including CSOs, other multilaterals, think tanks, academia, etc. will also benefit, in particular through publication of assessments and reports (e.g. TADAT, policy work on gender) and through involvement in events.

For **Improving public procurement systems**: The World Bank, France, Switzerland, Japan, OECD, and partner countries.

For **Stronger Supreme Audit Institutions for transparency and accountability**: Supreme audit institutions in developing countries; INTOSAI/IDI (International Organizations of Supreme Audit Institutions/development initiative), the international Donor community, notably the signatories of the MoU with INTOSAI of 2009.

For the **Macro Fiscal Facility**: The main stakeholders at country-level include national governments, ministries, the Central Bank and civil society. The main stakeholders at global level will be Member States, the IMF, the WB, the OECD, UNCTAD, where the EU will contribute to policy discussions. Advice and actions will be coordinated with international partners where relevant. Where possible advice and actions will be in a Team Europe approach at global and country level.

For **Improving National Statistical Systems**: The main stakeholders at country-level are the National Statistical Office (NSO) of partner countries, line ministries as users and producers of data, the donor community and civil society organisations. The main stakeholders at global level will be the World Bank and the international Donor community.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is:

Improve the governance of partner countries in macro-economic stability and public finance management on both, the revenue and expenditure side.

The Specific Objectives (i.e. outcomes) are:

For the **Collect more spend better strategic partnership with IMF**:

- Outcome 1. Developing countries public finance management systems improved
- Outcome 2. Developing countries domestic revenue mobilisation improved

For **Improving public procurement systems**:

- Outcome 3. Developing partner countries public procurement systems are developed and training is facilitated.

For **Stronger Supreme Audit Institutions for transparency and accountability:**

- Outcome 4. Public institutions that foster efficient public finance management and good economic governance are stronger, more accountable and inclusive.

For the **Macro Fiscal Facility:**

- Outcome 5. The identification of macro-fiscal risks and the design of appropriate policies in partner countries is enhanced, and relevant support for policy implementation is provided.

For **Improving National Statistical Systems:**

- Outcome 6. Improved availability of comprehensive quality data to drive critical development policies and investments for achieving the SDGs.

Cross-cutting:

- Outcome 7: Partner country capacities to design and implement green and gender sensitive PFM/DRM reforms are enhanced.

The **expected outputs** to be delivered by this action contributing to the corresponding Specific Objectives are:

For the **Collect more spend better strategic partnership with IMF:**

Developing partner countries are capacitated to implement DRM reform plans (incl. green and gender dimensions)

Developing partner countries are capacitated to implement PFM reform plans (incl. green and gender dimensions)

For **Improving public procurement systems:**

- Developing partner countries are capacitated to implement public procurement reform plans (including adopting a more sustainable (economic, social –including gender- and green) approach)

For **Stronger Supreme Audit Institutions for transparency and accountability:**

- Effective SAI capacity development programmes are developed and facilitated enabling SAI in developing countries to deliver value and benefits for citizens.

For the **Macro Fiscal Facility:**

- Technical support relevant for macro-fiscal policy-making and implementation in partner countries is made available, beyond what is already implemented at country-level or through complementary measures of budget support programmes, by bringing in additional resources and harnessing knowledge on policy solutions based on country, regional and global evidence

For **Improving National Statistical Systems:**

- Partner countries are capacitated to better collect, analyse and disseminate data and statistics (including support to sex/gender, age, disability disaggregation).

For Outcome 7 - Green and gender equality dimensions are successfully reflected in the implementation of the collect more spend better approach

Across the proposed actions, where appropriate and possible, a specific focus on fragile and conflict affected countries will be given.

3.2 Indicative Activities

For the Collect more spend better strategic partnership with IMF:

- Support design and implementation of PFM reforms, including green and gender sensitive aspects.
- Support design and implementation of DRM reforms, including green and gender sensitive aspects.
- Advise on climate sensitive public investment policies
- Promote standardised comparable tax administration assessments as basis for reforms
- Enhanced support in Fragile and Conflict affected countries

For Improving public procurement systems:

- Support drafting and implementation of procurement systems reforms, including green and gender sensitive aspects.
- Support development of public procurement systems diagnostic tools, and dissemination as Global Public Goods (methodologies and analytical results).
- Support e-procurement reform
- Support sustainable procurement (economic, social –incl. gender- and green) reforms.

For Stronger Supreme Audit Institutions for transparency and accountability:

- Effective SAI capacity development programmes are developed and facilitated, also in fragile countries.
- Global Public Goods (methodologies and analytical results) are disseminated
- Capacity for Advocacy and communication for independence of SAIs is maintained and strengthened

For the Macro Fiscal Facility:

- Deliver policy-relevant analytical products to partner countries and the EU, in support of evidence-based policy making in international development.
- Share knowledge and expertise with partner countries, the EU, EU MS and the international development community.
- Provide demand driven technical expertise to partner countries for design and implementation of macro-fiscal policy reforms complementary to existing capacity building at country-level.
- Provide demand driven technical expertise to inform the decision making on macro-fiscal topics relevant to EU cooperation actions/activities, and support the design and implementation of relevant projects and programmes
- For all these above, develop a specific approach to green PFM/DRM with interested EUMS and

partner countries

- Particular support in Fragile and conflict affected states and low-income countries with weak capacities.

For **Improving National Statistical Systems:**

- Assessed strength and weaknesses of statistical systems to contribute to efficient support and enhance donor coordination.
- Provide capacity building and technical support to national statistical systems, including on collecting disaggregated data (sex/gender, age, disability, minorities etc).

3.3 Mainstreaming

Environmental Protection & Climate Change

No SEA, EIA (Environmental Impact Assessment) or CRA (Climate Risk Assessment) are required in accordance with the environment and climate risk screening.

However, climate change related work will be an important axis of work, in each action. Climate change adaptation and mitigation will be a synergetic outcome of all actions proposed in this action document.

The IMF has defined climate change as macro-critical. Important tools which can be used and further advanced include the Climate PIMA to make public investment policy more climate sensitive, green and carbon taxation, reducing harmful subsidies and green budgeting.

Public procurement promotes sustainable public procurement, including encouraging development of innovative 'green' products and services. The macro fiscal facility will take up this priority into account in its activities given the macro-economic effects of climate change (e.g. on growth, assets...) and the need to support the implementation of green PFM/DRM reforms in partner countries and to support the development of green financial instruments.

Gender equality and empowerment of women and girls

The Commission will promote this aspect in all actions, as far as possible.

Concerning the IMF strategic partnership, the IMF has developed a Gender strategy which, in complementarity with the GAP 3, will form the basis for a partnership on gender sensitive macro-fiscal policies. This priority will also be pursued as part of the EUs role in the Steering Committee of Trust Funds and through work planning. This priority will be taken up in all the training activities, studies and knowledge exchanges, as appropriate. The Revenue Administration and Gender Initiatives (by the IMF) focuses on three primary areas: gender equality as an enabler for social and economic empowerment, revenue administration contributions to gender equality, and building gender perspectives into revenue administration reform planning. It reflects the IMF's strategy towards mainstreaming gender, including in its capacity building work.

The Macro-Fiscal facility will take up this priority in all technical activities, studies and knowledge exchanges, as appropriate.

As part of the programme to support supreme audit institutions, **SAIs** participate in gender-responsiveness training and integrate this in their own HR strategies. Also, SAI are coached in audit methodology to integrate gender awareness into audits and conduct gender / equality related audits.

Gender equality is an integral part of the programme and one of the prioritized areas where the programme will share good practices with providers and offer support to the SAIs across the countries. How the SAIs lead by example in the areas of gender, inclusion and diversity are expected to be addressed when advising SAIs in strategic and HR-management. Support to audit of gender related issues will also be offered.

Support to National Statistical Systems will further encourage disaggregation of data according to gender.

In relation to the action support to national statistics, as well as the actions improving public procurement, gender equality aspects will be enhanced as appropriate.

Public procurement allows to achieve policy objectives such as growth of women led small and medium enterprises (SMEs) or minority interests.

Human Rights

The European Commission proposed a dedicated component under the umbrella of the thematic Global Public Goods and Challenges programme which aims at enhancing sound domestic public finance systems and foster effective environmentally and gender and socially responsible domestic revenue mobilisation and use in developing countries. This yields a direct positive impact on governance and the progressive realisation of human rights.

A better oversight of PFM and governments' actions by the respective external audit institution and by civil society lead to greater transparency and accountability, which directly fosters the respect for the rule of law and fundamental values.

Democracy

A better oversight of PFM and governments' actions by the respective external audit institution and by civil society lead to greater transparency and accountability, which directly fosters democracy. Better availability of reliable debt data helps increase domestic scrutiny of borrowing, again contributing to democratic accountability.

Corruption

Tax reforms enhance fiscal space and tax revenues when corruption control is more effective. There is growing evidence that countries that benefit the most from tax reforms are those that prove enough ability to control corruption.

Good oversight over the budget and its executions through high quality and relevant external audits has a strong dissuasive effect on corruption.

The Macro-Fiscal facility will take up this priority in all technical activities, studies and knowledge exchanges, as appropriate.

Public procurement systems reforms strengthen transparency and standards to improve public and private investment as well as accountability which contribute to the fight against corruption.

Other considerations if relevant:

Poverty reduction: Effective institutions and systems of public financial management (PFM) and macro-economic stability play a critical role in implementing national policies on sustainable development and poverty reduction.

Fragile and conflict-affected countries: Across the proposed actions, where appropriate and possible, a specific focus on fragile and conflict affected countries will be given as preserving peace, preventing conflict and strengthening international security is part of the EU core mandate, as set out in Article 21 of the Treaty of the European Union.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures

General Risk All actions	Insufficient integration of gender equality and lack of gender sensitivity and responsiveness regarding the implementation of the actions.	L	M	The Commission will promote gender equality in all actions during contracting, and implementation, in particular through strategic guidance in Steering Committees, through approval of work plans and priority setting in specific terms of reference.
General Risk All actions	Climate and environmental aspects not sufficiently reflected during implementation.	M	M	All actions will mainstream climate considerations in their work planning, which will be monitored and guided. Climate and environmental questions will be part of the support to audit capacity offered in the SAI programme. The programme will also seek to minimize the need for flights, by actively using videoconferencing and ICT-tools for communication and support.
Collect more spend better strategic partnership with the IMF	Absorption capacity constraints Capacity to implement reforms insufficient to ensure successful outcomes of reforms	M	H	Tailor technical assistance to focus on specific needs of countries based on level of capacity, e.g., basic reform strategies for fragile and low-capacity countries and more advanced reforms in countries with greater absorption capacity.
Improving public procurement systems	Donor commitment to contribute adequate budgets/funds, etc.	M	M	Consult and keep close communication with donors on funding situation. Diversify donor base.
Improving public procurement systems	Capacity to implement reforms insufficient to ensure successful outcomes of reforms	L/M	L/M	Tailor technical assistance to focus on specific needs of countries based on level of capacity, e.g., basic reform strategies for fragile and low-capacity countries and more advanced reforms in countries with greater absorption capacity.

Stronger Supreme Audit institutions for transparency and accountability	The lack of political will by government to strengthen SAI, which might be further fuelled by lack of financial and operational independence.	M	M	The action proposed will be executed by the IDI, a body of the INTOSAI which is dedicated to support the capacity of SAI in developing countries.
	Lack of interest among peer-SAIs for working with challenged SAIs	L	H	More support to peer-to-peer actions. A mapping and analysis of peer-to-peer support is launched in 2022 to provide insights how to mitigate risks.
Macro Fiscal Facility	Insufficient quality of outputs Commission	M	H	To ensure quality of services, precise ToR will have to be drafted and clearly communicated. Sound management and coordination will be implemented
Macro Fiscal Facility	Replication of existing analysis and lack of value-added of output.	M	H	Ensure product that is of clear use to the Commission services, partner countries and Delegations through a demand-driven approach. Ensure there is an overview of existing analytical products of other organisations to avoid replication of analysis. Outputs should be useful to build capacity in partner countries but also within the Commission services and EU Delegations.
Improving National Statistical Systems	Donor commitment to contribute adequate budgets/funds, etc. may be insufficient	M	M	Consult and keep close communication with donors on funding situation. Diversify donor base.

Lessons Learned:

The (ongoing and almost completed (Jan 2023)) **evaluation of the Collect More and Spend Better** approach of the EU regarding support to Public Finance Management confirmed the following

- The EU support is grounded in a solid understanding of PFM systems of beneficiary countries, generally inspired by a PEFA assessment. Properly aligned to national PFM reform strategies.
- The EU has a pragmatic approach to adapt to challenging governance environments
- The use of a mix of instruments (Technical Assistance, Budget Support, Multi Donors Trust Funds, policy & political dialogue) has proven pertinent
- Cross-cutting issues, such as gender, climate and digitalisation have been increasingly promoted

In relation with the IMF, the support is so far scattered through individual contributions to trust funds does not allow for a strategic overview of the support the EU provides to the IMF. The PFM-PP, a standalone Single donor trust fund, has allowed to develop a specific EU-IMF agenda on fiscal issues.

Evaluations of specific trust funds (Revenue Mobilisation Thematic Fund, Managing Natural Resource Wealth Thematic Fund) as well as Capacity Development (CD) delivery at large provided important lessons learned, including the need to be more ambitious on the green agenda, importance of linking CD work with surveillance programmes and ensuring stronger linking up with (local) donor groups. The IMFs intention to combine the revenue related funds (RMTF, MNRW, TADAT) into one trust fund to enhance coherence is welcome, and the contracting should take this into account, ie ideally the EU's contribution should be made to the single trust fund.

In country delivery is preferred by countries but not always necessary nor possible. Value for money, greening CD and addressing diversity and demand on limited expert resources require that a blended CD delivery model be implemented.

Both tax policy and revenue administration CD is highly relevant to countries but must be grounded in ownership and political will from the country authorities to reform.

For the **Macro-Fiscal Facility**: A previous experience with a think tank suggested that country-specific evidence enriches the theoretical analysis resulting on more useful policy advice. It also demonstrated that investing in clear and precise terms of references is important to ensure quality of output and efficiency of service delivery. The analytical products should be specific to the Commission's activities and NDICI programming exercise so that they are useful to build knowledge and capacity in EU partner countries and in Commission services.

For the **Supreme Audit Institutions**: Internal as well as external analyses come to similar results that external scrutiny and independent audit score badly and have relatively high risks. Results are improving, but slowly, in line with the performance of other parts of public administration. The analyses point to the importance of ownership by the government, the true independence and capacity of the SAI as well as the transparency and take-up of the reports by Auditees, Parliament and Civil Society. The 2020 evaluation of the SAI programme PAP-APP concluded positively that most expected results and outcomes are achieved or likely to be achieved. The approach was efficient and effective. Recommendations aim, among different points, at the improvement in the peer-to-peer support mechanisms as well as specialized support for strategic planning and organisational development.

3.5 The Intervention Logic

This action document combines several aspects of the "Collect more – spend better" agenda. It aims at increasing domestic revenue mobilisation by reducing tax avoidance and evasion as well as strengthening external controls and at more efficient spending, through improved PFM reforms. International support through strategic partnerships with IFIs and very reputed institutions will be complemented by a facility which will enable partner countries to enhance their capacities in macro-economic and fiscal questions. Systematic and synergetic support to political priorities will enable progress throughout the full programme. However only for the most likely, Climate change adaptation and mitigation, an outcome is formulated.

3.6 Logical Framework Matrix

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

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	Improve the governance of partner countries in particular public finance management on both, the revenue and expenditure side	1. Share of non-OECD countries with improved scores in Open Budget Index 2. Tax-to-GDP ratios improved in IMF thematic fund supported countries 3. Improvement of PFM systems in IMF thematic fund supported countries	1. tbc 2. Tax-to-GDP ratios in 2023: tbc 3. 2023: baseline of the PEFA global report on PFM	1. 10% of non-OECD countries have improved their scores by 2027 2. Tax-to-GDP ratios in 2027: tbc 3. 2027: 10 countries improved overall in PEFA score average	1. Open Budget Index scores published on the international budget partnership website 2. World Economic Outlook 3. PEFA global report on PFM	<i>Not applicable</i>
Outcome 1	Collect more spend better strategic partnership with the IMF Developing countries domestic revenue mobilisation systems improved.	1.1 Average TADAT overall scores have improved in repeat TADAT assessments 1.2 Number of countries with tax administration reform plans	1.1 tbd 1.2 2023: tbc	1.1 above 60 by 2027 1.2 2027: + 20	TADAT secretariat reporting	
Outcome 2	Collect more spend better strategic partnership with the IMF Developing countries public finance management systems have improved	2.1 Number of supported countries whose PEFA scores improved 2.2 Number of countries applying gender sensitive PFM reforms	2.1 2023: tbc 2.2 tbc	2.1 2027: + 8 2.2 tbc		

Outcome 3	Improving public procurement systems: Partner countries public procurement systems ready for improvement	3.1. Number of countries following MAPS roadmap 3.2. Number of countries following MAPS e-procurement 3.3. Number of countries following sustainable procurement processes	3.1. 2023: tbc 3.2. 2	3.1: +8 3.2: +3	MAPS Secretariat	
Outcome 4	Stronger Supreme Audit Institutions for transparency and accountability: Strong, accountable and inclusive public institutions that foster efficient public finance management and good economic governance.	4.1 Cumulative number of instances that SAIs use operational plans and internal reporting or issue an annual SAI Performance report 4.2 Cumulative number of SAIs having HR-policies with gender, diversity and inclusion focus developed.	4.1 to be developed later 4.2 to be developed later	4.1 to be developed later 4.2 projects will be evaluated, and reports published. Targets to be added when timing of evaluations	4.1 IDI Annual Performance and Accountability Reports 4.2 Country project evaluation and review reports	
Outcome 5	Macro Fiscal Facility: The identification of macro-fiscal risks and the design of appropriate policies (incl. on green and gender equality PFM/DRM) in partner countries is enhanced, and relevant support for policy implementation is provided.	5.1. Number of partner countries having benefitted from an analysis of macro-fiscal risks provided by the EU. 5.2. Number of partner countries having benefitted from support to macro-fiscal policy implementation (separate reporting on green PFM/DRM support)				N/A
Outcome 6	Global Data Facility (GDF): National Statistical Systems (NSS) of low- and middle-income countries improved	6.1 Number of governments assessing the strength and weaknesses of the NSS and receiving direct support for the GDF.			GDF reports	
Outcome 7	Partner country capacities to design and implement green and gender PFM/DRM reforms are enhanced. (Outcome produced by all actions.)	7.1. Number of countries having undergone PFM/DRM assessments reflecting green/ climate dimensions 7.2. Number of countries having undergone assessments reflecting gender equity dimensions				

Output 1 related to Outcome 1	1.1. Developing countries are capacitated to effectively draft and implement PFM reform plans	1.1 Number of developing counts having drafted PFM reform plans 1.2 Number of developing countries implementing PFM reform plans 1.3 Number of countries implementing gender budgeting	1.1 tbc 1.2. tbc 1.3. tbc	1.1 1.2 1.3	Global PFM report FAD	
Output 2 Related to Outcome	2.1. Developing countries are capacitated to effectively draft and implement DRM reform plans	2.1 Number of developing countries having drafted DRM reform plans 2.2 Number of developing countries implementing DRM reform plans	2.1.tbc 2.2 tbc	2.1 2.2	Project reports	
Output 3 related to Outcome 3	3.1. Developing countries are capacitated to effectively implement public procurement reform plans	3.1 Number of developing countries having drafted public procurement reform plans	3.1. tbc	3.1. tbc	Annual report by contractor	
Output 4 related to Outcome 4	4.1. Effective SAI capacity development programmes are developed and facilitated enabling SAI to fully play their key role	4.1.1 Cumulative number of capacity building actions successfully concluded by the participating SAIs 4.1.2 Number of resource persons involved in support to the SAIs taking part in joint training (physical/webinar)	4.1.1 to be developed later 4.1.2 to be developed later	4.1.1 to be developed later 5.1.2 to be developed later	IDI Annual Performance and Accountability Reports	
Output 5 related to Outcome 5	5.1 Technical support relevant for macro-fiscal policymaking and implementation in partner countries is made available.	5.1 Number of evidence-based policy making analytical products (produced on the basis of inputs from the Facility)	Zero in 2022	tbd	European Commission	N/A
Output 6 related to Outcome 6	6.1 Partner countries are capacitated to better collect, analyse and disseminate data and statistics.	6.1 Number of national statistical systems assessed. 6.2 Learning and knowledge sharing, number of trainings, seminars, and outreach activities.			Global Data Facility reports	

Output 7 related to Outcome 7	7.1 Green dimension is successfully reflected in the implementation of the collect more spend better approach	7.1 Number of countries benefiting from the knowledge-exchange platform on green PFM/DRM 7.2 Number of partner countries benefitting from bilateral support on the design and implementation of green PFM/DRM reforms 7.3 number of new PFM support project including a GRB dimension				
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with partner countries.

4.2 Indicative Implementation Period

The indicative operational implementation period of all described actions, during which the activities described in section above will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of the 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 Financing Decision and the relevant contracts and agreements.

4.3 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 measures.

4.3.1 Direct Management (Grants)

(a) Purpose of the grant to the INTOSAI Development Initiative (IDI)

The purpose of the direct grant is to contribute to this specific objective:

- Supreme Audit Institutions capacitated to improve their performance in politically unstable and challenging environments for transparency and accountability. The intended beneficiaries are supreme audit institutions in developing countries.

(b) Type of applicants targeted

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the INTOSAI Development Initiative, abbreviated IDI.

(c) Justification of a direct grant

The grant may be awarded without a call for proposals to INTOSAI/IDI, due to the INTOSAI/IDI's particular and unique technical competence as an INTOSAI body, having been created to support the enhancement of audit capacities of INTOSAI members. Besides the particular technical competence, its legal origin (INTOSAI body) gives it a particular mandate preserving independence and neutrality of supreme audit institutions. When supporting capacity building of a supreme audit institution (SAI), preserving the SAI's independence is of great concern. Therefore, choosing the dedicated INTOSAI body to execute the grant is the best solution, in application of article 195f FR. IDI was established in May 1999 as a Foundation under Norwegian law. The Chairman of the Norwegian Board of Auditors General acts as Chairman of the Board of IDI.

The recourse to an award of a grant without a call for proposals is justified because the action has specific characteristics that require a particular type of body on account of its technical competence and its degree of specialisation (Article 195(f) of the Financial Regulation 2018).

4.3.2 Direct Management (Procurement)

Macro Fiscal Facility: The purpose of the action is to contribute to this specific objective:

- The identification of macro-fiscal risks and the design of appropriate policies in partner countries is enhanced, and relevant support for policy implementation is provided.
- The action will mainly be implemented through procurement.

4.3.3 Indirect Management with a Pillar assessed entity

The purpose of the **Collect more spend better strategic partnership with International Monetary Fund** is to contribute to:

- Outcome 1. Developing countries public finance management systems improved
- Outcome 2. Developing countries domestic revenue mobilisation improved

The component entitled ‘Collect more spend better Strategic partnership with the IMF’ will be implemented through indirect management with the IMF. The envisaged entity has been selected using the following criteria: highly specialised expertise in the area of domestic revenue mobilisation and public finance management. It is also hosting the Tax Administration Diagnostic Assessment Tool (TADAT) secretariat, which is the globally recognised assessment standard and has a privileged position in partner countries due to its lending and economic surveillance work. The implementation by this entity entails capacitation of partner countries in PFM and DRM reforms. The Funds intention to combine the DRM related funds into one is welcome and will be the preferred option for co-financing in order to make the most efficient use of resource.

Procurement Partnerships: The purpose of the action is to contribute to this specific objective:

Improving public procurement systems:

- Outcome 3. Developing partner countries public procurement systems are developed and training is facilitated.
- This part of the action might be implemented through indirect management, via the Procurement for Development (P4D) umbrella programme of the World Bank which would draw on its recognised know-how and experience in the field. The envisaged entity will be selected using the following criteria: highly specialised expertise in the area of procurement and procurement system reforms. The World Bank has a privileged position in partner countries due to its lending and economic surveillance work. The agreement with the World Bank will comprise an agreement with the OECD for a specific part of the action. The OECD is also hosting the secretariat of the MAPS initiative (methodology for assessing procurement systems), which is the globally recognised assessment standard.
- If negotiations with the above entity fail, that part of the action may be implemented in indirect management with AFD/Expertise France as lead implementing agency in a European Procurement Partnership. The implementation by this alternative entity would be justified because of the following criteria: good, specialised expertise in the area of procurement and procurement system reforms, with long experience in supporting partner countries in the formulating and implementation of procurement reform plans. The envisaged entity has also solid experience with the MAPS initiative. Discussions with other European partners in joining the European Procurement Partnership is ongoing. This option would have a strong Team Europe potential and build upon European expertise in the sector (see above).

Macro Fiscal Facility

A part of the Macro Fiscal Facility might also be implemented through indirect management with a Member State organisation. The implementation by this entity entails the facilitation of the provision of concrete EU Member State expertise on topics such as green PFM/DRM or debt management.

Improving National Statistical Systems: The purpose of the action is to contribute to this specific objective:

- Partner countries are capacitated to better collect, analyse and disseminate data and statistics. It will be implemented through indirect management with the World Bank (National Statistics/Global Data Facility). The entity will be selected based on the criteria of the highly specialised expertise in the area of statistics, domestic revenue mobilisation and public finance management. The implementation by this entity entails capacitation of partner countries to better collect, analyse and disseminate data and statistics

4.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances

In case the above implementation modality as described in section 4.3.1. and 4.3.2 cannot be implemented due to circumstances outside of the Commission's control, it may be implemented through indirect management. If negotiations with the above entities/ contracting fail, the respective part of the action may be implemented in indirect management as follows:

- For the part of the action concerning **Stronger Supreme Audit Institutions for transparency and accountability:** indirect management, likely with a pillar-assessed entity. The envisaged entity would be selected using the following criteria: highly specialised expertise and sufficient experience.
- For the part of the action concerning **the Macro Fiscal Facility:** indirect management, likely with a pillar-assessed entity. The envisaged entity would be selected using the following criteria: highly specialised expertise and sufficient experience.

In case the above implementation modality in indirect management as described in section 4.3.3. cannot be implemented due to circumstances outside the Commission's control, direct management through grant and/or procurement may apply.

- For the part of the action concerning the **Collect more spend better strategic partnership with International Monetary Fund:** direct management. The action may be contracted through a call for tender using the following criteria: highly specialised expertise, sufficient experience, and excellent capacity.
- For the part of the action concerning the **Procurement Partnerships and concerning the Improving National Statistical Systems** respectively: direct management. The actions respectively may be contracted through a call for tender or proposal or, if duly justified and approved, direct grant using the following criteria: highly specialised expertise, sufficient experience, and excellent capacity.

4.5 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, subject to the following provisions.

The Commission's authorising officer responsible 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 realization of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR, for 2023)	EU contribution (amount for 2024)	Third-party contribution, in currency identified
For specific objective 1 and 2 Collect more spend better strategic partnership with the IMF (indirect management)	EUR 13 842 076	9 157 924	Co-financing ¹ : EUR 82 000 000
For specific objective 3 : Improving public procurement systems Option 1: European Procurement Partnership (AFD) (indirect management) Option 2: Procurement 4 Development (WB)/MAPS (OECD) (indirect Management)	EUR 3 000 000	0	Co-financing: EUR 4 000 000
For specific objective 4 : Supreme Audit Institutions Direct management with INTOSAI/IDI	EUR 3 000 000	0	Co-financing (indicative amount): EUR 27 000 000
For specific objective 5 : Macro Fiscal Facility (three possible parts, direct management with procurement; indirect management with MS or indirect management with a Pillar assessed international organisation)	EUR 4 000 000	0	NA
For specific objective 6 : For Improving National Statistical Systems, Global Data Facility (GDF) (indirect management with the World Bank)	EUR 2 000 000	0	Co-financing (indicative amount): EUR 73 000 000

¹ For the period 2024-2028, this is based on past experience, draft budget will third partner contributions be available later in 2023

Evaluation – cf. section 5.2	may be covered by another Decision		NA
Audit – cf. section 5.3			
Totals	EUR 25 842 276	9 157 924	EUR 186 000 000

4.7 Organisational Set-up 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 below governance structures set up for governing the implementation of the action.

Collect more spend better strategic partnership with the IMF:

While the IMF will be responsible for implementation, the Commission will ensure strategic steer, guidance and monitoring through an annual review meeting of the partnership as well as the participation to the Steering Committee(s) and approval processes for (half-) yearly work plans of the trust fund(s) which the programme will contribute to. This will provide for the opportunity to steer in terms of allocation and prioritization of country owned and driven CD programs. Coordination with geographic units and Delegations will ensure that country experiences can be factored in as well as linking up with IMF CD support missions. Linkages and close coordination will be particularly relevant in budget support countries. Commission will seek coordination during implementation and ahead of steering committees with EU MS participation also co-funding the multi-donor action.

Improving public procurement systems:

Option 1: AFD: In a Team Europe approach, the EC will seek coordination and ensure guidance and monitoring, as founder of the European Procurement Partnership.

Option 2: WB/OECD: the EC will ensure guidance and monitoring through the Steering Committee and approval processes for yearly work plans.

For the Supreme Audit Institutions:

The action grant will be given to the INTOSAI/ IDI to co-finance a programme to support capacity development for supreme audit institutions, subject to the adoption of the programme. The IDI board should approve the programme in March 2023 contracting with IDI is planned for the 4th quarter 2023. In the unlikely case of the non-adoption of this proposed programme, earmarked funding for selected activities can be envisaged.

The Macro Fiscal Facility will be implemented through service contracts, the EU will be the contracting authority. Part of this action could be implemented with an international organisation and/or an EU MS, the relevant procedures and regulations will apply.

Improving National Statistical Systems:

Contribution to the Global Data Facility hosted and managed by the World Bank.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical, and financial monitoring system

for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

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).

Roles and responsibilities for data collection, analysis and monitoring:

For the Collect more spend better strategic partnership with IMF:

An annual review meeting will establish the priorities for the partnership on the basis of reports by the IMF. Moreover, the established practice with IMF thematic funds is twice yearly reports, which provide the opportunity for comments which are answered in writing ahead of the Steering Committee, which facilitates steering, monitoring, approval/adaptations/rejections of proposals and related discussions. It is expected that co-financing would go towards a single DRM related thematic fund, which would report on the full scope of activities. Further steps towards more comprehensive reporting on country level donor coordination and macro-critical dimensions of climate and gender will be monitored.

For Improving public procurement systems:

Option 1: AFD-European Procurement partnership:

Option 2: WB/OECD:

For both options: implementing partners will produce annually a narrative and financial report on EU funding. Regular meetings of AFD or WB/OECD and contributing donors will take place.

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

For Stronger Supreme Audit Institutions for transparency and accountability:

IDI has a well-functioning reporting system towards donor contributors and their own board which will be used. IDI will produce annually a narrative and financial report on progress of the programme and EU funding. Regular meetings of IDI and contributing donors will take place. In addition, there is the INTOSAI Donor Cooperation Steering Committee (all MoU signatories – INTOSAI and donors) - 1 ½ day annual meeting, if possible post-Covid as well as quarterly telephone conferences. IDI is annually audited by an independent external auditor.

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

For the Macro Fiscal Facility: Given that the EU will be the contracting authority, all the reporting of this action will be done through the European Commission Electronic Exchange System. A part of this action could be implemented with an international organisation and/or an EU MS, in this case adequate monitoring mechanisms will be set up.

For Improving National Statistical Systems:

The GDF has defined a governance structure (partnership council) that will provide partners the opportunity to define policies and priorities of the Facility and a Project Management Unit (PMU) responsible for daily management, transparency and reporting.

5.2 Evaluation

Having regard to the nature of the action, final evaluations may be carried out for this action or its components via independent consultants. They will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the continuous nature of the programmes supported.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. 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. Specific measures for evaluation comprise the following actions:

For the **Collect more spend better strategic partnership with IMF**:

The IMF foresees mid/or end of cycle independent evaluations for its programmes, which should also apply to its future phase of a DRM/PFM thematic fund programme and take into account the current reflection on reforming and streamlining the thematic funds around “collect more – spend better”.

For **Improving public procurement systems**:

The AFD or World Bank foresees mid/or end of cycle evaluations for its programmes. The implementation partner and the commission shall analyse the conclusions and recommendations of the evaluations.

For **Stronger Supreme Audit Institutions for transparency and accountability**: Evaluation reports will be shared with the partner country and other key stakeholders. The implementation 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, reorientation of the project.

For the **Macro Fiscal Facility**: a quick assessment of the implementation of this action could, if needed, be foreseen after the first year of implementation.

For **Improving National Statistical Systems**: World Bank foresees mid/or end of cycle evaluations for its programmes.

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

All entities implementing EU-funded external actions have the contractual obligation 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 related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document

Communicating and raising EU visibility: Guidance for external actions (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

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. Visibility and communication measures should also promote transparency and accountability on the use of funds. Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and the EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before the implementation. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

Appendix REPORTING IN OPSYS

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

Primary Interventions are those contracts or groups of contracts bearing 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 result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

Action level		
<input type="checkbox"/>	Single action	
Group of actions level		
<input checked="" type="checkbox"/>	Group of actions	
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Strategic Partnership with the IMF
<input checked="" type="checkbox"/>	Single Contract 2	Improving public procurement systems
<input checked="" type="checkbox"/>	Single Contract 3	Direct management through an Action grant to INTOSAI/IDI
<input checked="" type="checkbox"/>	Single Contract 4	Macro Fiscal Facility (possibly two or more contracts)
<input checked="" type="checkbox"/>	Single Contract 5	National Statistics Systems/Global Data Facility