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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX

to the Commission Implementing Decision on the financing of the multiannual support measures in favour of Asia for 2023 and 2024 with a specific focus on economic policies and public financial management

**Action Document for the multiannual support measures in favour of Asia for 2023 and 2024
with a specific focus on economic policies and public financial management**

MULTIANNUAL MEASURE

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and measures in the sense of Article 24(2) of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title OPSYS business reference Basic Act	Support Measures in favour of Asia for 2023 and 2024 with specific focus on economic policies and public financial management OPSYS ref: ACT-61394 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	<input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Supporting (inter alia) TEI.
3. Zone benefiting from the action	The action shall be carried out in the following countries, but could be open to other countries in the region should appropriate conditions be met. Middle East and Central Asia Iraq, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Yemen South and East Asia Bangladesh, Bhutan, Cambodia, Indonesia, India, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam
4. Programming document	Regional Multiannual Indicative Programme for Asia and the Pacific 2021-2027.
5. Link with relevant MIP(s) objectives/expected results	This action is linked to the Cooperation Facility's objectives of the Support measures of the regional MIP for Asia and the Pacific. It is expected to contribute to eradicating poverty by promoting conditions to enhance macro-economic stability, public financial management and good governance.

PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	Not applicable			
7. Sustainable Development Goals (SDGs)	Main SDG: 17 (Partnerships for the goals)			
8 a) DAC code(s)	43010 – Multi-sector aid			
8 b) Main Delivery Channel	90000 – Other			
9. Involvement of multilateral partners	Yes			
10. Targets	<input type="checkbox"/> Migration <input 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input type="checkbox"/>	<input checked="" 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 and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation Tags: digital connectivity digital governance digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	job creation digital skills/literacy digital services		<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity Tags: 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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of inequalities	<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	Budget lines: 14 02 01 30 Middle East and Central Asia EUR 2 500 000 14 02 01 31 South and East Asia EUR 11 000 000 Total estimated cost: EUR 13 500 000 Total amount of EU budget contribution EUR 13 500 000 The contribution is for an amount of EUR 10 000 000 from the general budget of the European Union for 2023 and for an amount of EUR 3 500 000 from the general budget of the European Union 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.			
MANAGEMENT AND IMPLEMENTATION				
14. Type of financing	Indirect management with entities to be selected in accordance with the criteria set out in section 4.4.1.			
15. Type of measure	<input checked="" type="checkbox"/> Cooperation facility <input type="checkbox"/> Measures in favour of Civil Society			

1.2. Summary of the Action

The Support Measures for Asia for the period 2023-2024 provide the possibility to finance small-scale activities that are needed for the achievement of the objectives of the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe) in the region. This action is focusing on initiatives to assist partner countries to strengthen institutions' capacities and skills to design and implement Public Financial Management (PFM) systems: enhance strategic allocation of resources and efficient service delivery, increase budget transparency and promote sustainable inclusive green growth as well as gender responsiveness, ultimately leading to reduce poverty.

2. RATIONALE

2.1. Context

The EU's current vision, interests and priorities in Asia-Pacific are outlined by various EU strategies¹. They are broad and deep, spanning from profound economic and trade interests with asymmetrically growing interdependences, addressing global challenges such as climate change and environmental degradation, support for multilateralism, promotion of human rights, democracy and gender equality as well as peace, security and stability, reducing inequalities, and, where relevant, disaster risk reduction. Promoting sustainable, comprehensive and rules-based connectivity and addressing challenges of migrants and displaced people are EU priorities as is strengthening joined-up approaches to tackle shared challenges with regional associations.

In that context, increasing transparency and accountability of public institutions at national and sub-national levels and publicly-owned enterprises and improving access for all to information on public affairs, strengthening public procurement including encouraging the development of environmental, social and economic sustainability criteria and targets and public finance management at regional, national and local level, supporting the development and deployment of e-Governance systems and strengthening service delivery are areas of cooperation identified in the NDICI Global Europe Regulation. In line with the Gender Action Plan III, and taking into consideration the diverse situation of the different countries with regards to Gender Responsive Budgeting in the region², the action will support gender responsive PFM systems and Gender Responsive Budgeting. The proposed Support Measures will be implemented in that field.

The action will contribute to the EU wider strategic partnerships with the International Monetary Fund and the World Bank Group, building upon existing cooperation in the region on macroeconomic and fiscal stability, public financial management and domestic resource mobilization.

2.2. Problem Analysis

Measures embedded in the present action aim to assist countries to address some institutional and capacity gaps to design and implement effectively Multiannual Indicative Programmes Priorities Areas by focusing on the three core Public Finance Management Objectives (aggregate fiscal discipline, strategic allocation of resources, effective and efficient public service delivery). This will include capacity development and specific technical exchange of experience and knowledge transfer among Public Financial Management (PFM) and Domestic Revenue Mobilisation (DRM) practitioners, as well as analysis for decision making on public spending and performance indicators linked to EU Country and regional priority areas as well as climate change and SDGs targets. More specifically for SDG 5, achieving gender equality remains a significant challenge, which has only deepened with the on-set of the COVID-19 pandemic. Promoting gender responsive PFM systems and Gender Responsive Budgeting can help promote inclusive recovery by applying a gender perspective to fiscal policies and the budget process

Particularly in relation to partner countries with budget support operations, this action will therefore also support partner countries to meet eligibility criteria for budget support.

The end beneficiaries are citizens of the eligible countries, as activities will support administrations of partner countries to enhance the establishment, execution and reporting of their National Budget, public finance management and good governance.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to facilitate the implementation of national and regional programmes by providing funding for all necessary support operations, with a specific focus on strengthening the institutional and policy frameworks of beneficiary countries to underpin sustained inclusive economic growth.

¹ Notably the September 2021 Joint Communication on the EU's Indo-Pacific Strategy and the 2019 EU's Strategy on Central Asia.

² See notably https://www.unescap.org/sites/default/d8files/knowledge-products/SDD_Gender-Responsive_Budgeting.pdf

Specific objectives (Outcomes) of this action are:

1. Strengthened institutional and human capacity to design and implement sustainable macro-fiscal policies and facilitate knowledge exchange among peers in the region
2. Enhanced budget transparency and accountability in the budgetary process as well as ability to design and implement sound public policies (Public Expenditure Reviews)
3. Fostered fiscal analysis and advocacy including in support of public participation in the budget process to enhance the adequacy, effectiveness and efficiency of social sector expenditures
4. Improved integration of climate change / SDG targets and gender mainstreaming in the budget cycle

Expected Outputs:

- 1.1 Reinforced sound macro fiscal policies
- 2.1 Enhanced timely publication of budgetary information and participation of civil society in the budget process (including representatives of women, people with disabilities, etc.), as well as strengthened institutional capacity to design and implement sound public policies
- 3.1 Improved adequacy, effectiveness and efficiency of selected social policies
- 4.1 Availability of National Budgets integrating SDG and climate change tagging and applying gender mainstreaming at all levels of the budgetary process

3.2. Indicative Activities

These measures, in order to achieve the aforementioned specific objectives n. 1-4, may cover the following indicative activities, with a specific focus on economic policies, Public Finance Management and expenditure management, preparation, implementation and monitoring of the National Budgets, as well as strengthening tax good governance mechanisms:

- a) Support to capacity development and institutional building including through technical assistance and exchange of public expertise.
- b) Support to policy dialogues: events, conferences, studies, surveys, study visits, exchange platforms to support sector dialogues and broader policy dialogue leading to policy reforms and engagement with governments and other stakeholders, as well as information sharing, training, preparation and exchange of lessons learnt and best practices;
- c) Research and innovation activities and studies on relevant issues and the dissemination thereof;
- d) Budgetary analysis, public expenditure and institutional reviews, advocacy and civil society participation in the budgetary process in selected sectors or cross-sectoral (e.g. climate change);
- e) Analysis of the relations between public spending against progress in the achievement of policy goals and performance indicators, including tracking achievement of climate-related objectives and expenditure targets, and, where possible, use of disaggregated indicators by sex (and/or gender indicators) /age/location/disability ;
- f) Promotion and dissemination of open budget data.

3.3. Mainstreaming

The NDICI-Global Europe Regulation Article 8.8 specifies that "Programmes and actions under this Regulation shall mainstream the fight against climate change, environmental protection, human rights, democracy, gender equality and, where relevant, disaster risk reduction and shall address interlinkages between SDGs, to promote integrated actions that can create co-benefits and meet multiple objectives in a coherent way."

Environmental protection and climate change:

Due to its nature, the intervention is not expected to have a significant impact on environmental protection and climate change. Environmental impact assessments are therefore not foreseen. However, the action intends to support national efforts towards climate action (mitigation and adaptation) and to improve the natural environment, for instance by anticipating and addressing the effects of climate change potentially related to the disruption or reduction of economic activity

Gender equality and empowerment of women and girls:

Gender equality will be mainstreamed in the various programme components. Focus should be on supporting gender responsive PFM systems and gender responsive budgeting. Gender-responsive budgeting (GRB) is a tool that helps align gender policies and strategies with sectoral strategies, policies, expenditures, and revenues. As a result, GRB ensures that the public finance system and other objectives such as macroeconomic stability or provision of public services contribute to the closure of gender gaps and improvements of gender equality to benefit men, women, boys, and girls.

Disability:

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. The action will support participation and access of persons with disabilities and/or their representing organisations (OPDs) through out of the different components of the programme, especially in relation to activities of point b) (Support to policy dialogues).

Furthermore, the action will aim to involve organisations of persons with disabilities in activities of area d) Budgetary analysis, advocacy, and civil society participation in the budgetary process in selected sectors.

Human Rights:

The intervention will abide by the 'do no harm principle' to avoid unintended negative impact in terms of human rights and will be implemented following the rights-based approach working principles (all rights, participation, non-discrimination, accountability and transparency).

The action will mainly reinforce the duty bearers (public institutions) to comply with their responsibilities to improve the management of its public finances, as a key pillar for pursuing sustainable and inclusive growth. Right holders (people) will participate through the participation of civil society.

3.4. Risks and Lessons Learnt

Given the experience from similar support measures since 2006³, it is assumed that there is a genuine need for this instrument that allows Commission services and Delegations to plan cooperation-related activities in a flexible way. Due the specificity of this measure there are no major risks and assumptions. However fully successful implementation will depend on:

- willingness of the partner countries to continuing the process of improvement of their institutions and embarking on an ambitious green budgeting reform agenda;
- keeping and improving of the political, social and economic stability, as well as the commitments to human rights, gender equality, democracy, inequalities and peacebuilding;
- successful mitigation and management of climate-induced risks and natural disasters which can alter the development agenda and immediate needs of the countries involved;
- good use of this instrument by EU Delegations and Headquarters, which shall maintain the leading role in preparation and implementation of cooperation programmes and policy dialogue with the countries' governments;
- provision of assistance to the Delegations interested in the tool;
- good inter-institutional internal co-ordination;
- good management of the various contracts;
- high quality of experts supplied (including experts on gender and climate responsive budgeting);
- full involvement and support of beneficiary countries and related stakeholders in the implementation of the activities.

³ C(2006) 5407 of 15.11.2006, C(2006) 5555 of 23.11.2006, C(2007) 2507 of 18.06.2007, C(2007) 6486 of 20.12.2007, C(2008) 2977 of 25.06.2008, C(2008) 5933 of 16.10.2008, C(2009) 2033 of 24.03.2009, C(2009)5957 of 03.08.2009, C(2010) 3926 of 01.07.2010, C(2010) 6047 of 13.10.2010, C(2010) 7241 of 26.10.2010, C(2011) 5486 of 03.08.2011, C(2012) 2717 of 27.04.2012, C(2013) 2988 of 24.05.2013, C(2013) 4075 of 04.07.2013, C(2014) 5598 of 08.08.2014, C(2014) 9161 of 05.12.2014, C(2014) 9773 of 17.12.2014, C(2017) 759 of 08.02.2017.

3.5. The Intervention Logic

The utilisation of the support measure funds by the EU Delegations in the NDICI Global Europe countries mentioned above, as well as Commission services, depends on management needs arising in the programme/project cycle in relation with macroeconomic and PFM related issues, throughout the years covered by this Action.

3.6. Logical Framework Matrix

Given the nature of this action a Logical Framework Matrix is not required.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

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

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 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 Financing Decision and the relevant contracts and agreements.

4.3. Budget Support – NOT APPLICABLE

4.4. 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 measures⁴.

4.4.1. Indirect Management with pillar assessed entities

This Action may be implemented in indirect management with several entities, which will be selected by the Commission's services based on the following criteria:

Specific Objective 1:

- Specific recognised expertise in the following areas but not limited to: economics, Public Finance Management including budgeting, accounting, public procurement, domestic revenue mobilisation, debt management, e-Government,
- Clear legitimacy and presence in the countries benefitting from the Action,
- Operational capacity to deploy a quick response and produce and disseminate knowledge products in the aforementioned specific areas.

The implementation by this entity entails focusing on SO1.

Specific Objective 2:

⁴ 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 it is the OJ version that prevails.

- Specific recognised expertise in the following areas but not limited to: Public Finance Management, including budgeting, internal audit, public expenditure review and promoting budget transparency,
 - Clear legitimacy and presence in the countries benefitting from the Action,
 - Operational capacity to deploy a quick response in the aforementioned specific areas.
- The implementation by this entity entails focusing on SO2.

Specific Objective 3:

- Specific recognised expertise in the following areas but not limited to: budgetary analysis and advocacy with a focus on social sector expenditures,
 - Clear legitimacy and presence in the countries benefitting from the Action,
 - Operational capacity to deploy a quick response in the afore-mentioned specific areas.
- The implementation by this entity entails focusing on SO3.

Specific Objective 4:

- Specific recognised expertise in the following areas but not limited to: SDG /climate / gender budgeting,
 - Clear legitimacy and presence in the countries benefitting from the Action,
 - Operational capacity to deploy a quick response and deliver capacity building and training in the afore-mentioned specific areas.
- The implementation by this entity entails focusing on SO4.

4.4.2. Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case, due to circumstances outside of the Commission's control, the implementation modality needs to be changed from indirect to direct management mode, part of the action, corresponding to specific objective 2, could be implemented through procurement (for a maximum amount of EUR 2.5 million), while part of the action, corresponding to specific objective 4, could be implemented through grants (for a maximum amount of EUR 2 million) as follows:

Grants: (direct management)

(a) Purpose of the grant(s):

Grants may be awarded to contribute to achieving the specific objective 4.

(b) Type of applicants targeted:

Legal entities, natural persons or groupings without legal personality

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.

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 realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6. Indicative Budget

Indicative Budget	EU contribution (amount in EUR)	2023	2024
Budget line 14 02 01 30 Middle East and Central Asia	2 500 000		

Grants (direct management) - cf. section 4.4.1	N.A.		
Procurement (direct management) - cf. section 4.4.3	N.A.		
Indirect Management – cf. sections 4.4.1, 4.4.3 & 4.4.4	2 500 000	1 000 000	1 500 000
Budget line 14 02 01 31 South and East Asia	11 000 000		
Grants (direct management) cf. section 4.4.1	N.A.		
Procurement (direct management) cf. section 4.4.3	N.A.		
Indirect Management – cf. sections 4.4.1, 4.4.3 & 4.4.4	11 000 000	9 000 000	2 000 000
Evaluation - cf. section 5.2	N.A.		
Audit – cf. section 5.3	May be covered by another Decision ⁵		
TOTAL	13 500 000	10 000 000	3 500 000

4.7. Organisational Set-up and Responsibilities

Following the adoption of this Commission Decision, services benefiting from this support measure will prepare an initial plan for the utilisation of the funds and responsible for their contracting with the concerned delegations. These activities will be identified on a regional basis. Detailed description of the action will be prepared and attached to each activity.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission in close coordination with the EEAS/Delegations may participate in the above governance structures set up for governing the implementation of the action.

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.

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).

Key indicators for measuring the performance of this operation will be:

- short-term technical assistance activities delivered;
- study and reports submitted;
- identification and formulation missions funded;
- meetings, specific events and trainings carried out;
- people reached and engaged via strategic communication activities (including representatives of women, people with disabilities, etc.) .

Indicators shall be disaggregated at least by sex when relevant. All monitoring and reporting shall assess how the action is taking into account the human rights based approach and gender equality.

⁵ The action is not covered by a financing agreement, hence audit contracts on this action 'will be covered by another Decision' as it is unlikely that they may be concluded within N+1

Key indicators for measuring the performance of this operation will be derived from the Contractor Assessment Form to be completed at the end of the assignments covering performance of the contractor, performance of experts and overall performance.

5.2. Evaluation

Having regard to the nature of the action, a final evaluation will not be carried out for this action or its components.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle has adopted a new approach to pooling, programming and deploying strategic communication and public diplomacy resources, consolidating them in Cooperation Facilities established by Support Measures Action Documents. This will allow Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national and regional scale.

Regional and global strategic communication and public diplomacy funds will be managed from headquarters.

All outreach activities share the objective of supporting the achievement of EU policy priorities and will do so via some complementary strands of work: i) inform relevant publics about key policies and priorities via timely campaigns and strategic communication initiatives; ii) strengthen bi/multi-lateral relations by engaging with key audiences and partners over the long term to build trust, foster people-to-people contacts, grow and mobilise networks via public diplomacy actions; and iii) tackle disinformation and information manipulation and enhance the resilience of the information environment via dedicated initiatives.

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