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<u>THIS ACTION IS FUNDED BY THE EUROPEAN UNION</u>

<u>ANNEX 26</u>

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of Sub-Saharan Africa for 2022-2026 Part 2

<u>Action Document for Improving Economic Governance in Sub-Saharan Africa</u>

MULTIANNUAL PLAN
This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the <u>NDICI-Global Europe</u> Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title **CRIS/OPSYS business reference** **Basic Act**	Improving Economic Governance in Sub-Saharan Africa OPSYS number: NDICI-AFRICA/2022/ACT-61058 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)/ Overseas Association Decision/European Instrument for International Nuclear Safety Cooperation Regulation
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in the Sub-Saharan Africa region.
4. Programming document	Sub-Saharan Africa Multiannual Indicative Programme (MIP) 2021-2027
5. Link with relevant MIP(s) objectives / expected results	<u>Sub-Saharan Africa MIP:</u> *Priority area 5: Sustainable Growth and Decent Jobs* *Specific Objective 2:* Increased sustainable integration of African markets and macro-economic reforms. R.2.3: Accelerated monetary and fiscal integration processes; R.2.4: Enhanced expertise and policy dialogue for effective macroeconomic reforms R.2.5: Enhanced sectoral macroeconomic policies for transformative economies *Priority area 3: Green transition* *Specific objective 1:* Strengthen climate resilience at continental level and support African climate action in line with the goals of the Paris Agreement. Result 1.1: More effective regional policy frameworks, strategies and systems aiming at reducing GHG emissions and enhance resilience vis-à-vis climate change.
PRIORITY AREAS AND SECTOR INFORMATION	

6. Priority Area(s), sectors	<u>Sub-Saharan Africa MIP:</u> *Priority area 5: Sustainable Growth and Decent Jobs* *Pritority area 3: Green Transition* 151 Government and civil society – general 240 Banking and Financial Services
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): 8 Decent work and economic growth Other significant SDGs (up to 9) and where appropriate, targets: 1 No poverty; 5 Gender equality; 13 Climate action; 16 Peace, justice and strong institutions - Target 6; 17 Partnerships for the goals - Targets: 1, 4, 18, 19
8 a) DAC code(s)	15111 Public finance management (20%); 15114 Domestic Revenue Mobilisation (20%); 15142 Macroeconomic policy (20%); 24010 Financial policy and administrative management (20%); 24020 Monetary institutions (20%);
8 b) Main Delivery Channel	International Monetary Fund (IMF) 43000
9. Targets	☐Migration ☒Climate ☐ Social inclusion and Human Development ☒Gender ☐ Biodiversity ☐ Education ☒ Human Rights, Democracy and Governance

10. Markers (from DAC form)	**General policy objective** @	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☒	☐
	Aid to environment @	☐	☒	☐
	Gender equality and women's and girl's empowerment	☐	☒	☐
	Trade development	☐	☒	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster Risk Reduction @	☒	☐	☐
	Inclusion of persons with Disabilities @	☒	☐	☐
	Nutrition @	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity @	☒	☐	☐

	Combat desertification @	☒	☐	☐
	Climate change mitigation @	☐	☒	☐
	Climate change adaptation @	☐	☒	☐
11. Internal markers and Tags:	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	Digitalisation @	☐	☒	☐
		YES	NO	
	digital connectivity	☐	☒	
	digital governance	☒	☐	
	digital entrepreneurship	☐	☒	
	digital skills/literacy	☐	☒	
	digital services	☐	☒	
	Connectivity @	☒	☐	☐
		YES	NO	
	digital connectivity	☒	☐	
	energy	☐	☒	
	transport	☐	☒	
	health	☐	☒	
	education and research			
	Migration @ (methodology for tagging under development)	☒	☐	☐
	Reduction of Inequalities @ (methodology for marker and tagging under development)	☒	☐	☐
	Covid-19	☐	☒	☐

BUDGET INFORMATION

12. Amounts concerned	Budget line(s) (article, item): 14.020120-C1-INTPA EUR 17 500 000 14.020121-C1-INTPA EUR 17 500 000 14.020122-C1-INTPA EUR 15 000 000 Total estimated cost: EUR 50 000 000 Total amount of EU budget contribution: EUR 50 000 000 The contribution is for an amount of: EUR 11 900 000 from the general budget of the European Union for 2022 from budget lines: BGUE-B2022-14.020120-C1-INTPA EUR 6 000 000 BGUE-B2022-14.020121-C1-INTPA EUR 4 400 000

	BGUE-B2022-14.020122-C1-INTPA EUR 1 500 000 EUR 13 100 000 from the general budget of the European Union for 2023 from budget lines: BGUE-B2023-14.020120-C1-INTPA EUR 7 000 000 BGUE-B2023-14.020121-C1-INTPA EUR 6 100 000 EUR 25 000 000 from the general budget of the European Union for 2024 from budget lines: BGUE-B2024-14.020120-C1-INTPA EUR 4 500 000 BGUE-B2024-14.020121-C1-INTPA EUR 7 000 000 BGUE-B2024-14.020122-C1-INTPA EUR 13 500 000 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	
13. Type of financing[1]	Indirect management with the International Monetary Fund (IMF).

1.2 Summary of the Action

The eonomy of the sub-Saharan region is facing a combination of shocks and policy challenges rarely seen before, as Russia's war of aggression in Ukraine is creating major stresses for the global economy, weakening the post-pandemic recovery and putting macroeconomic stability at risk. Economic policymakers face an extremely complex policy environment which poses difficult trade-offs to address the emerging challenges in addition to the unprecedented longer-term challenges, such as increased inequality, escalating fragility and conflict, a growing digital divide, and the existential threat of climate change; and to continue to pursue inclusive sustainable economic development.

In this context, the overall aim of the proposed intervention is to build capacity in Sub-Saharan Africa in economic governance in order to build resilience to macroeconomic challenges and thrive in opportunities (such as green transition, gender equality, good governance and digitalisation) and align with regional and national development plans, including green strategic plans and commitments. More specifically, capacity development of National Governments and economic institutions, notably Ministries of Finance, Revenue (Tax and Customs) Authorities, Central Banks, Financial Sector Supervisors, Anti-Corruption Agencies, and Statistical Agencies in 45 Sub-Saharan countries (listed under section 2.2); as well as of Regional Organisations in core economic aspects targeted by this action will support the consolidation of macroeconomic, financial and fiscal frameworks and the integration of climate change and gender equality aspects to strategic allocation of resources. The action will build on the achievements of the hands-on capacity development provided to countries and regional organisations in the Sub-Saharan region by the IMF's network of Regional Capacity Development Centres (RCDCs)[2] and the IMF's Africa Training Institute (ATI).

Recognizing the success of the capacity development model of IMF in core macroeconomic areas, and the importance of its complementarity to the programmes of the European Union in the targeted 45 countries of Sub-Saharan Africa, the European Union has been supporting RCDCs under the 10th and 11th EDFs, some of them since

[1] Art. 27 NDICI

[2] Note the terminology change: IMF's African Regional Technical Assistance Centres are now called African Regional Capacity Development Centres. The 5 centres in Sub-Saharan Africa supported by this action are: African Regional Technical Assistance Centre in West Africa (AFW); African Regional Technical Assistance Centre in West Africa 2 (AFW 2); African Regional Technical Assistance Centre Central (AFC); East African Regional Technical Assistance Centre (AFE); African Regional Technical Assistance Centre South (AFS). Regional Capacity Development Centers (imf.org)

their inception. For example, the EU has been the lead donor to the African Regional Technical Assistance Center South (AFS) since the start of its operations in 2011. While important achievements have been made, the continued support to RCDCs and ATI by this action will contribute to further consolidate reform processes in the targeted countries and regions given their long-term nature.

The action intents to primarily contribute to priority area 5 "Sustainable Growth and Decent Jobs" of the regional MIP of sub-Saharan Africa and its results for accelerated monetary and fiscal integration processes, enhanced expertise and policy dialogue for effective macroeconomic reforms, and enhanced sectoral macroeconomic policies for transformative economies through capacity development of economic institutions. The action addresses SDG 8 Decent work and economic growth by supporting the stability of financial institutions; SDG 5 Gender equality by promoting women's full and effective participation in policy decisions; SDG 13 Climate change through improved macroeconomic policies and institutional frameworks to combat climate change; SDG 16 Peace and Justice and Strong Institutions by promoting effective, accountable and transparent economic institutions; SDG 17 Partnership through the goals by strengthening domestic resource mobilization (DRM) through more efficient and effective revenue and customs administration and by supporting efforts to improve the availability of high-quality statistics, including big-data and data analysis capacity. Accordingly, the action's contribution to the general policy objectives of good governance, gender equality and women's and girls' empowerment, climate adaptation and mitigation as well as digitalisation is significant. Furthermore, the action will enable countries to manage the impact of the Covid-19 pandemic and will contribute to achieving a strong and sustainable recovery.

The action will contribute to the deployment of the Global Gateway Africa – Europe Investment Package and it is aligned with the 2020 Communication "Towards a comprehensive Strategy with Africa", the Addis Ababa Action Agenda" and the "Collect More Spend Better" initiative. It contributes to the achievement of Agenda 2063: The Africa We Want. The action is also aligned to the Strategic Partnership Framework (SPF) endorsed between the EC and IMF, furthermore it is strongly aligned to the Paris Agreement, aligned with regional and national development plans, including green strategic plans and commitments, and integrates the IMF Strategy to Address Climate Change Related Policy Challenges and elements of other relevant strategies in the pipeline. The action leverages the IMF's expertise and will be implemented in indirect management with IMF.

2 RATIONALE

2.1 Context

Africa has been recording a steady economic growth throughout the past decade and due to the impact of the COVID-19 pandemic 2020 experienced a 1.9 percent contraction - the worst on record. Economic growth for 2021 stood at 4.5 percent for the sub-Saharan Africa region and was mainly driven by a rebound in commodity prices and an easing in social restrictions, however the beginning of this economic recovery has been facing a major setback in 2022 in most countries of the region due to Russia's war of aggression against Ukraine. Inflation, which is estimated to have reached 12 percent, represents the worst inflation reading in the region since 2008, mainly driven by the unprecedented spike in the international prices of food, fuel and fertilisers. High food prices and supply chain disruptions have increased food security concerns across the continent with an impact on all segments of the population and potentially fuelling social unrest, particularly in highly urbanised contexts. A number of challenges persist on the continent including political instability, conflicts and security issues, spreading and intensifying terrorist threat, recurrent and protracted food crises, severe impact of climate change and environmental degradation. Almost 400 million people live below the poverty line across the continent and lack access to basic services in the area of health, education and nutrition, while inequality and governance challenges have not allowed for an inclusive growth. The COVID-19 pandemic has exacerbated pre-existing gaps, disproportionately affecting women and youth. The number of extreme poor in sub-Saharan Africa is projected to have increased by more than 32 million. Rapid and continuous population growth puts additional pressure on natural resources, the labour market and service delivery. Population growth, linked with unsustainable economic growth and climate change are putting increasing pressure on already strained resources and causing more frequent natural hazards-related disasters, social unrest, conflict, displacement and migration. The green transition and the fight against climate change and environmental degradation are therefore essential dimensions to stability. A majority of African economies are experiencing fiscal deficits that have resulted in additional borrowing, to respond to the impact of the COVID-19 pandemic which expected to be aggravated by the impact of Russia's war of aggression against Ukraine. The economic outlook for Africa is challenging due to Russia's war of aggression against Ukraine, the lingering impact of the pandemic, and a more challenging external financing environment. Sub-Saharan Africa is facing a combination of shocks and policy challenges rarely seen before, and putting macroeconomic stability at risk. Economic policymakers face an extremely complex policy environment which poses difficult trade-offs to address the emerging challenges in addition to the unprecedented longer-term challenges[3].

The European Union (EU) has a long track record of promoting sustainable macro-economic environment, provide capacity building and peer to peer learning to support the development and implementation of sound macroeconomic and fiscal policies in sub-Saharan Africa to attain sustainable economic development. The 6th African Union (AU) and EU Summit of February 2022 confirmed that the AU and the EU have converging interests in a number of areas such as the promotion of a sustainable, job-creating African economy and fight against climate change confirming the European Commission's (EC) 2020 Communication "Towards a comprehensive Strategy with Africa". The NDICI-Global Europe Regulation confirms that the 2030 Agenda, together with the Paris Agreement and the Addis Ababa Action Agenda is the international community's response to global challenges and trends in relation to sustainable development. The key message that emerged from the Addis Ababa Action Agenda is that domestic public finance – revenue mobilization and effective use of resources – provides the most stable source available for financing sustainable development. The 2015 "Collect More – Spend Better" Staff Working Document of the EC analysis ways to support developing countries to increase DRM and spend financial resources more effectively. The EU is also one of the main donors committed to providing part of its development assistance through budget support, in order to build domestic accountability, align with national development policies, lower the transaction costs of delivering assistance and use country systems: during the past decade annual budget support disbursements in Sub-Saharan Africa were approximately EUR 730 million, representing an average of 17 percent of ODA disbursed annually in the region. All budget support formulation and disbursement require assessment of macro-economic framework's stability, progress in public finance management (PFM) and budget transparency and oversight, which are all closely related to the work of the IMF.

The Strategic Partnership Framework (SPF) endorsed between the EC and IMF in December 2016 guides the support on boosting economic growth and stability in developing countries and focusing on economic institution building, including the design and implementation of macroeconomic policies and structural reforms, which are key for achieving the 2030 Agenda. A key component of the SPF is the support to IMF's RCDC's. IMF's Capacity Development (CD) has evolved since the first phase of the regional centres was supported by the EU as from 2011, and now designed to be country-tailored integrates training and aligned with IMF's surveillance and lending priorities to help countries to tackle immediate and longer-term challenges. CD has been increasingly assisting with transformational frameworks to help countries tackle climate change and green and inclusive growth, including in fragile and small island states in line with IMF's 2021 Strategy to Address Climate Change Related Policy Challenges—Priorities, Modes of Delivery, and Budget Implications. Furthermore, CD continues to increasingly support gender aspects which will be aligned to the proposed 2022 Gender Strategy of IMF. CD is also scaling up support on digitalisation as well as aspects of regional integration – given the spillover effects an externalities of the above listed economic challenges.

In parallel, "Agenda 2063: The Africa We Want" launched in 2015, aims to enhance economic growth and sets out the priorities of "4. Transformed economies"; "7 Environmentally sustainable and climate resilient economies and communities"; "9 Continental Financial and Monetary Institutions are established and functional" and "20 Africa takes full responsibility for financing her development".

Finally, the partnership between the European Union and the IMF has helped to strengthen Sub-Saharan countries' abilities to implement sound macroeconomic policies in order to achieve growth and sustainable development. Through the 10th and 11th EDF's support to RCDCs, Sub-Saharan countries have received technical assistance in key areas like tax policy, public financial management, financial sector management, statistics and monetary policy, while regional organisations with economic integration mandate also benefitted from the support. With the COVID pandemic, the support by RCDCs was particularly instrumental in gearing countries towards restoring

[3] Source: imf.org

macro-economic and fiscal balances. The areas of interventions have also been diversified by the centres, and now include good governance, gender and fight against climate change in its priorities as well as digitalisation. As these are areas where the EU also intervenes, the possibilities for mutual collaboration have increased jointly with the relevance of the continued partnership.

2.2 Problem Analysis

The economic recovery in sub-Saharan Africa surprised on the upside in the second half of 2021, prompting a significant upward revision in last year's estimated growth, from 3.7 to 4.5 percent. This year, however, that progress has been jeopardised. The Russian invasion of Ukraine has triggered a global economic shock that is hitting the region at a time when countries' policy space to respond is minimal to non-existent. Most notably, surging oil and food prices are straining the external and fiscal balances of commodity-importing countries and have increased food security concerns in many countries. Moreover, the shock threatens to compound some of the region's most pressing policy challenges, including the COVID-19 pandemic's social and economic legacy, climate change, heightened security risks in the Sahel, and the ongoing tightening of monetary policy in the United States. Because of this, the growth momentum for the region has weakened. Economic activity this year is expected to expand by 3.8 percent, held down by weaker growth prospects in oil-importing countries. The economic recovery is expected to accelerate in 2023, with growth trending at about 4 percent over the medium term. But even this pace of growth is not enough to make up for lost ground from the pandemic and renders the region's Sustainable Development Goals significantly more difficult to achieve.

Looking beyond the pandemic and current geopolitical tensions, creating jobs and meeting the Sustainable Development Goals will require strong, inclusive, and sustainable growth in sub-Saharan Africa. To this end, decisive policy action is needed to enhance economic diversification, maximize the private sector's potential, and address the challenges posed by climate change and exacerbated by the pandemic, such as gender equality. Countries need to create fiscal space for critical public investment and social spending through strong PFM institutions, higher revenue mobilization and more efficient spending and integrate climate and gender aspects to their strategic resource allocations. Many countries in the region continue to remain highly dependent on commodity exports, and should take advantage of rising commodity prices to strengthen the credibility of their macroeconomic frameworks, improve the investment climate, and consider using targeted sectoral interventions in case of market failures while phasing out inefficient fossil fuel subsidies.

Digitalisation also provides important opportunities coupled with new challenges and risks. For example, many countries are exploring the possible adoption of central bank digital currencies to enhance financial inclusion, lower the cost of remittances, and offer an alternative to private cryptocurrencies that could otherwise weaken monetary transmission.

Across most of sub-Saharan Africa, females fall behind males in human capital and related measures. Girls are less likely than boys to complete secondary education, and in the labor force, women's productivity lags due to constraints on ownership rights and access to markets, financing, and productive inputs. Development partners are mobilising to support countries to address these complex issues, with a particular niche for the RCDCs in mainstreaming gender across their work; in particular in the fiscal area, where ensuring that a gender perspective is applied to government policies can be an important pre-condition for delivering outcomes for women.

Finally, climate change poses extreme challenges for the region given its exposure to weather-related disasters and the reliance on rain-fed agriculture. Investment in adaptation is thus of paramount importance. For sub-Saharan countries, this means *inter alia* strengthening capacity to integrate climate risks into maroeconomic frameworks, ensuring that public investments integrate a climate dimension (via the Climate Public Investment Management Assessment – Climate PIMA) and climate stress testing in the financial system. But the green transition also provides new opportunities for sub-Saharan Africa given its potential for renewable energy. International financial support will be critical to help the region finance the cost of adaptation, seize the opportunities offered by the green transition, and ensure fair and affordable access to energy.

Over the medium term, most countries will need to continue fiscal consolidation in order to reduce debt vulnerabilities and boost resilience while protecting development spending. To this end, revenue mobilization is a key priority. The pandemic has derailed revenue mobilization efforts, especially in resource-intensive countries. Authorities should now renew their tax reform efforts, aiming to lift revenues at least back to pre-pandemic levels. Revenue mobilisation efforts should be complemented with measures to increase the efficiency of public spending and strengthen accountability.

In this context, the Sub-Saharan African RCDCs' support is provided through targeted national and regional TA and training activities, many of which foster peer learning and exchange. Support from the RCDCs and ATI will help countries to consolidate progress achieved so far in:

- **PFM capacity and systems**, including the identification and management of fiscal risks, and the improvement of public investment efficacy and effectiveness. The RCDCs will focus on laws and PFM institutions; budget preparation execution and control processes; fiscal reporting; and asset and liability management framework (treasury single account). ATI will provide support to countries to better understand the importance of sound PFM systems on growth, including through courses such as fiscal frameworks and fiscal policy analysis.
- **Revenue Mobilisation** to sustain the momentum in strengthening the organisation of tax agencies, processing functions, enforcement, and taxpayer services, and in designing tax policy (e.g., value-added taxation, international taxation, and small taxpayer taxation). RCDCs will continue to support countries on hands-on reforms, while ATI will continue to improve capacity on policy design through courses on Tax Policy including on matters like international taxation and other aspects.
- **Regional Fiscal Surveillance** Architecture to assess partner states progress on fiscal convergence through Fiscal Transparency Evaluations (FTEs), efforts to improve and align countries' practices and medium-term programs with international standards and regional convergence agreements will be supported by RCDCs. ATI will continue to provide training on multilateral surveillance for officials tasked with peer-reviewing other countries.
- **Financial Regulation and Supervision** Architecture and Financial Market Infrastructure to support compliance with standards on consolidated and risk-based supervision, Basel capital adequacy, stress testing, and anti-money laundering/combating the financing of terrorism (AML/CFT), and principles of financial market infrastructure (PFMI) will be targeted by RCDCs.
- **Monetary Policy and Operations** to modernize monetary policy frameworks and harmonize their analytical approaches, including on liquidity and inflation forecasting, central bank governance, and monetary policy communication, development of local financial markets (including links with public debt management and use of fintech), and increase peer-learning to facilitate convergence towards desired monetary unions will be supported by RCDCs. ATI will continue to provide training on monetary policy and facilitate peer-learning through the peer-research seminar series.
- **Statistics** will be supported by RCDCs to comply with good statistical practices and international standards to produce harmonized and comparable data across the region based on the System of National Accounts 2008 and the 2014 IMF government finance statistics. This is a critical step towards effective regional fiscal surveillance.
- **Regional harmonisation** to help regional organisations meet their objectives on (i) budget processes, accounting, and fiscal reporting; (ii) customs management and procedures; and (iii) national account statistics. As indicated above, staff from these regional organisations will continue to receive training and participate in other learning opportunities arranged by ATI and the RCDCs.
- **Climate** by building capacity for assessing the climate risks of public investments, as well as the impact of carbon / green taxes and phasing out inefficient fossil fuel subsidies. IMF CD also assists central banks in ensure that monetary policy takes account of climate change, and that supervisors can incorporate climate risks in stress testing. ATI will continue to roll-out its courses on the macroeconomic impacts of climate change.
- **Gender:** to ensure that a gender lens is applied in fiscal policies and the budget cycle, through building capacity for gender based budgeting, increased attention to gender disaggregated data in tax systems and promotion of women's financial inclusion by data collection for the IMF's Financial Access Survey

The action will also assist countries in emerging areas such as identifying and mitigating the impact of corruption vulnerabilities, capacitating government officials to prioritise evidence-based policy making by boosting capacity in data analytics, and nowcasting techniques, improving the accuracy of policymaking and access to public services through wider use of digitalisation and e-government. The centers will provide technical assistance on PIMA, assist countries willing to raise green financing, and mainstream participation in governance diagnostic missions lead by IMF HQ. ATI will deliver training on governance and corruption, gender macroeconomics, and macroeconomics of climate change to support the technical assistance provided by the RCDCs. The centers will also invest more resources in boosting debt management capacity to reduce debt distress and support a swift return to debt sustainability. ATI will provide training on debt management, including debt restructuring processes in the wake of the establishment of the Common Framework.

The five RCDCs and ATI are stepping up their support to fragile and conflict affected states (FCS). Special circumstances surrounding FCS require targeted policies and CD to be effective. In line with the IMF's new FCS strategy, AFW will increase its capacity to support FCS in promoting macroeconomic stability, building the institutions needed to deliver policies for sustainable and inclusive economic growth tackling accelerating pace of climate change and the digitalisation of the economies while also tackling governance weaknesses. , while. This will be critical to raising living standards, reducing poverty and inequalities and making progress towards the Sustainable Developments Goals (SDGs). Member countries need to create fiscal space for critical public investment and social spending through strong PFM institutions, higher revenue mobilization and more efficient spending.

Stakeholders covered by the action:

The action aims at providing support to 45 sub-Saharan countries, in collaboration with their regional organisations. Stakeholders and main beneficiaries for the program are the National Governments and institutions, notably Ministries of Finance, Revenue (Tax and Customs) Authorities, Central Banks, Financial Sector Supervisors, Anti-Corruption Agencies, and Statistical Agencies; and Regional Organisations (ECOWAS, WAEMU, CEMAC, COMESA, SADC, SACU, EAC, IGAD, IOC). Financial contributions by the member countries to the RCDCs and ATI budgets demonstrate commitment to and ownership of the CD support provided. In addition, regional organisations appreciate the CD support to members that help them to meet their regional harmonization objectives – as outlined below.

Countries supported

Countries supported by AFW: AFW supports capacity building in ten countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal and Togo). Many of these countries are facing mounting security difficulties due to the crisis in the Sahel region. These security challenges are compounded by climate change effects that make the region a significant source of migration, including through illegal channels, to Europe. The security situation continued to deteriorate in several Sahelian countries due to the rise of terrorism, political instability, and military coups, which have led to a significant increase in violence and deaths. These factors have weakened the macroeconomic gains of the past decade, negatively affecting, and weakening economic and financial institutions. AFW will support and build institutional resilience in key areas, while scaling-up support to fragile and conflict-affected states. Demand for CD is expected to increase significantly in the coming years by these countries as strong institutions are essential to restore stability and security.

Countries supported by AFW 2: AFW 2 covers six countries: Cabo Verde, The Gambia, Ghana, Liberia, Nigeria and Sierra Leone. Countries covered by AFW II face common challenges in domestic revenue mobilisation, improving cash management and strengthening budget preparation and execution as a strategy to create fiscal room for COVID-19-related spending and to enable effective growth-related policies. There is increased demand for capacity in managing risks associated with virtual banking through CD in cybersecurity and fintech. Additionally, countries sought to improve their ability to preserve economic stability, with assistance in implementing Basel II/III capital adequacy requirements and strengthening analysis, forecasting and communication of monetary policy.

Countries supported by AFC: AFC supports nine member countries: Burundi, Cameroon, Congo, Gabon, Equatorial Guinea, Central African Republic, Democratic Republic of Congo, Sao Tomé-et-Principe and Chad. Although AFC countries are at varying degree of development, weaknesses in PFM institutions, laws, and rules are serious and AFC is tackling these challenges that are at the heart of governance problems in these countries. As the majority of AFC countries are commodity producers and exporters, AFC CD supports improving the framework for identifying, monitoring, reporting, and managing resources associated with natural resources. On the revenue mobilszation side AFC CD work contributes to enhancing transparency and reporting of public revenue generated by natural resources; and on the expenditure side AFC assists countries in enhancing expenditure targeting and controls through clearer rules at the budget preparation, execution, and reporting stages, including on gender inclusion.

Countries supported by AFE: AFE supports Eritrea, Ethiopia, Kenya, Malawi, Rwanda, South Sudan, Tanzania, and Uganda. All countries except Kenya are low-income with widespread poverty. The membership ranges from fragile states such as Eritrea to economies becoming emerging markets such as Kenya. Notable challenges for the countries and regional organisations covered include (i) managing large reserves of gas and oil in several countries; (ii) ensuring that the scaling-up of physical infrastructure underway is underpinned by strong public financial and debt management; (iii) stabilizing the economies for a successful monetary union and seizing the opportunities from regional integration; and (iv) effective regulation and supervision of growing and increasingly sophisticated financial sectors, with increased cross-border transactions.

Countries supported by AFS: AFS serves a diverse group of 13 countries that generates about 50 percent of the total GDP of SSA. There is (i) one High Income Country (Seychelles) (ii) four upper middle-income countries (Botswana, Mauritius, Namibia, and South Africa); (iii) six lower middle-income countries (Angola, Comoros, Eswatini, Lesotho, Zambia and Zimbabwe); and (iv) two low-income countries (Madagascar and Mozambique). Three countries, namely, Comoros, Madagascar and Zimbabwe are facing fragile conditions. South Africa contributes about 60 percent of the combined GDP of AFS countries. Natural resource endowments are also diverse across countries: Angola, Botswana, Namibia, Mozambique, and Zambia are rich in mineral resources while the services and tourism sectors are important for countries like Mauritius and Seychelles. Most AFS countries need to continue reforms aimed at strengthening PFM systems, further segmentation of the taxpayer population, improving revenue mobilization, modernizing monetary operations (e.g., on inflation forecasting analysis frameworks, central banks communications, financial sector supervision), and improving the compilation and dissemination of macroeconomic statistics (e.g., quality and timeliness of data, surveys and censuses, rebasing GDP, adherence to international data dissemination standards).

The action will place a focus on furthering the regional integration agenda under the respective mandates of regional organisations. The RCDCs and ATI also help regional organisations design and implement economic policies that foster stability and growth by providing CD to strengthen institutional capacity and skills.

Regional organisations supported

ECOWAS: The Economic Community of West African States is a regional political and economic union of fifteen West African countries (Benin, Burkina Faso, Cabo Verde, The Gambia, Ghana, Guinea, Guinea-Bissau, Cote d'Ivoire, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo). Collectively, these countries comprise an area of 5,114,162 km², and an estimated population of around 400 million. They are all supported by AFW and AFW2. ECOWAS has made important strides on integration compared to other regions, including on customs integration and removal of trade barriers. It has an ambitious objective to form a currency union among its members, 8 of which are already members of a currency union: the CFA franc zone. Therefore, AFW and AFW2 will continue to support countries to protect financial stability and maintain confidence in the banking system, guarantee the ability of banks to finance the economy by preserving their solvency, continuously adapt regulations and supervisory practices to emerging risks and the implementation of reforms. AFW already started to support adapting financial and banking supervision to rising cybersecurity and climate risks.

WAEMU: Members of the West African Economic and Monetary Union (also known by its French acronym, UEMOA) are Benin, Burkina Faso, Côte D'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. WAEMU member countries are working toward greater regional integration with unified external tariffs. All WAEMU countries are supported by AFW. AFW support is fully aligned with the WAEMU mandates – to improve and harmonize governance, budget practices and processes. AFW supports the implementation of reforms in WAEMU and the improvement of regional macroeconomic surveillance. The following WAEMU institutions receive or benefit from Capacity Development: the Central Bank of West African States (BCEAO), the Financial Market Regulatory Agency of WAMU. (AUT), the General Secretariat of the Banking Commission of the West African Monetary Union, the WAEMU Commission, and the Regional Council for Public Savings and Financial Markets (CREPMF).

CEMAC: the Economic and Monetary Community of Central Africa covers six countries (Cameroun, Central African Republic, Republic of Congo, Gabon, Equatorial Guinea and Chad) that are all members of AFC. AFC will continue to support the relevant economic organisations coordinated by the CEMAC, including the banking commission, the central bank, the CEMAC commission and other entities that work toward advancing the regional integration agenda.

IGAD: the Intergovernmental Authority on Development in Eastern Africa comprises of Djibouti, Ethiopia, Eritrea, Kenya, Somalia, Sudan, South Sudan. AFE will reach out to the IGAD secretariat to explore possible support.

EAC: The East African Community is a regional intergovernmental organisation of 6 partner states: Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda. The EAC aims at deepening cooperation among its member states in the political, economic, and social domains. AFE support to the EAC (both its member countries and the Secretariat) has increased in recent years and become substantial, particularly in the areas of compilation of government finance and public sector debt statistics that underpin monetary union.

COMESA: The Commone Market of Eastern and Southern Africa comprises 19 countries (Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Swaziland, Seychelles, Uganda, Zambia, and Zimbabwe). Its regional integration agenda covers trade, customs, monetary affairs, natural resources, investment, climate change, energy, and gender, all of which require significant CD support to address capacity gaps at both country and regional level. AFC, AFS and AFE, together, cover all COMESA countries.

SADC: The South African Development Community has 15 member countries (Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia, and Zimbabwe), of which 14 are members of AFE and AFS and DRC is a member of AFE. SADC aims to achieve regional integration and sustainable development by addressing issues such as poverty eradication, trade, industry, finance, resource mobilization, investment, economic liberalization, food security, gender equality and development, environment, and statistics. SADC mandates sound medium-term fiscal frameworks for all its member countries, expects countries to comply with the Basel II capital adequacy framework, harmonise tax systems, and improve statistics. AFS assists SADC members mainly in improving border and customs management (trade facilitation, customs processes and procedures, exchange of information, risk analysis, post clearance audit selectivity criteria), improving tax regimes (mainly VAT and excise taxes) and collection, harmonising cross-border cooperation in the banking sector, dissemination and quality of statistics, and addressing macroeconomic vulnerabilities.

SACU: The Southern African Customs Union (SACU) comprises Botswana Eswatini, Lesotho, Namibia and South Africa. AFS cooperates with SACU in the delivery of training and participates in regional and other seminars as relevant.

IOC: The Indian Ocean Commission is comprised of 5 member states namely Comoros, Madagascar, Mauritius, Réunion (France) and Seychelles. Even if the IOC Member States do not have formal protocols in the fields of economic integration, this is an important objective for the region. So far Comoros, Madagascar, Mauritius and Seychelles have benefitted extensively from AFS and there is demand from the IOC member states for continued support across the core macroeconomic areas– PFM, Revenue, statistics etc. AFS successfully provided training and capacity building to IOC on performance based budgeting (PBB) – principles, accounting and costing, and PBB information.

Other relevant stakeholders

State Owned Enterprises (SOEs): SOEs are important indirect beneficiaries of the action, through work on management of fiscal risks posed by SOEs, and working with individual SOEs to improve their governance frameworks.

Local authorities: Local authorities have been beneficiaries of RCDCs under the current support and remain eligible to benefit from capacity development activities delivered by ATI as well. In particular, in the assessment of fiscal risks from local government, and collection of data on local government expenditures for input into general government expenditure statistics (both past and projected) and in the revenue administration area. Local governments can also benefit from training (in particular via online courses) to better manage their budget process and revenue to better meet their responsibilities, particularly where certain functions have been decentralized.

Public financial institutions. Public financial institutions, national and regional development banks, green funds etc. are indirect beneficiaries of RCDC and ATI support. Taken together, the Climate Public Investment Management Assessment (which adds a climate-responsive dimension into the PIMA framework and assesses countries' capacity to manage climate-related infrastructure), and CD to central banks and supervisors these support the creation of an enabling environment for both effective management of public infrastructure and ensuring that policy makers are equipped to identify and manage climate related risks in the financial sector.

Civil society: While not a direct beneficiary of RCDC / ATI support, the outputs of the action provide important tools for CSOs to strengthen their own policy making capacity, and to promote governmental accountability. This is particularly important in tracking government implementation of commitments under selected SDGs (climate, gender, financial inclusion etc.). Furthermore, RCDCs will continue to organize outreach events on issues such as governance and corruption to raise CSOs' awareness on tools and methods to understand government accounts.

Private sector: The private sector, including commercial banks and private financial institutions, is an indirect beneficiary of the RCDC / ATI support. Support for customs and trade facilitation will have positive outcomes for traders due to the efficiency of customs administrations. More effective and efficient tax administrations will ensure that the needs of large and medium-sixed taxpayers are addressed, VAT's administered effectively and refunds processed in a timely manner. Support risk based supervision contributes to overall stability of the financial sector, which in turn, improves the investment climate and benefits private financial institutions.

Universities: Where relevant the RCDCs and/or ATI work with specialized academic institutions and universities to deliver training and courses. RCDCs also do outreach to universities, and particularly to economics departments to promote awareness of the work of the centers and the role of the IMF.

Development partners: Development partners are important stakeholders of RCDCs and ATI, and as contributors to the centers, they are consulted on the development of annual workplans, to ensure that there is no overlap with ongoing or planned work. The RCDCs also collaborate with other international organisations (UNWOMEN, the World Bank, etc.) in development of tools and methodologies. RCDC outputs in particular technical assistance reports form important inputs to the design of development partner programs. The recently updated IMF policy governing dissemination of reports allows for timely availability of these reports. The Steering Committee meetings for the RCDCs are also important forums for exchange of information among development partners and with the authorities on priorities.

Women: Women represent an important group of indirect beneficiaries of the action. The centers' increased focus on gender is anchored in the specific perspective of the IMF. In effect, IMF can shed light on: (i) how macroeconomic and financial shocks and policies affect men and women differently; and (ii) how policies can be designed to narrow macro-critical gender gaps, and thereby support growth and stability. Through the RCDCs and ATI, increasing the capacity of policy makers to apply a gender lens to policy will ensure that gender impacts are taken into account throughout the policy cycle. In particular gender responsive budgeting in the knowledge of womens's needs and the distributional effects and impacts of resource allocation on women, thus improving outcomes for women.

IMF's RCDCs and ATI: The support provided by this action will be delivered through IMF's network consists of five Regional Capacity Development Centers (RCDCs) in Sub-Saharan Africa - African Regional Technical Assistance Centre in West Africa (AFW); African Regional Technical Assistance Centre in West Africa 2 (AFW 2); African Regional Technical Assistance Centre Central (AFC); East African Regional Technical Assistance Centre (AFE); African Regional Technical Assistance Centre South (AFS) -, and a training center, IMF's Africa Training Institute (ATI), covering all 45 countries. RCDCs and ATI combine local expertise and on-the-ground capacity building with strategic technical advice and teaching experience from IMF headquarters and hands-on technical assistance implementation support. All technical assistance and training is integrated into the IMF's lending and surveillance operations and coordinated with other IMF TA as well as that of other providers. The IMF's regional approach to capacity development allows for better tailoring of assistance, more hands-on support, closer coordination with other CD providers, and an enhanced ability to respond quickly to emerging needs as evidenced by the centers' nimbleness during the COVID-19 pandemic. RCDCs are collaborative ventures between the IMF, member countries, and bilateral and multilateral development partners. Their governance model is founded on member country ownership and the regional engagement of development partners, including through the steering committees. The strategic objective of the RCDCs is to help member countries, and some of the regional organisations they belong to, strengthen institutional and human capacity to design and implement macroeconomic and financial policies that promote growth and reduce poverty. RCDCs also foster the building of regional networks among revenue (tax and customs) administrations, ministries of finance, central banks, financial sector supervisors, and statistical agencies. ATI provides training and technical assistance in macroeconomic and financial topics to all SSA 45 countries. Its work program is closely integrated with IMF surveillance and program engagement in the SSA region and aligned with the capacity development provided by the five centers. It provides training in the core areas of the IMF and thrives to develop and deliver new training in emerging areas such as climate change, gender, macroeconomics of pandemic, governance and digitalisation. Courses such as on regional integration, inclusive growth, and monetary policy are particularly appreciated by officials regional organisations. ATI has diversified its CD products and offers additional opportunities for peer-learning and emulation, including through the peer-research seminar series. It should be noted that ATI is housed in Mauritius alongside AFS, and headed by a common director to ensure synergy between the work of the RCDCs and ATI. The ATI complements and builds on work done by RCDCs. ATI provides training and therefore builds fundamental knowledge that support capacity development and technical assistance by RCDCs. ATI leverages its capacity to convene large workshops and pool resources with RCDCs.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective (Impact)** of this action is to improve economic governance of Sub-Saharan Africa that supports resilience to address regional and global macroeconomic challenges (climate, achievement of SDGs) and opportunities (such as green transition, gender and digitalisation).

The **Specific(s) Objective(s)** (Outcomes) of this action are to

1. Improve **public financial management** (PFM) capacity in the 45 member countries and harmonisation towards regional and international standards by improving budget cycles, so that countries can identify, monitor and report and manage fiscal risks.

2. Improve **revenue administration** in the 45 member countries, to support trade, development, and regional integration strategies, and more efficient provision of public goods and services by strengthening management, governance arrangements and service provision.

3. Support the creation of a more resilient and sound **financial sector** in the 45 member countries, in order to manage risks, including those related to climate change, and improve financial supervision and regulation in line with international standards and best practice, including in the assessment of climate related risks.

4. To improve macroeconomic policy and regional convergence by enhancing the quality, coverage and timeliness of **macroeconomic statistics** in the 45 member countries, in line with international standards.

5. Improve fiscal policies and institutional frameworks to support combatting **climate change** and its impacts, and to improve resilience in a targeted number of countries, depending on interest and potential for traction.

6. To support progress towards **gender equalit**y by ensuring that the 45 member countries have the capacity and tools to apply a gender perspective to fiscal policies and the budget process.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are

<u>Specific Output(s) 1. PFM / Macro-fiscal</u>
1.1 Countries have a more credible medium term budget framework that is integrated with the annual budget process.

1.2 Comprehensiveness, frequency, and quality of fiscal reports is enhanced.

Specific Output(s) 2. Revenue Administration
2.1 Capacity for revenue administration reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized.
2.2 Audit and other verification programs more effectively ensure accuracy of reporting.

Specific Output(s) 3. Financial Sector
3.1 Supervisors have sufficient capacity to effectively implement risk-based supervision (RBS) and other supervisory processes.
3.2 Supervisors and regulations require banks to apply risk measurement and management on a timely basis, including of climate related risks.

Specific Output(s) 4. Macroeconomic Statistics
4.1 Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.
4.2 Source data are adequate for the compilation of statistics (national accounts, prices etc.).

Specific Output(s) 5. Climate
5.1 Budget is an effective tool for the strategic allocation of resources towards policies that promote climate change adaptation/mitigation.
5.2 Authorities have a baseline understanding of how well fiscal policies and institutional frameworks support environmental sustainability and opportunities for increased alignment.

Specific Output(s) 6. Gender
6.1 Budget is an effective tool for the strategic allocation of resources towards policies that promote gender equality.

3.2 Indicative Activities

The major operations foreseen for each output are:

- Capacity development (i.e. technical assistance and training) to member countries, including to, and in collaboration with, regional organisations;
- Peer-to-Peer learning and peer-exchange programmes, as well as professional attachments;
- Diagnostic assessments (PIMA, Climate-PIMA, Public Investment Management Assessments, Tax Administration Diagnostic Assessment – TADAT and Public Expenditure and Financial Accountability assessment - PEFA) exercises etc.;
- Dissemination of information, awareness raising and ensuring the visibility of global topics including regional integration processes;
- Programme management and coordination;
- Programme monitoring, and evaluations.

Further refinement and planning of the activities will be adopted by the respective annual Steering Committees of each RCDC and ATI. These will be developed in coordination with development partners, member countries, regional bodies and will take account of individual country circumstances – absorptive capacity, urgency of needs, traction of reforms etc.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the EIA (Environmental Impact Assessment) screening
The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)
The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

The work of RCDCs and ATI integrate the IMF Strategy to Address Climate Change Related Policy Challenges. More concretely, the Strategy relates to 1) Mitigation: including advice on measures to contain and reduce emissions through policies—such as increasing carbon taxes, reducing fuel subsidies and improving regulation—and providing tools to help countries achieve their Nationally Determined Contributions; 2. Adaptation: including guidance on building financial and institutional resilience to natural disasters and extreme weather events, and infrastructure investments to cope with rising sea levels and other warming-related phenomena; and 3. Transition to a low-carbon economy: including updates to financial sector regulation to cover climate risks and exposure to "brown" assets, as well as measures to help countries diversify economies away from carbon intensive industries while mitigating the social impact on affected communities. RCDCs and ATI will support their members in assessing and managing climate risks and fostering green finance. Specifically, RCDCs will help make public project selection resilient to climate risks and supportive to green development, include climate-related risks in fiscal risk statements, assist revenue administrations introduce and administer green taxes and make the tax system climate-friendly, help central banks integrate climate risks in monetary policy and conduct bank-level climate stress tests for better supervision, and will assist with other climate related macroeconomic and fiscal aspects based on identified needs.

Gender equality and empowerment of women and girls
As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the recognizing the various interlinkages and channels through which gender disparities affect macroeconomic outcomes, the action has a prominent focus on gender equality in line with IMF's commitment to integrate gender work in the Fund's core activities, including to capacity development articulated in its draft Gender Strategy. The RCDCs and ATI have extensive focus on actions targeting the reduction of gender gaps in collaboration IMF headquarters, UN Women and other partners. On the basis that good PFM can provide key information that can be used to make gender-sensitive programmes and policy decisions, the RCDCs conduct gender responsive budget analysis to provide information necessary for promoting gender equality and more effective equality policies at large; and support gender-based budget allocation, management and reporting tools which are integrated into PFM systems to make them more gender responsive (e.g. budget output budget output monitoring and reporting templates adapted to collect gender disaggregated data and assess the gender impact of budget allocations). In addition, RCDCs and ATI focus on gender macroeconomics, and gender is mainstreamed into fiscal reporting, financial inclusion, and financial technology. RCDCs and ATI are placing emphasis in ensuring participation of women in their technical assistance missions and trainings, furthermore deliberate attention is paid to gender equality in contracting experts. Going forward more attention will be paid to closer cooperation with civil society groups (training, workshops etc.) to provide opportunities for their voice to be more influential in capacity development activities. Guidance materials, and research on gender within the region will be disseminated by RCDCs and ATI.

Human Rights
Transparency: The right of access to information requires that public bodies proactively disseminate information in the public interest. RCDCs will be guided by the IMF's Strategy for Enhanced Engagement on Governance and Corruption issues and will be involved in members' Governance Assessment Reports produced with IMF support.

Disability
As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0.

Democracy
Not applicable.

Conflict sensitivity, peace and resilience

The new IMF strategy for Fragile and Conflict-Affected States (FCS) makes the case for a country-level engagement recognising the diversity of fragility situations and increase field presence. The Action will enable the planned increase in the number of resident advisors serving FCS and anchoring the RCDCs' support in a longer-term perspective.

Disaster Risk Reduction

Disaster Risk Reduction will partially be covered by the climate change risk scenarios supported by the Action. Furthermore, RCDCs will provide capacity development on Climate PIMA, which has a specific module on assessing the extent to which governments publish a disaster risk strategy that assesses the impact of climate change on public infrastructure and networks.

Other considerations if relevant

Digitalisation: Digitalisation of government services will improve their quality and efficiency, reduce corruption vulnerabilities and transaction costs, enhance transparency, and support post-pandemic recovery. The RCDCs will assist countries introduce or improve PFM information systems and digital solutions (Integrated Financial Management Information Systems - IFMIS), automate revenue administrations' processes, and improve public procurement transparency, including through stronger beneficial ownership information.

Governance: RCDCs will increase support for fiscal governance, financial sector oversight and AML/CFT through enhancements in risk-based supervision (RBS) framework, and central bank governance.

3.4 Risks and Lessons Learnt

Category	**Risks**	**Likelihood (High/ Medium/ Low)**	**Impact (High/ Medium/ Low)**	**Mitigating measures**
People and the organisation	Risk 1 - Political risks: Political risks materially increase the volatility of CD demand and reform traction and are particularly acute in fragile and conflict-affected states. These risks materialize particularly during election years, especially those resulting in regime change or accompanied by civil unrest. Political consultations and turnover of political leaders can result in significant changes in priorities, institutional arrangements and staffing at top management level, which in turn affects the authorities' interest to adhere to reform programs.	**High**	**Medium**	In formulating their work programs, RCDCs and ATI consider the political cycle and assess political risks and their impacts on the feasibility and implementation schedule of reforms proposed by the authorities. To mitigate the political risks, the RCDCs will continue to consult with external partners and local CSOs to develop strategies to be discussed with the IMF country teams, including the resident representatives.
External environment	Risk 2 – Macroeconomic, health and climate shocks:	**Medium**	**Medium**	The RCDCs and ATI will mitigate these risks by maintaining agile and flexible

	Sudden unexpected changes can arise from the materialization of these vulnerabilities and lead the authorities to review policies, come up with new action plans, and revisit CD demands and programs. This is illustrated by the substantive change in priorities and CD demand from the COVID-19 pandemic.			interventions anchored on a country-centred approach. Operational flexibility in moving resources across workstreams and countries and the nimble use of contingency reserves will be critical to mitigate these risks.
People and the organisation	Risk 3 – Inadequate engagement and coordination: High-level country engagement and coordination are preconditions for relevant CD programs and their successful delivery. Coordination failures with stakeholders (Steering Committee, country authorities, development partners) can have detrimental impacts on ownership, dedication to reforms, and mutual accountability for outcomes and shortfalls. These coordination failures can result from lack of senior level engagement in the formulation and monitoring of the RCDCs' and ATI's work programs.	**Medium**	**Low**	To mitigate these risks, RCDCs will continue to help familiarize the authorities with the RBM system so they can track reform progress and the effectiveness of inputs. RDCDs will continue to support information sharing and outreach, including of in country briefings of development partners/groups

Lessons Learnt:

The governance and CD delivery of the RCDCs and ATI are further enhanced by periodic independent evaluations of their activities, and the Results Oriented Monitorings (ROM) conducted under the 10th and 11th EDF programmes supporting the RCDCs. Main lessons learnt can be summarized as follows:

- **Proven track record**: Independent external evaluations have consistently given RCDCs high marks for the quality of their expertise, their rapid and flexible service delivery, and their responsiveness to member countries' needs – demonstrated particularly during the pandemic. They found that RCDCs were robust vehicles to support regional harmonisation and integration and that their technical assistance contributed - in part - to improved transparency, accountability, and control. The evaluations stressed the success of the governance model, with involvement of recipient countries, donors, and IMF staff leading to 'ownership' of the recipient countries, as well as effective donor coordination in the spirit of the Paris Declaration on Aid Effectiveness. Positive conclusions on relevance, efficiency, effectiveness and sustainability on the operations of RCDCs by ROM missions.

- **Recommendations for improvements**: co-location of ATI with AFS should continue to foster even greater peer-to-peer learning and facilitate increased regional capacity building and cost effectiveness; more formal and regular approach to identify upfront political economy constraints that may prevent/delay the implementation of CD-related recommendations or the achievement of their associated milestones would be needed; response to emerging needs widens the portfolio hence requires re-prioritization; absorptive capacities of countries need careful assessment and should determine the pace of CD delivery to allow for greater commitment and ownership; regular follow up required after CD delivery particularly in low-capacity fragile states for greater sustainability; enhanced collaboration needed with regional organisations to support their objectives of greater integration and harmonization; wrap-up meetings among donors on in-country missions should be made regular to allow for enhanced coordination.

In addition, mid-term evaluations of the RCDCs and ATI conducted over their past phases highlight the following lessons learned:

Quality of CD design: fragile states often need significant and repeated CD investments; ex-ante sustainability planning needs to be part of a CD program design; diagnostic assessments/tools enhance projects' relevance; identifying and tying projects to internal and external demand drivers not only increase relevance but also lead to greater impact and sustainability. Results from training activities are maximised by: targeted and transparent selection of participants; ensuring training workshops are participative and build on each other, and that consecutive training is delivered to the same participants (not one-off activity); offering a series of more condensed, better sequenced and tailored training and more extensive use of online courses that could help with participants' time availability and needs for different and advanced levels of training; providing educational materials which can be easily shared and disseminated with other officials; and improving the sustainability of learning gains by enhancing training course follow-up activities.

CD delivery and monitoring: Results Based Management benefits from a flexible and iterative adaptive approach reviewing projects' evolving context and results expectations over time in consultation with the national authorities. Remote CD combined with on-site delivery and other modalities can be an effective hybrid model, knowledge sharing and peer country experiences augment results. Cross-workstream collaboration in RCDCs and with ATI can catalyze and enhance effectiveness of individual programs. Improved use of local experts contributes to program efficiencies.

Operational efficiencies: Improved donor coordination strengthens coherence within programs and ensures that none of the activities duplicate with those of the other donors. A robust mechanism that can enable effective coordination might entail a more active role of keeping track of other donor activities as well as active communications with the other development agencies.

3.5 The Intervention Logic

The underlying intervention logic for this action is that capacity development (technical assistance and training, as well as peer to peer learning) that addresses country and region-specific needs, and based on sound diagnostics, can ensure that countries improve their economic governance and build resilience to emerging regional and global challenges – global imbalances, climate, digitalisation, pandemics etc.

More specifically, capacity development of National Governments and institutions, notably Ministries of Finance, Revenue (Tax and Customs) Authorities, Central Banks, Financial Sector Supervisors, Anti-Corruption Agencies, and Statistical Agencies in 45 Sub-Saharan countries; as well as of the Regional Organisations in the core economic aspects targeted by this action will continue to support the consolidation of macroeconomic, financial and fiscal frameworks and improve the countries' and the region's resilience to macroeconomic challenges, provided that the overall main assumptions hold true: there is political will to implement reforms, trained staff retained and there is systematic information sharing and cooperation between key economic bodies.

In particular, capacity development in medium term budget frameworks will lead to more credible frameworks that are better integrated in the annual budget process and if the comprehensiveness, frequency, and quality of fiscal reports is enhanced it will translate to an overall **improved PFM systems**, so that countries can identify, monitor, report and manage fiscal risks.

Capacity development targeting revenue authorities and customs bodies will focus on improving the planning and implementation of reforms, and will also support the more extensive use of tax audits and other verification intiatives to ensure accuracy of reporting. **Improved revenue administrations** of countries in sub-Saharan Africa will have strengthened management, governance arrangements and service provision, provided that investments in IT systems will also be supported.

Capacity development for banking and other financial sector supervisors to implement risk-based supervision approaches, based on international best practices and peer-learning will ensure that risks in the financial sector are managed appropriate, and lead to **improved financial sector supervision,** including in relation to integrating climate risks in monetary policy and conducting bank level climate stress tests.

Working with national statistical bodies to strengthen their capacity in the areas of compilation of core macro-economic and fiscal data sets (prices, national accounts, government finance and debt statistics) will ensure that the **macroeconomic and fiscal statistics** produced and disseminated are sound and consistent with international best practices and can be used by policy makers and other actors.

Training and technical assistance to ministries of finance, central banks and other stakeholders, including conducting baseline diagnostics, as well as developing tools and framework to integrate climate into fiscal, monetary and other policies, will support countries' efforts to improve their resilience to **climate change** and manage risks in the financial system.

Working with ministries of finance and other stakeholders to train staff and develop tools (for example to support gender based budgeting) and to integrate gender considerations into core PFM processes will ensure that the budget serves as a tool for the strategic allocation of resources towards policies that promote **gender equality**.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.
On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.
The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

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	Sub-Saharan Africa has improved economic governance that supports resilience to address regional and global macroeconomic challenges (climate, achievement of SDGs) and opportunities (such as green transition, gender and digitalisation)					*Not applicable*
Outcome 1: Public Financial Management (PFM) / Macro-fiscal	Sub-Saharan Africa has improved budget cycles, and countries can identify, monitor and report fiscal risks	Indicators will be tracked through the IMF's Results Based Management System, which captures indicators at output (IMF outcome) level.				
Outcome 2: Revenue Administration	Revenue administrations in sub-Saharan Africa have strengthened management, governance arrangements and service provision.	Indicators will be tracked through the IMF's Results Based Management System, which captures indicators at output (IMF outcome) level.				
Outcome 3: Financial Sector	Sub-Saharan Africa has a more stable financial sector, can manage risks, improve financial supervision and regulation (including of climate risks) in line with international standards and	Indicators will be tracked through the IMF's Results Based Management System, which captures indicators at output (IMF outcome) level.				

	best practice, and has more stable financial markets.					
Outcome 4: Macroeconomic Statistics	Sub-Saharan Africa has improved capacity to compile and disseminate macroeconmic and fiscal statistics in line with international standards.	Indicators will be tracked through the IMF's Results Based Management System, which captures indicators at output (IMF outcome) level.				
Outcome 5: Climate	Sub-Saharan Africa has improved fiscal policies and institutional frameworks to combat climate change and its impacts, and to improve resilience.	Indicators will be tracked through the IMF's Results Based Management System, which captures indicators at output (IMF outcome) level.				
Outcome 6: Gender	Sub-Saharan Africa has the capacity to apply a gender perspective to fiscal policies and the budget process.	Indicators will be tracked through the IMF's Results Based Management System, which captures indicators at output (IMF outcome) level.				
Output 1 **Relating to Outcome 1**	1.1 Countries have a more credible medium term budget framework that is integrated with the annual budget process.	1.1.1 Medium-term perspective in budget framework (MTBF).	1.1.1. MTBFs at different stages of institutionalization; country-specific baseline identified as part of IMF RBM system.	1.1.1 MTBFs at different stages; country-specific targets/milestones tracked as part of IMF RBM system.	1.1.1 PEFA, IMF RBM system	Political will to support reforms in place; staff turnover can be minimized and information sharing between key bodies, including state owned enterprises is systematic.
Output 2 **relating to Outcome 1**	1.2 Comprehensiveness, frequency, and quality of fiscal reports is enhanced.	1.2.1 Comparability of fiscal data.	1.2.1 Countries at varying levels of compliance with	1.2.1 Enhanced convergence with criteria set by	1.2.1 Fiscal Transparency	Willingness and capacity to undertake FTEs,

			criteria set by regional organisations. Country-specific milestones identified as part of IMF's RBM system.	regional organisations and international best practices.	Evaluation (FTE).	implement recommendations and support staff capacity.
Output 1 **relating to Outcome 2**	2.1 Capacity for revenue administration reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized.	2.1.1 Multi-year revenue administration reform implementation plan, with supporting resource plan, adopted and well communicated	2.1.1 Countries are at various stages in their reform programs; Country-specific milestones identified as part of IMF's RBM system	2.1.1 Country-specific reform plans with milestones developed and implemented.	2.1.1 TADAT; IMF RBM system.	Continued political support for refoms, and capacity to plan and implement reforms, as well as communicate benefits to taxpayers.
Output 2 **relating to Outcome 2**	2.2 Audit and other verification programs more effectively ensure accuracy of reporting.	2.2.1. Appropriate range of tax audits and other initiatives used to detect and deter inaccurate reporting and fraud.	2.2.1 Audit mix imbalanced and biased towards comprehensive audits, rather than risk based approaches.	2.2.1 Increase number of staff trained; expand use of risk based approaches to tax audit as well as increased use of automation.	2.2.1 (TADAT 2015 POA6-16/TADAT 2019 POA6-19); IMF RBM system.	Continued political will to implement reforms; staff trained and retained; investments in IT systems are supported.
Output 1 **relating to Outcome 3**	3.1 Supervisors have sufficient capacity to effectively implement risk-based supervision (RBS) and other supervisory processes.	3.1.1 Inspection reports of individual banks are more risk oriented and identify key qualitative and quantitative risks.	3.1.1 Progress is being made on regulatory frameworks, training of supervisors and strengthening RBS particularly in the non-banking sector remains a challenge.	3.1.1 Increase in number of staff trained; promote peer to peer learning.	3.1.1 IMF RBM system.	Continued progress in implementating relevant legal frameworks; adequate staffing and resourcing of regulatory/ supervisory bodies.
Output 2 **Relating to Outcome 3**	3.2 Supervisors and regulations require banks to apply risk measurement and management, including of	3.2.1 Supervisors' assessment reports whether regulations and guidelines on risk measurement and	3.2.1 Supervisors have insufficent understanding of climate-related risks and their impact on	3.2.1 Increase in number of staff trained; promote peer to peer learning.	3.2.1 IMF RBM system.	Continued progress in implementating relevant legal frameworks;

	relevant climate-related risks, in a timely basis	management are being applied by banks	banks, and emerging supervisory standards and practices.			adequate staffing and resourcing of regulatory/ supervisory bodies.
Output 1 **relating to Outcome 4**	4.1 Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	4.1.1 Percentage point increase of the average post-test score compared to the average pre-test score	4.1.1 Statistical bodies remain under resourced across SSA and large data gaps remain e.g. in price statistics, national accounts, external sector, and government finance.	4.1.1 To bring SSA statistical bodies into closer alignment with regional and interntional standards via country-specific programs to identiy and address gaps.	4.1.1 IMF RBM system	Continued support for statistical infrastructure and staff retention.
Output 2 **relating to Outcome 4**	4.2 Source data are adequate for the compilation of statistics (national accounts, prices etc.)	4.2.1 Source data needed to compile quarterly estimates are comprehensive and reasonably approximate the definitions, scope, classifications, valuation, and time of recording required, and timely	4.2.1 Quality of source data across data sets (prices, national accounts, government finance statistics, external sector) continues to have gaps. Country-specific strategies and plans to address these	4.2.1 To bring SSA statistical bodies into closer alignment with regional and interntional standards via country-specific programs to identiy and address gaps	4.2.1 IMF RBM system	Continued support for statistical infrastructure and staff retention.
Output 1 **relating to Outcome 5**	5.1 Budget is an effective tool for the strategic allocation of resources towards policies that promote climate change adaptation/mitigation	5.1.1 Integration of climate change considerations in the budget documentation and fiscal reports	5.1.1 Many countries in the region have a climate strategy, but challenges remain in integrating climate into near and medium term budget planning.	5.1.1 Increase reference to climate, green budgeting in budget documentation; annual RCDC workplans will set out country-specific plans for improvements and annual reports will	5.1.1 Climate-PIMA; IMF RBM system	Commitment to deliver on climate commitments, and to ensure that these are resourced and monitored.

				identify lessons learned.		
Output 2 **relating to Outcome 5**	5.2 Authorities have a baseline understanding of how well fiscal policies and institutional frameworks support environmental sustainability and opportunities for increased alignment	5.2.1 Diagnostic or scoping have produced baseline and opportunities for improvement	5.2.1 Countries have limited tools for assessing fiscal interventions and public investements from a climate perspective; diagnostic studies are now providing baseline information from which country-specific CD can be designed.	5.2.1 Annual RCDC workplans will set out country-specific plans for improvements and annual reports will identify lessons learned.	5.2.1 Climate-PIMA; IMF RBM system	Commitment to deliver on climate commitments, and to ensure that these are resourced and monitored.
Output 1 **relating to Outcome 6**	6.1 Budget is an effective tool for the strategic allocation of resources towards policies that promote gender equality	6.1.1 Systems, processes and tools to plan, track and disclose allocations for gender equality and women's empowerment are in place – e.g. gender responsive budgeting.	6.1.1 Progress is being made at country level, and in partnership with other organisations in ensuring a gender lens in fiscal and macro-economic policies. However there is considerable opportunity to scale up and instituttionalize.	6.1.1 To increase the use of gender based budgeting throughout the region.	6.1.1 IMF RBM system	Commitment to deliver on gender commitments, and to ensure that these are resourced and monitored.

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 territory.

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 72 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 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].

4.3.1 Indirect Management with a pillar assessed entity

This action may be implemented in indirect management with the International Monetary Fund. This implementation entails the full action for Improving Economic Governance in Sub-Saharan Africa.

The envisaged entity has been selected using the following criteria: (i) the important normative and standard setting mandate of the IMF in the core areas of economic governance; (ii) IMF disposes of highly specialised technical capacity required for the assistance to be provided; and (iii) given the nature of reforms in the area of economic governance it allows assuring the continuity of the previous phases financed from 10th and 11th EDFs and continued support to the targeted countries in sub-Saharan Africa, particularly as reform process has stalled in many countries due to the COVID-19 pandemic; (iv) finally, the Strategic Partnership Framework endorsed between the EC and IMF in 2016 foresees joint work between the EC and IMF in the core areas targeted by this action.

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

Should the completion of the pillar assessment of the IMF be delayed beyond the foreseen date of signature of the implementing contract, the action may be implemented in direct management.

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to IMF, selected using the following criteria: (i) the important normative and standard setting mandate in the core areas of economic governance; (ii) the entity disposes of highly specialised technical capacity required for the assistance to be provided; and (iii) given the nature of reforms in the area of economic governance it allows assuring the continuity of the previous phases financed from 10th and 11th EDFs and continued support to the targeted countries in sub-Saharan Africa, particularly as reform process has stalled in many countries due to the COVID-19 pandemic.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the activities with specific characteristics require a particular type of body on account of its technical competence and its high degree of specialisation on

[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.

condition that the activities concerned do not fall within the scope of a call for proposals, corresponding to Article 195(f) of the Financial Regulation.

4.4 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR) 2022	EU contribution (amount in EUR) 2023	EU contribution (amount in EUR) 2024	EU contribution (amount in EUR) Total
Implementation modalities – cf. section 4.3		-		
Indirect management with pillar assessed entity – cf. section 4.3.1 with the IMF		-		
Support to Regional Capacity Development Centres of West Africa	4 000 000	7 000 000	4 500 000	15 500 000
Support to Regional Capacity Development Centres of Central and East Africa	3 900 000	6 100 000	7 000 000	17 000 000
Support to the Regional Capacity Development Centre of Southern Africa	-	-	13 500 000	13 500 000
Support to the Africa Training Institute	4 000 000	-	-	4 000 000[5]
Evaluation – cf. section 5.2 **Audit** – cf. section 5.3	-	-	-	may be covered by another Decision
Totals	11 900 000	13 100 000	25 000 000	50 000 000

4.5 Organisational Set-up and Responsibilities

Each Regional Capacity Development Centre as well as the Africa Training Institute will be administered through a multi-donor trust fund, established under the IMF's policies and procedures as approved by the IMF Board. The Centres and ATI will each be governed by a Steering Committee, comprising the contributors to the trust fund, namely the member countries, the EU and other donors, and the IMF. The Steering committees will meet at least yearly to review the annual reports, endorse annual work plans and priorities, and to provide strategic direction taking into account EU priorities, as well as those of development partners. An overall Joint Coordination Committee (comprising IMF and EU) to review progress on the implementation of the full action will meet annually. Each Centre and ATI will be managed by a Center Director, i.e. an IMF staff member whose costs are covered by the IMF, a core team of resident advisors, complemented by short term experts. The nine regional organisations CEMAC, ECOWAS, UEMOA, COMESA, EAC, IGAD, IOC, SADC as well as the AU will be associated with the Steering Committees, where relevant. Other contributors to the RCDCs and ATI will also be represented on each RCDC/ATI Steering Committee. Contributions by the Commission will be used to finance the IMF's provision of capacity development in its core area of expertise in 45 countries of sub-Saharan Africa as well as in regional organisations. In this regard, the employment of experts through an employment contract by the IMF does not constitute an act of procurement for purposes of the Agreement, as per Section II.3.4 of the Framework Administrative Agreement (FAA).

[5] EUR 2 000 000 will be allocated to West African countries, EUR 500 000 to Central and East African countries, and EUR 1 500 000 to countries of Southern Africa and the Indian Ocean.

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 has established a permanent internal, technical and financial monitoring system for the action and provides regular progress reports (not less than annual) and final reports. Each report provides 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 report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. In line with article 3.6 of the FAA progress and final reports shall be understood to mean those prepared as part of the IMF's regular reporting to the Action's Steering Committees.

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). Terms of Reference will be shared with the IMF, and the roles and responsibilities for data collection will be assumed by the implementing partner.

5.2 Evaluation

Having regard to the importance and nature of the action, mid-term evaluations will be carried out for this action via independent consultants, contracted by the implementing partner and financed from the RCDC/ATI budget to which the EU is contributing.
It will be carried out to assess progress, and to learn lessons relevant for successful implementation of the action and its sustainability. The evaluations will focus on governance, programme management, funding model and communication. As such the evaluations will assess the RCDCs and ATI's effectiveness and impact, and the sustainability of their CD, bearing in mind the long-term nature of capacity building. Importantly, the evaluation will consider the options for the future operations of the RCDCs and ATI.

The evaluation reports will shared with the RCDC/ATI Steering Committees following the best practice of evaluation dissemination and in line with the IMF's dissemination policy[6]. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of a final evaluation of this action may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

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

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

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

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned, and in line with the

[6] See best practice of evaluation dissemination

provisions in the Financial Framework Partnership Agreement of the European Commission with the IMF. This obligation will continue to apply 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.

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

Appendix 1 REPORTING IN OPSYS

An Intervention (also 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		
☒	Single action	Present action: all contracts in the present action
Group of actions level		
☐	Group of actions	Actions reference (CRIS#/OPSYS#): <Present action> <Other action>
Contract level		
☒	Single Contract 1	Contribution agreement with the IMF (EU contribution in 2022).
☒	Single Contract 2	Contribution agreement with the IMF (EU contribution in 2024).
	(…)	
☐	Group of contracts 1	<foreseen individual legal commitment (or contract) 1>