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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 25**

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

**Action Document for “Regional initiative to support African Central Banks through capacity building”**

**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 NDICI-Global Europe Regulation.

## 1 SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Regional initiative to support African Central Banks through capacity building CRIS number: NDICI AFRICA/2021/044-062 OPSYS number: ACT-61268  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
<b>2. Team Europe Initiative</b>	Yes, Team Europe Initiative on Illicit Financial Flows (IFFs) and Transnational Organized Crime (TOC)
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Africa.
<b>4. Programming document</b>	SUB-SAHARAN AFRICA MULTI-ANNUAL INDICATIVE PROGRAMME (MIP) 2021-2027
<b>5. Link with relevant MIP(s) objectives / expected results</b>	Specific Objective 2: Increased sustainable integration of African markets and macro-economic reforms.  Result 2.3: Accelerated monetary and fiscal integration processes.  Result 2.4: Enhanced expertise and policy dialogue for effective macro-economic reforms.
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	15142 – Macroeconomic policy; 240 – Banking and Financial Services;
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG (1 only): Decent Work and Economic Growth Other SDG: Gender Equality
<b>8 a) DAC code(s)</b>	15142 – Macroeconomic policy; 34%

	24020 – Monetary Institutions (CBs); 33%			
	240 – Banking and Financial Services; 33%			
<b>8 b) Main Delivery Channel</b>	Other public entities in donor country - 11004			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers</b> <b>(from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
	digital governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

	digital entrepreneurship digital skills/literacy digital services	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line(s) (article, item): BGUE-B2022-14.020120-C1-INTPA EUR 700 000 BGUE-B2022-14.020121-C1-INTPA EUR 700 000 BGUE-B2022-14.020122-C1-INTPA EUR 600 000 Total estimated cost : EUR 2 000 000 Total amount of EU budget contribution: EUR 2 000 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing<sup>1</sup></b>	<b>Direct management</b> through: - Grants			

## 1.2 Summary of the Action

The proposed action will aim to create a multilateral cooperation initiative, aimed at promoting financial stability and integration in Africa. Given the large number of final beneficiaries, a pilot project involving selected central banks will be carried out. Central banks of existing trade blocs and monetary unions and those of the most relevant regional players will be prioritised for the first iteration of this initiative. The overall objective of the project is to contribute to the macroeconomic and financial stability of African countries by strengthening central bank capacities and addressing major challenges, such as governance issues, financial stability and resilience as well as strategic planning and international cooperation.

The areas of focus will include current issues in central banking and banking supervision such as governance and strategic planning, financial stability, monetary policy implementation, reserve management, fintech, green and sustainable finance, cybersecurity, anti-money laundering/combating financing of terrorism, reducing inequalities

<sup>1</sup> Art. 27 NDICI

(including gender inequality), financial literacy and inclusion, and digitalisation. The following countries, regions or organisations would appear most suited for a pilot project: Angola, Banque Centrale des États de l'Afrique de l'Ouest (BCEAO),<sup>2</sup> la Banque des États de l'Afrique centrale (BEAC),<sup>3</sup> Egypt, Ghana, Kenya, Morocco, Tanzania, Mozambique, Namibia, South Africa and Tunisia; participants in some activities of the Action might be beyond the list of countries considered most suitable. This would allow for other countries to also benefit from the action via the training of their employees.

The proposed action intends to support to macro-economic reform, investment climate and private sector development under priority area 5 “Sustainable Growth and Decent Jobs” of the regional MIP. It specifically aims to address the results for accelerated monetary and fiscal integration processes and enhanced expertise and policy dialogue for effective macro-economic policy, as identified in the regional MIP, through the increase of capacity of the Central Banks and exchange of best practices among the practitioners. It mainly addresses the SDG on decent work and economic growth by ensuring that African Central Banks can deliver effective monetary policy, which is pivotal for macro-economic stability and economic growth. Moreover, it coincides with the EU’s agenda on delivering a comprehensive Strategy with Africa as well as the Africa-Europe Alliance for Sustainable Investment and Jobs<sup>4</sup>, which sets the stage for the economic cooperation between the two continents. In order to be able to make these ambitions a reality, investment in capacity building in central banks is indispensable.

The action will have a tailor made approach depending on the needs of each central bank and focus mainly on strengthening the institutional capacities as well as improving governance, internal control and resource management.

## 2 RATIONALE

### 2.1 Context

The action is aligned with the 2020 Communication “Towards a comprehensive Strategy with Africa”<sup>5</sup> and promote the opportunities highlighted in the “Africa-Europe Alliance for Sustainable Investment and Jobs”<sup>6</sup> and the Agenda 2063: The Africa We Want”<sup>7</sup>.

The EU has a long track record of promoting a sustainable macro-economic environment and regulatory environment, capacity building, and peer dialogue between the EU and Africa at continental level to increase opportunities for sustainable economic cooperation. Unlike other regions, there is still need for public funding to facilitate capacity building and knowledge exchange as well as maintain the momentum of transforming African economies..

This Action will act as an initial support and aim to fortify the macroeconomic ecosystem of African countries. The financial integration of African economies is instrumental to stronger and more sustainable growth in Africa. Such integration would enlarge the domestic market, broaden and deepen financial systems, enable economies of scale and improve resource allocation. At the same time, enhanced regulatory and supervisory frameworks would deserve specific attention, as they are crucial for sustainability.

In the past decades, African countries have gone through significant modernisation of their monetary policy frameworks, however, further work is needed both on operational optimisation as well as on policy formulation. Although there is no one-size-fits-all approach to monetary policy modernization, central banks can learn from the experience of many countries outside Africa, as well as from early movers within the region. One key lesson is that progress requires sufficient operational independence and a sufficiently clear central bank mandate. Building

<sup>2</sup> BCEAO is the central bank of the West African Economic and Monetary Union (WAEMU), comprising eight member states (Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal and Togo).

<sup>3</sup> BEAC is a central bank that serves six central African countries (Cameroon, Central African Republic, Chad, Equatorial Guinea, Gabon, and Republic of the Congo), which form part of the Economic and Monetary Community of Central Africa (CEMAC).

<sup>4</sup> [COM\(2018\) 643 final of 12.9.2018.](#)

<sup>5</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020JC0004> COM(2020) 4 final of 9.3.2020

<sup>6</sup> [COM\(2018\) 643 final of 12.9.2018.](#)

<sup>7</sup> African Union (2019) Agenda 2063: The Africa We Want.

and maintaining political commitment is therefore critical. The central bank has a leading role to play in building the necessary consensus for reform. The aim of this action is to provide some of the pivotal tools to operationalise the necessary reforms.

This action is instrumental in delivering the EU's vision in terms of economic development, in general, and macro-economic reforms, in particular. At national level this programme is intended to be a tool to boost the performance of Central Banks and to meet the competencies, skills, innovation and creativity required to promote sustainable economic development and prudent monetary policy.

The Action is envisaged to be included in the Team Europe Initiative on Illicit Financial Flows (IFFs) as well as Transnational Organized Crime (TOC), particularly on the first strand of the TEI given that parts of the activities will include trainings on how Central Banks can improve policies on anti-money laundering/combating financing of terrorism. These activities will aim at raising awareness and improving the domestication, implementation and overall effectiveness of IFF regimes at the Central Bank level.

## 2.2 Problem Analysis

Short problem analysis:

Central banks in Africa have made great progress over the past decades in stabilising inflation to single digits on average, in the context of greater central bank independence, support from fiscal-based stabilisation efforts, and more sustained and stable growth. This has been achieved by using monetary policy arrangements that focus on money targets through specific regulation, often coupled with some form of a de facto exchange rate peg. However, certain structural limitations combined with the latest economic shocks, influenced by the pandemic and the war in Ukraine, ask more of monetary policy than the achievement of some basic degree of stabilisation. There is a need to ensure central banks' ability to steer financial conditions, respond appropriately to shocks, and avoid policy misalignments. Through this action we aim to bridge the economic and monetary policy realities with best practices and experience from European partners but also knowledge exchange among the participating entities. This will hopefully allow for a degree of macroeconomic convergence and regional integration on monetary policy and central bank governance best practices.

Even if the material, technical and human capacities of many CBs in Africa have improved more recently, there is still significant capacity gap to be filled in order to enhance their operational effectiveness and impact domestically, as well as cooperation and information exchange regionally and internationally. Given the above, there is a clear need (and demand) to continue supporting African partners to enhance their technical and operational capacities to ensure that central banks fulfil their role as regulators of the financial and monetary system.

More precisely, there is a need to address specific central banking sectors that are pivotal for implementing robust monetary policy, such as anti-money laundering/combating financing of terrorism, governance and strategic planning, financial stability, monetary policy implementation, reserve management, fintech, green and sustainable finance, cybersecurity, reducing inequalities (including gender inequality), financial literacy and inclusion, banking supervision and resolution and digitalisation. Modern challenges and ever changing financial outlooks require adept systems in place and trained professionals in order to deal with potential crises. The action will ensure to have a tailor made approach depending on the needs of each central bank and focus mainly on strengthening the institutional capacities as well as better governance, better internal control and resource management.

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

Key stakeholders are all relevant Central Banks that are eligible to receive training and capacity building via this Action (i.e. an indicative number of countries will be selected during the contractual process). Focus will be given on central banks of existing trade blocs and monetary unions and, in particular, on established and stable relationships between NCBs/the European Central Bank (ECB) and African central banks. The absorption capacity of the respective central banks and the political context may also play a role. For these reasons, the following countries, regions or organisations would appear most suited for a pilot project: BCEAO, BEAC, Angola, Egypt, Ghana, Kenya, Morocco, Mozambique, Namibia, South Africa, Tanzania, Tunisia; participants in some activities of the Action might be beyond the list of countries considered most suitable, this implies that more countries in

the region can be recipients of the capacity building provided; during the implementation of the different components the lists of the relevant candidates will be compiled. Indirectly, the public sector as well as the financial sector at large will also benefit via the optimisation of macroeconomic policies and improved processes. Finally, the citizens of the selected countries are the intended recipients of the broad beneficial effects of the promotion of effective macroeconomic reforms and enhanced expertise at regulatory level.

Other key stakeholders of the programme are: the European Central Bank and other Member State Central Banks as well as the European Commission (with European Union Delegations).

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to further strengthen the institutional capacity of the central banks of African countries.

The Specific Objectives (Outcomes) of this action are:

1. The real and sustainable transformation of a central bank and the achievement of its objectives require a well-structured internal organisation based on institution-wide strategic planning.
2. Policy objectives and implementation tools will be shared in order to aid the transformation of international and European standards into national best practices.
3. A digital knowledge hub will be implemented for the pilot project with Africa, which will foster a long-lasting impact and the dissemination of this cooperation programme.

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

- 1.1 contributing to Outcome 1 (or Specific Objective 1) eight training events organised
- 1.2 contributing to Outcome 1 (or Specific Objective 1) 2 events organised
- 2.1 contributing to Outcome 2 (or Specific Objective 2) One bilateral measures per final beneficiary
- 2.2 contributing to Outcome 2 (or Specific Objective 2) One study visit – on the job training per final beneficiary at a EU NCB and one at each African central bank by a EU NCB
- 3.1 contributing to Outcome 3 (or Specific Objective 3) Creation of a digital knowledge hub at a NCB and organisation of a Sustainability workshop

**Outputs** of the action are activities such as regional training events and high-level policy workshops as well as national bilateral measures and study visits. By attending the activities provided by the Action, participants from the final beneficiary institutions will be informed both about the state of the art within the framework of discussions by international financial institutions as well as in the European Union, and about the experience thereon gained by the partnering EU national central banks and the ECB. These outputs would enhance the technical and administrative capacities in the most relevant areas of central banking and financial supervision (e.g. AML/CFT, bank resolution, banking supervision, cash management, communication, digitalisation, EU integration, financial stability financial consumer protection, financial education and inclusion, good governance, green and sustainable finance, monetary policy implementation and research, payment systems, statistics) and can be measured through the number of staff trained and the man-days provided in the different activities. In context of the implementation of a digital knowledge hub a sustainability workshop will be conducted for further enhancement of the digital knowledge hub.

#### 3.2 Indicative Activities

1. Train a core team of experts from the final beneficiary institutions on key central banking issues.
2. Organise two events for a high-level exchange of views among decision-makers from both the ESCB and African central banks (level: heads of division/department/advisors) on the most current issues in central banking and supervision.

3. Implement one bilateral measure by the experts from National Central Banks (NCBs) of the ESCB which will benefit each final beneficiary institution. An online preparatory meeting is used to plan the measure precisely and to draw up an action plan.
4. Provide study visits – on the job training at an NCB lasting up to five working days for a maximum of one staff member of each final beneficiary and for up to three working days for one expert from each NCB at a final beneficiary.
5. A Digital Knowledge Hub will be implemented for the pilot project with Africa. The digital knowledge hub, which will be run by a national central bank of the EU, will help to foster a long-lasting impact and the dissemination of this cooperation programme. A “Sustainability workshop for digital knowledge hubs” will be organised at the EU national central bank responsible for the digital hub for representatives of African central banks to evaluate and further develop the digital knowledge hub for possible implementation at African central banks at a later stage (e.g. follow-up programme).

Structure of activities	Outputs
Component 1, related to Specific objective 1	Up to eight regional training events
Component 2, related to Specific objective 1	Up to two high-level policy workshops
Component 3, related to Specific objective 2	One national bilateral measure (mission and study visit) per final beneficiary
Component 4, related to Specific objective 2	One Study visit – on the job training in Europe and one in Africa per final beneficiary
Component 5, related to Specific objective 3	Digital knowledge hub; one sustainability workshop

*Intervention logic of the pilot project: overview of the structure of activities*

*Regional training events* (Component 1) focus on current central banking topics of general interest as mentioned above and target to bring together experts of the selected African central banks with similar professional background in middle management already involved in international activities. Selection of participants by final beneficiary institutions has to be based on the respective knowledge and expertise in a specific thematic area and to be proved by provision of CVs. A fair selection procedure will be ensured, taking also into account gender balance. Final beneficiary institutions are entitled to enrol a maximum of three staff in each of the up to eight training events. Training events can be hosted by both national central banks of the EU and African central banks (in cooperation with NCB).

*High-level policy workshops* (Component 2) also focus on current central banking topics of general interest as mentioned above and target decision-makers (such as board members or heads of divisions/departments, advisors) in the respective areas of central banking and financial supervision. Each final beneficiary institution can nominate up to three participants to attend such high-level policy workshops.

Target groups of *national bilateral measures and study visits- on the job training in Africa/Europe* are similar to those of the training events. In order to complement training events and high-level policy workshops, the bilateral measures are tailor-made for a single African central bank and focus on its specific needs with regard to narrowly defined topics. In this way, the different levels of development of the central banks are also taken into account. *Bilateral measures* (Component 3) usually comprise a mission by ESCB experts to an African central bank and a study visit by African experts to a national central bank of the EU. *Study visits – on the job training in Africa/Europe* (Component 4) allow both African experts and ESCB experts for exchanging expertise and learning on site with regard to a tailor-made topic at a national central bank / an African central bank for a limited number of working days.

As outlined before, bilateral measures comprise a mission to an African central bank and a study visit to a NCB. They focus on a specific, tailor-made thematic issue to provide both teaching (in the mission) and an opportunity for practical application in a study visit. Unlike a bilateral measure, a study visit – on the job training of Component 4 targets experts on a more advanced level being familiar with a specific, tailor-made issue, who want to further enhance their practical experience by best European/ESCB practices, especially with reference to topics and functions that benefit most from a direct presence in and exposure to a specific working place and environment.

Following approval of a bilateral measure by the PSC one member of the Programme Management Team and one expert of the respective NCB may organise a preparatory meeting of up to one day with the final beneficiary institution to plan details of the bilateral measure and to draft an Action plan describing the bilateral measure and outlining the deliverables. Preparatory meetings are usually conducted online.

Ideally, key personnel of final beneficiary institutions is represented in both activities of Component 1 and 2. The aim is to identify the topics of the bilateral measures already in the fact finding missions before the start of the pilot project and to specify or – if necessary – to modify them further in the PSC meetings.

A *Digital Knowledge Hub*<sup>8</sup> (Component Five) will be implemented for the pilot project with Africa. The digital knowledge hub, which will be run by a national central bank of the EU, will help to foster a long-lasting impact and the dissemination of this cooperation programme. The use of the virtual knowledge hub would be voluntary. Core components and objectives of the pilot project's digital knowledge hub could comprise:

- Centralising access to publications on relevant topics covered by the pilot project
- Centralising access to presentations provided during activities of the pilot project
- Possibly, video recordings of selected training events and other activities of the pilot project in accordance with European legislation on data protection
- Ability to disseminate the content of the platform to participants in the EU-funded programme (approximately 300 participants in training events/workshops and 300 participants in bilateral measures/study visits)
- Contacts of ESCB and African experts for topics covered by the pilot project.

The use of the digital knowledge hub and its acceptance by participants of the pilot project, including the number of accesses, will be monitored during the implementation period of the pilot project. A “Sustainability workshop for digital knowledge hubs” will be organised at the EU national central bank responsible for the digital hub for representatives of African central banks to evaluate and further develop the digital knowledge hub for possible implementation at African central banks at a later stage (e.g. follow-up programme).

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by contributions from other Team Europe partners. It is subject to the formal confirmation of each respective partner's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

Special Attention will be paid to the environmental protection and climate change policies in the Support to African Central Banks programme particularly through specific trainings targeting green and sustainable finance issues in line with the European Sustainable Finance Strategy and the Green Deal.

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<sup>8</sup> In general, knowledge hubs can be networks, physical centers or virtual platforms (in the case of a virtual knowledge hub) that specifically manage knowledge, help to disseminate it more broadly and efficiently and, in some cases, create a community of experts to share and exchange expertise with national and international partners in order to learn from each other and to promote development. For the pilot project, a basic approach of a digital knowledge hub is chosen given the limited experience with African central banks' training centers and their capacity.



**Outcomes of the SEA screening**

N.A.

**Outcomes of the EIA (Environmental Impact Assessment) screening**

N.A.

**Outcome of the CRA (Climate Risk Assessment) screening**

N.A.

**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 special consideration will be given to allowing balanced gender participation in all the activities envisaged in this action. The action will also include the topic of reducing inequalities, including gender inequality. The action will advance the objectives of the Gender Action Plan (GAP) III, in particular women's economic empowerment.

Central Banks can play an important role in particular on two aspects which are internal and external. On one hand they can adopt, implement and monitor internal policies and strategies to promote gender equality and anti-discrimination in the own structure of the bank. On the other hand they play a crucial role in analysing the economy from a gender perspective, assessing macroeconomic stability, debt, taxation, investments, employment, markets and other relevant sectors, and their impact on poverty and inequality, including gender inequality. Central Banks should pursue and implement sound and stable macroeconomic policies that are designed and monitored with the full and equal participation of women and encourage broad-based sustained economic growth, address structural causes of poverty and be geared towards eradicating poverty and reducing gender-based inequality within the overall framework of achieving people-centred sustainable development and the Sustainable Development Goals (SDGs) and in particular SDG 8 (decent work) and SDG 5 (gender equality). To support this, Central Banks should collect gender and age-disaggregated data on poverty and all aspects of economic activity, develop qualitative and quantitative statistical indicators to facilitate the assessment of economic performance from a gender perspective, and promote women's access to finance.

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**Human Rights**

N.A.

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**Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0 This implies that even though this action will respect the five Human Rights based approach in all the phases of the action: i) respect to all human rights, non-discrimination, participation, accountability and transparency, there is no special provision for addressing this action to persons with disabilities.

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**Democracy**

N.A.

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**Conflict sensitivity, peace and resilience**

N.A.

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**Disaster Risk Reduction**

N.A.

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**Other considerations if relevant**

N.A.

### 3.4 Risks and Lessons Learnt

<b>Category</b>	<b>Risks</b>	<b>Likelihood (High/ Medium/ Low)</b>	<b>Impact (High/ Medium/ Low)</b>	<b>Mitigating measures</b>
External environment	Risk 1: limited political commitment to implement reforms identified	<b>Medium</b>	<b>High</b>	Ensure engagement and ownership of regional and country authorities in project design and implementation. Strengthening involvement of EU Delegations and other EU member state embassies or offices as interlocutors for policy dialogue and follow-up
Planning, processes and systems	Risk 2: impossibility to contract due to delays in the identification process of pertinent areas of intervention	<b>Low</b>	<b>High</b>	Ensure a dynamic and tailored approach in the identification process
People and the organisation	Risk 3: Insufficient staff with appropriate qualifications and time resources available to engage in project activities	<b>Low</b>	<b>High</b>	<p>Joint planning and preparation of activities in due time with Programme Coordinators in a key role</p> <p>Communication of the start of the programme in final beneficiary countries in order to promote commitment of adequate staff</p> <p>Comprehensive briefings of experts prior to conducting activities by beneficiary administrations</p>
Legality and regulatory aspects	Risk 4: Unforeseen administrative reorganisation	<b>Low</b>	<b>Low</b>	<p>Close and regular cooperation and communication between action partners</p> <p>Regular PSC meetings to inform on upcoming changes and if needed agree on actions to be taken</p>
Communication and information	Risk 5: Inefficient cooperation and communication between beneficiary institutions and programme management team	<b>Low</b>	<b>High</b>	<p>Experienced Programme Coordinators take care of a timely and sound coordination of preparation, execution and reporting of activities</p> <p>Beneficiary experts possess outstanding social and intercultural skills</p>

	Risk 6: Inappropriate access to information	Medium	Medium	Joint planning and preparation of activities in due time with Programme Coordinators in a key role  Key role assigned to PSC members to share information within and between action activities
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#### **Lessons Learnt:**

Central Banks have the potential to make progress in a number of areas simultaneously. Progress can be self-reinforcing: the development of analytical capacity is more likely to impact policymaking if it is consistent with the way policy is designed and implemented, which requires clarity about the strategy and the operational framework. On the political front, it is imperative that the policy dialogue on the affected issues is continuous and performed by the most capable interlocutors, notably the actors on the ground both from the EU and Member States front in order to ensure results are long-lasting.

### **3.5 The Intervention Logic**

The underlying intervention logic for this action is that the Action will strive to further strengthen the institutional capacity of the central banks of African countries. This intervention is modelled in a unique and novel way where European CBs partner with African ones in different thematic areas in order to exchange on the know-how and expertise of a central bank. Beyond that exchange and cooperation is incentivised not only continent to continent but also intra continent, motivating the regional cooperation of African CBs.

Through the implementation of all the activities we envisage first, the real and sustainable transformation of the central banks involved as well as the achievement of their objectives, which require a well-structured internal organisation based on institution-wide strategic planning. Second, policy objectives and implementation tools will be shared in order to aid the transformation of international and European standards into national best practices. Third, strengthening African knowledge hubs managed by African central banks will foster a long-lasting impact and the dissemination of this cooperation programme. This will be realised by capacity building through regional training events, high-level policy workshops, study visits, traineeships and online sessions.

Central banks can work to implement clear forward-looking policy regimes that respond coherently to the full range of potential shocks. This can help avoid macroeconomic and financial crises, as well as unnecessary swings in interest rates, inflation, exchange rates, and output. Through the different modules of this action it aims to equip the involved Central Banks with the necessary capacity to address such shocks. All this can keep bad times from exploding into vicious circles of macroeconomic disarray and allow policymakers time to address the full range of challenges.

Providing Central Banks with the necessary capacity on the policy level while complementing the administrative and technical level in order to be able to implement the policy recommendations is a crucial element that is often disregarded. With this action, we aim to fill this gap and allow for a long-lasting impact achieving full scale of implementation and appropriate adoption of policies that will optimise Central Bank effectiveness. Moreover, the notion of a continuous exchange between European and African bankers will be cultivated which will allow for a sinuous collaboration.

The action is structured in such a way so as to be able to train as many participants as possible not only from the main participating CBs but also from other countries that could not be targeted in this pilot iteration of technical support to African Central Banks. This way, we aim to ensure a broader effect across the continent and provide widespread information and opportunities to everyone through a fair treatment. The action will also ensure the appropriate gender balance taking into account the profile of participants.

### 3.6 Logical Framework Matrix

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	To further strengthen the institutional capacity of the central banks of African countries.	1 Extent to which institutional capacities have been further strengthened	TBD at inception phase. (2023)	1 Good level of preparation (2025)	1 Annual Reports of African central banks	<i>Not applicable</i>
<b>Outcome 1.1</b>	To train core team of experts from the final beneficiary institutions on key central banking issues	1.1 Number of staff trained (disaggregated by sex)	1.1 0 (2023)	1.1 192 (2025)	1.1 Programme documentation (Interim narrative reports, Final report)	Overall stability in final beneficiary countries and good relations to the EU  Ownership of the processes by final beneficiaries
<b>Outcome 1.2</b>	Hold two events for a high-level exchange of views among decision-makers from both the ESCB and African central banks (level: heads of division/department/advisors) on the most current issues in central banking and supervision organised	1..2 Number of staff trained (disaggregated by sex)	1.2 0 (2023)	1.2 48 (2025)	1.2 Programme documentation (Interim narrative reports, Final report)	Overall stability in final beneficiary countries and good relations to the EU  Ownership of the processes by final beneficiaries

<b>Outcome 2.1</b>	Organise one bilateral measure by the experts from National Central Banks (NCBs) of the ESCB which benefitted each final beneficiary institution. An online preparatory meeting used to plan the measure precisely and to draw up an action plan.	2.1 Number of man-days provided	2.1 0 (2023)	2.1 20 (2025)	2.1 Programme documentation (Interim narrative reports, Final report)	Overall stability in final beneficiary countries and good relations to the EU  Ownership of the processes by final beneficiaries
<b>Outcome 2.2</b>	Provide on the job training at an NCB lasting up to five working days for a maximum of one staff member of each final beneficiary and for up to three working days for an EU NCB expert at each final beneficiary.	2.2 Number of staff trained from African central banks  (disaggregated by sex)	2.2 0 (2023)	2.2.1. 12 (2025)  2.2.2 8 (2025)	2.2.1/2.2.2 Programme documentation (Interim narrative reports, Final report)	Overall stability in final beneficiary countries and good relations to the EU  Ownership of the processes by final beneficiaries
<b>Outcome 3</b>	Implement a Digital Knowledge Hub by a NCB for the pilot project with Africa to foster a long-lasting impact and the dissemination of this cooperation programme. A “Sustainability workshop for digital knowledge hubs” organised at the EU national central bank responsible for the digital hub for representatives of African central banks to evaluate and further develop the digital knowledge hub	3.1 Number of staff provided access to digital knowledge hub  3.2 Number of staff from Africa and ESCB having attended to Sustainability workshop  (disaggregated by sex)	3.1 0 (2023)  3.2 0 (2023)	3.1 300 (2025)  3.2 22 (2025)	3.1/3.2 Programme documentation (Interim narrative reports, Final report)	Overall stability in final beneficiary countries and good relations to the EU  Ownership of the processes

	for possible implementation at African central banks at a later stage (e.g. follow-up programme).					by final beneficiaries
<b>Output 1.1</b> <b>relating to Outcome 1.1</b>	1.1 eight training events organised	1.1.1 Number of staff trained (disaggregated by sex)	1.1.1 0 (2023)	1.1.1 192 (2025)	1.1.1 Programme documentation (Interim narrative reports, Final report)	Overall stability in final beneficiary countries and good relations to the EU  Ownership of the processes by final beneficiaries
<b>Output 1.2</b> <b>relating to Outcome 1.2</b>	2.1 2 events organised	2.1.1 Number of staff trained (disaggregated by sex)	2.2.1 0 (2021)	2.2.1 48 (2025)	2.1.1 Programme documentation (Interim narrative reports, Final report)	Overall stability in final beneficiary countries and good relations to the EU  Ownership of the processes by final beneficiaries
<b>Output 2.1</b> <b>relating to Outcome 2.1</b>	3.1 one bilateral measures per final beneficiary implemented; an online preparatory meeting used to plan the measure precisely and to draw up an action plan	3.1.1 Number of man-days provided	3.1.1 0 (2021)	3.1.1 120 (2025)	3.1.1 Programme documentation (Interim narrative reports, Final report)	Overall stability in final beneficiary countries and good relations to the EU

						Ownership of the processes by final beneficiaries
<b>Output 4</b> <b>relating to Outcome 2.2</b>	4.1 one study visit – on the job training per final beneficiary implemented at a EU NCB and for an EU NCB expert at each final beneficiary.	4.1.1 Number of staff from African central banks trained  (disaggregated by sex)	4.1.1 0 (2021)	4.1.1 12 (2025)  4.1.2 8 (2025)	41.1/4.1.2 Programme documentation (Interim narrative reports, Final report)	Overall stability in final beneficiary countries and good relations to the EU  Ownership of the processes by final beneficiaries
<b>Output 5</b> <b>Relating to Outcome 3</b>	5.1 A Digital Knowledge Hub implemented by a national central bank of the EU, helped to foster a long-lasting impact and the dissemination of this cooperation programme. A “Sustainability workshop for digital knowledge hubs” organised at the EU national central bank responsible for the digital hub for representatives of African central banks.	5.1 Number of staff admitted to digital knowledge hub  5.2 Number of experts from Africa and ESCB having attended to contribute to Sustainability workshop  (disaggregated by sex)	5.1.1 0 (2023)  5.1.2 0 (2023)	5.2.1 300 (2025)  5.2.2 22 (2025)	5.1.1/5.1.2 Programme documentation (Interim narrative reports, Final report)	Overall stability in final beneficiary countries and good relations to the EU  Ownership of the processes by final beneficiaries

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

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

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 24 months from the date 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<sup>9</sup>.

#### 4.3.1 Direct Management (Grants)

##### **(a) Purpose of the grant**

The grant will be awarded for the implementation of all the objectives and results described in Section 3, namely the Overall Objective: to further strengthen the institutional capacity of the central banks of African countries as well as the Specific Objectives (Outcomes):

- 1.1. To train a core team of experts from the final beneficiary institutions on key central banking issues.
- 1.2 Organise two events for a high-level exchange of views among decision-makers from both the ESCB and African central banks (level: heads of division/department/advisors) on the most current issues in central banking and supervision.
- 2.1 Implement one bilateral measure by the experts from National Central Banks (NCBs) of the ESCB which will benefit each final beneficiary institution.
- 2.2 Provide study visits – on the job training at an NCB lasting up to five working days for a maximum of one staff member of each final beneficiary and for up to three working days for one expert from each NCB at a final beneficiary.
3. A Digital Knowledge Hub will be implemented for the pilot project with Africa.

##### **(c) Justification of a direct grant**

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to a public entity, more specifically a monetary institution of a Member State that is most appropriate to deliver the specific objectives of this action, selected using the following criteria: specialised Central Banking skills, technical competence, specialisation and administrative power.

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 action has specific characteristics that require a particular type of body, corresponding on article 195(f) of the Financial Regulation. The activities envisaged require an implementing partner with specific technical competence, specialisation and administrative power in Central Banking (i.e. a Central Bank). In this case the entity selected is in the unique position to provide the envisaged capacity building to the African Central Banks.

<sup>9</sup> [www.sanctionsmap.eu](http://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.



#### 4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.5 Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>
<b>Implementation modalities</b> – cf. section 4.3	
<b>All objectives/outputs</b> composed of	1 960 000
Grants (direct management) – cf. section 4.3.1	
<b>Evaluation</b> – cf. section 5.2	20 000
<b>Audit</b> – cf. section 5.3	
<b>Contingencies</b>	20 000
<b>Totals</b>	2 000 000

#### 4.6 Organisational Set-up and Responsibilities

The lead implementing partner will be an NCB which together with the other NCBs will mobilise a project group/programme support structure composed of in-house experts, and a project management team that will be responsible for providing the envisaged trainings, organising the event and all other related tools and content.

A brief overview of the implementation scheme is provided below:

##### Programme Steering Committee:

- The Action will be governed by a Programme Steering Committee (PSC);
- The PSC will review progress, give guidance and take decisions whenever necessary or required by the Description of the Action;
- The PSC will be composed of representatives of the lead national central bank, the thematic lead national central bank, the partner EU national central banks, the ECB, the African final beneficiary institutions and the Contracting Authority. The ECB will have an observer status (no voting right, no reimbursement).

##### Programme Manager:

For the duration of the action, the implementing partners will provide Programme Managers, who will be based in Frankfurt am Main and in Paris, respectively, and who will be responsible for meeting the Action's overall objective. The Contracting Authority will also be represented by a Programme Manager.

##### Programme Coordinators:

For the duration of the action, the implementing partner will each provide a Programme Coordinator, who will be based in Frankfurt am Main and in Paris, respectively. The Programme Coordinators will work partially for the action. The tasks of the Programme Coordinators will include designing the training concepts, coordinating the speakers and ensuring the coherence between the different activities and components of the action.

Financial Manager:

Payments by the European Commission for the implementation of the Action will be made to the implementing partner. The implementing partner will provide a Financial Manager, who will be based in Frankfurt am Main, and who will work partially for the action. The main tasks of the Financial Manager are programme accounting and financial reporting to the Contracting Authority, preparation of programme bookkeeping for external auditing and reimbursement.

Administrative staff:

For the duration of the Action, the implementing partners will provide administrative staff, who will be based in Frankfurt am Main and in Paris, respectively, and who will work partially for the action. The main tasks of the administrative staff are related to supporting the Programme Managers, the Programme Coordinators and the Financial Manager on issues related to the implementation of the programme.

Experts from national central banks and the ECB:

Experts provided by EU national central banks and the ECB will be responsible for the implementation of the activities aimed at achieving the outputs described above. These activities include high-level policy workshops, training events, national bilateral measures and study visits in coordination with the implementing partners.

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

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix. All monitoring and reporting shall assess how the action is taking into account the human rights-based approach and support to gender equality.

In collaboration with the EU Delegation and relevant Commission services, the implementing partner will be in constant exchange and communication with all local partners to ensure timely implementation of activities and political steering.

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).

The implementing partner will be responsible for monitoring and reporting on indicators of the logframe matrix, including the collection of baselines and data collection in the inception phase of the action

The action will be monitored and supervised by the Contracting Authority on the basis of visits (e.g. PSC meetings), meetings with the final beneficiary institutions and regular reporting as indicatively outlined below:

Programme Steering Committee meetings documentation:

The PSC will monitor and steer all activities on a quarterly basis. Usually, a presentation reflects the implementation progress. Minutes of the PSC document the results of the discussions.

Interim narrative reports:

Description of the progress in implementing activities of the action on an annual basis.

Final narrative report:

The final narrative report will be provided at the end of the action. It contains an assessment of the implementation of action activities and its results.

Financial reports:

Financial reports are submitted by the Coordinator when requesting payment.

Planned internal/external evaluation processes:

Monitoring indicators:

- List of designated participants, their key profiles and respective positions within their institutions
- Participants' effective attendance in the regional training events and their prospective participation
- Synoptic presentation of the feedback from participation, in the form of consolidated figures from an anonymous questionnaire assessing the relevance of the courses for the individual participants and their institutions, as well as the quality of the training.
- Description of the initial status the measures are intended to address, and the targeted objectives (bilateral measures)

## 5.2 Evaluation

Having regard to the nature of the action, a final evaluation may be carried out for this action or its components via independent consultants or through a joint mission or via an implementing partner. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the action is a pilot.

Commission shall inform the implementing partner at least 6 months in advance of the dates envisaged for the evaluation missions, if such an evaluation is decided. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The evaluation will be gender and human rights sensitive, assess gender equality and human rights results and implementation of rights-based approach working principles (participation, non-discrimination, accountability and transparency).

## 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. 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		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	<foreseen individual legal commitment (or contract)>