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

**ANNEX II**

of the Commission Implementing Decision on the financing of the annual action plan in favour of Nepal for 2021

**Action Document for Sustainable WASH for all – SUSWA**

**ANNUAL ACTION PLAN**

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

**1. SYNOPSIS**

**1.1. Action Summary Table**

<b>1. Title</b> <b>CRIS/OPSYS</b> <b>business reference</b> <b>Basic Act</b>	Sustainable WASH for all - SUSWA CRIS number: NDICI ASIA/2021/043-143 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	Yes: Nepal's Team Europe Initiative on Green Recovery
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Nepal, in selected Municipalities of Karnali Province.
<b>4. Programming document</b>	Multi-Annual Indicative programme for Nepal 2021-2027 <sup>1</sup>
<b>5. Link with relevant MIP(s) objectives/expected results</b>	The action will contribute to the MIP specific objective to support the implementation of Nepal's National Development Plan, with the expected result to increase access to improved water and sanitation services.
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	The action is part of the Inclusive Green Growth priority area, other multisector (DAC code 430).
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG (1 only): SDG 6 (clean water and sanitation) Other significant SDGs (up to 9) and where appropriate, targets: 1 (no poverty); 3 (good health and well-being), 5 (gender equality), and 10 (reduced inequalities).
<b>8 a) DAC code(s) <sup>2</sup></b>	160 - the other social infrastructure & services sector - 50% 140 – Water and Sanitation – 30% 151 – Government and Civil Society – 20%
<b>8 b) Main Delivery Channel</b>	13000 - Third country government (delegated cooperation)

<sup>1</sup> Within the maximum contribution of the European Union, the authorising officer responsible may adjust the allocation to the respective budgetary years subject to the availability of the commitment appropriations.

<b>9. Targets</b>	<input checked="" type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	<input type="checkbox"/>	<input checked="" 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>
Digitalisation Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services		<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Connectivity Tags: transport people2people energy digital connectivity		<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Migration (methodology for tagging under development)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduction of Inequalities		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	(methodology for marker and tagging under development)			
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line (article, item): BGUE-B2021-14.020131-C1-INTPA Total estimated cost: EUR 29 500 000 Total amount of EU budget contribution EUR 10 500 000 This action is co-financed in joint co-financing by: - Government of Finland for an amount of EUR 9 000 000 - Government of Nepal for an estimated amount of EUR 10 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing <sup>3</sup>	Indirect management with Finland's Ministry of Foreign Affairs			

## 1.2. Summary of the Action

Water, Sanitation and Hygiene (WASH) are the backbone of a resilient society, and have multiple correlations with key development outcomes. However, Nepal has made great advances in WASH, with 95% of people having access to an improved source of water, up from 46% in 1990. However, the most remote rural areas still lack access, thus further increasing geographical inequalities.

The action will focus on Karnali Province, which is the least developed province in Nepal. At least 200,000 people in its rural areas are still without basic water supply, and the systems delivering water to 536,000 rural people need major repair, rehabilitation, or reconstruction (41% of systems in Karnali, as opposed to 34% nationwide). The state of sanitation and hygiene is particularly harsh for women in Karnali and is among the worst nationally, with a high prevalence of harmful practices during menstruation. 10.2% of women in Karnali Province reported having suffered menstrual or childbirth segregation in 2019<sup>4</sup>.

The proposed action aims at improving access to clean water and sanitation and promote good governance of WASH services by local authorities in the most remote and excluded areas of Karnali province. It will strengthen EU strategic links with the provincial and local governments and increase the synergies with existing and future EU programmes in the area, thus improving both impact and visibility through an integrated territorial approach. It is fully aligned with Nepal's green recovery from COVID-19 pandemic.

The prosperity and more specifically the happiness vision of the 15<sup>th</sup> National Development Plan is at the core of the project. The intervention clearly pursues the goal of leaving no one behind, by delivering last mile inclusive access to water and sanitation in Karnali province. It does so by supporting local governments to improve transparent, accountable and inclusive service delivery, using country systems, thereby strengthening the federal system at the local level, where capacities are weakest. The action will also create synergies with existing EU financed actions in Karnali, notably on climate smart agriculture and inclusive education.

The action is a geographical expansion of the ongoing EU-funded Rural Village Water Resources Management Project (RVWRMP/WAVE), implemented and co-funded by Finland. It intends to deliver sustainable and inclusive WASH services to rural communities of the Karnali province, by targeting 42 out of 79 Municipalities and by building the capacities of the local governments using country systems. The action, aims at establishing an efficient and transparent WASH governance system at municipal level that is capable of ensuring safe, resilient, sustainable and inclusive WASH services for all. The Water Safety Plan (WSP+++ ) will be applied which includes climate change adaptation and disaster risk reduction, Operation and maintenance (O&M) and water fee collection, and inclusion issues. Local governments and user groups will ensure the building, repairing and upgrading of water systems, and implement a total sanitation strategy in line with the open defecation free pledge signed by Nepal. The action will also target schools and health centres. The action will make the links between water availability and eco-systemic services, as well as disaster risk reduction through nature-based solutions such as watershed revegetation. Through the establishment of Water user groups, it will promote participatory governance, both in ownership of the service delivery, and strengthening participatory and accountable decision making by local authorities. Human rights, Gender Equality and Social Inclusion (GESI), disaster risk reduction (DRR) and climate resilience are mainstreamed in all

<sup>3</sup> Art. 27 NDICI

<sup>4</sup> MISC 2014 and 2019 data (mid-western mountain development area now correspond broadly to Karnali province. At national level, the percentage went slightly down from 2.9% to 2.5%).

result areas. Moreover, by promoting good hygiene and sanitation behaviours, the action will promote health and overall well-being, free from discrimination.

The action promotes European Green Deal principles of ecosystem protection and disaster risk reduction through rural WASH services. It will consolidate EU's leadership in multilateral promotion of gender equality and social inclusion, in full alignment with the European Consensus for Development and the transformative approach of the Gender Action Plan III (GAP III), which is central to conflict prevention in Nepal. The action will contribute mainly to SDG 6 (clean water and sanitation) but also significantly to SDGs 1 (no poverty), 3 (good health and well-being), 5 (gender equality), 6 (clean water and sanitation), and 10 (reduced inequalities).

The action is part of the TEI "Green Recovery", with agreed co-funding from Finland and from the Government of Nepal. It will contribute to the inclusive green growth priority area of the MIP. The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this annual action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' 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.

## 2. RATIONALE

### 2.1. Context

Nepal is a Least Developed Country (LDC) and one of the most disaster-prone countries in the world. Nepal aspires to graduate to a developing country by 2026. Following the promulgation of the 2015 constitution and the 2017 general elections, transition to federalism and graduation from LDC are the main challenges Nepal is facing. Regional disparities are increasing between urban and rural areas, with remote provinces falling back in human development indicators. Social and gender inequalities are rising as a result of the COVID-19 pandemic.

Development partners, with the government, have agreed to the Green, Resilient, and Inclusive Development (GRID) framework as part of the COVID-19 response. This action would contribute to it, while supporting the European Green Deal and the Team Europe Initiative on Green recovery, and in full alignment with the European Consensus for Development, the Biodiversity strategy and the Farm to Fork strategy, the Council Conclusions on Water diplomacy, the EU Human Rights Guidelines on Safe Drinking Water and Sanitation and the transformative approach of the GAP III. It will contribute to SDGs 1 (no poverty), 3 (good health and well-being), 5 (gender equality), 6 (clean water and sanitation), and 10 (reduced inequalities).

The Government of Nepal has prioritised water supply service upgrading and is committed to achieving SDGs 6.1 and 6.2. Improved public health and living standard of people through safe, sufficient, accessible, acceptable, and affordable water, sanitation and hygiene services, is a major development goal for the government. Nepal's main policies related to water supply and sanitation sector include the Constitution of Nepal 2015 (and in particular the shift to federalism); Sustainable Development Goals (SDG); the 15th National Development Plan; the National Water Supply and Sanitation Policy 2014 (an updated policy is under preparation); The National Health Policy (2019); the Draft WASH Sector Development Plan (SDP 2016 for the period 2016-2030); the Sanitation and Hygiene Master Plan (2011); and the School Sector Development Plan (2016-2023) which includes a school WASH strategy.

The specific water and sanitation policy framework is in a transition phase, largely because of the shift to the federal system, which has rendered some policies obsolete. Provision of basic services is now the responsibility of the local governments. Updated policies and plans at national level are still in development or in draft form to include this new implementation modality. At local level, each provincial and local government is responsible to formulate policies and plans without clear guidance from the federal government. The action will thus capitalise on the previous experience and continue to support municipalities to draft their own Water Use Master Plans (WUMP); which has been a successful model in the municipalities supported by RVWRMP and is a solid framework. Regulations and standards are better established, with several recently updated, such as total sanitation guidelines of 2017, national standards for WASH in health care facilities of 2020, WASH in school mode of operation of 2018.

In mid-2020, 91% of the population had access to basic water supply<sup>5</sup>. However, only 49.6% of the households have access to a piped system and only 25% of the population has access to safe drinking water<sup>6</sup>. This has implications for the enjoyment of basic human rights, such as the right to health, the right to food, the right to have a life free from violence, and right to education, especially for women and girls.

<sup>5</sup> Quarterly report of Ministry of Water Supply (MoWS), 2019/20

<sup>6</sup> National Review of Sustainable Development Goals 2020, National Planning Commission (NPC)

The Government declared Nepal as Open Defecation Free (ODF) country in September 2019. ODF is achieved when whole communities shift to using toilets instead of open defecation. While ODF has been declared, the actual situation is less encouraging. According to the Multiple Indicator Cluster Survey 2019 (MICS), 94.5% of population are using improved sanitation facilities. Without water supply facilities in place, preventing the behaviour of shifting back to open defecation, even at small scale or temporarily, is a serious challenge for sustainability. The slippage (going back to open defecation) is estimated to range between 3.5 to 8.3% at national level.<sup>7</sup>

The federalisation process has devolved the delivery of many basic public services from the central to the municipal level. Municipalities have progressively taken responsibilities for maintenance and improvement of municipal infrastructure, e.g. water supply, solid waste management, schools, local roads, etc. The federal government makes significant fiscal transfers to local governments to ensure their financial capacity to do so, although the level of devolution of the budget depends on the sectors.

Part of that recent devolution of services provision is the management of water supply schemes, including up-keep. Of the 42 039 water supply schemes<sup>8</sup> that local authorities have inherited, 28% are well-functioning, 38% need minor repair, and the remaining 34% need major repairs. Thus, in order to reach SDG 6, construction of new schemes has to be complemented with reinvestment in existing schemes. Just 32% of schemes have a Water Supply and Sanitation Technician, only 38% have a registered Water Users and Sanitation Committee (WUSC)<sup>9</sup> and less than 5% have an Operation and Maintenance (O&M) fund,<sup>10</sup> which puts the sustainability of these schemes in question. Therefore, there's a need to invest in the governance to promote the sustainability of existing and future water schemes.

Inclusive access to water and sanitation is a crucial tool for social inclusion and gender equality. Many discriminatory practices against women and vulnerable groups are prevalent in water access, linked to caste notions of impurity and related to menstruation and childbirth. These result in an unequal access to water for different groups. Menstrual hygiene remains an important exclusion issue, with different degrees of exclusion for menstruating women and girls and women after childbirth. These range from exclusion from household tasks, to not being able to maintain basic hygiene, to being relegated to live outside the household during menstruation, often in secluded huts also used for animals. This last practice, Chhaupadi, is the cause of deaths every year and it is outlawed, but remains difficult to uproot completely, notably in remote areas in Karnali. Access to menstrual hygiene products remains a barrier for continued access to schooling for girls. The action will build on existing knowledge gained through previous experiences to promote transformational change on these exclusionary practices; for example, with menstrual segregation, previous experiences show that creating individual access to water (household taps) circumvents the hierarchies and exclusions that exist in public or collective taps, facilitating behaviour and norm changes. Inaccessible and unhygienic sanitation facilities can cause illness and injuries, as well as reducing dignity and increasing stigma for people with disabilities. Some persons with disabilities may require assistance to perform daily activities creating additional responsibilities for caregivers – especially when facilities are not accessible – and decreasing their capacity to access services.

Karnali is extremely vulnerable to climate change impacts. The Karnali river basin has precipitation trends that vary significantly across different parts of the basin during different periods of the year, and the patterns are evolving rapidly. Climate change affects water availability and access. The major causal factors affecting the hydrological flow from this watershed are the deforestation, forest degradation, construction of improper rural roads, landslides, and havoc draught. Building resilience of communities thus calls for efforts at managing water in a range of scales from field to basin. Nature based solutions to promote resource conservation will be promoted. Synergies with other EU funded actions, notably on climate smart agriculture and inclusive education, will be promoted.

## 2.2. Problem Analysis

Short problem analysis:

Karnali Province is the proposed project area. It is the only province in the country which is only in the hilly and mountainous regions with no low-land area in the Terai plain. Karnali is the largest province of Nepal (24 453 km<sup>2</sup>) and has the lowest population density (around 70 inhabitant/km<sup>2</sup>; current total population estimated at 1.7 million). There are 25 urban municipalities and 54 rural municipalities in the province. Karnali is the least developed province measured by the most common human development indicators<sup>11</sup>.

<sup>7</sup> Global Sanitation Fund in Nepal, Annual Report 2019.

<sup>8</sup> National Management Information Project database

<sup>9</sup> Although it is compulsory by law. All RVWRMP supported schemes have a registered WUSC, with gender parity (48% women)

<sup>10</sup> World Bank (WB) study on functionality

<sup>11</sup> It ranks lowest of all provinces for Human Development Index (HDI), Human Poverty Index (HPI) and Multidimensional Poverty Index (MPI) according to Nepal Human Development Report 2014 & MPI 2018, 2019 Gender Development index (GDI) value of

At least 200 000 people in the rural areas are still without basic water supply, and the systems delivering water to 536 000 rural people need major repair, rehabilitation, or reconstruction (41% of systems in Karnali, as opposed to 34% nationwide<sup>12</sup>). The most common reasons include: source depletion; natural disasters, such as landslides and floods; substandard scheme design; weak management and limited fee collection; lack of Water Safety Plans (WSPs); and inadequate technical human resources and O&M budgets. Last, but not least, 128 000 rural people need quality improvement of the water they consume. It is also paramount to climate-proof the existing and future water infrastructure. The situation is likely to get worse under the climate change scenario, which is expected to influence the water availability and vulnerability of people.

The challenge is to maintain the ODF status and to progressively move towards total sanitation. The sanitation situation is particularly harsh for women in Karnali, with harmful practices still prevalent during menstruation. 71.2% women of the mid-western mountains reported in 2014 having followed Chhaupadi menstrual exclusion. They were still 10.2% reporting the same in Karnali Province in 2019<sup>13</sup>. 60% of the province population were unaware of Chhaupadi being banned<sup>14</sup>. Menstruation hygiene is also a cause of concern in schools, leading to dropout.

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

The main stakeholders are: Water User Associations (WUAs) and other community level user groups or committees dealing with WASH; Municipal bodies, private sector service providers (firms, individuals, NGOs and community based organisations supporting WUSCs on commercial or voluntary basis); provincial government and the Ministry of Water Supply at federal level for policy making, guidance and assistance and contributing to municipal budgets.

The target groups of the intervention are the 42 municipalities and their staff; the WUSC, as well as other community groups (women groups, religious leaders, local decision-makers, as well as organisations of differently-able persons). The direct beneficiaries are part of the population living in the selected municipalities.

### 3. DESCRIPTION OF THE ACTION

#### 3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to ensure availability of water and sanitation for all rural inhabitants in Karnali in a sustainable manner

The Specific Objectives (Outcomes) of this action are to

1. Strengthened enabling environment and governance for sustainable WASH services and GESI in the selected municipalities
2. People, in particular women and girls and those in vulnerable situation, use improved water supply services made available through the intervention
3. People, in particular women and girls and those in vulnerable situation, have adopted sustainable total sanitation practices, hygiene and dignified menstruation practices

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

- 1.1 Capacities of local actors to deliver participatory WASH services in line with GESI principles strengthened
- 2.1 Functionality and safety of drinking water supply improved according to the extended Water Safety Plan approach (WSP+++).
- 2.2 Functional and safe drinking water supply extended to unreached people
- 3.1 Institutional sanitation facilities and their maintenance improved
- 3.2 Sustainable total sanitation practices, hygiene and dignified menstruation practices promoted

#### 3.2. Indicative Activities

##### Inception Activities:

TA recruitment and mobilisation (recruitment, logistics, setting up project management, planning and monitoring systems, baseline survey including GESI baseline assessment, preparation detailed work plan), selection of municipalities, assessment of capacity of municipalities and level of implementation of country systems.

##### Activities related to Output 1.1

0.933, placing it into Group 3 (countries with medium equality in HDI achievements between women and men), and Gender inequality index (GII) value of 0.452, ranking it 110 out of 162 countries in the 2019 index

<sup>12</sup> Department of Water Supply and Sanitation (DWSS) database, 2019

<sup>13</sup> MISC 2014 and 2019 data (mid-western mountain development area now correspond broadly to Karnali province. At national level, the percentage went slightly down from 2.9% to 2.5%.

<sup>14</sup> Survey conducted by Action Workers Nepal, 2017

Municipalities will implement various capacity building packages to enable them to sustainably manage the WASH sector (safe water quality, climate change resilience, DRR, proper O&M, adequate water fee collection and inclusion of all people). In particular, the action will develop capacity to monitor physical progress and expenditure and provide updated data (including data disaggregated by sex and other relevant categories) and information on the status of WASH in the area feed the national WASH Management Information System. Municipalities will establish Municipal WASH Units and develop municipality WASH plans, which will include maintenance and upkeep. Municipalities will have to contribute financially.

#### Activities related to Outputs 2.1 and 2.2:

Activities will aim to extend water supply that complies with government's service level standards to the unreached. It will include physical improvement of water supply in terms of coverage on the one hand and functionality, safety, service quality and sustainability including the climate resilience on the other. Existing schemes will be rehabilitated/repared to comply with government's service level. All water resources development and scheme designs will address applicable climate resilience and DRR measures for sustaining water supply in the context of changing climate, favouring nature based solutions and GESI responsiveness. A human rights based approach will be promoted ( a) applying all human rights for all; b) meaningful and inclusive participation and access to decision-making; c) non-discrimination and equality; d) accountability and rule of law for all; and e) transparency and access to information supported by disaggregated data.. Procurement of works will be done using country systems, with public audits conducted regularly.

#### Activities related to Output 3.1 and 3.2:

Activities will support municipalities to ensure the sustainability of the ODF status and to upgrade sanitation and hygiene to the total community-led sanitation level, including public buildings such as schools. Awareness and training will be conducted to improve personal, household and institutional (schools, health stations, public facilities) sanitation and hygienic behaviours. Particular attention will be given to women's right to dignified menstruation (focuses on menstrual hygiene management and works against harmful Chhaupadi practices) and to persons with disabilities. Inclusion of women and groups in vulnerable situations in all community-based decision-making will be promoted. Sanitation will be expanded to also address faecal sludge management.

Municipalities will receive technical support to provide permanent access to and use of improved sanitation facilities (physical improvements, increasing the number of safe facilities and, especially, improving the maintenance and cleanliness and, consequently, consistent use of institutional toilets).

### 3.3. Mainstreaming

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

**Outcomes of the SEA screening** (relevant for budget support and strategic-level interventions): The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

**Outcomes of the EIA (Environmental Impact Assessment) screening** (relevant for projects and/or specific interventions within a project): 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);

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#### **Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality and women and girls empowerment is a significant objective of the action. Based on previous experiences, the action will harness the potential of inclusive access to WASH to promote transformational change on exclusionary practices and behaviours, such as ending menstrual segregation. The action will ensure equal representation in all decision-making bodies supported by the action, such as water user groups. Mainstreaming Gender Equality and Social Inclusion (GESI) requires a systematic analysis of power relations between genders, persons with and without disabilities, and Dalit and other cast people as an example and the intersectionality of these different systems of oppression. It means a systematic commitment to promote equal participation, decision-making roles and access to services in all activities of SUSWA. The action will collect and produce sex-disaggregated data whenever applicable, include the GESI dimension in the baseline assessment, and monitor and evaluate gender sensitive and intersectional indicators.

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#### **Human Rights**

The project will adopt a Human Rights Based Approach, applying the HRBA principles of universality, non-discrimination and equality, participation, and empowerment. HRBA is embedded in the step by step approach that the project promotes. It is a cross-cutting theme for all activities of the project.

A specific strategy and action plan will be prepared for ensuring systematic, inclusive planning and implementation processes to achieve equal access to WASH and sanitation services.

#### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the action will prepare an analysis covering disability issues to identifying social barriers for persons with disabilities, analyse the norms and root causes of the discriminatory practices, as well as how to address them in implementation and monitoring to show the progress towards transformative change. Particular attention will be given to child-gender-disability (CGD) friendly facilities. All activities will be implemented in close partnership with organisations of persons with disabilities. An outcome indicator is related to participation of persons differently able in decision-making process. Systematic collection and use of disability disaggregated data (disability disaggregation shall be carried out by using the best available methodology – the Washington Group Short set of questions).

#### **Democracy**

By reinforcing the Municipality-led WASH governance, using participatory and inclusive approaches for planning and implementation, the action will further strengthen local democracy and transparency, and increase local ownership. The action will strengthen Water Users and Sanitation Committees and Water Users Association and will systematically ensure that they are involved in all the decision making processes, including public audits to promote good governance and transparency.

#### **Conflict sensitivity, peace and resilience**

The action aims to increase social inclusion, promote the federal system, in particular the local and provincial levels as a lever for more inclusive democracy and increased equity in access to services, and promote transparency, participation and accountability in all levels of government and public life; these are understood to be core elements to promote positive peace. The action will pay specific attention to inter and intra community exclusion, to ensure leaving no one behind while doing no harm.

#### **Disaster Risk Reduction**

Resilience of vulnerable populations is embedded in the objectives of SUSWA, applied to the WASH sector.

A key tool for this is the extended Water Safety Plan (WSP+++). The WSP+++ concept supplements the conventional WSP by also addressing climate change adaptation and disaster risk reduction (+), operation and maintenance (O&M) and water tariff collection (++), and social inclusion (+++). By doing so, resilience considerations are always included in the design and maintenance of the facilities.

### **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>
Institutional	Risk 1: <i>Local capacities do not develop as required by the federalisation process</i>	Medium	High (corruption and mismanagement of funds, no new systems in place)	<i>Increased awareness of the benefits at all level of government of participating in the projects, support of local governments during the process with coaching and technical assistance</i>
Institutional	Risk 2: <i>Sustainability of capacity building in municipalities not guaranteed</i>	Medium	Medium (weak post project support)	<i>Institutionalised support options to be developed during project implementation. Facilitate peer to peer support and exchanges to institutionalise learning</i>
Natural	Risk 3: <i>Natural disasters (floods, landslides, earthquake) disrupt implementation</i>	Medium	Medium (human and financial resources diverted to emergency operations)	<i>Ensure planning gives room for potential delays; risk informed planning and design, always consider using disaster resilient design and technologies; advocate for appropriate disaster risk management at provincial level</i>

Health	<i>Risk 4: Pandemics</i>	<i>High</i>	<i>High (delays in implementation, reduction of local funding)</i>	<i>Ensure planning gives room for potential delays; promote recommended individual behaviour to reduce risks; practice physical distancing as and when needed.</i>
Institutional	<i>Risk 5: Insufficient fund allocation at local level</i>	<i>Medium</i>	<i>High (other local priorities are given preference)</i>	<i>Local priorities to be taken into account in municipality's selection; formal memorandum of understanding signed by all actors prior to implementation. Peer to peer visits to other municipalities where the support has taken place</i>

### **Lessons Learnt:**

The two previous projects this action builds on, RWSSP-WN II<sup>15</sup> and RVWRMP III were working through and with the newly established municipalities, with significant co-funding from them. The experience has been very encouraging, with local governments' contribution significantly increasing and often exceeding the expected contribution, and municipalities incorporating governance elements of the project into their other work, such as reaching the unreached population, inclusion checklists and open audits. The key elements of the modality are Municipal WASH Fund (MWF) and Municipal WASH (M-WASH) units established to enable the implementation and operation of municipal level "sub-projects".

The involvement of users is also considered an important factor to develop water and sanitation. The significant increase in the coverage from 6% in 1990 to 82% in 2015 and to 99% by the end of 2018 in basic sanitation and, similarly, from 46% in 1990 to 86% in 2015 and 89% by the end of 2018 in water supply is partly attributed to the increased users' participation.

The policy of the government "one household, one water tap" translates the increased water saving behaviour of the users when they have their own tap and are billed accordingly. It also has the benefit of bringing norms from the public (collective tap) to the private sphere (household tap), facilitating behaviour change on discriminatory practices such as exclusion for lower castes and menstruating women.

The promotion of re-using excess or waste water for productive livelihoods (fully integrated in the design of Multi Use Schemes) is an additional incentive for the communities to take an active part in the infrastructure maintenance.

## **3.5. The Intervention Logic**

The underlying intervention logic for this action is that holistic well-being is envisioned in a community where the local governments can provide quality services to all people in a democratic and inclusive manner. Good hygiene and sanitation behaviours promote health and overall well-being, free from discrimination and taboos. The people are empowered and aware of their rights and discriminating cultural practices are reduced.

The specific theory of change of the intervention is formulated as follows:

- If the capacities of local governments in Karnali to deliver participatory and inclusive WASH services, in collaboration with private systems, is strengthened, and they have sufficient resources (human and financial), then the local WASH governance systems, will be in place;
- If water distribution systems are upgraded and extended to reach unreached communities in Karnali, with a design and management for quality, quantity, resilience and equitable access; and the technical solutions and meaningful participation of the community are in place, then communities, in particular women and vulnerable people will have improved access to water.
- If institutional sanitation facilities in schools and other public buildings are upgraded and maintained, and total sanitation practices including menstrual hygiene promoted, and communities are willing to accept some norm changes, then sustainable sanitation and hygiene practices will be adopted.
- If the local governments have established inclusive WASH governance systems, water distribution systems are extended, upgraded and maintained, and total sanitation practices are adopted including in institutional sanitation facilities, and municipalities continue to dedicate funding to WASH, then the communities in Karnali will benefit from a sustainable access to WASH and the sustainable water and sanitation systems will support development, enhanced equity and build resilience of the communities. Human rights, Gender Equality and Social Inclusion (GESI), DRR and climate resilience are cross-cutting issues and mainstreamed in all result areas.

<sup>15</sup> Rural Water Supply and Sanitation Project in Western Nepal Phase II, a project supported by Finland, ended in 2019

### 3.6. Logical Framework Matrix

<p><b>PROJECT MODALITY</b> (3 levels of results / indicators / Source of Data / Assumptions - no activities)</p> <p>At action level, the indicative logframe should have a maximum of 10 expected results (Impact/Outcome(s)/Output(s)).</p> <p>It constitutes the basis for the monitoring, reporting and evaluation of the intervention.</p> <p>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.</p> <ul style="list-style-type: none"> <li>- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).</li> <li>- Progress reports should provide an updated logframe with current values for each indicator.</li> <li>- The final report should enclose the logframe with baseline and final values for each indicator.</li> </ul> <p>The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.</p> <p>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.</p>						
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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 ensure availability of water and sanitation for all rural inhabitants in Karnali in a sustainable manner	1. **Proportion of population using safely managed drinking water services, disaggregated by sex ( EURF 1.30 SDG 6.1.1)  2. **Proportion of population using safely managed sanitation services, disaggregated by sex (EURF 1.31 SDG 6.2.1)  3. Incidence of diarrhea for children under-5 years old  4. Local governance performance index	1 To be defined in the baseline study (TBD)  2. TBD  3. TBD  4. TBD	1 To be defined during the inception period based on baseline data (TBD)  2. TBD  3. TBD  4. TBD	1. National SDG monitoring database  2. SDG implementation reports  3. Health post Data  4. Municipal data	<i>Not applicable</i>
<b>Outcome 1</b>	1. Strengthened enabling environment and governance for sustainable WASH services and GESI in the selected municipalities	1.1 Number of functional Water Users committee  1.2 % of women, different-abled persons and persons from minority groups in users' committee key positions  1.3 % of municipalities having a permanent Municipal-WASH unit	1.1 TBD  1.2 TBD  1.3 TBD	1.1 TBD  1.2 50 % women; minority as per proportion in community; different-able TBD 1.3 TBD	1.1 NWASH data  1.2 SUSWA monitoring system, Municipal WASH report  1.3 - Provincial and Municipal data, Municipal WASH report	Capacity and willingness of Municipalities to participate and contribute to funding is high (and also beyond SUSWA)

<b>Outcome 2</b>	2. People, in particular women and girls and those in vulnerable situation, use improved water supply services made available through the intervention	2.1 number of people using safely managed drinking water services, disaggregated by sex and ability	2.1 TBD	2.1 TBD	2.1 Provincial and Municipal statistics, National SDG monitoring database, project monitoring system	Capacity and willingness of Municipalities to participate and contribute to funding is high (and also beyond SUSWA)  Available national data
		2.2 Percentage of schools using drinking water per education level (disaggregated by level of education and geographical location - urban/rural/remote)	2.2 TBD	2.2 TBD	2.2 Municipal WASH plan	
		2.3 % of population with using basic water supply	2.3 TBD	2.3 TBD	2.3 Provincial and Municipal statistics, project monitoring system	
		2.4 Number of communities declared a Total sanitation community	2.4 TBD	2.4 TBD	2.4 Municipal MIS database	
<b>Outcome 3</b>	3. People, in particular women and girls and those in vulnerable situation, have adopted sustainable total sanitation practices, and hygiene and dignified menstruation practices.	3.1 Number of household using an improved sanitation facility including a hand-washing facility with soap and water, disaggregated by sex	3.1 TBD	3.1 TBD	- 3.1 Municipal MIS	Capacity and willingness of Municipalities to participate and contribute to funding is high (and also beyond SUSWA)  Available national data
		3.2 Number of schools implementing and maintaining improved sanitation, including menstrual hygiene, per education level (disaggregated by level of education and geographical location - urban/rural/remote)	3.2 TBD	3.2 TBD	3.2 Municipal WASH database	
		3.3 Number of households using improved sanitation facilities which are not shared.	3.3 TBD	3.3 TBD	3.3 Municipal statistics, project MIS data	
		3.4 % of women using toilet during menstruation	3.4 TBD	3.4 TBD	3.4 project monitoring system	
<b>Output 1 related to Outcome 1</b>	1.1 Capacities of local actors to deliver participatory WASH services in line with GESI principles strengthened.	1.1.1 Number of permanent Municipal-WASH units established with the support of the EU-funded intervention	1.1.1 Zero	1.1.1 TBD%	1.1.1 Municipal statistics, project monitoring system	Commitment of selected municipalities in place  Municipalities have adequate human and financial resources
		1.1.2 Number of municipalities having WASH plans supported by the project	1.1.2 Zero	1.1.2 all	1.1.2 Municipal statistics, project monitoring system	
		1.1.3 Number of municipalities having prepared an action plan for eradication of chhaupadi practice	1.1.3 Zero	1.1.3 all	1.1.3 Municipal statistics, project monitoring system	

<b>Output 1 related to Outcome 2</b>	2.1 Functionality and safety of drinking water supply improved according to the extended Water Safety Plan approach (WSP+++).	2.1.1 ** Number of people with access to improved drinking water source and/or sanitation facility with EU support, drinking water source only (EURF 2.37)  2.1.2 % of Users' Committee with up-to-date WSP+++	2.1.1 TBD  2.1.2 TBD	2.1.1 160,000  2.1.2 100%	2.1.1 Municipal WASH data project monitoring system  2.1.2 Municipal WASH data, project monitoring system	Adequate demand for improvement, including community contribution
<b>Output 2 related to Outcome 2</b>	2.2 Functional and safe drinking water supply extended to unreached people.	2.2.1 Number of people served by new drinking water scheme with the support of the EU-funded intervention  2.2.2 % of Users' Committees with up-to-date WSP+++	2.2.1 Zero  2.2.2 TBD	2.2.1 40,000  2.2.2 100%	2.2.2 Municipal WASH unit report, project monitoring system 2.2.2 Municipal reports, Municipal WASH unit report, project monitoring system	Availability of feasible and affordable options
<b>Output 1 related to Outcome 3</b>	3.1 Institutional sanitation facilities and their maintenance improved.	3.1.1 **Number of people with access to improved sanitation facility with EU support (EURF 2.37)	3.1.1 TBD	3.1.1 296,000	3.1.1 Municipal reports, project monitoring system	Communities and leaders responsive to behaviour changes
<b>Output 2 related to Outcome 3</b>	3.2 Sustainable total sanitation practices, hygiene and dignified menstruation practices promoted.	3.2.1 number of people having followed project supported awareness campaigns and trainings about the safety of using toilet during menstruation disaggregated by sex 3.2.2 number of leaders, youth network, teachers mobilized against chhaupadi practices by the EU-funded intervention 3.2.3 Extent to which EU-funded intervention contributed to monitoring the provision of safe water and sanitation facilities for menstrual hygiene management in the schools (GAP III)	3.2.1 zero  3.2.2 zero  3.2.3 zero	3.2.1 90%  3.2.2 TBD  3.2.3 TBD	3.2.1 Municipal reports, project monitoring system  3.2.2 Municipal reports, project monitoring system 3.2.3 Municipal reports, project monitoring system	

## 4. IMPLEMENTATION ARRANGEMENTS

### 4.1. Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

### 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 54 months from the date of entry into force of the financing agreement.

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>16</sup>.

#### 4.3.1. Indirect Management with a Member State organisation

This action may be implemented in indirect management with Finland's Ministry of Foreign Affairs. The implementation by this entity entails the implementation of the whole action, except for communication and visibility, and evaluations.

The envisaged entity has been selected using the following criteria: at least 5 years of experience in rural WASH projects in Nepal, experience of at least 2 projects working in direct collaboration with the government of Nepal including with financing from the Government, capacity to contribute financially to the action for an amount of at least 40% of EU's contribution, and previous experience of at least 3 projects equivalent to marker G1 for gender.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

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

In case the implementation modality needs to be changed from indirect to direct management mode, the action would be implemented by procuring services for the implementation of the three specific objectives.

### 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, subject to the following provisions.

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).

<sup>16</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.

#### 4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution (amount in EUR)
<b>Indirect Management with a Member State – cf. section 4.3</b>		
<b><u>Specific Objective / Outcome 1: Strengthened enabling environment and governance for sustainable WASH services and GESI in the selected municipalities</u></b>		
Indirect management with Finland's Ministry of Foreign Affairs - cf. section 4.3.1	3 500 000	6 600 000
<b><u>Specific Objective / Outcome 2: Communities use improved water supply and sanitation services made available through the intervention</u></b>		
Indirect management with Finland's Ministry of Foreign Affairs - cf. section 4.3.1	5 000 000	9 300 000
<b><u>Specific Objective / Outcome 3: People, in particular women and girls and those in vulnerable situation, have adopted sustainable total sanitation practices, and hygiene and dignified menstruation practices.</u></b>		
Indirect management with Finland's Ministry of Foreign Affairs - cf. section 4.3.1	1 600 000	2 800 000
<b>Evaluation – cf. section 5.2</b> <b>Audit – cf. section 5.3</b>	200 000	N.A.
<b>Contingencies</b>	200 000	300 000
<b>Totals</b>	10 500 000	19 000 000 (EUR 9 million Finland, EUR 10 million government of Nepal)

#### 4.6. Organisational Set-up and Responsibilities

A Supervisory Board (SB) will be set up as the highest decision-making body of the Action. The SB is chaired by the Joint Secretary of MoWS and its voting members comprise Director General of the Department of Water Supply and Sewerage Management (DWSSM), representatives from the European Union Delegation and the Embassy of Finland/Ministry for Foreign Affairs of Finland. SB has an authority to invite other participants as needed, such as municipal and provincial representatives. The main duties of the SB include the approval of major strategic and policy issues directly relevant for SUSWA, including annual work plans and progress reports.

In dialogue with the European Union and the Embassy of Finland, and as recommended by the Supervisory Board, the Ministry of Finance also validates the Line Ministry Budget Information System (LMBIS), which reflects the annual project activities and budget.

Selected Municipalities are responsible for the planning, budgeting, implementation and monitoring of the WASH programmes in their area, in the form of municipal sub-projects. Agreements between each partner municipality, concerned ministries in the Karnali province, SUSWA and DWSSM/FWSSMP (Federal Water Supply and Sewerage Management Project) will be signed defining roles and responsibilities of each party; a Municipal WASH Unit (M-WASH Unit) will be established in each municipality as well as a WASH Management Committee (WASH-MC) for overall management, coordination and supervision of municipality-wide WASH activities. The Municipality Council is the ultimate decision-making body above WASH-MC, in all matters related to implementation of the sub-projects.

Municipal WASH Funds (MWF) will be established (a separate ledger of the municipality account). The Municipalities plan and budget all WASH interventions in their annual budget and manage the fund flows to WUSCs.

A Project Support Unit (PSU), headed by the Team Leader of the Technical Assistance, will support all stakeholders involved in the project. WUSCs supported by the municipality will implement the infrastructure works. Users will contribute in cash and kind to the implementation cost as per the project's norms for contributions (to be defined during inception). All procurement funded from MWF will follow the GoN rules and regulations for local governments and WUSCs. Public audits at the community level are among the key instruments for transparency and accountability.

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 (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

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

Roles and responsibilities for data collection, analysis and monitoring:

Monitoring and reporting of the Project will be result-based and focused on achieving the planned outputs, outcomes and impacts<sup>17</sup>. The tentative indicators and targets are presented in the log frame. During the inception period, the PSU team will prepare the Monitoring, Evaluation and Learning (MEL) plan and describe in detail the indicators, and if necessary revise them, for consistent measurement of the results throughout the Project period. A baseline study will be conducted by the project, and updated at least once for end line and for those results where it would be necessary, several intermediate results. The study will entail surveys and

The progress of the SUSWA will be reported to the SB and donors, using the Nepali calendar and Fiscal Years, with an annual cycle from mid-July to mid-July. The semi-annual reporting time is in January. This reporting will provide stakeholders with up-to-date situation of the implementation in English, including among others:

- progress against the SUSWA's physical and financial plans; payment status;
- achievement of targeted outputs and outcomes (and impacts);
- foreseen changes to the time schedule;
- early warnings related to the realisation of risks and risk update; and
- visibility and communication plans, activities and results.

DWSSM/FWSSMP will establish a monitoring and reporting system as per the requirements of the three levels of governments in Nepal in Nepali language, following Nepali fiscal year and calendar. SUSWA may contribute to N-WASH system established by the DWSSM. Monthly, trimester and annual reporting has been the practice in the Finland-Nepal water sector cooperation projects. This frequency of reporting is likely to continue, but monitoring and reporting guidelines, formats etc. will be further developed for various levels of governments as per their needs.

PSU and MoWS will jointly analyse the two monitoring and reporting mechanisms and requirements to avoid any overlapping and duplication in monitoring.

Municipalities will be improving their WASH data management from their own resources and SUSWA will facilitate that in the applicable way to capacitate in collection, management and distribution in a nationally agreed format, using the official WASH MIS system. Furthermore, MoPID/WSSD to update and provide water supply and sanitation coverage information on a regular basis to central NIMS to validate and update its data base.

<sup>17</sup> Impacts will be reported once prior to the mid-term evaluation and once at the end of SUSWA.

## 5.2. Evaluation

Having regard to the importance of the action, a mid-term and a final evaluation(s) will be carried out for this action or its components via independent consultants, through a joint mission contracted by the Commission.

The mid-term evaluation will be carried out for problem solving.

The final evaluation 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 federalisation process has entrusted local governments with the provision of basic services. The evaluation will assess their progress in fulfilling this mandate, both from a technical and financial point of view.

The Commission shall inform the implementing partner at least 3 in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination<sup>18</sup>. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a framework contract.

## 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 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

<sup>18</sup> See best [practice of evaluation dissemination](#)

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.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention is defined in the related Action Document and it is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left side column one of the three possible options for the level of definition of the Primary Intervention(s) identified in this action.

In the case of ‘Group of actions’ level, add references to the present action and other action concerning the same Primary Intervention.

In the case of ‘Contract level’, add the reference to the corresponding budgetary items in point 4.5, Indicative Budget.

<b>Option 1: Action level</b>		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
<b>Option 2: Group of actions level</b>		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
<b>Option 3: Contract level</b>		
<input type="checkbox"/>	Single Contract 1	
<input type="checkbox"/>	Single Contract 2	
<input type="checkbox"/>	Single Contract 3	
	(...)	
<input type="checkbox"/>	Group of contracts 1	