

Evaluation of EU External Action – Response of the EU Services



Evaluation title	Fast-track assessment of the EU initial response to the COVID-19 crisis in partner countries and regions					
Lead EU Service	European Commission Directorate-General for International Partnerships (INTPA)	, Ecuador, Ethiopia, Montenegro, Senegal, Turkey, iji, Kenya, Sierra Leone, Ukraine, Yemen, DR Congo, Iorocco, Myanmar, and South Africa				
Associated EU Services	European Commission Directorate-General for Neighbourhood and Enlargement (NEAR), Directorate- General for European Civil Protection and Humanitarian Aid Operations (ECHO), and Service for Foreign Policy Instrument (FPI). European External Action Service	manitarian and emergency assistance alth silience and socio-economic recovery				
Evaluation budget	EUR 364,912.80	Contractor	Aide à la Décision Économique, s.a.(Belgium)			
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Additional information	This assessment looked at the initial 10 months (March to December 2020) of the design and implementation of the EU response to COVID-19 in the context of the new Team Europe approach. It focused more specifically on 17 case study countries and regions (Afghanistan, Ecuador, Ethiopia, Montenegro, Senegal, Turkey, Barbados, Fiji, Kenya, Sierra Leone, Ukraine, Yemen, DR Congo, Honduras, Morocco, Myanmar, and South Africa).					

Re	commendations from the independent Evaluation	Response of the EU services (February 2022)
R1	Continue to support the COVID-19 response in partner countries and regions throughout 2021 and beyond as necessary, adjusting the scope to reflect the evolving situation in countries, taking into account the additional resources from the new EU 2021 – 2027 Multi-annual Financial Framework (MFF) and aligning the scale of support to the magnitude of needs in each country.	Accepted The Commission Directorate-General for International Partnerships, in the spirit of Team Europe, will continue to support the COVID-19 response through regional and country actions in 2021 and beyond as necessary. The current Team Europe commitment is to share 700 million vaccine doses by mid-2022, including in-kind donation of 200 million doses from the EU budget and EU Member States dose sharing of 500 million doses. The first half of the latter had to be delivered by end 2021, which

• With the pandemic continuing across the globe, and with the supply of vaccines to Africa and other regions of the world very limited, most EU partner countries will continue to suffer significantly from the effects of the COVID-19 pandemic. While the initial response of the EU channelled much needed resources to governments and the population in 2020, many countries are facing and will continue to face circumstances in 2021 and beyond.

• At the same time, the challenges and resource gaps in countries have changed significantly since the start of the pandemic. Globally, one of the biggest gaps in supplies necessary to curb the spread of the virus is in relation to access to COVID-19 vaccines, which remains unequal. The EU has already started to address this issue by supporting the construction of production facilities in Africa and other places. This support needs to continue and will need to be complemented by efforts to build up the logistical capacity for large-scale vaccine campaigns in partner countries.

• The scale of future COVID-19 support for specific countries should also be determined by the magnitude of their prevalent needs, their absorption capacity, and the existing accountability mechanisms. It should depend less on the amount of resources that can be re-allocated from the existing cooperation envelope in a particular country (see R2).

• Reporting on future COVID-19 support also should be streamlined and improved, building on the country-level Team Europe COVID-19 response fiches, while linking the reporting better to existing data management platforms in the different DGs (i.e. CRIS/OPSYS, etc.) and other standard reporting formats.

we are confident has been achieved, given that more than 100 million doses have already been delivered to beneficiary countries and more than 200 million of those donated via COVAX were in the process of delivery. The intention is to focus the donation on countries with the lowest vaccination coverage and distribute the doses through COVAX. The formal dose donation process through COVAX is now working smoothly, with necessary legal agreements signed between COVAX, member state-facilitator and manufactures of all four EMA approved vaccines. The main challenge is to ensure a longer-term predictability of donations, so recipient countries are able to absorb proposed donations, and to secure ancillaries (syringes, diluents etc.).

The EU provided so far EUR 1 billion to COVAX and is mobilising EUR 1.3 billion to enhance vaccination in low-income countries to distribute through COVAX.

Aligned with the COVID-19 context and with the Africa Union plans, facilitating the local production of vaccines is also a priority. Through a specific Team Europe Initiative backed by important financial contributions from the EU budget and Member States' budgets, the Commission will support in long run the local production and access to vaccines, medicines and health technologies that Africa needs. In short term, the actions will target the mRNA vaccines technology transfer and the enabling environment of vaccines production in order to help controlling the pandemic.

A regional action is also being launched to expand the European digital Covid certificate in Africa and ensure its interoperability with the African certificates.

In parallel, budget support operations will continue to play a central part in the EU support to partner countries' response to COVID-19 where conditions allow, both to meet their fiscal needs stemming from the crisis or required for post-COVID recovery, and to contribute to policies building up their resilience.

Regarding reporting on future COVID-19 support:

The Commission is about to phase out its current way of reporting on Team Europe's global response to COVID-19: There will be one final round of "manual" financial reporting, taking place in early 2022 for data as of 31 December 2021 and following the existing reporting methodology. Afterwards, the Commission will present the figures on Team Europe's global response to COVID-19 based on an extraction from the OECD's database, which shows the (automatic and standardised) annual final and detailed reporting of development assistance to the OECD's Creditor Reporting System (CRS), making use of a dedicated keyword field to mark contributions to the COVID-19 response. This has already been used for reporting to OECD on the 2020 COVID-19 response and the Commission is still awaiting the public release of these figures by OECD for all donors. The official aggregate reporting on Team Europe's COVID-19 response will then, for the European Commission's contributions, be based on the Commission's existing data management systems, while the country-level Team Europe COVID-19 response fiches will no longer feed into it.

The Commission Directorate-General for **Neighbourhood and Enlargement Negotiations** will also continue to follow closely the course of the pandemic in individual partner countries, adapting flexibly to the needs identified and considering the additional resources from the new 2021-2027 EU Budget. Given the very different situations of each country, in terms of preparedness, resources and impact of the pandemic, a targeted approach is warranted.

In early 2021, access to vaccines was identified as a major challenge for EU partner countries in the Western Balkans and the Neighbourhood, especially during the initial months of 2021 when global vaccine supply was limited. Through the EU support to COVAX a major supply was activated. At the same time, the Commission supported the bilateral direct donation or resale of vaccines from EU Member States (which increasing face oversupplies of vaccines) and third countries. Commission services facilitated proactively the identification of supply and demand, the necessary contractual arrangements between donator, recipient, and vaccine manufacturer as well as support on logistics through Union Civil Protection Mechanism (UCPM). By the end of 2021, EU Member States were able to satisfy all communicated vaccine needs from partner countries in the neighbourhood and enlargement regions.

In addition, the Commission provides funding to the Western Balkans, the countries covered by the Eastern Partnership (EaP), Palestine and Syria to finance vaccine purchase. Also, in the Western Balkans and EaP, EU funded projects with the World Health Organisation (WHO) focus on increasing the preparedness for the roll-out of vaccination strategies.

Support is considered an iterative process, with regular examination of the countries' needs, also in terms of newly identified challenges, including medical equipment and therapeutics.

As regards the reporting on future COVID-19 support this will need to rely on the DG INTPA guidance for reporting formats.

R2	Create a financial reserve or contingency fund that can be used to complement the use of existing funds for crisis responses to close funding gaps, and to even out the allocation of funds across countries, making it more commensurate with	Accepted
	the respective magnitude of needs. The introduction of the 'emerging challenges and priorities cushion' under NDICI-Global Europe (article 6.3) foresees such a reserve.	The suggested "financial reserve" has been already created under the new instrument NDICI-Global Europe. Building on the reserve that was existing under the previous European Development Fund, articles 6(3) and 17 of NDICI-Global Europe establishes an emerging challenges and priorities
	<u>Details</u> :	cushion . While Global Europe provides specific allocations for the four regions under the geographic programmes, the four thematic programmes and the rapid response actions, around 12% of the total

• While the crisis response primarily based on the re-purposing of existing interventions was appropriate for the COVID-19 response, it did leave the Commission services and EU Delegations with little space for intentional programming and for increasing the allocation of resources to certain countries in response to the magnitude of COVID-19-related needs. The financial reserve or contingency fund is therefore meant to complement resources from existing interventions in any future crisis responses. The introduction of the 'emerging challenges and priorities cushion' of EUR 9,534 billion under NDICI-Global Europe (article 6.3) foresees such a reserve, to "respond to unforeseen needs". Its concrete operationalisation should be fleshed out.

• Money from the fund or reserve ideally should not be tied to a particular region or Commission service. Instead, it should in principle be available to any relevant Commission service to top-up its resources for a specific emergency response.

• The Commission should consider the possibility of resourcing the reserve funds countercyclically, in order to provide a financial buffer during times when most money from the MFF is already committed or spent. Unused funds should be rolled over into the next financing period.

Develop guidelines on using the modalities available under the NDICI, including the Rapid Response Actions, to design and implement ad-hoc, timely and adaptable crisis response interventions for the continued EU support to the global COVID-19 response, also in view of their potential for helping to link relevant EU civil protection and humanitarian aid interventions, development and foreign policy actions.

Details:

R3

• Launching new projects with development money for the EU support to the global response to COVID-19 was one of the most time-consuming operational aspects of the initial response, and often led to delays in the start of services. The newly created "Rapid Response Actions" (article 4) under the NIDCI-Global Europe has the potential to address this issue for DG INTPA and DG NEAR who had been missing this type of response mechanism.

• To make best use of the Rapid Response Actions, the EC services should provide guidance that expands on their intended role and significance for the continued support of the global response to COVID-19. As rapid response actions are also meant to help DG INTPA and DG NEAR to complement EU humanitarian and civil protection assistance, they are also a relevant tool for strengthening the humanitarian-development-peace Nexus in the context of the response to the COVID-19 pandemic. Guidance should therefore explain, among other things, the types of circumstances under which Rapid Response Actions

envelope for the instrument (EUR 9.5 bn) is left unallocated under the cushion (i.e., not "tied" to any region, theme, or priority or to any Commission service). These unallocated funds will be used to top up specific geographic or thematic programmes or rapid response actions as new needs or challenges, unforeseen circumstances or new priorities arise. This cushion has indeed already been used in 2021 to reinforce the Global Challenges programme to support COVAX, for instance (provision of additional 200 million vaccine doses as announced by the President von der Leyen at the State of the EU address in 2021).

To ensure coordination of the use of the cushion, an inter-service NDICI-Global Europe Group has been established.

Note that, by virtue of Article 30 Global Europe, non-used funds can be carried over to the following budgetary year (this not only applies to the cushion budget line but to all budget lines under Global Europe).

Accepted

NDICI-Global Europe established **a rapid response mechanism** with an envelope of EUR 3.18 bn notably to respond swiftly to crises and contribute to resilience/linking humanitarian aid and development action in third countries (a third component concerns foreign policy but it is less relevant for the scope of this evaluation). Since the funds allocated to the rapid response actions are not programmable, these can be used to quickly support EU reaction to crises (ranging from security crises to natural disasters, pandemics, etc.) to complement geographic and/or thematic programmes. This mechanism builds notably from the pre-2021 non-programmable part of the Instrument contributing to Peace and Stability and the so-called "B-envelope" under the reserve of the European Development Fund.

While the crisis response and the foreign policy needs components of the Rapid Response Pillar are managed by FPI, the one related to resilience and linking humanitarian aid with development action will be managed by INTPA and NEAR in the countries/regions under their remit. Actions under the Rapid Response Pillar are identified and developed in close coordination with ECHO.

The above-mentioned NDICI-Global Europe Group will contribute to coordinate the use of this mechanism between the different services.

Re	ecommendations from the independent Evaluation	Response of the EU services (February 2022)			
R4	faced by partner governments. Favour use of Budget Support and Macro Financial Assistance especially when it is possible to generate significant fiscal space. Maximise the use of policy dialogue as a leverage to inform and monitor	Accepted The Commission will continue to provide EU budget support when conditions allow and where applicable macro-financial assistance (MFA) to help countries face the protracted socio-economic and final exercise of the intercept of the intercep			
	 the implementation of the crisis response plans of partner countries. Details: The bulk of the EU's initial financial response to COVID-19 in partner countries and regions was provided in 2020. While economic recoveries diverge across countries and sectors, partner countries and regions remain severely affected by the pandemic in 2021. With economic activity still being disrupted and uncertainty weighing on growth, most governments continue facing strong fiscal pressures and struggle to meet their immediate spending needs. They will require additional medium-term budgetary support. In this context, continued support to partner governments through budget support and macro-financial assistance programmes, after careful review of the general eligibility criteria and assessment of the risks, therefore remains highly relevant. The provision of budgetary support should be all the more considered when disbursements can generate significant fiscal space. Indeed, it is in those cases that their contribution to ease partner countries' financing constraints can be made visible. 	 and fiscal consequences of the pandemic. It will equally support their recovery efforts to build back better, also in view of increased inequalities and climate change effects. The Commission will seize all opportunities for dialogue on the COVID response plans or on national/sector policies to promote a just, digital and green recovery and support countries' progress towards the Sustainable Development Goals (SDGs). It will provide dedicated support to foster their capacities for that purpose. Risks and country vulnerabilities will be assessed and managed with the risk management framework (RMF+) and other analytical tools used by the Commission and the European External Action Service in their decision-making process. It should be noted that the use of budget support where it is required to create fiscal space in connection with MFA, and the follow up through policy dialogue, are already built-in features for budget support support supporting Covid-19 responses in our partner countries 			
	• Make sure that all opportunities are seized to adequately inform the design and to take stock of the implementation of COVID-19/future crisis response plans. Draw on existing policy dialogue platforms and/or national/sector coordination frameworks to discuss the main orientations of the partner countries' response plans to crises and to closely monitor their implementation. Provide, where needed, relevant capacity building/technical assistance such as to support national capacities in designing and implementing emergency and recovery sector policies (e.g. social protection, access to finance, employment, agriculture, etc.), to strengthen transparency and accountability.				

R5	 Pursue support to medium- to longer-term fiscal and public expenditure reforms aimed at increasing domestic revenue mobilisation and at promoting debt sustainability during both crisis and post-crisis responses. Details: The management of the fiscal response by partner governments often brought to light structural vulnerabilities, notably in the broad Public Finance Management (PFM) architecture, including debt management together with accountability and transparency. Addressing underlying structural PFM vulnerabilities of country systems is key for both the immediate and the long-term recovery. Strong public financial management systems with sound budget planning, execution and control enable countries to be more effective in targeting resources, re-orienting expenditures and ensuring greater accountability in the use of resources. 	Accepted In line with its <i>Collect More, Spend Better</i> action plan (Staff Working Document 2015-198 ¹), the Commission will pursue its efforts to support domestic revenue mobilisation, progress in public finance management, transparency, and accountability in partner countries. In doing so, it will promote pro-poor and greener fiscal policies. The Commission will do it primarily at country level through direct support to improve national taxation, through public finance or control systems, and through budget support (with the applicable general conditions and variable tranche indicators where applicable). Fiscal risk assessment and contingency plans for business continuity in case of crisis will be encouraged, tapping into digital solutions.
	 While PFM reform programmes are multi-year and multi-component programmes aiming at medium- to long-term structural reforms, they should be incorporated into crisis interventions as well as in post-crisis response interventions. Most partner countries are likely to face tight fiscal conditions due to large fiscal deficits and high levels of public debt. Beyond protecting key public expenditures in the short- 	The actions at country level will be complemented by actions at regional or global level, when it proves to be more appropriate (e.g., for international tax governance standards or for the fight against illicit financial flows). The Commission will team up with EU Member States (through Team Europe Initiatives where
	term, following up on the reform agenda is necessary to boost government revenues and ensure proper public debt management in the medium- to long-term:	possible), with the International Monetary Fund, with multilateral development banks, with the OECD and other relevant partners in this perspective.
	Support government measures aiming to strengthen domestic revenue mobilisation. The implementation of tax policy and revenue administration reforms will enable significantly increased tax collection over a medium-term bergen (including progress tauged international)	This cooperation will matter particularly to support debt transparency (from countries and all creditors), debt management capacities, debt sustainability and debt restructuring processes when it is necessary.
	 horizon (including progress toward international tax governance standards). Support government measures (such as fiscal rules) that would maintain spending in line with revenue mobilisation capacity and keep the public debt at 	It will matter equally in promoting enhanced natural resource governance and improved management of related revenue that could contribute to fiscal buffers.
	sustainable levels. Support countries vulnerable to shocks from changes in commodity prices and natural disasters to work towards building fiscal buffers to enhance resilience to shocks and achieve	Gains in governance and investment in human development will allow improving the investment climate in countries and raise private resources for development.
	debt sustainability.	It should be noted that longer term fiscal and public finance reforms are eligibility conditions for budget support, and they include both domestic revenue mobilisation and promoting debt sustainability.
R6	Build on the lessons from the EU response to COVID-19 and the national responses to the pandemic to support partner countries in developing their capacities for the vertical and horizontal expansion of social protection systems	Partially accepted

¹ https://ec.europa.eu/international-partnerships/system/files/swd-collect-more-spend-better en.pdf

in EU	partner	countries	to	increase	crisis	preparedness	and	resilience	and
suppo	rt vulner	able popul	ati	ons.					

Details:

• Build on experiences from the EU response to COVID-19 to identify recurring gaps in national social protection systems (e.g. ineligibility of workers in the informal sector (Senegal), refugees, migrants, or internally displaced people) and other key weaknesses (e.g. financing gaps for social protection, inability of existing systems to provide appropriate social protection floors).

• Integrate these insights and other lessons from the global COVID-19 response into the ongoing work of the EU on promoting social protection through international cooperation and partnerships. The aim should be to identify models for ensuring more comprehensive social protection during crises and emergencies, either through more coherent and universal permanent social protection systems, or through models for the temporary horizontal expansion of existing systems to vulnerable groups or their vertical expansion to new services or levels of support.

• Pilot those models for the fast vertical and horizontal donor-driven expansion of social protection systems to make them more "shock-responsive" while aligning them as closely as possible to the existing, government-driven structures and procedures for social protection.

• Harmonize the work on social protection with that on domestic revenue mobilisation and at promoting debt sustainability both during crisis and post-crisis responses (see R5) and with the ongoing work on the strengthening of the humanitarian-development nexus.

Overall, the Commission welcomes this recommendation. Social protection overall gained in importance as a response to the socio-economic impact of the ongoing pandemic. Following the pandemic, a steep increase in short term social protection measures was noted worldwide, as described in the recommendation. These short-term measures need to be embedded in a continued longer-term perspective to build effective national social protection system. In other words, the Commission will seek to mitigate the risk that, due to Covid-19, efforts will be concentrated on short term responses partially replacing long term building of national systems.

As reflected in the current state of international discussions on the matter, there is a need to make sure that we opt for the 'high road' of building comprehensive and sustainable national social protection systems, with components preparing partner countries for future shocks. To this end, the Commission already issued a guidance package "Social Protection across the Humanitarian-Development Nexus" (SPaN). Overall, identifying models for ensuring more comprehensive social protection is a welcome initiative and currently discussed at the Universal Social Protection USP2030 (so called 'Convergence Initiative').

Furthermore, the Commission fully agrees that social protection systems need to be better prepared for the foreseeable challenges such as better coverage of workers in the informal economy, the changing world of work, refugees and migrants, climate change, other pandemics, ageing etc

The Commission also agrees on linking social protection and domestic resource mobilisation, which is already receiving some EU support through a thematic programme called 'Linking synergies between social protection and public finance management'.

Partner countries from the **Western Balkans and the Neighbourhood** will **require differentiation** between candidate countries, associated countries and other partner countries, each requiring specific approaches to increase their resilience and crisis preparedness.

It should be noted that the multisector approach to tackle COVID-19 is the preferred one to efficiently respond to the pandemic. Addressing acute needs stemming from the health crisis should be seen within a longer-term view towards a comprehensive recovery. Besides the direct impact on health systems, COVID-19 has undermined the social protection structures in many countries. The Commission will strive for a systematic discussion on social protection schemes in countries where there is a **humanitarian crisis**, to optimise the use of resources and avoid overlaps.

R7	Further cooperate with partner governments to be more open and accountable	Accepted
	in their present and future crisis policy response and crisis spending.	Accepted

Details:

Increased efforts should be made in coordination with IFIs or Member States to strengthen capacities and accountability mechanisms in partner countries to be better prepared for the ongoing COVID-19 response and future crises. This would involve continuing to:

• Promote adequate ex ante or ex post controls on public expenditure through appropriate tracking systems. This is key to ensure checks and balances in situations presenting increased fiduciary risks. This includes the adoption of an integrated financial management information system (IFMIS) to improve budget and cash management in general and, more specifically, to secure an integrated expenditure reporting for COVID-19/future crises. This also implies ensuring that countries operate under a treasury single account to consolidate and optimise the use of government resources.

• Promote the establishment of internal audit units in ministries to strengthen Public Finance Management.

• Support the empowerment of State Audit Institutions.

• Support legislatures, including on approving expenditures, monitoring of policy implementation and following-up on audit findings.

• Promote increased citizen participation in the formulation, approval, and execution of additional emergency fiscal policy packages to allow citizens to exercise accountability.

• Promote openness of data in requesting the publication of the initial and supplementary finance acts; the publication of monthly progress reports on policy response implementation; the disclosure of all details related to procurement contracts linked to emergency spending; the publication of budget execution reports, which should include details on emergency spending; and the publication of audit reports on the financial management of the emergency response. This is of paramount importance to reveal potential irregularities related to procurement and misuse of funds.

Use experiences from the COVID-19 response and the initial experiences with Team Europe Initiatives to sharpen the conceptual framework and build a comprehensive Team Europe joint Intervention Logic to design and implement the Team Europe approach. This should also include an analysis of the political economy of the Team Europe approach. Based on this, expand on the operational guidance and communication materials to promote the approach internally and externally.

Details:

R8

The Commission did promote specific reporting, control measures and other safeguards in partner countries, notably but not only when providing budget support. This included measures listed in the recommendations and alignment in this respect with EU Member States, the International Monetary Fund, other international entities, and civil society organisations locally.

The Commission will keep this emphasis on accountability and transparency, as partner countries still implement exceptional fiscal measures as part of their COVID response or as the audit reports published by supreme audit institutions or other relevant bodies in this context may call for follow-up.

As part of its efforts to improve public finance management (see response to recommendation 5), the Commission will continue working along these lines and, should a new crisis arise, will make sure the required safeguards are put in place in countries, whether they may receive budget support or other type of assistance. This will help foster domestic accountability on their response plans.

The Commission will continue to underline the importance of independent and strong supreme audit institutions in political and policy dialogue. The Commission intends to maintain its support to supreme audit institutions in partner countries to raise their profile and strengthen their capacities, notably for those in most challenging and fragile situations. The Commission will also continue supporting civil society organisations to foster financial accountability and policy monitoring.

It should be noted that the Commission will also follow-up on the audit reports tracking resources supporting the COVID-19 responses and identifying their outcomes.

Partially accepted

The Commission agrees that the extent to which the **Team Europe approach** contributed to enhance coordination depended on contexts: Team Europe approach relied on existing mechanisms whenever possible, avoiding the creation of parallel structures thereby increasing the administrative burden. Therefore, in contexts where effective coordination mechanisms were in place these did not lead to an "increase of coordination", while the deployment of COVID-19 immediate response has enhanced Team Europe coordination in contexts where these mechanisms were less effective.

Recommendations from the independent Evaluation	Response of the EU services (February 2022)
 The Team Europe approach showed strengths and limitations in different contexts and circumstances (see C7 and C8). It is therefore important for the Team Europe approach and initiatives supported by Team Europe to be well contextualised. The Team Europe approach created political momentum around the COVID-19 response. Expansion on this early approach needs to be supported by the development of a conceptual framework, and of guidance and tools to facilitate cooperation even in the presence of systemic and organisational bottlenecks. The EU and its Member States should also use political economy analyses to identify policy arenas that could benefit from the Team Europe approach, and that could be targeted in the coming years, to further establish the approach. 	The Commission agrees also on the need for guidance to support the spread and understanding of the Team Europe approach and the Team Europe Initiatives (TEI) . In this respect, the April 2021 Council conclusions provided renewed impetus for the Team Europe approach, as well as the new financial instrument preference for joint approaches. Different channels have been used for increasing and facilitating communication between Team Europe Members at capitals and headquarters level and at partner countries level. Building on practices gained through joint programming and joint implementation, all Team Europe members were provided with guidance on how to support the design of Team Europe Initiatives, including consultation processes in partner countries, to help spread the understanding of the approach to all relevant stakeholders. The guidance to support the design of Team Europe Initiatives also refers to building joint action on joint analysis: a TEI formulation to build on shared understanding of priorities, bottlenecks, and strategies. On challenges stemming from reporting on results and external communication, options are currently being explored and further guidance may be provided at later stage.