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ANNEX III

of the Commission Implementing Decision on the financing of the Special Measure in favour of the people of Myanmar for 2021

Action Document for Strengthen Sustainable Livelihoods in Myanmar

SPECIAL MEASURE

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

1. SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Strengthen Sustainable Livelihoods in Myanmar OPSYS/CRIS number: NDICI ASIA/2021/ 043-199 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Myanmar
4. Programming document	Special measure in the absence of a MIP
5. Link with relevant MIP(s) objectives/expected results	N/A
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 1 – No Poverty Other significant SDGs (up to 9) and where appropriate, targets: SDGs 2 – Zero Hunger, 5 – Gender Equality, 8 – Decent Work and Economic Growth, 12 – Responsible Consumption and Production, 13 – Climate Action and 15 – Life on Land.
8 a) DAC code(s) ¹	43040 – Rural development (80%) 25040 – Responsible business conduct (20%)

¹ DAC sectors (codes and descriptions) are indicated in the first and fourth columns of the tab ‘purpose codes’ in the following document: <http://www.oecd.org/dac/financing-sustainable-development/development-financestandards/dacandcrscodelists.htm>

8 b) Main Delivery Channel @	Multilateral organisations – 40000 Non-Governmental Organisations and Civil society - 20000			
9. Targets²	<input 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 ³ <input type="checkbox"/> Human Rights, Democracy and Governance ⁴			
10. Markers⁵ (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers⁶ and Tags⁷:	Policy objectives	Not targeted	Significant objective
Digitalisation @ Tags: digital connectivity digital governance		<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

² Actual contribution to targets will be confirmed ex-post based on a standardised methodology.

³ This target is specific to INTPA. If the action is marked as contributing to the Education target, please make sure the target on "Social inclusion and Human Development" is also marked.

⁴ Thematic target for geographic programmes (at least 15%) in delegated act.

⁵ For guidance, see <https://www.oecd.org/development/financing-sustainable-development/development-finance-standards/> (go to "Data collection and resources for reporters", select Addendum 2, annexes 18 (policy) and 19 (Rio) of the reporting directive).

If an action is marked in the DAC form as contributing to one of the general policy objectives or to RIO principles as a principal objective or a significant objective, then this should be reflected in the logframe matrix (in the results chain and/or indicators).

⁶ The internal markers have been created to report on the implementation of the Commission's own policy priorities in areas where no DAC reporting tool is available. For the sake of consistency and comparability, the methodology is equivalent to the DAC markers, with three possible positions (main target, significant target, not targeted)

⁷ Methodology for additional tagging providing granularity on internal markers is under development.

	digital entrepreneurship job creation digital skills/literacy digital services		<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 (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line: B2021-14.020131-C1-INTPA Total estimated cost: EUR 15 000 000 Total amount of EU budget contribution EUR15 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing⁸	Direct management through: - Grants Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1			

1.2. Summary of the Action

The seizing of power by the military on 1 February 2021 brought a sudden halt to Myanmar's democratic transition and returned the country to military rule. In the new context, the Council Conclusions of February 2021⁹ stress the need to avoid legitimising the coup or the military.

COVID-19 and the military coup have had a serious impact on poverty and human development in Myanmar. The UN, the World Bank and others have provided evidence of increasing poverty rates in the country. A recent UNDP report¹⁰, published in April 2021, estimates that the number of poor people in Myanmar could double as a result of the combined impacts of the COVID-19 pandemic and the ongoing political crisis. The World Food Programme has indicated that up to 3.4 million more people will struggle to afford food in 2021 due to food prices rise and limited access to cash, including in urban areas affected by job losses in manufacturing, construction and services.

The military coup may lead to a reversal of the progress witnessed in the private sector over the past decade. The private sector has changed in Myanmar in the last decade with the emergence of SMEs across many sectors since 2011, offering decent jobs and another economic model to the military's capture of the country's natural resources. This private sector that has no links to the military provides jobs and livelihoods to Myanmar people. **Supporting responsible business in the wake of the coup will be essential to maintaining good practices, for the benefit of**

⁸ Art. 27 NDICI

⁹ Adopted at the Foreign Affairs Council on 22 February 2021

¹⁰ UNDP report 'COVID-19, Coup d'état and Poverty: Compounding Negative Shocks and their Impact on Human Development in Myanmar', April 2021, available at https://www.asia-pacific.undp.org/content/rbap/en/home/library/democratic_governance/covid-19-coup-d-etat-and-poverty-impact-on-myanmar.html

Myanmar people. This action covers but is not limited to the garment sector; it will reach out to all business partners that wish to uphold responsible business principles.

This action recalls that some of the major threats still facing Myanmar people are natural disasters. **Myanmar is highly exposed to climate change impacts.** It is ranked second globally in terms of climate change vulnerability in the 2020 Global Climate Risk Index. The effects of climate change include increasing temperatures, more frequent and intense storms, and changes in weather patterns. Environmental degradation and climate change pose significant challenges to Myanmar's economic growth and the livelihoods of the poorest and most vulnerable groups, and particularly women.

This action aims to support social and economic resilience of Myanmar's population with a focus on the transition to more sustainable livelihoods, sustainable management of natural resources, and responsible businesses.

The Overall Objective of this action is to strengthen socio-economic sustainable resilience in the environment affected by COVID-19 and the recent coup d'état. The Specific Objectives of this action are: (i) Improve livelihoods, food and nutrition security of the most vulnerable, with a focus on women, children and people with disabilities, whilst protecting natural resources and increasing resilience to climate change; and (ii) Strengthen and protect responsible business practices in urban settings focusing on social, environmental, human rights standards and gender equality.

SDGs are indivisible and an action targeting mainly poverty reduction (SDG2) must encompass other dimensions to be truly sustainable. Focusing on basic needs means addressing nutrition (SDG3), gender equality (SDG5) and climate change (SDG13). About half of the SDGs are directly focused on the environment or address the sustainability of natural resources. Supporting responsible business translates into protecting decent jobs (SDG8), so that the clean businesses that emerged in the last decade remain anchored in Myanmar and keep Myanmar connected to the world. It also means supporting sustainable consumption and production (SDG 12), because clean businesses in terms of human rights and labour rights also have a duty to keep the environment clean. As conflict has spread all over Myanmar and is not only limited to frontier rural areas, a conflict sensitive approach is essential and due diligence of actors, especially private ones, is required.

The action foresees partnering with international organisations with experience in supporting livelihoods and sustainable businesses in Myanmar in response to the severe effects of COVID-19 and the military takeover on the population, and in prevention of possible future crises.

The action also foresees to use the Direct management approach through Grants.

2. RATIONALE

2.1 Context

The seizing of power by the military on 1 February 2021 brought a sudden halt to Myanmar's democratic transition and returned the country to military rule. In the new context, the Council Conclusions of February 2021¹¹ stress the need to avoid legitimizing the coup or the military. The 'policy first' approach supporting government systems is no longer feasible in Myanmar for the time being.

The COVID-19 pandemic compounded by the military coup have seriously affected Myanmar's economic growth rate with a visible impact on food insecurity. The World Bank has estimated a decline in GDP of 10 per cent for FY2020/21 following the military coup, with the most severe impacts felt by poor households¹².

COVID-19 and the military coup have had a serious impact on poverty the human development in Myanmar. The UN, World Bank and others have indicated the risk of increasing poverty rates in the country. A recent UNDP report¹³, published in April 2021, estimates that the number of poor people in Myanmar could double as a result of the combined impacts of the COVID-19 pandemic and the ongoing political crisis. These crises will reverse the significant reduction in poverty rates achieved by Myanmar from 48.2% in 2005 to 24.8% in 2017, and reach estimated poverty rates ranging between 31 and 36% after the military coup. The report warns that, if unchecked, the combined effect of these two crises could push up to 12 million people into poverty. This could result in as much as 25 million people - nearly half of Myanmar's population - living below the national poverty line by early 2022, a

¹¹ Adopted at the Foreign Affairs Council on 22 February 2021

¹² World Bank's April 2021 *East Asia and Pacific Economic Update*

¹³ UNDP report 'COVID-19, Coup d'état and Poverty: Compounding Negative Shocks and their Impact on Human Development in Myanmar', April 2021, available at https://www.asia-pacific.undp.org/content/rbap/en/home/library/democratic_governance/covid-19-coup-d-etat-and-poverty-impact-on-myanmar.html

level of impoverishment not seen in the country since 2005. The WFP has indicated that up to 3.4 million more people will struggle to afford food in the next three to six months due to food prices rise and limited access to cash, including in urban areas worst affected by job losses in manufacturing, construction and services. This sharp increase is on top of the 2.8 million **people suffering from food insecurity** before the military coup.

The private sector and its workers have been hit hard by the effects of the pandemic followed by the military coup. An estimated 700,000 people, 90% of them female, were employed in the garment industry pre-pandemic. About one-third lost their jobs last year, and it is estimated that Myanmar's garment industry has shed another 200,000 jobs since the coup, as factories have closed and buyers have pulled orders back. Employment and livelihood slowdowns have contributed to a strong exodus of workers from Yangon. The Directorate of Investment and Company Administration (DICA) has not received any foreign investment proposals since the coup. **Economic sanctions will dissuade western investors, but Asian investors are usually less affected.** Among the top 12 foreign investors, Singapore, China, Hong Kong, Japan, Republic of Korea, Thailand, China Taipei, and Vietnam were responsible for 87% of total approved foreign investments between 2017/18 and 2019/20¹⁴.

The military coup in Myanmar could also **have direct negatives consequences for Myanmar's environment** and its natural resources. Myanmar being already considered one of the country's most vulnerable to environmental degradation. Decades-long overexploitation of its natural resources, coupled with extensive militarisation and corruption have put the country's ecosystems under huge pressure. Experts warn that the country could turn to investors with no environmental standards. Environmentalists have urged the military to allow civil society groups to continue to monitor and protect forests and indigenous communities.

Myanmar is highly exposed to climate change impacts. It is ranked second globally in terms of climate change vulnerability in the 2020 Global Climate Risk Index. The effects of climate change include increasing temperatures, more frequent and intense storms, and changes in weather patterns. Environmental degradation and climate change pose significant challenges to Myanmar's economic growth and the livelihoods of the poorest and most vulnerable groups, and particularly women.

Conflict continues to generate suffering, internal displacement and loss of economic opportunities for the country. Conflict fuels also a very large shadow economy from natural resources exploitation (in particular jade, precious stones, timber, wildlife), drugs and arms trade, mostly in ethnic areas of Myanmar. While a number of Ethnic Armed Organisations have denounced the military coup, some have engaged in armed clashes while others remain silent or have sided with the military regime. As a result, the situation has become very volatile and may rapidly escalate in full-fledged conflict in any of the ethnic areas of the country.

This male-dominated military regime is expected to at least reverse the limited progress that was made in previous years on various fronts. In particular, the repression, violence and economic hardship that is following the military coup have raised additional concerns on the gender front. Women garment workers have taken a predominant position in demonstrations against the military. In addition to facing the violent crackdown of demonstrations, women are suffering an increase in incidents of gender-based violence and sexual harassment, which poses another serious threat to women and children's lives.

UNDP's report¹⁵ highlights that women and children are expected to bear the heaviest brunt of the combined impact of COVID-19 and the political crisis. Given the pre-existent vulnerabilities female headed households are those most at risk. In Myanmar participation of women in the labour force is consistently low. According to UN data¹⁶ in 2020 only 47.3 % of females engaged actively in the labour market compared to 77,2% of males, this gender gap is likely to increase having COVID-19 and the coup a disproportionate affected highly feminised economic sectors such as textile and garments, where 90% of firms have reported negative impacts from COVID-19, above the economy wide average of 75%¹⁷.

While the European Union is refusing to legitimise the military-appointed State Administration Council, through this action it wishes to support Myanmar people in their aspirations towards a just society and sustainable development. To do so, it will engage with the **civil society and local communities** as they are the ultimate managers of Myanmar people's resources as well as beneficiaries of its improved management. **European private sector** is also an important partner that can strengthen sustainable and responsible business practices, when engaged directly in support to the population.

¹⁴ Directorate of Investment and Company Administration (DICA)

¹⁵ Ibid.18

¹⁶ <http://data.un.org/en/iso/mm.html>

¹⁷ Ibid.21

2.2 Problem Analysis

The action addresses strategic elements of the overall EU's support to the SDGs in response to the rapid deterioration of poverty indicators in Myanmar, in particular those supporting:

- *Resilient Livelihoods*: More efficient, inclusive and sustainable agri-food systems are needed to support the country's economic resilience, to improve livelihoods, food and nutrition security of the most vulnerable and to reduce the negative environmental impacts of the food chains. Furthermore, local forests, land, fisheries and other natural resources need to be managed sustainably as they are key to people's livelihoods and their resilience to climate change events.
- *Responsible Business Conduct*: Decent jobs of responsible business need protection, social and environment standards need to be addressed, sustaining livelihoods and helping to build the foundations of sustainable development.

Resilient Livelihoods

Most social, economic and environmental challenges will be faced in rural areas of Myanmar, where 72% of the population lives and 87% of poverty is concentrated, alongside most natural resources. The majority of rural households rely on smallholder subsistence farming, representing the most food and nutrition insecure group country-wide, alongside large numbers of migrants who have returned to rural areas due to insecurity, loss of jobs and income. Recent data¹⁸ shows that rural households are particularly under stress given that access to agricultural inputs continues to be difficult, while they face challenges to sell their products and employment opportunities are severely reduced. Women in landless households are particularly vulnerable in terms of worsened workload and increased tension in the household as a result of COVID-19 and the military coup. As a result, agriculture and rural development will be central to people's livelihoods and the socioeconomic recovery of Myanmar in the coming years, making this action vital towards strengthening the socio-economic and sustainable resilience of the poorest rural households in the country.

Rural households depend on forests for a range of material benefits, ecosystem services, and cultural values. Forest resources are important for livelihoods, particularly for the poorest rural communities and women. Agro-forestry is a sustainable technique that may support ecosystem services and provide additional income. Forests provide ecosystem services that underpin agriculture, mangrove fisheries, resilience against coastal storm surges and tsunamis and soil degradation.

Since the military coup the already endangered Myanmar forests have been further drained by a proliferation of logging of primary rainforest, reportedly being illegally exported to the surrounding countries. The consequences in the long term are to be seen as the military junta has historically used logging as a short-term revenue flow¹⁹.

Prior to the military coup, Myanmar had adopted relevant development plans and strategies, including the Sustainable Development Plan 2018-2030, the Myanmar Climate Change Master Plan 2018-2030 and the Myanmar Climate Change Strategy 2018-2030. In addition, efforts were carried out to identify needed adaptation actions through National Adaptation Plan Actions (NAPAs) and with the intention to adopt a National Adaptation Plan (NAP).

Responsible Business Conduct

The military coup may lead to a reversal of the progress witnessed in the private sector over the past decade. European business are reconsidering their involvement in Myanmar with 49% of the companies admitting in a Eurocham survey from March 2021 that they are likely to re-evaluate their presences in Myanmar. Supporting responsible business²⁰, with a focus on EU businesses, in the wake of the coup will be essential to maintaining good practices, for the benefit of Myanmar people. This support is conditional to the EU sanctions regime.

The Netherlands, Germany and Denmark were invested in promoting responsible business practices before the coup. The EU will build on the results of their programmes.

¹⁸ International Food Policy Research Institute data. <https://www.ifpri.org/country/myanmar>

¹⁹ Deforestation in Conflict affected areas. CEOBS April 2021. <https://ceobs.org/assessment-of-recent-forest-loss-in-conflict-areas/#3i>

²⁰ Responsible business conduct entails above all compliance with laws (including international laws), such as those on respecting human rights environmental protection, labour rights (OECD)

The garment industry and industries that encourage circular economy practices are specifically targeted by this action. This choice is based on the positive experiences from the EU's [SWITCH-Asia programme](#) of five years implementation in Myanmar, as well as the "Responsible Supply Chains in Asia" project under the EU Partnership Instrument:

The garment industry creates jobs with a decent income that are redistributed to the country. The ILO estimates that at least 10% of Myanmar women were directly employed in the garment sector pre-pandemic²¹. Garment workers' average salaries is about 200,000 MMK which is the double of the agricultural sector, and three times higher than the poverty line. Finally, at least 6% of the Myanmar population relied on the garment sector for a portion of their family income.

The EU is a crucially important player in the garment sector in Myanmar. Between 2012 and 2018, the value of garment exports rose 500% from around USD \$900 million to USD \$4.6 billion by 2018. In 2019, the Myanmar apparel industry exported US\$5.7 billion worth of garments and a further US\$1 billion of footwear and handbags, an increase of 26% on the previous year. A critical factor behind this growth has been tariff free access to European and North American markets. More than half of the apparel exports produced in Myanmar are now sent to the European Union.

The UN Fact-finding mission of 2019 and an assessment of Amnesty International in 2020 saw no **direct ties between the garment industry and the Tatmadaw**.

The EU has experience in this sector in Myanmar. The [SMART project](#) originated from the EU's SWITCH Programme in 2013. Co-funded by private sector partners (brands, retailers and factories) and implemented by sequa GmbH, it aims at improving working conditions, promoting labour and environmental standards and reducing labour right abuses in the textile and garment industry. The ILO-led Vision Zero Fund project that improves occupational safety and health conditions in the garment (and ginger) sector has also provided valuable insights into the functioning of these sectors.

The EU has expertise and best practices to share in terms of circular economy. The EU's **Circular Economy Action Plan** promotes initiatives along the entire life cycle of products in order to modernise and transform the economy, while protecting the environment.

The EU has experience in this sector in Myanmar. Past SWITCH-Asia projects both aimed to promote clean production and consumption practices across industrial sectors.

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

1. Resilient agricultural and rural systems

UN agencies, EU member states and other international organisations

There is ample presence of UN agencies working for the agriculture and rural sector in Myanmar, especially after 2015 and the adoption of the country's Agriculture Development Strategy and a multisectoral National Action Plan for Food and Nutrition Security. With a specific mandate on food and nutrition security, WFP, FAO and UNICEF maintain large relief and development support programmes covering vulnerable areas of Myanmar and mostly relying on international and national NGO for the delivery of services to the population. This action will adopt a Humanitarian-Development-Peace nexus approach to food security and nutrition, by ensuring coordination with these organisations as well as with ECHO.

In addition, UNOPS manages the **Livelihoods and Food Security Fund (LIFT)**, a multi-donor fund established in 2009 to improve the lives and prospects of smallholder farmers and landless people in rural Myanmar. LIFT is funded by seven donors: Australia, Canada, the European Union, Ireland, Switzerland, the United Kingdom and the United States of America. To prevent the sharp increase in hunger and malnutrition in the wake of the coup, LIFT has engaged with partners to scope out immediate needs. Partners are mobilising to support a series of social protection interventions such as in-kind transfers, vouchers and/or cash transfers, nutrition counselling, breastfeeding support and treatment of severe acute malnutrition in the absence of functional public services.

Other stakeholders include several EU member states and other international organisations which are also very active in the agriculture and rural sector in Myanmar. These include the Agence Française de Développement (AFD) providing grants to NGO in support to pro-poor agricultural value chains.

INGOs/Civil society in Myanmar

²¹ [ILO, 2020](#)

The overwhelming majority of INGOs operating in Myanmar work in close partnership with national and local civil society actors, and many of them actively support the agriculture and rural sector through direct grants with the EU. The INGO Forum was founded in 2007 to bring together more than 110 INGO member organizations helping build better partnerships, improve coordination, effectiveness and coherence of development and peacebuilding support in the country. INGO Forum recognizes the critical voice of local and national partnerships and the centrality of ensuring local ownership and accountability of target populations that benefit from the projects. There are over **200,000 community-based organizations in Myanmar** whose structures have traditionally existed within religious groups at local level and implementing social welfare activities focusing on poverty, livelihoods and the daily needs of communities, especially in remote, ethnic and conflict-affected areas with weak central government control. Above these, **nearly 300 local NGOs and CSOs** maintain connections with local communities and their organisations through assistance projects, including in the agriculture and rural sector and supported by the EU. They are particularly strong in ethnic areas, where many local organisations have links to ethnic armed groups and on this basis are the only actors able to access large areas where highly vulnerable people live.

2. Responsible Business Conduct

Private sector

Myanmar's private sector is dominated by microfirms and small firms (most of which were established after 2011) operating in the informal economy and concentrated in urban areas (that is, Yangon and Mandalay). While most of the country's microenterprises and small enterprises are in traditional sectors such as agriculture, large firms typically operate in natural resource extraction (that is, gas, mining, and wood processing), agro-processing, chemicals, construction, financial services, and transport services. Myanmar has a small but growing number of foreign-owned enterprises (around 1 percent of all businesses) operating mostly in manufacturing, logistics, communication, and information services. Firms with foreign ownership employ on average more workers, have higher labor productivity, and pay higher wages than domestic enterprises. A small group of large companies are headed by business tycoons and powerful retired generals who had good connections within the military high command.

Any engagement with Myanmar private sector will require a thorough due diligence and conflict sensitive approach, with a strong focus on Do-No-Harm and compliance with EU sanctions regime.

Eurocham Myanmar

EuroCham Myanmar started its operation in September 2015 to serve as the voice of European business in Myanmar. Eurocham provides a platform for EU business in Myanmar and advocates for member interests with organisations in Myanmar, the ASEAN region and the EU.

SMART Myanmar

The project fosters cooperation among all actors across the value chain in Europe and Myanmar to improve their collaboration and advocacy, to replicate and scale-up successful sustainable practices in the garment and textile sector. Activities include training and advisory support for factory managers and workers on workplace safety, labour law compliance and environmental practices, as well as facilitating dialogue between the public and private sectors.

The SMART Myanmar team is ideally placed to continue supporting the garment industry sector. However, an in-depth political economy analysis or conflict sensitivity assessment of the sector is needed.

Think tanks and business associations

Think tanks and business associations have gained prominent roles in Myanmar in the past decade.

The Myanmar Centre for Responsible Business is an initiative to encourage responsible business activities throughout Myanmar. The Centre is a joint initiative of the Institute for Human Rights and Business (IHRB) and the Danish Institute for Human Rights (DIHR). It aims to provide a trusted, impartial forum for dialogue, seminars, and briefings to relevant parties as well as access to international expertise and tools.

International organisations

The ILO is active in Myanmar through the Better Work programme, active in the garment sector, as well as the Vision Zero Fund, active in garments and ginger value chains.

3. DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to strengthen socio-economic sustainable resilience in the environment affected by COVID-19 and the recent coup d'état.

The Specific Objectives (Outcomes) of this action is are:

Outcome 1: Improved livelihoods, food and nutrition security of the most vulnerable, with a focus on women, children and people with disabilities, whilst protecting natural resources and increasing resilience to climate change.

Outcome 2: Strengthen and protect responsible business practices in urban settings focusing on social, environmental, human rights standards and gender equality.

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

- 1.1 Vulnerable communities, especially women and people with disabilities, are more resilient against conflict and climate change
- 2.1 Human Rights, Social and Environmental standards are upheld and monitored in targeted industries
- 2.2 Responsible business practices are promoted and monitored

3.2 Indicative Activities

Activities related to Output 1.1

- Support the integration of vulnerable smallholder farmers into more sustainable agri-food systems,
- Strengthen collaboration with non-state organizations and agribusinesses²² for selected agricultural value chains contributing to improved food and nutrition security
- Support non-farm income and employment opportunities for returnee migrants, displaced, people with disabilities and other vulnerable groups,
- Empowering women to lead the creation of sustainable small businesses and networks, in collaboration with non-state organisations and the private sector for selected initiatives
- Strengthen agro-forestry practices of Myanmar to support climate resilience
- Support local reforestation projects to recover communities' degraded forests both to restore ecosystems and mitigate climate change, and to support socio-economic development

Activities related to Output 2.1:

- Create platforms for coordination of approaches in particular of “concerned investors”
- Promote Sustainable Consumption and Production (SCP) practices and technologies
- Support businesses to commit to strong environmental and social standards in line with the UN Guiding Principles on Business and Human Rights
- Build the skills of mid-management, especially women, build the capacities of female workers to claim their rights

Activities related to Output 2.2:

- Support due diligence of sectors to understand their possible links with the Myanmar military through a political economy analysis and by ensuring compliance with the EU Sanctions regime
- Support businesses to carry out their due diligence in terms of ensuring that no ties to the military criteria would be included and ensuring due diligence and do no harm approaches along the whole value chain (including logistics, banking and trade)
- Support businesses to work out their commitments and draft plans on upholding gender equality, labour rights and environmental standards in their factories, in addition to monitoring
- Facilitate locally-owned processes that will embed international responsible business standards into practice in Myanmar

²² The term agribusiness refers to economic activities derived from or connected to farm products

- Reach out to Myanmar people, with focus on the youth, on sustainable practices.

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 key environmental and climate-related aspects need be addressed during design.

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 B (not requiring an EIA, but for which environment aspects will be addressed during design).

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).

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 is a significant objective. This action responds to identified needs of women in the 2 areas of intervention: i) livelihoods and resilience in rural areas and ii) promotion of best practices in the labour market. Given the chosen sectors of intervention women are at the center of the action. Refer to Annex 3.

Human Rights

The situation of human rights dramatically deteriorated after the military coup on 1 February. This action will promote the protection of human rights as part of responsible business practices. The action adopts a human rights-based approach and applies its working principles of participation, non-discrimination, accountability and transparency.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that disability is a significant objective.

Democracy

This project will contribute to strengthening democracy by informing workers about their rights and creating dialogue between stakeholders about responsible business.

Conflict sensitivity, peace and resilience

The overall programme will be implemented with a focus on the comprehensive approach to conflict prevention (CC January 2018) through which, among others, conflict analysis in those areas and sectors deemed conflict sensitive will be conducted. A conflict analysis screening is being carried out and its outcome and recommendations will feed into programme implementation

Disaster Risk Reduction

The support to livelihoods through reforestation will contribute to reducing the risk of floods and the impact of tsunamis in coastal areas.

Other considerations if relevant

NA

3.4. Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1 - External environment	Risk 1 Political and security situation in the country does not allow for effective implementation of programmes, as well as EU sanctions regime	M	H	Due diligence protocols will be put in place, conflict sensitivity assessment and political economy analyses conducted in relation to businesses and management of natural resources. Close monitoring during the life of partnerships and projects. A conflict sensitive approach will be applied systematically to this action. The delivery of support might require continued crisis declaration and flexible procedures.
1 - External environment	Risk 2 Civil society and/or local actors cannot operate freely, either for security or other practical reasons, which hinder an effective implementation of programmes.	H	H	Support to businesses, agriculture and rural development is not expected to attract negative attention from the military regime, as long as the support provides tangible benefits to the Myanmar people and the economy. EU and its Member states will engage with CSOs in line with the CSO Strategy, and promote the creation of community-based groups using gender transformative approaches and conflict sensitivity. Partners in the agri-rural, business and natural resource management sectors will establish rules and protocols for engagement and duty of care of their staff and will be checked against their ties with the military. Contextualised conflict sensitivity and human rights analyses, and PEAs, will be required before implementation of supported projects. Given the targeted population groups special attention will be required to ensure equal and secure participation of women and vulnerable population groups, especially people with disabilities and ethnic minority groups.
4- Legality and regularity aspects	Risk 3 Private sector actors have links with the military regime or with military investments	L	H	Due diligence protocols will be put in place and PEA analysis conducted before partnerships are established and monitored during the life of these partnerships and all along the value chains (not only production but also finances/banking, logistics, trade, etc.) and in relation to management of natural resources. An explicit commitment for all private sector actors to abide by the UN Guiding Principles on Business and Human Rights.

				All key stakeholders will be meaningfully consulted and heard, prior to activities. They will participate in monitoring the action.
<p>Lessons Learnt:</p> <p>The evaluation of the LIFT programme in 2019 showed that after ten years of operation, LIFT has had a substantial positive impact on livelihoods of poor rural people, with a strong focus on women. It was also found that LIFT should pay more attention to the inclusion of Climate-Smart Agriculture as a standard approach in projects, whenever relevant and feasible, as Myanmar is highly vulnerable to extreme climatic conditions. LIFT was also guided by conflict sensitivity principles to be applied systematically. Before Myanmar's democratic transition, the EU operated in Myanmar through large trust funds managed by the UN, as INGOs were not well established in Myanmar and the UN was the main partner to access civil society.</p> <p>The Eurocham grant provided by the EU which helped the establishment of the chamber in 2014, was ended in 2020. Eurocham had gathered by then more than 100 members of European companies. EuroCham Myanmar's role has been growing in the wake of the two successive crises offering more updates, providing advice on travel into Myanmar as well as operational advice to companies and organising regular meetings with the EU Delegation.</p> <p>An evaluation of the SMART programme in 2019 concluded that the project had gained a high profile and a very good reputation in the garment sector in Myanmar. On the onset of the COVID-19 crisis, sequa gmbH temporarily reallocated its SMART project team and set up and run the Myan Ku Fund, as a rapid response measure to alleviate the economic impact of the COVID-19 pandemic on the predominantly female garment workers from all over Myanmar who lost their jobs due to the crisis. It provided support to more than 100,000 garment workers.</p>				

3.5. The Intervention Logic

The underlying intervention logic for this action is that IF livelihoods in both rural and urban areas are supported THEN the effects of the combined COVID-19 and coup d'état crises on poverty rates in Myanmar will be reduced. This overall logical statement lies on the following assertions:

- IF the most vulnerable rural communities, with a special focus on women, have good farming techniques that make their crops more resilient to climate shocks and provide more income in times of crisis, THEN they will recover faster from ongoing economic crises and from possible future climate crises, and food security will be ensured.
- IF the most responsible businesses that emerged in Myanmar in the last ten years remain responsible, abide by due diligence and conflict sensitivity, AND stay in Myanmar, THEN the most vulnerable urban communities still have access to decent jobs and urban communities have access to a cleaner environment.

This action assumes that:

- The EU cannot engage with the military regime, directly or indirectly through its economic entities
- The EU remains committed to supporting Myanmar people
- Some responsible businesses remain in Myanmar

NGOs, CSOs and community groups are able to engage with relevant stakeholders and to access the population for the provision of services related to sustainable resilience

3.6. Logical Framework Matrix

At action level, the indicative logframe should have a maximum of 10 expected results (Impact/Outcome(s)/Output(s)).

It constitutes the basis for the monitoring, reporting and evaluation of the intervention.

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

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

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To strengthen socio-economic sustainable resilience in the environment affected by COVID-19 and the recent coup d'état.	1 Poverty rates in Myanmar 2 Loss of aggregate household income in Myanmar (disaggregated by male/female head of household)	1 Up to 36.1% by April 2021 2 Up to 46% loss compared to MLCS 2017 baseline by April 2021	1, 2 Poverty rate and loss of aggregate household income contained below baseline values (by end of action)	1, 2 UNDP, Household Vulnerability Surveys	<i>Not applicable</i>
Outcome 1	1. Improved livelihoods, food and nutrition security of the most vulnerable, with a focus on women, children and people with disabilities, whilst protecting natural resources and support resilience to climate change.	1.1 Share of households supported by the EU-funded intervention where women are empowered to participate in decisions about the use of productive resources and income 1.2 Share of household income spent on food (disaggregated by male/female head and rural/urban type) for the bottom 80% of households supported by the action 1.3 Number of women, adolescent girls and children reached by nutrition related interventions supported by EU (EU Results Framework 2.2) 1.4 Proportion of household benefiting from sustainable agri-food and agroforestry systems (disaggregated by sex of household head) 1.5 Proportion of vulnerable communities benefiting from reforestation programs	1.1 Zero (2021) 1.2 62% (2017) 1.3 Zero (2021) 1.4 Zero (2021)	1.1 Above 50% (by the end of the action) 1.2 To be determined according to next WB reports	1.1, 1.2 E Baseline and endline surveys conducted and budgeted by the EU-funded intervention	All relevant stakeholders remain committed to supporting Myanmar people under this action
Outcome 2	2 Strengthened and protected responsible business practices in urban settings focusing on social, environmental, human rights standards and gender equality	2.1 Number of companies publishing sustainability reports (SDG 12.6.1) 2.2 Number of SMEs applying Sustainable Consumption and Production practices with EU support (EURF 6) 2.3 Number of SMEs applying labour rights standards 2.4 Number of SMEs supported applying gender equality and women's empowerment policies 2.5 Number of (a) jobs and (b) green jobs supported/sustained by EU (EURF 13) .	2.1 2.2	2.1 2.2	Survey to be conducted by implementer	Businesses remain afloat in the current circumstances.
Output 1 related to Outcome 1	1.1 Vulnerable communities, especially women and people with disabilities, have become	1.1.1 Share of villages supported by the EU-funded intervention where social, environmental, climate and disaster risk assessments are effectively applied using risk reduction and management strategies	1.1.1 Zero (2021) 1.1.2 Zero (2021)	1.1.1 Above 80% (by the end of the action)	1.1.1, 1.1.2 Baseline and endline surveys conducted and	Access to villages is possible. Farmers have

	more resilient against conflict and climate change	1.1.2 Degree of inclusion of women, people with disabilities and vulnerable people capacitated to actively engage in social and economic development processes in villages supported by the action 1.1.3 Number of vulnerable group members trained by EU-funded intervention with increased knowledge/skills in social and economic development, disaggregated by sex, disability status, displacement status		1.1.2 Above 60% (by the end of the action)	budgeted by the EU-funded intervention	some level of independence for the choice of crops.
Output 1 related to Outcome 2	2.1 Human Rights, Social and Environmental standards upheld and monitored in targeted industries	2.1.1 Number of companies' representatives trained by the EU-funded intervention with increased knowledge/skills in responsible business practice, disaggregated by sex	2.1.1	2.1.1	Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Information is available and standards can be monitored effectively.
Output 2 related to Outcome 2	2.2 Responsible business practices promoted and monitored	2.2.1 Number of companies that developed plans on upholding labour rights and environmental standards in their factories, with support of the EU-funded intervention	2.2.1	2.2.1	2.2.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention 2.2.2 Pre- and post training tests	Companies have continued interest in upholding responsible business standards.

4. IMPLEMENTATION ARRANGEMENTS

4.1. FINANCING AGREEMENT

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner 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 60 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. 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 measures²³.

4.3.1. Indirect Management with an International Organisation or Member State Organisation

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Demonstrated experience in providing support in rural areas and in collaborating with civil society partners in Myanmar;
- Demonstrated experience in the agriculture, rural livelihoods and resilience sectors;
- Established presence in Myanmar/Burma and experience in the management of funds in related sector.

The implementation by this entity covers outcome 1 *'Improved livelihoods, food and nutrition security of the most vulnerable, with a focus on women, children and people with disabilities, whilst protecting natural resources and support resilience to climate change'*.

4.3.2. Direct Management with a grant

Grants: (direct management)

(a) Purpose of the grant(s)

The grant will contribute to achieving outcome 2 *'Strengthened and protected responsible business in urban settings focusing on social, environmental and human rights standards'*.

(b) Type of applicants targeted

In order to be eligible for a grant, the applicant(s) must:

- be a legal person, and
- be non-profit-making, and
- be a specific type of organisation such as: non-governmental organisation, association, international (inter-governmental) organisation, and
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

²³ 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.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to an entity or entities (e.g. chamber of commerce or similar) selected using the following criteria:

- ability to work with the relevant private sector companies and think tanks,
- experience in managing projects in the responsible business sector,
- experience in operating in Myanmar, and
- experience in upholding responsible business principles, in terms on social, environmental and human rights standards.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because Myanmar is in a crisis situation as defined in Article 2(21) of the Financial Regulation at the date of the Financing Decision. In addition, the action has specific characteristics requiring a specific type of beneficiary for its technical competence, specialisation or administrative power (the action requires links with the responsible actors of private sector in Myanmar, technical ability to navigate both the Myanmar business environment and the EU sanctions to advise effectively private sector actors. In the very volatile context of Myanmar, the implementing partner will need to be highly adaptable to new circumstances and with an established local presence able to understand the daily variations in context).

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

For Outcome 1, in case it should not prove possible to work in indirect management with an entrusted entity as specified in 4.3.1, due to circumstances outside of the Commission's control, the alternative to the preferred implementation modality will be direct management with a grant(s), as follows:

a) Purpose of the grant(s)

Grants will achieve outcome 1 *'Improved livelihoods, food and nutrition security of the most vulnerable, including women and disabled people, whilst protecting natural resources and support resilience to climate change'*.

(b) Type of applicants targeted

In order to be eligible for a grant, the applicant(s) must:

- be a legal person, and
- be non-profit-making, and
- be a specific type of organisation such as: non-governmental organisation, international (inter-governmental) organisation, and
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grants may be awarded without calls for proposals to NGOs and CSOs selected using the following criteria:

- Demonstrated experience in providing support in rural areas and in collaborating with civil society partners in Myanmar;
- Demonstrated experience in the agriculture, rural livelihoods and resilience sectors;
- Established presence in Myanmar/Burma and experience in the management of funds in related sector.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of grants without a call for proposals is justified because Myanmar is in a crisis situation as defined in Article 2(21) of the Financial Regulation at the date of the Financing Decision. In addition, the nature of the action may require the use of Article 27(3) NDICI-Global Europe Regulation (current situation in the country qualifies under the provisions of article 27(3), and may require financing actions in situations where there is a serious lack of fundamental freedoms, including violation of human rights, threats to democratic institutions, escalation of crisis or armed conflict, where

human security is most at risk, as well as financing human rights defenders or actors involved in crisis and armed conflict related dialogue, conflict resolution, reconciliation and peace building).

For Outcome 2, in case it should not prove possible to work in direct management with grants as specified in 4.3.2, due to circumstances outside of the Commission's control, that part of this action may be implemented in indirect management. This part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- ability to work with the relevant private sector companies and think tanks,
- experience in managing projects in the responsible business sector,
- experience in operating in Myanmar, and
- experience in upholding responsible business principles, in terms on social, environmental and human rights standards.

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:

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

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution, in currency identified [(If not relevant please delete this column)]
Implementation modalities – cf. section 0		
Objective 1: Improved livelihoods, food and nutrition security of the most vulnerable, with a focus on women, children and people with disabilities, whilst protecting natural resources and support resilience to climate change' composed of	12 000 000	
Indirect management cf. section 4.3.1	12 000 000	NA
Objective 2: Strengthened and protected responsible business in urban settings focusing on social, environmental and human rights standards composed of	2 700 000	
Grant (direct management) – cf. section 4.3.2	2 700 000	NA
Communication and visibility – cf. section 6	300 000	
Totals	15 000 000	NA

4.6. Organisational Set-up and Responsibilities

A Steering Committee will be established for each stream of the action, (1) Resilient Livelihoods and (2) Responsible Business, to review the performance of the action, identify opportunities and risks, as well as to ensure coherence of overall implementation. Each Steering Committee will be chaired by the Head of Delegation and monitor progress and endorse annual work plans. This Steering Committee will meet on a regular basis (minimum 6 monthly),

including ad hoc meetings as required. It will comprise representatives of the EU, the respective Implementing Partner and key beneficiaries as well as other relevant implementing partners and stakeholders, as appropriate.

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:

- Baselines setting: Baselines required for monitoring purposes will be conducted in the first four months of the project. The implementing partners will be responsible for conducting the surveys required and will plan the necessary budget for the baselines and the ongoing monitoring of results.
- Data collection and reporting: If Government of Myanmar does not publish some of the necessary information required for reporting, as support to the Government is not envisaged, alternate sources of information will be used, or proxy indicators can be identified.

5.2. Evaluation

Having regard to the nature of the action, a mid-term and a final evaluation will be carried out for this action's two components via independent consultants.

Mid-term evaluations will be carried out for learning purposes, in particular with respect to the launch of actions beyond special measures.

Final evaluations 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 effects of the military coup and COVID-19 will be easier to analyse.

Evaluations will pay special attention to report on action's impact on gender equality, promotion of human rights, empowerment of people with disabilities and conflict sensitiveness of the actions.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination²⁴. 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.

The financing of the evaluation shall be covered by another measure constituting a Financing Decision.

5.3. Audit and Verifications

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

²⁴ See best [practice of evaluation dissemination](#)

6. COMMUNICATION AND VISIBILITY

Communication and visibility is a contractual obligation for all entities implementing EU-funded external actions to advertise the European Union's support for their work to the relevant audiences.

To that end they must comply with the instructions given in the [*Communication and Visibility Requirements of 2018*](#) (or any successor document), notably with regard to the use of the EU emblem and the elaboration of a dedicated communication and visibility plan, to be completed for every action at the start of implementation.

These obligations apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries or entrusted entities. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

Communication and visibility measures may be funded from the amounts allocated to the action. For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds.

Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and concerned EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before work starts. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

It is envisaged that a contract for communication and visibility may be contracted.