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ANNEX 2

of the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Malawi for 2022

Action Document for Greening and Growing Malawi - Ulimi ndi Chilengedwe m'Malawi (UCHI)

ANNUAL PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan in the sense of Article 23.2 of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Greening and Growing Malawi - Ulimi ndi Chilengedwe m'Malawi (UCHI) CRIS number: NDICI-AFRICA/2022/043-316 OPSYS ref.: ACT-60651 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes; TEI Green Growth for Malawi
3. Zone benefiting from the action	The action shall be carried out in Malawi
4. Programming document	Multiannual Indicative Programme for Malawi 2021-2027
5. Link with relevant MIP(s) objectives / expected results	The Action contributes to: <u>Specific Objective 1</u> , boosting productivity, resilience, diversification, value addition and commercialisation of agriculture and fisheries <u>Specific Objective 2</u> , enhancing environmental sustainability <u>Expected results 1.1.1, 1.1.2 and 1.1.3</u> referring to improved access to and sustainable use of resources, accelerated economic transformation and improved nutritional status, <u>Expected results 1.2.1 and 1.2.3</u> regarding conservation and sustainable management and use of natural resources and regarding the country's capacity to cope with climate change
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	MIP Priority Area 1, Green and resilient economic transformation, Agriculture, forestry and fishing (310) General environmental protection (410)
7. Sustainable Development Goals (SDGs)	Main SDG: 1 (end poverty)

	Other significant SDGs: 2 (zero hunger), 3 (health), 5 (gender equality), 6 (water and sanitation), 8 (economic growth), 9 (infrastructure), 13 (climate action) and 15 (biodiversity, forests).			
8 a) DAC code(s)	Agriculture, forestry and fishing (310), 65 % General environmental protection (410), 35 %			
8 b) Main Delivery Channel @	12001 – Recipient Government – Central Government 12002 – Recipient Government – Local Government 41000 - UN agency, fund or commission 51000 - University, college or other teaching institution, research institute or think-tank			
9. Involvement of multilateral partners	No.			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Policy objectives	Not targeted	Significant objective	Principal objective

11. Internal markers and Tags:	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Connectivity @ Tags: transport people2people energy digital connectivity	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2022-14.020122-C1-INTPA Total estimated cost: EUR 56 500 000 Total amount of EU budget contribution EUR 56 500 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Direct management through: Grants and Procurements Indirect management with the entities to be selected in accordance with the criteria set out in section 4.4.3.			

1.2 Summary of the Action

The Action tackles two of the major challenges that are hampering resilient transformation of economy and food systems in Malawi, namely depletion of natural resources capital and limited marketing and financial opportunities for rural farming households and agribusiness operators. It is designed around two interlinked components: (1) natural resources management, including agriculture practices along agro ecological principles, and (2) integration of farming households and agribusiness operators into markets and financial services. As no economic development will be achieved without improved nutrition for Malawian, wherever possible, the action will have a high degree of nutrition sensitivity.

The Action aims to contribute to sustainable inclusive economic growth and transformation of food systems in Malawi and has four Specific Objectives (SOs): (1) Natural resource base and its diverse ecosystems preserved, restored and regenerated, (2) Territorial relevant sustainable value chains developed, (3) Nutritional status of targeted Malawi population improved and (4) Evidence-based decision making and knowledge dissemination supported. SO1 refers to the “Greening” component, whilst SO 2 and 3 to the “Growing” component, with SO 4 as cross-cutting.

The Action contributes to MIP Priority Area 1, Green and resilient economic transformation, in particular Specific Objective 1, boosting productivity, resilience, diversification, value addition and

commercialisation of agriculture and fisheries and specific objective 2, enhancing environmental sustainability. It will cover the expected results under SO 1 referring to improved access to and sustainable use of resources, accelerated economic transformation and improved nutritional status, as well as the expected results 1.2.1 regarding conservation and sustainable management and use of natural resources and 1.2.3 regarding the country's capacity to cope with climate change.

The Action is in line with Malawi 2063¹ priority area (pillar 1) of agricultural productivity and commercialisation and the enablers of environmental sustainability and private sector dynamism. The Action will contribute to some of the game changers identified by Malawi 2063 to boost agricultural commercialisation, including land titling, and scaling up of vibrant cooperatives for easing access to markets, financing, extension services and inputs supply. With regard to environmental sustainability, the Action will focus on the game changer of agroforestry and reforestation. It will also align with the priorities of ecosystem conservation and environmental management as well as environment and climate change financing.

This Action is aligned with the European Green Deal, including with the Farm to Fork Strategy and the biodiversity strategy of the European Commission and it will contribute to SDG 2, 3, 6, 8, 9, 13 and 15. Its activities will contribute to climate change adaptation and mitigation in Malawi, as well as biological diversity. The Action will contribute to remove barriers to the full participation of women in agricultural and economic activities, and improve their nutritional status, hence contributing to gender equality and the Gender Action Plan III (2021-2025).

This Action will consolidate the EU's role as Malawi's trusted partner in agriculture, displaying consistency with the EU's working priorities in a continuum with EDF interventions. Through giving more prominence to the work on natural resources, the EU will expand the range of its institutional interlocutors and support policy discussions around the multifaceted concept of food systems. The Action will build on past and ongoing EU funded programmes, unlocking their growth potential. The action will follow a territorial approach, with districts and communities in the frontline to define their needs and actions, particularly for the "Greening" component.

The Action is a significant component of the Team Europe Initiative (TEI) "Green Growth for Malawi". Overall this TEI aims at equitable green economic growth in Malawi, focussing in particular on preservation and regeneration of the natural resource base, on the development of territorially relevant food systems and on improving the nutritional status, targeting especially girls and young women. The TEI, to achieve these objectives, develops pillars of action of natural resource management and ecosystems preservation, value chain development, access to finance, technical and vocational training, renewable energy for productive use, homegrown school meals and nutrition interventions. This action contributes to all its specific objectives and the majority of its pillars of action (decentralised natural resource management and ecosystems preservation, value chain development, finance for agribusiness and community based nutrition). Cooperation of Germany, Ireland, Flanders (Belgium) and the European Investment Bank will also be contributing to the different components of the TEI.

2 RATIONALE

2.1 Context

Malawi's development has stagnated for the past 20 years, with only minimal and precarious improvements in health and education indicators but going backwards on poverty and growth. The High Court annulled the 2019 presidential elections due to a high number of irregularities, and the re-run in June 2020 saw the opposition take over. The new administration has so far shown commitment to the rule of law and human rights, and anti-corruption. It also aims at lifting off the country's development, though it remains hesitant to invest its political capital in overhauling

¹ Malawi 2063, Malawi's Vision, An Inclusively Wealthy and Self-reliant Nation, National Planning Commission, 2021.

damaging policies of agricultural subsidies and market interventions, which have been in place for well over a decade. The President has taken a clear position in favour of agriculture production and consumption diversification, and gave signals about reshaping the agricultural input subsidy programme to make it more efficient and effective (by reducing the number of beneficiaries and including a graduation path for those farmers with commercial potential and sufficient financial means to afford inputs at full price).

The proposed Action intends to address the main obstacles to Malawi economic growth and transformation of food systems, namely depletion and weak governance of natural resources capital and limited business opportunities in the agricultural sector for farming households and agribusiness operators.

The Action contributes to MIP Priority Area 1, Green and resilient economic transformation, in particular Specific Objective 1, boosting productivity, resilience, diversification, value addition and commercialisation of agriculture and fisheries and specific objective 2, enhancing environmental sustainability. It will cover the expected results under SO 1 referring to improved access to and sustainable use of resources, accelerated economic transformation and improved nutritional status, as well as the expected results 1.2.1 regarding conservation and sustainable management and use of natural resources and 1.2.3 regarding the country's capacity to cope with climate change.

The Action rests on **two interlinked components**: 1) natural resources management, including improved agriculture practices along agro ecological principles, and 2) integration of farming households and agribusiness operators into markets (local, national and possibly international) and financial services. The Action will have a high degree of nutrition sensitivity since economic development depends on a quality workforce with access to diverse and nutritious food and adequate hygiene. This can be achieved in the support to specific value chains with nutrition potential, in the dissemination of good nutrition, dietary diversity and hygiene practices within targeted communities.

The Action is in line with **Malawi 2063** priority area (pillar 1) of agricultural productivity and commercialisation and the enablers of environmental sustainability and private sector dynamism. Malawi 2063 recognises transformation of the agriculture sector as central to Malawi's economic growth. It targets a structural transformation of the sector, with subsistence farmers either graduating to a more commercial model of production or finding non-agricultural employment. Malawi 2063 equally recognises that the success and productivity of agriculture relies on the quality of ecosystem services.

The Action will contribute to some of the **game changers** identified by Malawi 2063 to boost agricultural commercialisation, including land titling, and scaling up of vibrant cooperatives for easing access to markets, financing, extension services and inputs supply. With regard to environmental sustainability, the Action will contribute to the country's fight against deforestation by focusing on the game changer of agroforestry and reforestation and by contributing to facilitate operators' compliance with the future EU regulation on deforestation-free products. It will also align with the priorities of ecosystem conservation and environmental management as well as environment and climate change financing.

In addition to the high level strategic vision, Malawi is well endowed with policies and regulations on agriculture, natural resources management, environment and climate change. The Action is in line with this framework and will contribute to effective implementation and monitoring of Government's commitments. It will pay particular attention to strengthening inter-Ministerial coordination, which is of utmost importance to tackle food systems transformation and economic growth in a sustainable and holistic fashion.

The action will follow a territorial approach, with districts and communities in the frontline to define their needs and actions, particularly for the management of natural resources. In Malawi, legislations provide for community engagement in natural resources management, in collaboration with Government. Though there are positive results, implementation remains to be brought to scale, and the Action will contribute to this. With an option on working directly at District level, it may support

the Government's decentralisation efforts. Land legislation is under revision and this may have a bearing on land related activities.

The action will have a specific geographical focus, and may take into consideration Lake Malawi as significant area of biodiversity interest and source of income for communities. Priority will be given to those districts where there is need to **unlock the growth potential of past EU funding**. The action will in effect build on previous EU interventions, furthering the results achieved. This entails promoting good governance of natural resources (land, forests and water), and supporting cross-sector partnerships to ensure biodiversity protection as well as sustainable livelihoods of communities, linking farmers' organisations with production surplus to markets and facilitating access to finance for agribusiness operators to support their plans.

This Action will consolidate EU's role as Malawi trusted partner in agriculture, displaying consistency with our working priorities in a continuum with EDF interventions. Through giving more prominence to the work on natural resources, the EU will expand the range of its institutional interlocutors and support policy discussions around the multifaceted concept of food systems.

2.2 Problem Analysis

Short problem analysis:

Malawi's natural resources and ecosystems are declining and degrading because of rapid population growth and poverty. This triggers a vicious cycle of unsustainable use of land, forests, water, fisheries, resulting in over-exploitation and further degradation, and increased poverty level. This environmental degradation also contributes to a higher exposure and vulnerability to extreme weather events such as heavy rainfalls, tropical storms/cyclones which have recently increased in frequency and negatively affected the country's food security. In all this, communities need to deal with conflicting livelihood priorities around the use of the limited common resources.

Specifically on forests, the main drivers of deforestation and forest degradation in Malawi are agricultural and energy needs of the population. The rapidly growing and extremely poor population converts forested land into small-scale subsistence agriculture. Secondly, with access to (hydropower) grid electricity at only 13 %, biomass (firewood and charcoal) accounts for about 90 % of energy supply, and 97 % of Malawians rely on biomass energy for cooking fuel. Deforestation and forest degradation further undermine agricultural productivity and food security, water security and hydroelectric generating capacity, leaving the country ever more vulnerable to climate shocks, which, in the last five years, have increased in frequency and intensity. Works carried out to update the Nationally Determined Contributions for Malawi demonstrate that agriculture, forestry and other land use are the main sector contributing to GHG emissions (54 %).

Land under agriculture has almost doubled from 34 % in 1961 to 61 % in 2020. In addition to deforestation, agriculture expansion is causing soil erosion and land degradation, with knock-on effects on agricultural productivity and aquatic systems. It is estimated that Malawi loses 7 million USD per year a cause of poor land/agricultural management practices (Environmental Profile Malawi, 2021).

Challenges with regards to land property and tenancy rights have resulted in limited investments on agriculture land, both from smallholder farmers and larger investors. Fear of land loss results in lower levels of production, especially for smallholder women where the reduction of output value is estimated to be 8.4 %.

Despite progressive legal protections (e.g. Gender Equality Act of 2013 and Customary Land Laws, currently under revision) significant problems persist for women (and equally for men in matrilineal cultural set up) in gaining equal and secure rights to land and property due to cultural practices. In the just concluded EU funded pilot on customary estates registration, there have been clear indications that in some parts of Malawi, custom dictates that women do not have equal rights to land.

Planning and implementation of environment-related measures - including disaster risk reduction and disaster preparedness - often take place in silos and conflicts between mandates and competencies exist. This results in neglected creeping environmental issues that are only recognised and addressed when they reach disaster levels.

The share of commercially oriented farming households among all Malawian households has remained low but relatively steady over the past fifteen years (IFPRI, 2021). Commercially oriented farming households are still a minority but hold the agriculture transformation potential of Malawi. Their growth potential is held back by poor practices of natural resources management, weak linkages to markets, limited access to information and finance, and scarce entrepreneurial capacities.

Malawian women have limited control over resources and decision making in households and communities, especially in rural areas. Women-managed farms are 40 % smaller than men's (0.9 vs 1.5 acres), and oriented more to food crop farming than to cash crop farming. This contributes to female-led households being poorer, less commercially oriented and more food insecure than male-led ones.

Agricultural productivity and income increases do not automatically translate into improved nutritional status, especially among women, young people and children. Despite progress in recent years, average stunting rate in Malawi (37 %) remains worrisome and has significant implication for human and economic development. A child born in Malawi will be only 41 % as productive when she reaches adulthood as she would have been if she had enjoyed complete education and full health (WB, 2018).

Identification of main stakeholders:

The main stakeholders of the Action comprise the duty-bearers, key governmental institutions, in particular the Ministry of Forestry and Natural Resources, and Ministry of Lands, Housing and Urban Development, as they both have responsibility over Malawi's natural capital. The Ministries at the central level are mandated to oversee the policy and legislative direction. The Action will strengthen their capacities to ensure a favourable enabling environment for the good use of natural resources, including exploring the use of Payments for Ecosystem Services. Under this action, the ministries at central level will also have a coordination role over all districts capacity building interventions

Other governmental stakeholders will be the Ministry of Agriculture and Food Security, as the agricultural sector is the major user of Malawi natural capital, and because of its role in Farmer's Organisations development. The Ministry of Industry will also be a stakeholder, as it has the mandate to give formally recognise cooperatives.

As the action will promote territorial relevant interventions, in particular for the natural resource management component, and support implementation of District's environmental plans and priorities, targeted Districts and Ministry of Local Government will be important stakeholders. Under the decentralised structure in Malawi, the districts are responsible for action implementation and for interface with final beneficiaries at community level (smallholder farmers and community groups).

Due to their technical expertise and longstanding partnerships with key governmental institutions, UN agencies will also be stakeholders of the action, together with national academia and civil society. National academia and civil society will play a role in data collection, monitoring, and knowledge dissemination, which would produce solid evidence from the actions on the ground to feed into policy decisions.

Finally, stakeholders will be rights holders, smallholder farmer women and men with commercial potential and agribusiness operators, whom the action will support to consolidate and expand their economic activities, tackling the identified challenges holding back their growth and communities at large.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** (Impact) of this action is to contribute to sustainable and inclusive transformation of food systems in Malawi

The **Specifics Objectives** of this action are:

1. Better preservation, restoration and regeneration of natural resource base and its diverse ecosystems
2. More inclusive, sustainable and territorial relevant value chains
3. To improve dietary intake and diversity of targeted Malawi population
4. To enhance evidence-based and gender-sensitive decision making and knowledge dissemination

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives are:

Output 1.1: Land use planning, watershed management and soil conservation/regeneration at district level improved

Output 1.2: Forest cover regenerated and increased, including through improved customary land rights and community based solutions

Output 1.3: Capacities to manage natural resources in a multi-sectorial fashion are improved

Output 2.1: Technical and business capacities of selected farmers organisations and MSMEs are strengthened

Output 2.2: Access to markets of Farmers organisations enhanced

Output 2.3: Access to finance of farmer organisations and agricultural MSMEs , especially women-led agribusiness increased

Output 2.4: ICT based market oriented services developed for farmers organisations and agricultural MSMEs

Output 3.1: Hygiene and nutrition practices within selected communities are improved

Output 3.2: Enhanced capacity of households to produce and consume diversified nutritious food

Output 4.1 Participatory action research in the field of natural resource management and agriculture is strengthened

Output 4.2. Capacities of local academia to conduct multi-stakeholder action research and disseminate its findings is strengthened

3.2 Indicative Activities

Activities related to Outputs 1.1. to 1.3

(activities at district level will be defined through a call for proposals)

Land use planning, coupled with land registration - coordinated with traditional authorities to slow down or reverse the process of farm expansion into forest and marginal lands (integrated land use development - crops, livestock, forests advisory service). To encourage smallholder farmers to invest on agricultural land, all participating households will be offered an opportunity to register and have title to their customary estates.

There will also be a specific focus on the forest fringes to help stabilise the agricultural frontier as a buffer zone around Malawi's forest reserves and protected areas through (but not limited to) planting of fast-growing trees for biomass, promotion of higher value forest plantations in function of domestic wood industry, promotion of trees on farm land, agro-ecology and agroforestry. Soil and

water conservation activities integrated climate change adaptation, disaster preparedness and disaster risks reduction and with Growing interventions which combined aim to enhance soil and water management across the territory to reduce the speed of water flow, prevent the build-up of large volumes of water, enhance infiltration and prevent sediment loading. Explore Payment for Ecosystem (PES) with forestry and agriculture sector (irrigation), the power sector, the town water authorities and tourism sector as main clients. Engage sectors in dialogue to determine how much these sectors can contribute in form of payment for avoided deforestation or payment for afforestation, reforestation and forest, water and land conservation.

Activities related to Output 2.1:

Building on the lessons from the Kulima programme and other agricultural commercialisation projects, farmers' organisations with business potential will be mapped, their needs for capacity strengthening identified and tailor made support provided. This may take the form of training in agricultural practices (focus on agro ecology), post-harvest handling, value addition and preservation, agro-business, as well as trainings along the business cycle. Training will be delivered in participatory fashion, following the Farmer Field School principles (hands-on approach). A particular attention will be given to women farmers.

Activities related to Output 2.2:

Farmers Organisations will be supported with markets assessments for their products and linkages with possible off-takers. Activities may include trainings, mentoring, and provision of market intelligence. Specific attention will be given to the participation of women to these activities and to supporting deforestation-free value chains.

Activities related to Output 2.3:

Provision of financial services such as matching grants, and support to development of Village Savings and Loans.

Activities related to Output 2.4:

In collaboration with the Department of Agricultural Extension Services, activities may include development and dissemination of market oriented extension and advisory services as well as marketing and commerce information system.

Activities related to Outputs 3.1 to 3.2:

Promote consumption of diversified and nutrient dense foods based on Malawi six food groups, promoting food safety and hygiene, and culturally acceptable sound nutrition practices. Activities may include community-wide dissemination of messages, trainings tailored to specific beneficiaries (women of child bearing age, adolescent girls), household sensitisation, cooking demonstrations, etc. These activities will build upon the structures (care groups) revamped through Afikepo nutrition programme.

Activities related to Outputs 4.1 to 4.2:

Detailed definition is dependent on the foreseen call for proposal and direct award.

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

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the EIA (Environmental Impact Assessment) screening: The EIA (Environment Impact Assessment) screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design).

Outcome of the CRA (Climate Risk Assessment) screening: The Climate Risk Assessment (CRA) screening concluded that this action is a low-risk project: no further action; climate risk aspects – including promotion and mainstreaming of disaster risk reduction strategies – will be addressed during the design of the action. The support to natural resource management and agro-ecological practices and agroforestry will contribute to climate change adaptation and mitigation.

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 the action will contribute to social and economic empowerment of women, making them thrive in their communities. Gender equality will be supported through a holistic approach that includes support to women in their role as caregivers as well as in their role of bread winners for their families.

The Action will contribute to remove barriers to the full participation of women in agricultural and economic activities, by inter alia, supporting land registration for women and increasing access to financial services for women-led agribusiness. From a social point of view, the Action will work on nutrition aspects with women as agent of changes for the entire households. Evidence shows that improvement in the nutritional status of a women has knock-on effects on her entire family and can break the inter-generation cycle of malnutrition and poverty.

Disaster Risk Reduction

The Action will take into consideration the high vulnerability of Malawi food systems to extreme climate shocks including tropical storms and cyclones, including through the integration of crisis modifiers. Wherever possible, the Action will support disaster preparedness and disaster risk reduction activities and will coordinate with existing ECHO funded interventions

Human right based approach

The action will apply a human rights-based approach by respecting the 5 working principles: respect to all human rights, participation, non-discrimination, transparency and accountability in every step of the action.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the action will undertake measures to include people with disabilities to the extent possible. In their policy brief on “*Persons with disabilities in a just transition to a low-carbon economy*”, the International Labour Organisation (ILO) highlights how the transition t can successfully leverage the previously untapped potential of persons with disabilities, develop their capacities further, and implement significant improvements to ensure access to decent work that contributes to green economy.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
External environment	Malawi hit by extreme weather events, whose frequency and intensity is magnified by climate change	High	High	The Action will support improved natural resource management to prevent and reverse environment degradation, as well as agricultural practices along the agro ecological principles to reduce the country’s vulnerability to extreme weather events and resilience to climate change.

External environment	New waves of COVID pandemic hit Malawi	High	Medium	All activities carried out at community level will include COVID prevention measures and design of interventions will be flexible enough to adapt to possible new waves of the pandemic (ex. increased use of ICT in the provision of services to farmers and agribusiness operators).
External environment	Pest and diseases hit Malawi (ex. Fall Army Worm)	Medium	Low	All agriculture-related activities will include an Integrated Pest Management component
Planning, processes and systems	Limited coordination amongst Ministries around natural resources managements (including land reforms and subsidies to chemical fertilisers)	Medium	High	This Action will increase focus and coherence of EU investments on environmental protection and climate change, pared with a better structured policy dialogue
People and organisation	Limited capacities at central and district level to implement natural resource management proposals and activities	High	High	The Action will include a TA component that will accompany the central ministries and the districts in the planning of their interventions and in the operational and financial implementation.

Lessons learnt:

Past EU funded interventions have shown that forest management needs to be more community driven. Furthermore, evidence shows that decentralisation of forestry resources is key in managing forests. Communities have capacity to govern forestry resources if they are equipped with knowledge and adequate resources. Livelihoods components should be integrated in forestry management (such as development of forest-based enterprises such as honey) provide incentives for communities to participate in forest management and relieves overdependence on forests as a source of livelihoods. At the institutional level, there is need for increased coordination across line ministries and for continuous awareness raising amongst key decision makers of the real value, in economic, social and environmental terms, of forests in Malawi.

Customary land registration helps ensure property rights of communities and individuals for effective natural resources management. Hence the need to continue customary land registration, in a systematic way, i.e. in terms of complete administrative units (e.g. Traditional Authority, District). Land governance reform is more effectively implemented if land management structures are devolved at district level.

Kulima and Afikepo Mid Term review noted the mismatch in term of targeting of beneficiaries for the production part and the value chain development part, which limited the support to groups with potential to transit and harness agribusiness opportunities. A sizeable number of farmer organisations receiving support under Kulima (production component) engages in high profitability enterprises, but they still lack entrepreneurial and marketing skills and linkages to market opportunities.

3.5 The Intervention Logic

The underlying intervention logic for this action is that no economic growth and sustainable transformation of food systems in Malawi will happen if the country's natural capital is not restored and preserved and if smallholder farmers and agri-business operators will not have better market and financial opportunities, and if the nutritional status of the population is not improved. Improved management of Malawi's natural capital and better nutrition will provide economic returns to communities, including (but not only) under the form of increased agriculture productivity. Smallholder farmers with surplus will be linked to promising markets and off-takers, and private sector operators will be financially supported to create decent jobs and economic returns for their communities

The main underlying assumptions for the Action are that (i) agricultural commercialisation and environmental protection remain at the core of the political priorities in the medium term, as stated in the Malawi 2063, (ii) the Government will be able to progressively shift public investments to areas with proven potential for agricultural and economic growth, including agricultural diversification and nutrition, and (iii) the Government will strive to operationalise the multisectoral institutional framework for environment and climate change. The EU will engage Government in regular and structured policy dialogue around these priorities. Furthermore, the Action will be accompanied by a solid monitoring and evidence collection and analysis framework (including sex specific data), in partnership with local academia, which will feed information into the policy dialogue.

The Action will take a two-pronged approach, working at district level and developing and implementing territorial relevant activities, both for natural resource management as well as agricultural commercialisation. At the same time, it will strengthen the central capacities to coordinate the transformation of food systems of Malawi. The two components of the Action will be implemented in the same districts, with priority given to those districts where there is need to unlock the growth potential of past EU funding.

The Action will support the strengthening of districts' capacities to deliver on their environmental and development plans. Thorough a call for proposal, and dedicated technical assistance, the Action will partner with and fund a number of districts to improve their land use planning, watershed management, soil conservation/regeneration and forest cover. These territorial specific activities will be complemented by assistance at central level to various ministries involved in the management of the natural capital of Malawi, including exploring the possibility of introducing Payment for Ecosystem Services. This two pronged approach will contribute to the achievement of SO1 (Preserve, restore and regenerate the natural resource base and its diverse ecosystems). At the same time, the Action will identify promising economic actors (farmer organisations, particularly women led) in need of a graduation from the subsistence production model, through strengthened technical capacities and better linkages to markets and financial opportunities. This will contribute to SO 2 (develop of territorial relevant sustainable and inclusive value chains). Finally, as better nutrition improves productivity and income opportunities for the individuals, the Action will streamline nutrition-sensitive activities in the communities where farmer organisations are supported, hence contributing to SO 3 (improve nutritional status of targeted Malawi population). The Action will support academia institution to carry out participatory action research around the activities of the Greening and Growing components. This will not only strengthen the EU partnership with Malawian academia but also provide a third-party independent iterative assessment of the EU actions in Malawi.

Factual evidence will feed into the EU-Malawi policy dialogue around food systems, hence contributing to SO 4.

3.6 Logical Framework Matrix

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 contribute to sustainable and inclusive transformation of food systems in Malawi	<p>1.1 Share of Agriculture, forestry, and fishing to GDP (% of GDP)</p> <p>1.2. Environmental Sustainability Index</p> <p>1.3. Percentage of children under 5 who are stunted</p>	<p>1.1.: 23.3% (2020)</p> <p>1.2: 4.22 (2017)</p> <p>1.3: 37% (2015-16)</p>	<p>1.1: TBD</p> <p>1.2: TBD</p> <p>1.3:30% (2026-27)</p>	<p>MW 2063 monitoring framework</p> <p>World Bank</p> <p>Demographic Health Survey/MICS</p>	<i>Not applicable</i>
Outcome 1	Better preservation, restoration and regeneration of natural resource base and its diverse ecosystems	<p>1.1 Areas of terrestrial and freshwater ecosystems under a) protection GEF 2.9</p> <p>1.2 Areas of terrestrial and freshwater ecosystems under b) sustainable management (ha) with EU support** GEF 2.9</p>	<p>1.1: a) 0 (2021)</p> <p>b) 0 (2021)</p>	<p>1.1: a) TBD b) TBD</p>	<p>Minister responsible for Natural Resources, Programme M&E</p>	<p>Malawi is not hit by major natural catastrophes and environmental sustainability remains top priority for the Government</p>
Outcome 2	More inclusive, sustainable and territorial relevant value chains	<p>2.1. Value addition created in selected value chains with programme support (measured in EUR)</p> <p>2.2. Number of jobs/employment created for rural communities (disaggregated by sex with EU support</p> <p>2.3. Number of products with high and green potential developed in selected value chains with EU support</p>	<p>2.1: 0 (2021)</p> <p>2.2: 0 (2021)</p> <p>2.3: 0 (2021)</p>	<p>2.1: TBD</p> <p>2.2: TBD</p> <p>2.3: TBD</p>	<p>Ministry responsible for Agriculture and Ministry responsible for Finances</p>	<p>Macro-economic situation is stable and agricultural growth and agricultural diversification remain top political priorities</p>

Outcome 3	To improve dietary intake and diversity of targeted Malawi population	<p>3.1: Average individual minimum dietary diversity scores among women of childbearing age (15 – 49 years), infant and young children 6 – 23 months, and adolescent girls. *</p> <p>3.2: Percentage of women of reproductive age (15 - 49 Yrs.) who are thin, based on Body Mass Index (BMI<18.5).</p>	<p>3.1: Women 30.4% (2018/19), Adolescent girls: 32.2% (2018/19) , Infant and Young children: 30% (2018/19)</p> <p>3.2: 7% (2018)</p>	<p>3.1: TBD</p> <p>3.2: TBD.</p>	Malawi Demographic Health Survey	Government of Malawi committed to reduce stunting, undernourishment prevalence and to promote agricultural and consumption diversification
Outcome 4	To enhance evidence-based and gender –sensitive decision making and knowledge dissemination	<p>4.1 Number of research paper published</p> <p>4.2 Dissemination portal/hub created</p>	<p>4.1: 0 (2021)</p> <p>4.2: 0 (2021)</p>	<p>4.1: TBD</p> <p>4.2: 1</p>	Programme M&E	Interest of academia to act as evidence-based support to decision making remains high. Government continues to be committed to take evidence-based policy decisions.
Output 1 related to Outcome 1	1.1.Land use planning, watershed management and soil conservation/regeneration at district level improved	<p>1.1.1 Ha of watershed protected with support of the EU funded intervention</p> <p>1.1.2 Ha of agricultural ecosystems where soil conservation practices are introduced with support of the EU funded intervention</p>	<p>1.1.1: 0 (2021)</p> <p>1.1.2: 0 (2021)</p>	<p>1.1.1: TBD</p> <p>1.1.2: TBD</p>	1.1.1 and 1.1.2 Ministry responsible for Natural Resources, Targeted Districts M&E plans and Programme M&E	Government of Malawi committed to environmental sustainability as in MW 2063. Districts aware of the importance of NRM and willing to engage in NRM activities. Communities collaborating to the activities.

Output 2 related to Outcome 1	1.2.Forest cover regenerated and increased, including through improved customary land rights and community based solutions	1.2.1 % increase in forest cover with support of the EU funded intervention 1.2.2 Ha of land formally registered disaggregated by sex of the owner with support of the EU funded intervention 1.2.3 Ha of land under community forests and woodlots with support of the EU funded intervention	1.2.1: 24 % (2018) national 1.2.2: 0 (2021) 1.2.3: 20,000 ha (2016) national	1.2.1: TBD 1.2.2: TBD 1.2.3: TBD	1.2.1 to 1.2.3 Ministry responsible for Natural Resources, Targeted Districts M&E plans and Programme M&E	Same as above
Output 3 related to Outcome 1	1.3.Capacities to manage natural resources in a multi-sectorial fashion are improved	1.3.1: Financial volume of PES developed with support of the EU funded action 1.3.2 Number of district level specific actionable strategies elaborated and implemented with support of the EU funded intervention	1.3.1: 0 (2021) 1.3.2: 0 (2021)	1.3.1: TBD 1.3.2: TBD	1.3.1 and 1.3.2 Ministry responsible for Natural Resources, Targeted Districts M&E plans and Programme M&E	Different line Ministries at central level remain committed to work in a coordinated fashion. Government recognises the importance of decentralised management of NR
Output 1 related to Outcome 2	2.1 Technical and business Capacities of selected farmers organisations and agricultural MSMEs are strengthened	2.1.1 No. of organised farmers' organisations practicing improved agricultural and post-harvest handling practices (disaggregated by sex) 2.1.2 No. of organised farmers' organisations and agricultural MSMEs who develop skills in processing and value addition (disaggregated by sex) 2.1.3 No. of organised farmers' organisations and agricultural	2.1.1: 0 (2021) 2.1.2: 0 (2021) 2.1.3: 0 (2021)	2.1.1: TBD 2.1.2: TBD 2.1.3: TBD	2.1.1. to 2.1.3 Ministry responsible for Agriculture, Ministry responsible for Industry and Programme M&E	Farmer Organisations committed to the Action. Extension Workers able and willing to support farmers' capacities strengthening

		MSMEs who develop business skills (disaggregated by sex)				
Output 2 related to Outcome 2	2.2 Access to markets of Farmers organisations enhanced	<p>2.2.1 No. of agreements signed on direct cooperation between FOs and offtakes in different value chains with support of EU funded intervention</p> <p>2.2.2 Income of FOs members (disaggregated by sex) with support of EU funded intervention</p>	<p>2.2.1: 0 (2021)</p> <p>2.2.2: 0 (2021)</p>	<p>2.2.1: TBD</p> <p>2.2.2: TBD</p>	<p>2.2.1 and 2.2.2 Ministry responsible for Agriculture, Ministry responsible for Industry and Programme M&E</p>	<p>Stakeholders in the value chain trust each other and cooperate; Smallholders are able to meet the quality standards set by the buyer. Markets opportunities exist for FOs (local and regional), and Government is not interfering in markets</p>
Output 3 related to Outcome 2	2.3 Access to finance for farmer organisations and agricultural MSMEs, especially women-led agribusinesses increased	<p>2.3.1 Number of beneficiaries with access to financial services with EU support: a) farmer organisations,</p> <p>2.3.2 Number of beneficiaries with access to financial services with EU support b) people(disaggregated by sex) GERF 2.17</p> <p>2.3.3. Average amount of financial assistance provided with EU support per a) farmer organisation,</p> <p>2.3.4. Average amount of financial assistance provided with EU support per b) individuals (disaggregated by sex),</p> <p>2.3.5. Average amount of financial assistance provided with EU support per c) women-led agribusinesses</p>	<p>2.3.1: 0 (2021)</p> <p>2.3.2: 0 (2021)</p> <p>2.3.3: 0 (2021)</p> <p>2.3.4: 0 (2021)</p> <p>2.3.5: 0 (2021)</p>	<p>2.3.1: TBD</p> <p>2.3.2: TBD</p> <p>2.3.3: TBD</p> <p>2.3.4: TBD</p> <p>2.3.5: TBD</p>	<p>2.3.1 to 2.3.5 Programme M&E</p>	<p>FOs are able to produce sound business proposals and are willing to use financial products</p>

Output 4 related to Outcome 2	2.4 ICT based market oriented services developed for farmers organisations and agricultural MSMEs	2.4.1. Number of ICT based services developed with support of EU funded intervention by a) FOs 2.4.2. Number of ICT based services developed with support of EU funded intervention by b) agricultural MSMEs	2.4.1: 0 (2021) 2.4.2: 0 (2021)	2.4.1: TBD 2.4.2: TBD	2.4.1 and 2.4.2 Ministry of Agriculture/ Dept. of Extension Services and Programme monitoring reports	Farmers and extension workers adopt innovations. Internet coverage in Malawi expanded.
Output 1 related to Outcome 3	3.1 Hygiene and nutrition practices within selected communities are improved	3.1.1 Number of women of reproductive age, adolescent girls and children under 5 reached by nutrition related interventions supported by the EU ** GERF 2.33 3.1.2 Number of different nutrition, sanitation and hygiene infant feeding messages developed and disseminated (including local recipes of diversified and nutritive meals, optimal age and physiological condition specific) with support of EU funded intervention.	3.1.1: 0 (2021) 3.1.2: 0 (2021)	3.1.1: TBD 3.1.2: TBD	3.1.1 and 3.1.2 Programme M&E	Building from Afikepo interventions, there is continuous acceptance by communities about practices disseminated
Output 2 related to Outcome 3	3.2 Enhanced capacity of households to produce and consume diversified nutritious food	3.2.1 Number of households practicing integrated household farming with support EU funded intervention 3.2.2 Number of households producing bio-fortified crops with support of the EU funded intervention	3.2.1: 0 (2021) 3.2.2: 0 (2021)	3.2.1: TBD 3.2.2: TBD	3.2.1 and 3.2.2 Programme M&E	Same as above
Output 1 related to Outcome 4	4.1 Participatory research actions in the field of natural resource management and agriculture is strengthened	4.1. Number of participatory research actions carried out with support of EU funded intervention	4.1: 0 (2021)	4.1: TBD	4.1 Programme M&E	Academia able to manage EU funding

						according to procedures
Output 2 related to Outcome 4	4.2 Capacities of local academia to conduct multi stakeholder action research and disseminate its findings is strengthened	4.2.Number of grant established with local academia with support of EU	4.2: 0 (2021)	4.2: 1 (2023)	4.2 Programme M&E	Same as above

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Government of the Republic of Malawi.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

N.A.

4.4 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 measures².

4.4.1 Direct Management (Grants)

Grants:

(a) Purpose of the grant(s)

The grants will contribute to achieve Specific Objective 1 of the Action, more specifically Outputs 1.1 and 1.2 and to achieve Specific Objective 4 of the Action, more specifically Outputs 4.1 and 4.2

(b) Type of applicants targeted

Applicants will be local authorities, District Councils of Malawi for grants that will contribute to Specific Objective 1 and local academia institutions/think thanks for the grant that will contribute to Specific Objective 4.

4.4.2 Direct Management (Procurement)

The procurement will contribute to achieve Specific Objective 1 of the Action, more specifically activities relating to outputs 1.1 to 1.3. This call has been launched on 1 April 2022 under a suspensive clause prior to the adoption of this Decision. This is justified because of the sequencing of the activities necessary to ensure contracting within the D+3 of the Financing Agreement and to the achievement of the objectives: the technical assistance from the procurement procedure needs to be on the ground in order to be able to launch the call for proposals for local authorities. The procurement provides, inter alia, technical support to the Districts to develop their expression of interests for the natural resource management component ("Greening"). Without suspensive clause, technical support to Districts would become available at best in the second year of implementation of the Action, for grants agreements signed possibly in the third year of implementation, leaving limited time for actual implementation. Furthermore, the Greening component needs to be coordinated with the agricultural commercialisation and nutrition activities ("Growing"). The latter will be ready to be contracted within few months from the signature of the FA. Therefore, without suspensive clause, there would be a mismatch in the timing of implementation of the different components of the Greening and the Growing components, seriously hindering the achievement of the overall objective of this Action.

² www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4.3 Indirect Management with an international organisation

A part of this action may be implemented in indirect management with an international organisation, which will be selected by the Commission's services using the following criteria: i) technical capacities aligned with the requirements of the Action (nutrition sensitive agriculture and support to farmer organisations); ii) good knowledge of the Malawian context and good presence of staff on the ground; iii) previous successful experience managing EU funds in sustainable agriculture, nutrition and environment/climate change programme in Malawi iv) long-lasting working relation with line ministries relevant for the Action and experience in strengthening the agricultural and nutrition national systems at central and local level (ex. the extension services), v) ability to strengthen capacity of small scale private sector operators and to support their access to markets and finance.

The implementation by this entity entails carrying out activities contributing to achieving outputs 2.1 to 2.4 and 3.1 to 3.2.

4.5 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).

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Objective 1: Better preservation, restoration and regeneration of the natural resource base and its diverse ecosystems	18 000 000
<i>Grants (direct management) – cf. section 4.4.1</i>	<i>(10 000 000)</i>
<i>Procurement (direct management) – cf. section 4.4.2</i>	<i>(8 000 000)</i>
Objective 2 and 3: More inclusive, sustainable and territorial relevant value chains and to improve the dietary intake and diversity of targeted Malawian population	35 000 000
<i>Indirect management with an international organisation – cf. section 4.4.3</i>	<i>(35 000 000)</i>
Objective 4: To enhance evidence-based and gender-sensitive decision making and knowledge dissemination	1 000 000
<i>Grant (direct management) – cf. section 4.4.1</i>	<i>(1 000 000)</i>
Grants – total envelope under section 4.4.1	11 000 000
Procurement – total envelope under section 4.4.3	8 000 000
Evaluation – cf. section 5.2	500 000
Audit – cf. section 5.3	
Contingencies	2 000 000
Total	56 500 000

4.7 Organisational Set-up and Responsibilities

A Programme Steering Committee (PSC) comprising all key stakeholders shall be established to oversee the implementation of the Action which shall indicatively meet at least twice a year. Members of the Steering Committee will be (indicative list): National Planning Commission, because of its mandate to “oversee the implementation of long-term national vision and strategies and the medium development”, line Ministries involved in the action, Districts Commissioners (districts targeted by the Action), the European Union and the implementing partners.

In addition to the PSC, a Programme Technical Committee (PTC) shall be established to provide technical guidance and ensure that timely and appropriate decisions are made relating to challenges or issues emerging during programme implementation. The PTC shall also make recommendations to PSC when necessary.

Under Output 4, a research and knowledge dissemination structure will be created, which will regularly report about implementation of the Action and which will provide policy recommendations to decision makers.

To the extent possible, existing coordination structures at the District level will be used to plan and monitor activities related to the Action. The information will be relayed to PTC and PSC when necessary.

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 disaggregated at least by sex, using as reference the logframe matrix (for project modality) and the partner’s strategy, policy or reform action plan list (for budget support).

All monitoring and reporting shall assess how the action is taking into account the human rights-based approach and gender equality

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: implementing partners will be responsible for data collection on indicators of the logframe matrix. Furthermore, the Action includes a specific objective (SO 4) on support evidence-based and gender-sensitive decision making and knowledge dissemination, for which an academic institution will be responsible, and that would entail data collection, analysis and monitor of activities implementation.

The Action will also make use of surveys/data that are regularly conducted/produced by the Government of Malawi (in partnership with a wide range of entities), such as for example the Demographic and Health Survey, scheduled for 2022 and every 5 years, and the Agricultural Production Estimates.

5.2 Evaluation

Having regard to the nature of the action, a mid-term and an ex-post evaluation will be carried out for this action or its components via independent consultants, contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the partnership with Districts and academia and the possibility to scale up financial support to decentralised interventions. The ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the innovative aspects of some activities.

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

All monitoring and reporting shall assess how the action is taking into account the human rights-based approach and gender equality

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

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

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

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

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

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

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as

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