

# Annex I: Description of the Action

## 1. Context of the Action

European Union (EU) formal development assistance to Sudan was halted in 1990. The European Commission (EC), through its humanitarian office - ECHO - continued to provide substantial humanitarian and other assistance to the Sudanese population through NGOs and UN agencies. The EU is committed to re-launching formal development co-operation to Sudan upon the signature of a peace agreement between the Government and the Sudanese People's Liberation Movement (SPLM). The re-launching of development assistance will pave the way for the release of significant frozen and new funds from various EU sources including EDF, Stabex and Budget Lines of the European Community. Following the signing of the Peace Agreement, the overall objective of the European Commission's development cooperation programme to Sudan is consolidated peace with sustainable and equitable development.

The specific objective for the utilisation of Stabex transfers is the enhancement of agricultural based economic development and export commodity competitiveness and diversification through the establishment of a stable enabling environment and improved livelihoods. The administration of these funds is dealt with under a "Framework of Mutual Obligations concerning the utilisation of Stabex funds" (FMO). The Contracting Authority for the European Development Fund (EDF) and Stabex funds, is the National Authorising Officer of the Government of Sudan (NAO). The NAO, with the endorsement of the European Commission will utilise the Action ("Contribution-Specific Agreement for the 'Sudan Post-Conflict Community Based Recovery and Rehabilitation Programme' (RRP)") as a mechanism to release €50 Million of the accumulated Stabex funds to provide 'quick start' agricultural and rural development interventions, implemented by NGOs and other non-state actors through contracts managed and administered by the United Nations Development Programme (UNDP), as specified in Annex III, and independently contracted Evaluation companies.

## 2. Objectives of the Action and Priority Issues

The objective of this action is to reduce the prevalence and severity of poverty and increase food security amongst conflict affected rural households across Sudan by achieving tangible improvements at the community and local authority level. This will take into account the extent and immediacy of Internally Displaced People (IDP) return.

The priority issues are as follows:

- to link relief, rehabilitation and development<sup>1</sup>.
- to ensure that a high proportion of total project expenditure is accrued directly to the target communities.
- to use a flexible and pragmatic process-oriented approach with the active involvement of beneficiary communities in all stages of the project cycle and emphasis on building self-reliance and beneficiary ownership.
- to ensure sustainability of actions by supporting capacity building within local government authorities (LGAs). LGAs will be fully involved with programming to allow them the ability to resume their core functions and responsibilities.
- to ensure coordination with other donors' interventions.

<sup>1</sup> *Linking Relief, Rehabilitation and Development – An assessment*. Communication from the Commission to the Council and the European Parliament. Brussels 23.04.2001. COM (2001) 153 final (23pps)

### 3. Type of Projects Required

#### 3.1 Sectors or themes

Projects must relate to sectors or themes, which aim to reduce the prevalence and severity of poverty and increase food security. They must aim to achieve sustainable improvements in the quality of rural livelihoods and take into account the extent and immediacy of IDP return. The themes of 'increasing productivity' and 'improving food security' should be understood as broad areas. All Projects must demonstrate clear linkages to local development plans (where existing) and inclusiveness and participation of local government authorities (LGAs) in the planning, implementation and monitoring stages. The Project must also emphasise the significance of strengthening the capacities and skills of local NGOs and other non-profit NSAs so that they may take up their functions in the recovery and development of Sudan.

#### 3.2 Eligible activities

Types of activities that are eligible are, inter alia:

- rehabilitation and development of social and civic infrastructure
- rehabilitation and development of physical infrastructure related to production, water and sanitation, education and health
- rehabilitation of productive capacities
- income generation
- micro-financing with a cost recovery element
- access to services and markets
- sustainable natural resource utilisation and management
- human resources skills development
- technical and vocational training
- de-mining

Where possible, the above should be treated as micro projects in which activities of limited scale and scope can be entrusted to local communities, possibly under a grant contract, supervised technically by the appropriate member of the consortium for implementation in the framework of the Project. Implementation will be financed by the Project up to 75% of total cost, the remaining 25% being supplied in kind by the community.

#### 3.3 Final beneficiaries

- the Project must address the needs of "conflict affected populations".

#### 3.4 Locations

- the minimum geographical area covered by the Project must be one county/locality (Mahaliya). More than one county/locality (Mahaliya) may be covered, as long as they are contiguous (unless justified) and wholly within the same State or the "Special Administrative Area" of Abyei<sup>2</sup>.
- In principle and unless agreed by the Policy and Review Committee (see Section 5.1(i)) for specific situations, there will not be more than one project selected in any one State or the "Special Administrative Area" and, given the parameters of the financial envelope, not every State/"Special Administrative Area" will be awarded a Project.

### 4. The Consortium Approach

The Action will be realised through projects at county/locality level receiving funds over a three-year period. These Projects will be developed and implemented by groups of NGOs and other non-profit organisations formed into consortia. NGOs and other non-profit organisations have a specific comparative advantage over other implementing partners in the execution of community based support and possess a recognised level of local knowledge and experience.

<sup>2</sup> The Protocols of the Peace Agreement resolving the conflict in Blue Nile, South Kordofan and Abyei recognise the whole state in the case of the first two areas but create a "Special Administrative Area" for Abyei. For the purpose of this Call for Proposals the Area of Abyei will be considered an individual entity (as for a State) and as such will be eligible for its own project.

In the specific context of this Programme, a consortium will be made up of NGOs and other non-profit non-state actors (NSAs)<sup>3</sup>:

- One NGO or National Society of the Red Cross movement will be designated by the members of the Consortium as their representative. This organisation will be considered by UNDP as the **Applicant**.
- At least one other NGO or National Society of the Red Cross movement must be a member of the Consortium as a **Partner**.
- At least one Sudanese NSA must be a member of the Consortium as an **Associate**.

All three constituent parts *must* be present. All members of the consortium must sign the **Partnership Statement** attached to the application form. This statement sets out the relationship between the members of the consortium.

- **The Applicant:** The **Applicant** will be the contracting party. After signature the **Applicant** will become the "**Contracting Partner**". An organisation may be an **Applicant** in only one proposal per State or "Special Administrative Area". **Applicants** must meet the **eligibility criteria** referred to in the "Technical Guidelines for the Call for Proposals, 2005". The **Applicant** participates in designing and implementing the Project (see Section 5.6).
- **The Partners:** The Applicant's **Partners** participate in designing and implementing the Project and the costs they incur are eligible in the same way as those incurred by the Applicant. The minimum number of **Partners** required for a consortium is one. An organisation may act as a **Partner** in several consortia. **Applicant's Partners** must meet the **eligibility criteria** referred to in the "Technical Guidelines".
- **The Associates:** Other organisations *must* be involved in the Project. Such organisations will be known as **Associates**. Such **Associates** play a real role in the Project and directly benefit from the actions of the qualified Applicant and/or Partners. **Associates** can utilise funding under the control of the Applicant and/or Partners for implementing specific activities. The minimum requirement for a consortium is one Associate. While **Associates** do not have to meet the same eligibility criteria as Applicants/Partners as specified in the 'Technical Guidelines', they must be Sudanese, non-profit Non-State Actors (NSAs) and registered as such in Sudan.

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## 5 Implementation Arrangements

### 5.1 Management of the Action

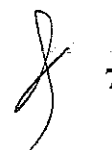
The Action will be established with a view to channelling funds through an arrangement that offers enhanced coordination, strengthened resource mobilisation, provision of technical expertise, accountability and transparency in accordance with the regulations and rules of UNDP. The management of the Action must provide for integrity and accountability in the allocation and use of funds, as well as facilitate the promptness and efficiency needed to implement the Post-Conflict Community Based Recovery and Rehabilitation Programme.

Fundamental requirements for good management of the Action are:

- Close consultation between the Contracting Authority, the European Commission Delegation to Sudan and UNDP.
- Close participation of Local Government Authorities in the planning, implementation and monitoring stages.
- Close liaison between the contracting parties and the implementing consortia.
- Full transparency and openness in the Action process.

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<sup>3</sup> NSAs are organisations of Civil Society "in all its forms according to National characteristics" as stated in Article 6 of the Cotonou Agreement. For example, *Sudanese NGOs, Community Based Organisations, Village Development Committees, other ad hoc committees for developing local social or economic services (e.g. Parent Teacher Associations PTAs).*

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Accordingly, the Action will have the following governance structure:

- i) **Policy and Review Committee (PRC):** A PRC will exist for the Action. The Committee will be chaired by the NAO and will include representation from the Sudanese authorities, the EC, and UNDP. The PRC has oversight of the Contribution Agreement operations. The NAO will delegate the necessary powers to the Deputy NAO for the South, so that he may chair the quarterly meetings concerning the southern projects.

In the first instance, the full PRC, under the chairmanship of the NAO, will review the recommendations of the independent evaluation of project proposals and select the Projects to be funded through the Programme. The PRC will ensure that there is a fair balance in terms of assistance coverage across conflict-affected areas in Sudan, also taking into account the interventions of other donors.

Subsequently, the PRC will meet on a quarterly basis in both the North and the South, to:

- review progress of the programme in each sector;
- analyse the Action beneficiary sectors and review the impact of the Action on the beneficiaries to date;
- review any possible implementation obstacles; and
- provide macro strategic direction to the future of the Action where relevant and required.

An Annual meeting of the full PRC, under the chairmanship of the NAO, will be held to review progress of the programme based on the Annual Report.

The documentation on which the quarterly PRC sessions and the Annual Meeting will be based will be provided by UNDP's Action Management Unit, which forms the secretariat of the PRC, and each session will see the preparation of an agenda of critical issues and will see minutes produced recording the main conclusions of each session, which will subsequently be presented to the NAO.

- ii) **Action Management Unit (AMU):** the AMU will be a specific Unit established within UNDP for the sole purpose of running this Action and will be responsible for its management. The costs of the AMU will be totally borne by the UNDP from the Management and Administrative fee set forth in section 4.3 below. It will also act as Secretariat to the Policy and Review Committee in terms of preparing agendas for each session and processing PRC conclusions. The proposed structure of the AMU will be as follows:

- **Contribution Manager:** the person with overall responsibility for the sound management of the Action and for ensuring that the administrative requirements behind the running of the Action are met. The Contribution Manager will also be responsible for all external relations and visibility exercises of the Action and will act as Secretary to the PRC meetings
- **Assistant Contribution Manager:** s/he will assist the CM in the wide-spread management of the Action.
- **Financial Administrator:** s/he will be responsible for the rigorous financial and administrative management of the Action.
- **Finance Assistant:** s/he will assist the FA in managing the financial transactions of the Contribution, reviewing financial reports and processing payments.
- **Procurement and Contracting Officer:** s/he will ensure that all fiduciary and procurement aspects of the Action are dealt with in a sound and timely manner, and that UNDP rules and regulations are applied accordingly.

- **Monitoring and Evaluation Officer:** s/he will ensure permanent tracking on the implementation progress and impact on the use of the Action's resources. Thus, allowing the AMU to provide the PRC with key information required for possible decision-making.
- **Monitoring & Evaluation Assistant:** s/he will assist the M&E Officer in progress and impact monitoring, as well as reporting.
- **Adequate Administrative Support Staff.**

In addition, this AMU will be supported by UNDP central and Country Office services as needed.

- iii) **Duration:** The duration of the Action may not exceed sixty (60) months comprising up to six (6) months of preparations, 48 months of Project implementation and Closure as described in the Technical Guidelines and (6) months of closure that incorporates the final audit.

## 5.2 Modalities of Administration

The UNDP will be the Administrator of the Action. UNDP will be responsible for all disbursements, in conformity with its own regulations, rules and procedures.

A copy of the annual certified financial statements concerning the Action issued by the UNDP Bureau of Management/Comptroller's Division shall be submitted to the Contracting Authority and the European Commission Delegation to Sudan by the UNDP.

## 5.3 Administrative Charges

The UNDP is responsible for general management, administrative policy design, oversight and substantive backstopping. To ensure that all fiduciary and administrative cost elements are adequately funded, including the set up and running costs of the AMU, the UNDP will apply management and administrative charges that amount to 7% of the managed funds within the total contribution.

This fee covers the cost of administering the resources contained within the Contribution Agreement by UNDP. Any costs that this fee does not cover are identified explicitly in Annex III: Budget for the Action.

## 5.4 Monitoring and Evaluation

A clear monitoring and evaluation plan must be formulated by the AMU. Monitoring must include annual visits by the NAO/EC to project sites and this will be stated in the contracts signed with NGO consortia.

The Contribution Agreement and activities carried out there under shall be subject to the audit procedures laid down in UNDP's financial regulations and rules and in accordance with the provisions of Annex II. In addition, at no cost to UNDP, a mid term review and end of programme evaluation will be contracted independently by the Contracting Authority at a cost of €250,000 maximum. This independent review complies with the Contracting Authority/EC's standard obligation to evaluate the effectiveness of all components of its programmes.

## 5.5 Reporting

- i) Appropriate progress reports will be forwarded to members of the PRC on a quarterly basis, prior to each Policy and Review Committee meeting. These progress reports will be analytical in nature including the status of intended outputs and present descriptions of difficulties, achievements and progress towards accomplishment of project objectives. These quarterly reports will contain

information and conclusions taken from the quarterly reports of the projects funded by the Action and the Monitoring and Evaluation reports of the AMU.

- ii) Financial accounts pertaining to the Action will be provided on a quarterly basis by the AMU to the Contracting Authority and the EC Delegation to Sudan.
- iii) On an annual basis, UNDP shall provide financial reports on incoming funds and expenditures to both the Contracting Authority and the European Commission Delegation to Sudan of the contribution, in accordance with UNDP's financial regulations and rules.
- iv) An annual financial statement shall be prepared for the Contribution Agreement showing income and expenditures as of 31 December of every year and shall be submitted by the 30<sup>th</sup> June i.e. six (6) months after.
- v) A final report on the activities of the Action shall be submitted within three (3) months of termination of the Contribution Agreement.
- vi) UNDP shall notify the Contracting Authority and the European Commission Delegation to Sudan of planned programme or project evaluation missions, invite participation and share evaluation reports.

### **5.6 Launch of a Call for Proposals and selection of projects**

A Call for Proposals will be launched by UNDP. Consortia (see Section 4) will be requested to submit a project proposal in the form of a detailed concept note. In this concept note, they will need to show that the proposed project suits the objectives and priority issues of this Action and that both Applicants and Partners fulfil the necessary eligibility criteria. The 'Technical Guidelines' will be issued by UNDP at the time of the launch. They will contain full guidance on the content needed in the concept notes and the evaluation grid against which these shall be assessed.

Based on the reports of independent evaluators, the Policy and Review Committee (PRC) will discuss the findings and take the final decision on the selection of the proposals and award of contracts. The selected Applicants and their Partners will then develop the proposals into full project designs. This process must include consultation with representatives of the final beneficiaries including representation from the local and state authorities concerned within the geographical areas of implementation. Once the final project designs are completed UNDP will sign a Project Document with these selected Applicants following UNDP's standard NGO execution modality as described in the Technical Guidelines.

## **6. Partnership with and support to implementing organisations**

All above information concerning the consortia approach and eligible actions, together with detailed information regarding eligible Applicants, Partners and costs, will be communicated to potential implementing organisations by way of the Technical Guidelines issued by UNDP at the launch of the Call for Proposals.

## **7. Other Conditions**

For general conditions applicable in this case, see the General Conditions applicable to European Community Contribution agreements with international organisations in Annex II of this Agreement.

