**Annex 2 to Component 1**

**Further description of the Programme entity**

**Objective:**

The objective of this paper is to describe the main operational entity to be used in the future operational system **during the implementation phase**.

**Terminology:**

The feed-back received on the options proposed (Project, Operations, Project/Programme) is that putting together 2 different concepts for the same thing may create confusion.

Therefore, as the majority of EC cooperation takes the form of "Programmes" (Budget Support “Programmes”, sector support "Programmes", etc..), and only a tiny part of our portfolio (usually of very small budget) are called "projects", a consensus is emerging that the "Programme" notion is the most appropriate to designate the main operational entity during implementation.[[1]](#footnote-1)

**Strengths and challenges of the current project/programme notions:**

To date, 3 "project/programmes" lists are being used: EAMR, ROM, and since 2015 a third list is being used for result reporting:

* The EAMR project/programmes list allows to rate the quality monitoring KPIs for programmes above 750.000 EUR
* The ROM list allows to select the Programmes above 200.000 EUR to be subject to a ROM review
* The new results reporting list will allow to record the final results of the Programmes over 750.000 EUR completed during the previous year.

In these 3 lists, the “project/programme” notion is used **during the implementation phase** and is essentially[[2]](#footnote-2) **based on CRIS decisions and contracts**.

The principles of those lists are right and should be kept: A programme is either at Action/Decision[[3]](#footnote-3) level or at Contract level. There are however a few issues and challenges.

The first issue is that the system should allow Programme managers to validate or adjust options taken by the system for defining the contours of individual Programmes.

Second, the system should allow the Programme manager to technically manage inconsistencies in the lists of programmes. The main issues are the following:

1. Top-up decisions are counted as separate Programmes
2. The overview is lost for umbrella Programmes such as NSAs, facilities, etc.
3. Same loss of overview for Regional Programmes
4. As an exception to the principle that Programmes are either at Action/decision level or Contract level, Programmes related to CBCs[[4]](#footnote-4), EU Trust Funds, or certain investment facilities are not individualised as Contracts, and diluted in large level 2 commitments.
5. Also top-up contracts and contributions are not properly aggregated
6. Certain multi-programme envelopes (such as study facility, evaluation budget lines, TCFs) should be recorded for what they are (support measures) and not as Programmes.

**Requirements for the new system to allow the management of the "Programme" entity:**

Here is a more detailed description of the issues and the proposed way forward to address it.

1. Top-up decisions should be counted as contributions to a Programme, not systematically as new Programmes

See as example the EAMR of Morocco of January 2015; the Delegation has written the following reaction, with respect to the KPI 5 / Nombre de projets ayant obtenu un feu rouge en 2014: *4 out of 37* - *« En réalité, il ne s’agit que de 3 projets ayant des feux rouges.* ***Un Programme est couvert par 2 décisions*** *du au top-up dont a bénéficié le programme dans le cadre de SPRING. »*

The new system should allow to cluster 2 Actions/decisions together. The second one is managed as a contribution to an existing Programme.

1. An appropriate notion should be put in place for monitoring thematic programmes, and other centrally managed programmes

Currently, thematic programmes are only monitored at Contract level, therefore thematic programme as a whole or facilities (e.g. energy facility) are not properly accounted for.

The new system should offer a notion of “**Lead Programme**” for matching this case, and allow a complete overview reflecting that 2 different units/delegations are in charge of the 2 levels: Usually a HQ unit is in charge of the Lead Programme, while various delegations are in charge of specific Programmes. Monitoring the Lead Programme is essential to manage risks with the calls for proposals, to monitor activities which are not considered as self-standing Programmes (such as advisory services), and to allow a consolidated assessment over the whole thematic programme.

1. Similarly, the operational reality of regional programmes should be better reflected

Here also, the notion of Lead Programme fits with the monitoring needs of a regional programme. The regional delegation is in charge of the Lead Programme, whereas one or several other delegations are in charge of specific Programmes.

1. Certain large contributions, such as CBC, are recorded as one single Programme, whereas they are practically implemented as different Programmes possibly in different countries.

For a case such as CBC, there is an additional factor to consider: the different Programmes cannot be individualised at contract level, as "contracts" are flat financial contributions from DG NEAR and DG REGIO. Programmes are created below the contract level. Here, a given CBC programme should be considered as one Lead Programme, while the system should allow creating and recording specific Programmes as objects below the contract level.

EU Trust Funds (such as Bekou Trust Fund in the Central African Republic) have a comparable configuration: the Level 1 commitment (39 MEUR for Bekou) is followed by a Level 2 commitment of the same amount ("certificat de contribution" of 39 MEUR for Bekou). Therefore the system should be able to record individual Programmes below the contract/"certificat de contribution".

1. Also top-up contracts and contributions should be aggregatable with the right entity

Certain Actions include measures aiming at achieving an ongoing Programme. It may be one contract (e.g. for paying additional works, claim settlement, etc. in a Works contract) or one contribution (e.g. in the case of a CBC). The only way to record and follow such Programmes is by an excel table. Therefore, the system should allow recording contributions to an existing Programme.

1. Certain financial envelopes are used as a reserve to finance specific support or preparatory work, such as the EDF study facility, the “evaluation” budget lines, country or regional TCFs. At the moment, they are not characterised for what they are (e.g. a TCF is considered a Programme, while it should most probably not be the case).

The treatment to be given to those envelopes should be different, in particular: no ROM review, no Programme website. The system should offer the notion of “Support Measure” to designate such envelopes.

**Recap of reasons for using of the Programme entity**

The notion of programme is needed for the following processes:

i. Monitoring our programmes during implementation:

* EAMR (as part of the internal monitoring)
* results monitoring and reporting
* ROM
* operational management of activities (responsibility of an OM over a given programme)

ii. Communication/Knowledge:

* knowledge capitalisation
* Communication, Geographical Information System (GIS)
* Transparency commitments and obligations including towards OECD and IATI and it is not only key for development effectiveness but also the basis for accountability. The new system should facilitate the implementation of the “EU transparency guarantee” and seek to provide data for different categories of users such as partner government, EU constituencies, other stakeholders, donors.
* Internal transparency on multi-country initiatives: each operational manager should be aware of the programmes in his/her country and sector, even if managed by others (regional delegations, HQ, other DGs)
* Evaluation: While the scope of an evaluation may be wider than one single programme, the notion of programme is useful to avoid artificially splitting the object of an evaluation.

**Programme proposed definition:**

The user group discussed the project entity on 19 November 2014, and 15 January 2015, and was consulted during February/March 2015.

A Programme corresponds either to an Action/Decision[[5]](#footnote-5) or to a Contract, or in some cases to a component/aggregation of them.

The following definition of a programme should help determine at which level (action, contract..) it is positioned. A programme:

* aims at one or more specific objectives and generates results
* corresponds to the responsibility of a single EC entity (one unit, one delegation..)
* corresponds to the responsibility of an external entity with whom the EC has concluded one agreement or contract[[6]](#footnote-6)
* has a specific budget, timeframe and geographical location
* gives rise to communication activities and contributes to knowledge

**Generic cases:**

* A sector support programme in a country is at *Action level*
* A programme related to a HQ managed facility or a thematic action[[7]](#footnote-7) is at *Contract level*

Responsibility over programmes:

Defining the responsibility of an Operational Manager over a portfolio of entities requires going down to a low level of granularity.

That is why the responsibility should be specified at the level of contracts.

The responsibility over a programme should therefore be inherited from the underlying entities. By default, the system will:

* attribute the responsibility over a programme to an Operational Manager when he is responsible for all the underlying contracts and actions.
* attribute the responsibility over a programme to the N+1 manager (Head of section, Head of cooperation), when the responsibility over the underlying contracts and actions is split among different Operational Managers.

Next steps:

* Provide real examples for each generic case
* Decide on terminology, "programme" versus "project"
1. Not only the “Programme” terminology is of overwhelming use for large interventions, it is also regularly used for small amounts, see the following real examples:

|  |  |
| --- | --- |
| Title | Amount |
| Provincial Child Rights Advocacy **Programme** | 129,669 EUR |
| Mise en place de **programmes** d'éducation et de formation en droits de l'homme et de culture démocratique | 124,933 EUR |
| Trade Unions Strengthening **Programme** in Armenia | 93,106 EUR |

 [↑](#footnote-ref-1)
2. A nuance is that, in EAMR, decision level projects are defined through the "CRIS Project" entity, which is built at decision level in CRIS. In practice for such lists, a "CRIS Project" differs very little from its decision: In the current 2015 EAMR, 98% of the “CRIS Projects” match their parent decisions. [↑](#footnote-ref-2)
3. Action and (CRIS) decision levels both correspond to Commitment Level 1 [↑](#footnote-ref-3)
4. Cross Border Cooperation Programmes are significant (Ca. 1 billion EUR). However they are currently difficult to identify/follow, as contracts are like flat yearly envelopes. [↑](#footnote-ref-4)
5. Once the system will allow recording Actions, it should be possible to match a Programme with an Action. [↑](#footnote-ref-5)
6. In its own name (not in the name of a Partner, as e.g. framework contracts which are signed by the EC in the name of a Partner country) [↑](#footnote-ref-6)
7. As explained above in the document, an HQ managed facility or a thematic programme constitutes a Lead Programme [↑](#footnote-ref-7)