

**2009 Annual Action Programme**  
**implementing the**  
**“Thematic Strategy Paper for the**  
**Environment and Sustainable Management of Natural Resources,**  
**including Energy (ENRTP) for the period 2007-2010”**  
**for the Development Cooperation Instrument**

The 2009 Annual Action Programme consists of the following actions as described in the following action sheets:

[Appendix 1, Action sheet A: Priority 1 - a targeted action related to Disaster Risk reduction \(DRR\);](#)

[Appendix 2, Action sheet B: Priority 2 - different targeted actions;](#)

[Appendix 3, Action sheet C: Priority 2 - a targeted action related to the Global Climate Change Alliance \(GCCA\);](#)

[Appendix 4, Action sheet D: Priority 4 - different targeted actions;](#)

[Appendix 5, Action sheet E: Priority 5 - a targeted action related to West Africa;](#)

[Appendix 6, Action sheet F: Priority 5 - a targeted action related to Central America;](#)

[Appendix 7, Action sheet G: Priority 5 - a targeted action related to the Global Energy Efficiency and Renewable Energy Fund GEEREF;](#)

[Appendix 8, Action sheet H: Priority 5 - a targeted action related to Cooperation on Clean Coal Technology \(CCT\) and Carbon Capture and Storage \(CCS\);](#)

[Appendix 9, Action sheet I: Priority 5 - a local call for proposals for Cuba;](#)

[Appendix 10, Action sheet J: Priorities 1, 2 and 5 - a global call for proposals;](#)

[Appendix 11, Action sheet K: Priorities 1, 2, 3, 4 and 5 - support measures.](#)

The five **priorities** of the “Thematic Strategy Paper for the **Environment and Sustainable Management of Natural Resources, including Energy (ENRTP)**<sup>1</sup> for the period 2007-2010” are:

- 1 - Working upstream in assisting developing countries to achieve MDG7 on environmental sustainability;
- 2 - Promoting implementation of EU initiatives and helping developing countries to meet internationally agreed environmental commitments;
- 3 - Promoting coherence between environmental and other policies and enhancing environmental expertise;
- 4 - Strengthening international environmental governance and policy development;
- 5 - Supporting sustainable energy options in partner countries.

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<sup>1</sup> [http://ec.europa.eu/europeaid/where/worldwide/environment/working-documents\\_en.htm](http://ec.europa.eu/europeaid/where/worldwide/environment/working-documents_en.htm)

➤ **ACTION SHEET A**

➤ **IDENTIFICATION**

Title/Number	Under Priority 1 of the ENRTP: Supporting Disaster Risk Reduction (DRR) in developing countries" (ref. 169107)		
Total cost	EC contribution EUR 500 000		
Aid method / Method of implementation	joint management with an international organisation – UNOCHA		
DAC-code	72010	Sector	DRR-related activities

➤ **RATIONALE**

○ **Sector context**

The number and impact of disasters are currently increasing and this trend is likely to further accelerate with increasing climate change. Disasters put at risk efforts for development and the achievement of the Millennium Development Goals (MDGs).

In January 2005, the World Conference for Disaster Reduction called for a stronger link between international development goals and disaster risk reduction (DRR). Recognizing the growing development losses resulting from natural disasters, 168 nations, collectively called upon international financial institutions and other stakeholders through the Hyogo Framework of Action: Building the Resilience of Nations and Communities to Disasters 2005-15<sup>2</sup> “to integrate disaster risk reduction considerations into development assistance frameworks ... and poverty reduction strategies.” One of the strategic goals of the Hyogo Framework is to strengthen the “integration of disaster risk considerations into sustainable development policies, planning and programming at all levels, with a special emphasis on disaster prevention, mitigation, preparedness, and vulnerability reduction.” Converting the Hyogo Framework into practice will require increased investment by national governments and international development community, to enhance support for DRR. The first Global Platform for Disaster Risk Reduction to further the world-wide implementation of the Hyogo Framework by all stakeholders was held in 2006.

The main problems this project would help address is the lack of an economic decision making basis and quantifiable facts on the cost and benefit (in terms of reduced loss) of DRR measures. In other words, how much to invest to mitigate disaster risks, and when and where to do so. This requires consideration of macro-economic planning, monetary policy (to accommodate disaster shocks), risk management strategies (including insurance), and poverty reduction strategies. Secondly, developing countries need to be part of global policy processes such as the Global Platform on DRR which deals with issues central to development and poverty reduction. However, due to the fact that they are often constrained due to lack of

<sup>2</sup> The Hyogo Framework for Action is a comprehensive framework for disaster reduction that was agreed by 168 countries at the World Conference on Disaster Reduction in January 2005 in Kobe, Japan. See <http://www.unisdr.org/eng/hfa/hfa.htm>

resources to participate, they miss out on opportunities to influence, share their experience or build capacity in the realm of DRR.

The project aims to address these problems through two interlinked and mutually supporting components: Component A. a study on the economics of disaster risk reduction, and components B. support for the participation of developing country representatives in the second Global Platform on Disaster Risk Reduction, foreseen for June 2009. The study on the economics of DRR is partly inspired by the success of the Stern report on the economics of climate change, and could do the same for DRR. Both components of the project contribute to raising awareness of DRR in developing countries, thereby promoting political commitment and ownership; and to the building of DRR capacity of developing countries.

#### ○ **Lessons learnt**

Disasters divert important resources from development activities to relief, rehabilitation and reconstruction and reduce the output of the poorest nations by around 3%, depriving them of resources needed to escape poverty, and resilience to disasters can therefore be considered a public good. There is a considerable body of data and literature on losses (deaths, economic losses, insured losses, and people affected), including in previous UN and World Bank studies, but these data and literature are not necessarily linked in a coherent fashion.

The Economic Study and the Global Platform are proposed as a multi-donor project, to allow for a multi-stakeholder ownership of the result and to provide an opportunity for participation by a small set of motivated and committed donors as well as a significant number of developing countries, including LDS and SIDS.

DRR is also now clearly recognised as an important part of the future international regime to deal with climate change. The issue of vulnerability to natural hazards and disaster risks must remain central to the discussions, and progress must be made to effectively and fairly address the increased risks. But it is not necessary to wait until 2010 to act – DRR can be implemented immediately, under the guidance of the Hyogo Framework, to provide adaptive capacity, to increase resilience to future threats, and to reduce the existing unacceptable and growing levels of disaster risk. This provides policy coherence with climate change action, in line with EC policies on climate change adaptation. Indeed the Bali Action Plan<sup>3</sup>, agreed by Governments at the 13th session of the Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC), at Bali in December 2007, identifies disaster reduction strategies as a means to enhance action on adaptation. This represents a significant step toward achieving an approach that properly integrates disaster risk reduction and climate change adaptation into sustainable development.

#### ○ **Complementary actions**

The EC is supportive of the implementation of the Hyogo Framework. This project is completely in line with existing and planned EC policy on DRR, in particular linkages between DRR and climate change adaptation, including the Global Climate Change Alliance (GCCA). The UN/ISDR has also contributed to the development of the forthcoming Commission communication on an EU Strategy for DRR in developing countries.

The EC has committed itself to support DRR in the Commission Communications on **Global Monitoring for Environment and Security (GMES)**<sup>4</sup>, on **Reinforcing EU Disaster and**

<sup>3</sup> Decision -/CP.13. See [http://unfccc.int/files/meetings/cop\\_13/application/pdf/cop\\_bali\\_action.pdf](http://unfccc.int/files/meetings/cop_13/application/pdf/cop_bali_action.pdf)

<sup>4</sup> COM(2004) 65 and COM(2005) 565

**Crisis Response in Third Countries**<sup>5</sup>, and in the 2005 **European Consensus on Development**. DG ECHO has also been operating since 1996, a community based disaster preparedness programme, the so-called **DIPECHO** programme in seven disaster-prone developing regions. In 2005, within the 9<sup>th</sup> EDF, the Commission launched the **ACP-EU Natural Disaster Facility (NDF)**<sup>6</sup>. The NDF will be further scaled up under the 10<sup>th</sup> EDF. Moreover, a 9<sup>th</sup> EDF all-ACP project in support of the development of a Global Index (Re-) Insurance Facility, covering (re-)insurance for natural disasters in ACP countries, will be operational beginning 2009. Through the ENPI, the EC is also supporting prevention, preparedness and response to natural and man-made disasters in the ENPI South region through the PPRD - South regional program, and a PPRD - East regional program in ENPI East region is proposed (annual action programme in preparation).

This project will usefully complement these existing regional actions by providing the overall economic basis for taking action on DRR, including its integration in development, and participation of developing countries in global DRR processes.

- **Donor coordination**

The main outcome sought is an increase in systematic investment in DRR by Governments and other relevant major institutions. This in turn requires raised awareness and motivation of senior policy makers and decision makers, particularly in public finance and national development, of the relevant economics factors and the appropriate policies and measures to achieve reduced disaster risk, together with accessible information on practical policies and measures. It is worth to point out here that one single economic study that all donors can accept as an economic basis for investing more in DRR contributes to aid effectiveness (as not every donor will do their own analysis), thus providing the basis for further joint EU action.

- **DESCRIPTION**

- **Objectives**

**"Supporting Disaster Risk Reduction (DRR) in developing countries" (ref. CRIS 169107)**

The purpose of the project is to provide the economic basis for relevant stakeholders to take informed decisions with regard to DRR, and ensure developing country representation in global DRR processes. An improved decision making capacity should lead to more effective investments in DRR in developing countries, including the integration of DRR in overall development efforts, and thus contribute to poverty reduction. Participation in the Global Platform should lead to capacity development and possibility to influence.

The proposal consists of two interlinked and mutually supporting components: Components A. a study on the economics of disaster risk reduction (approximately €300.000), and components B. support for the participation of developing country representatives in the second Global Platform on Disaster Risk Reduction, foreseen for June 2009 (approximately €200.000).

- **Expected results and main activities**

**Component A:**

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<sup>5</sup> COM(2005) 153

<sup>6</sup> [http://www.acpsec.org/en/pahd/sp\\_bradley\\_washington\\_02-07\\_e.htm](http://www.acpsec.org/en/pahd/sp_bradley_washington_02-07_e.htm)

The main deliverable of component A of this proposal will be a high quality, state of the art Economic Study, with an associated high profile, accessible report on the economics of disaster risk reduction. The main activities to produce the report will comprise research and analysis work, including consultations with experts in workshops and by other means, and the drafting and peer review of written materials. In particular, the Economic Study will review the data on disaster losses and trends and will analyse these by appropriate factors such as country size, sector, development status, gender, etc. It will also consider impacts on national accounts, externalities such as humanitarian and reconstruction aid flows, and insurance factors. The scope of the problem and the potential for, and benefits of, reducing risk are expected to become clearer by taking a cross section over countries/regions with similar exposure, but differential risk, as well as taking a temporal perspective for certain countries, particularly for a set of highly vulnerable developing countries. It will also explore and provide guidance on the role of cost benefit analysis as a key decision-analytic framework and method for assessing investment.

The main activities to promote the report with the target audiences will comprise promotional and media activities at high profile meetings involving senior officers of the United Nations and World Bank, and advocacy activities by the ISDR secretariat and ISDR partners at regional and working level meetings.

### **Component B:**

It is crucial that developing countries are not excluded in policy processes, especially on a global level, due lack of their own means to participate and at times lack of information regarding Global DRR events and forums. Furthermore, disasters are often seen as an inevitable outcome of a preordained destiny that man/woman has no control over. In order to empower developing country Governments and nationals to play a bigger role in shaping their own destiny by reducing disaster risks, it is important to allow them to participate in the Global Platform to learn from others, build on their own experiences and share their points of view. The main deliverable of component B of this proposal will therefore be the active participation and associated capacity development of government delegations from developing countries across the globe, including LDCs and SIDS.

#### **o Risks and assumptions**

Increased knowledge will further political commitment and action on DRR and the implementation of the Hyogo Framework in developing countries. Risks are for example: the basic data is not available; the study becomes too academic; or is not taken up by relevant policy makers. These risks, however, have been mitigated through the way the project has been designed.

If the Economic Study is successful in raising awareness, follow-up actions are likely whereby more investments into DRR will be regularised and mainstreamed into Government policies, especially for most disaster-affected developing countries. Developing country participation in the Global Platform will hopefully similarly result in increased priority for DRR by Governments, civil society and the private sector and hence more sustainability of actions.

Senior officers of the United Nations and World Bank will promote the study in relevant events as opportunities present, including launches, workshops and seminars in developing countries. Although not explicitly included in the current project description, it is expected that the report will stimulate the development of an active community of researchers and

practitioners around the subject and will lead to the development of specific guidance products for use in different contexts, such as for relevant sectors and levels of government.

○ **Crosscutting Issues**

The action will promote environmental sustainability by presenting social and economic benefits of enhanced environmental protection by relevant information on how much to invest to mitigate disaster risks, and when and where to do so. The action will promote gender equality, human rights and good governance by using participatory approaches that engage women and members of vulnerable, at-risk populations in dialogues and assessment activities so that their awareness of social and economic benefits of mitigating disaster risks will be increased. Particular attention will be given to understand vulnerable population concerns. There have also been dramatic changes globally in thinking and action on climate change, broadening the audience and increasing receptivity to the disaster risk reduction message. Taking into account this new landscape, the objectives of this action is also to increase commitment and measurable actions toward the implementation of the Hyogo Framework at all levels, particularly in the face of climate change.

○ **Stakeholders**

The stakeholders concerned by this project are developing countries, civil society, donors and the general public. In particular, the stakeholders concerned by the Economic Study will be those that are involved in taking decisions related to DRR. Indeed, many decisions are being made by local-level officials through either their own internal planning processes or in broad consultation with stakeholders.

The Global Platform for Disaster Risk Reduction is the global instrument to bring together all ISDR System partners on a biennial basis. As such it is a multi-stakeholder forum, including a multitude of actors, all of which have essential roles to play in supporting nations and communities to reduce disaster risk. They include governments, inter-governmental and non-governmental organizations, international financial institutions, scientific and technical bodies and specialized networks as well as civil society and the private sector.

➤ **IMPLEMENTATION ISSUES**

○ **Method of implementation**

Joint management through the signature of an agreement with the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) through a Standard Contribution Agreement. The United Nations International Strategy for Disaster Reduction (UNISDR) will be in charge of the majority of the implementation of the action.

With regard to component A, the respective roles of the United Nations and World Bank in the project are as follows. The UN/ISDR is responsible for the overall management of the study, including relationships with ISDR system partners, resource mobilization and dissemination, while the World Bank's GFDRR as a partner will implement the part of the action related to technical quality, including study design, experts to be engaged, and the drafting of the report, under the lead of World Bank. With regard to component B, the UN/ISDR will be responsible for the overall management.

○ **Procurement and grant award procedures**

UN/ISDR will apply UN-procurement rules.

The maximum possible rate of co-financing for the present action may not exceed 80%. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Communities.

The applicant demonstrates the need to start the action before the contribution is awarded, in accordance with Article 112 of the Financial Regulation applicable to the general budget, as follows: The financing of participants from developing countries needs to start well in advance of the Conference which is expected to take place in June 2009, at which time the contribution agreement with UN/ISDR for the action may not have been signed.

○ **Budget and calendar**

Maximum EC contribution: EUR 500 000

Estimated co-financing: EUR 3 000 000

Other donors : UN/ISDR, The World Bank, Government of Sweden

**Component A:**

The Economic Study is proposed as a multi-donor project, to allow for a multi-stakeholder ownership of the result and to provide an opportunity for participation by a small set of motivated and committed donors. Revisions of this proposal will be elaborated over time as the project needs and resources evolve.

The initially envisioned budget for the project was US\$ 1 300 000. A new figure will be developed in the Project Concept Note being prepared by the World Bank. Current activities are being funded by the GFDRR and the ISDR secretariat from existing resources. It is expected that the project will be supported from multiple donor sources, including the GFDRR.

The EC contribution is budgeted at approximately EUR 300 000. This sum is required to implement the immediately needed design and launching phases of the project, including supporting the convening of a high level expert workshop and the commissioning of experts.

The Economic Study project will evolve through three broad stages, as follows:

Stage 1: January - June 2009, detailed technical design and study scoping.

Stage 2: July 2009 – June 2010, substantive study period, and launch of report

Stage 3: July – December 2010, dissemination, translation and promotion.

**Component B:**

The second session of the Global Platform is scheduled to take place in Geneva, Switzerland in June 2009. The EC contribution is budgeted at approximately EUR 200 000. This sum is required to allow a sufficient number of developing countries, in particular least developed countries and small island developing states to be able to participate in the Global Platform and thus enable them to take part in this global process which will consider how to accelerate implementation of the Hyogo Framework, in particular to address the needs of poor and vulnerable communities.

The feasibility of this phase is nevertheless contingent on the signing of the contribution agreement in advance of the Global Platform in June 2009. Should the contribution agreement be concluded at a later date, the global budget of the project should be dedicated entirely to component A in order to deepen the findings and recommendations for further action.

○ **Performance monitoring**

The Economic Study will be subject to two modes of monitoring and evaluations. Firstly the project will be monitored by the UN/ISDR secretariat as part of its routine monitoring and evaluation processes, which include quarterly reporting. Secondly, the work activities carried out within the World Bank will be monitored and evaluated under normal internal World Bank practices. The project will be primarily judged on the quality, relevance and impact of the report produced.

○ **Evaluation and audit**

Substantive and financial project reporting requirements are included in the legal instruments. Reporting requirements and templates are an integral part of the UN/ISDR legal instrument to be signed by the executing agency and UN/ISDR.

○ **Communication and visibility**

Communication strategy and visibility will be proposed by the Contractor as a part of the contract. Actions might include establishing and maintaining a project web site, in-country workshops, leaflets, press conferences etc. The final results of the project will be widely diffused to all interested stakeholders, including via the Web.

➤ **ACTION SHEET B****1. IDENTIFICATION**

Title	Under priority 2 of the ENRTP: Different targeted thematic actions.		
Total cost	<b>EUR 21 175 435</b>		
Method/Form of management	Centralised (procurement, grants) as well as joint management.		
DAC code	23010 Energy 31200 Forestry 31310 Fishery 32164 Chemicals 41000 Environment	Sector	Environment, sustainable management of natural resources, including energy

○ **2. Rationale****2.1. Context**

The four-year Thematic Strategy Paper for the Environment and Sustainable Management of Natural Resources, including Energy<sup>7</sup> (ENRTP) for the period 2007-2010 was adopted by the Commission on 20 June 2007. The basic act for this programme is the Development Cooperation Instrument<sup>8</sup> (DCI) Regulation adopted on 18 December 2006, in particular Article 13.

The ENRTP addresses challenges which have a profound effect on the lives of poor people: rapidly degrading key ecosystems, climate change, poor global environmental governance and inadequate access to and security of energy supply.

The strategy will be implemented by means of a combination of different mechanisms in accordance with the Council Financial Regulation<sup>9</sup> and the options provided for in Article 25 of the DCI Regulation, in particular calls for proposals, direct agreements, joint management and service contracts in response to tenders or existing framework contracts.

The present targeted actions further support the ENRTP 2007-2010, in addition to the targeted actions identified in the 2007 Annual Action Programme<sup>10</sup> (AAP) and 2008 AAP<sup>11</sup>.

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<sup>7</sup> C(2007) 2572.

<sup>8</sup> Specifically Articles 13 and 38 of the DCI.

<sup>9</sup> Regulation 1605/2002 and revisions thereof.

<sup>10</sup> Commission Decision C/2007/5836 of 3 December 2007, as last amended on 19 December 2007 by Commission Decision C/2007/6540.

<sup>11</sup> Commission Decision C/2008/4129 of 7 August 2008, as last amended by Commission Decision C/2008/8515

## 2.2. Lessons learnt

Lessons learnt from reviews, assessments, monitoring results (ROM) and evaluations of previous relevant action will be taken into consideration for defining the action planned.

The environmental aspects of development cooperation will be addressed more directly. Lessons learnt from projects should contribute to the national policy dialogue and be used as a basis for programming the EC country and regional aid.

## 2.3. Complementary action

Synergies and complementarity will be sought with other ongoing or planned action, in particular under other Community instruments such as the geographic programmes referred to in the DCI Regulation and the 7th Research Framework Programme.

## 2.4. Donor coordination

Coordination with other donors will take place where possible.

### 3. Description

#### 3.1. Objectives

Priority 2: Promoting implementation of EU initiatives and internationally agreed environmental commitments

#### 3.2. Actions planned

The following actions are to be implemented with the organisations indicated below and the indicative amounts shown:

#### **EU Water Initiative (EUWI) and EU Energy Initiative (EUEI)**

(1) A maximum contribution of **EUR 1 025 000** to the action on **supporting the EU Water Initiative in the Mediterranean (MED) region (ref. 20542)**.

The *objective* of the action:

The overall objective of this project is to promote the adoption of Integrated Water and Resources Management Mechanisms (IWRM) governance principles through their use for the definition and implementation of water management policies and measures, at both national and regional levels, including the support to measures enabling the success of these processes.

As regards the specific objectives:

1. To promote the development of integrated water resources management policies and measures in partner countries.

2. To promote the development of integrated water resources management policies and measures at regional level, in particular to support the elaboration of the Mediterranean Water Strategy.
3. To identify priority actions to be undertaken, assisting in estimating the related costs and, where appropriate, facilitate reinforced donors' coordination.

Special attention will be paid to avoid duplication and overlapping with actions undertaken in ENPI bilateral and regional projects.

*Expected results and main activities:*

As a result of this project,

1. Partner countries adopt water governance principles for the preparation of national policies
2. IWRM principles are adopted as paradigm for the formulation of water policies at both national and regional level.
3. The elaboration of the Mediterranean Water Strategy (MWS) has been completed and received support from MED EUWI.
4. The Expert Group on Water has been supported.
5. A list of no-regret measures is prepared and proposed.

The main actions are as follows:

- i. National Dialogue Processes will be completed in the countries where the process has started.
- ii. Support for the launch of National Dialogues will be offered to other possibly interested countries and, where possible, the process will be launched.
- iii. MED EUWI will ensure that the knowledge needed for the processes above will be collected and made available.
- iv. MED EUWI will lead and provide technical support to the elaboration of aspects of the strategy linked with water governance (good practices, public participation, economic and social impact, etc).
- v. MED EUWI will continue to lead the Joint Process Water Framework Directive (WFD)–MED EUWI to provide technical guidance for the development and implementation of IWRM principles as embodied in the WFD. When possible these products will also contribute to the preparation of the MWS.
- vi. MED EUWI will continue to provide technical assistance to the preparation and holding of the Euro-med Water Expert Group (or the equivalent regional organism set within the Barcelona Process: Union for the Mediterranean).
- vii. MED EUWI will ensure that in each Partner Country, measures that pay off soon, over which necessary knowledge is available, and that are politically supported are identified and proposed as first measures to implement the MWS.

The foreseen operational duration of the action is 30 months as from signature of a contract.

*Indicators:* Number of partner countries where IWRM is reflected in policies and measures. Number of partner countries participating at the elaboration of the MWS. Number of priority actions identified. Number of priority actions identified which are presented to donors for follow up. Number of priority actions which are presented to donors for follow up.

A procurement procedure will be launched to identify an organisation for the *implementation* of the action.

(2) A maximum contribution of **EUR 600 000** to the action on **Cooperation activities and capacity building to support the EU Water Initiative in Africa (ref. 172382)**

The *objective* of the action:

Overall, the assignment contributes to reaching the water and sanitation MDGs for Africa by providing assistance in making Water Supply and Sanitation (WSS) services more widely available and by improving IWRM and Transboundary Water Resource Management (TWRM) in Africa.

The specific objectives of the assignment is to support the African Working Group (AWG) to be able to continue its vital and successful activities beyond their existing workplan (2006-2009) for another year (2010) while adding, during the existing workplan, an acceleration to and focus on improving integrated and transboundary water management in Africa at regional, sub-regional and national levels.

The specific objectives of the assignment are:

- a) (Results area 1) to continue the support to the AWG by expanding the contract of the support group to the AWG and by improving transparency and accountability through the preparation of Annual Reports on AWG activities using available monitoring systems and indicators.
- b) (Result area 2) facilitate continuing high-level policy dialogue between European and African partners (African Ministerial Council on Water-Technical Advisory Committee (AMCOW-TAC), African Union (AU), River Basin Organisations (RBOs) and Civil Society Organisations / Non-Governmental Organisations (CSO/NGOs)) on water supply and sanitation and IWRM/TWRM issues. This dialogue will be focused on relevant and actual subjects, like sanitation in 2008 and transboundary water management in 2009, to be chosen in close consultation with the African counterparts (especially AMCOW-TAC).
- c) (Result area 3) initiate promote and support country dialogues to help improving the coordination of water supply and sanitation and IWRM/TWRM activities among and between national stakeholders and donors in the African partner countries demanding such dialogues.
- d) (Result area 4) to improve and support the use of sector wide approaches by commissioning an identification study on sector-wide approaches (SWAs) in WSS in Africa.

- e) Result area 5) to strengthen and support the institutional capacities in IWRM and TWRM in Africa by
- commissioning an identification study on capacity building needs to improve regional water resource management in African institutions, in particular, AU and RECs;
  - finance technical seminars and training courses in water management and to support water knowledge management platforms.

The present action was identified in the 2007 AAP of the ENRTP; however it was not possible to sign an agreement before the end of 2008. It is therefore again included in the present 2009 AAP.

*Expected results and main activities:*

The supported activities are expected to secure the continuity and development of the vital and successful work of the AWG. It will provide the resources for more attention to IWRM, to the building of institutional capacities and it will provide an additional year of general support activities to the AWG.

The specific expected results related to the EC funding are summarized below

- a) The role of the support group to the AWG is extended for the year 2010 (in 2008 and 2009, support is already available through the Water Facility). The support group coordinates the different activities, provides services to the AWG member and strengthens the accountability and transparency of the AWG, a.o. by preparing Annual Reports on its activities (2009 and 2010).

Expected Results: The expected result of this activity is an active and responsive, multi-stakeholder platform, accountable to its members and stakeholders. An annual report and monitoring report will be available for EUWI Annual Multi-Stakeholder Forum in 2009 and 2010.

- b) The AWG facilitates thematic discussions and will organize a high-level policy dialogue meeting, both in 2010. The subjects for these activities will be chosen in the course of 2009, in close consultation with AMCOW-TAC. The AWG will also enable CSO/NGO representatives in 2008, 2009 and 2010 to take part in these dialogue and policy meetings

Expected Results: It is expected that this will result in greater political and professional attention to strategic subjects for the water situation in Africa, such as transboundary water management in 2009, including the participation of CSO and NGO representatives.

- c) The AWG actively initiates and promotes country dialogues to help improve coordination between donors in 2009 and 2010. To achieve this, the AWG will catalyse or support country dialogues in at least 3 African countries, as requested and coordinated by AMCOW-TAC. Potential countries are for this country dialogue support are Rwanda, Lesotho, Burkina Faso, Senegal.

Expected Results: In the chosen countries, a country dialogue process is expected to be put in place that will result in a strengthening of the national planning process, including financing strategies. The country dialogues are intended as a long term partnership and commitment to the water sector. The engine of the Country Dialogue process will be a national Multi-Stakeholder Forum (MSF) that will bring together all the principal stakeholders in the

sector: government; donors; NGOs, private sector and civil society. The MSF will be led and facilitated by the national government.

- d) The AWG will commission in 2010 an identification study to quantify the nature and extent of sector support and sector-wide approaches in WSS in Africa.

Expected Results: The outputs of the study will help improve and strengthen coordination and harmonisation of European aid to WSS and IWRM/TWM. This will result in better knowledge of sector-wide approaches in WSS in Africa and will facilitate sharing of best practice and lessons learned.

- e) In 2009, seminars and training courses will be organized to support Water Knowledge Management Platforms

Expected Results: This will contribute to the development and implementation of capacity building activities to be funded by EC through another budget line. The funds will be used in priority to contribute to build capacities at all appropriate levels, continental and regional institutions as well as river basin organisations. Advances in information technology (in particular for collaborative platforms) and rapid changes in the water sector bring new opportunities for improving and enhancing the role of water knowledge management platforms in the sector.

The foreseen operational duration of the action is 36 months as from signature of an agreement/contract.

*Indicators:* One effective EU-Africa partnership on Water Affairs and Sanitation bringing all major stakeholders on board. The Africa Working Group of the EUWI is well coordinated and managed.

The action will be *implemented* under joint management with an International Organisation, the United Nations Educational, Scientific and Cultural Organization Institute for Water Education (UNESCO-IHE).

- (3) A maximum contribution of **EUR 1 300 000** under the EU Energy Initiative to the action **“Scientific and Technical Support to Sustainable Energy Development in Africa: Rural Electrification, Renewable Energy and Communication”** (ref. 169110).

The *overall objective* is to contribute to understand the potential for renewable energy options in Africa for increased access to electrification in rural areas.

The *project purpose* is to develop a common African scientific approach towards rural electrification methodologies.

In particular the action includes three main components, (i) to develop a consolidated technical and socio-economic base for assessing rural electrification projects; (ii) to develop a virtual African platform containing harmonised methods for evaluating the potential for sustainable energy development in African countries as well as high-quality renewable energy resource information;

and (iii) to provide an improved channel of communication relating to the results and activities of the EU Energy Initiative.

*Expected results:*

- Contact with relevant African institutions and networks established and Gap assessment on existing initiatives, methodologies and stakeholders capacity made;
- Assessment tools established to improve feasibility, quality and definition of rural electrification projects, developed and African ownership on rural electrification potential and technology improved;
- Improved operational tools for increased deployment in Africa of renewable energies developed and African ownership on renewable energies potential and technology;
- Pan-African platform set-up providing technical information and operational solutions to facilitate and support decision-making for increased investment and project implementation.

The foreseen operational duration of the action is 36 months as from signature of an agreement/contract.

*Indicators:* Number of African research centres and international energy entities involved in the harmonisation of the tools and number of African users of the African renewable energy platform.

The action will be *implemented* under centralised management by the Joint Research Centre (JRC) of the European Commission, for which purpose an Administrative Arrangement will be signed.

## Climate change

- (4) A contribution of **EUR 200 000** to support the **Economic analysis of adaptation options to support decision making and advance the climate change adaptation debate (ref. 169199)**.

The *objectives* of the action are:

The purpose of the study is to develop a set of risk management tools to help decision makers combine the right combination of risk avoidance, loss reduction, and risk transfer measures. The analysis will specifically address the adaptation issues for developing countries most vulnerable to climate change, in particular Least Developed Countries (LDCs) and Small Island Development States (SIDS). The specific objectives are: (1) improved decision making capacity by private and public decision makers for directing resources towards reducing vulnerability to climate change, (2) improved ability to identify appropriate adaptation financing models, (3) increased fact base on the economics of adaptation and synthesis of lessons learnt from existing experience.

*Expected results and activities:*

The objectives will be achieved through three primary components conceived as a set of global tools: (1) decision support tools to help a broad range of decision-makers understand trade-offs between different response measures as they develop adaptation strategies, (2) development of adaptation financing models and approaches involving appropriate participation from the public and private sector, and (3) analytic fact base on the economics of adaptation and synthesis of lessons learned from existing experience.

The project engagement will develop 6 country case studies. For each case study, the project answers four key questions: (1) Where am I most at risk? (2) What is the magnitude of loss? (3) What measures should be considered? (4) How can I fund these measures? By answering these questions for each case study, the engagement will produce a set of interim deliverables focused on adaptation decision makers in each country:

Each case study and government country decision maker will receive (1) Map of areas at risk to prioritize areas most at risk based on population density, GDP, population, and vulnerable index. (2) Assessment of potential loss based on assets, incomes, lives based on 3 different climate change scenarios (3) Prioritized adaptation measures with quantified cost and benefit in terms of decreased expected loss (4) Funding options specific to the country for priority adaptation measures. The tools developed at the end of the project that will be globally applicable include (1) Geographic Information System (GIS) overlay mapping tool, (2) Technique to use public vulnerability curves to estimate magnitude of loss from specific hazards based on estimate of asset and income, (3) Technique to identify adaptation measures and cost benefit tool, (4) Catalogue of funding options appropriate to various stages of development.

The foreseen operational duration of the action is 15 months.

*Indicators:* (i) Evidence of synthesized factual and analytical information developed from the individual case studies and necessary to support decisions in public and private spending towards activities that reduce vulnerability to climate change; (ii) Document outlining financing options connected to specific case study lessons and comparison to current model; (iii) Launch event includes decision support tool that allows individual country decision makers to evaluate adaptation measures across against each other based on measures ability to reduce loss from hazard event.

*The action will be implemented* under joint management with an international organisation, the United Nations Environment Programme (UNEP) for the Global Environment Facility (GEF).

- (5) A contribution of **EUR 2 000 000** as **pledge for the World Bank's Carbon Partnership Facility's Carbon Asset Development Fund to support developing ambitious Joint Implementation / Clean Development Mechanism (JI/CDM) methodologies (ref. 168927).**

*The objectives of the action are:*

The action aims at scaling up of CDM market while at the same time increasing its climate benefits through a contribution to the Carbon Asset Development Fund (CADF) of the World Bank Carbon Partnership Facility (CPF). The action will through the CADF support, inter alia, development of ambitious methodologies for JI/CDM and increase the credibility and attractiveness of the CDM market with the ultimate aim to move beyond a mere offsetting CDM approach.

The CPF is set up as a partnership between Buyer and Seller Participants. Buyer participants make a financial contribution to the CPF, and Seller participants develop and sell emission reductions (ERs) during a given period of time. The CPF will focus on investment and development programs and sectoral interventions.

The CPF is comprised of two trust funds:

- 1) CADF provides grants and other technical assistance and capacity building to Seller Participants and to Host Country governments for the development of ER programs, funds methodology development required to create the ER assets at a programmatic/sectoral level, supports creation of an enabling environment, and funds the administrative costs of the World Bank in running the CPF. The CADF is funded by direct Donor Contributions (such as the action proposed here) as well as a charge levied to the Buyer Participants on their contribution to the Carbon Fund (see below).
- 2) The Carbon Fund receives contributions from the Buyer Participants to purchase ERs generated by Programs.

*Expected results and activities:*

The CADF will pilot new approaches and develop methodologies where no or limited rules currently exist and work on standardized and simpler methodologies for the post-Kyoto CDM and joint implementation market. In addition, it will support preparation of investments and programs that have a long-term emission reduction potential and which would otherwise release large quantities of emissions for decades to come.

The CADF will work on methodology development, in particular in the following areas:

- Methodologies for baseline scenarios and calculation of baseline emissions - probably the single most important simplification that could be considered under programmatic approaches.
- Simplification of ER monitoring and verification procedures that are robust, credible, and more applicable to programmatic and sectoral approaches (e.g. sampling)

- Treatment of policies and standards, law and regulations when establishing baselines and determining the additionality of the ERs and eligibility of the project activities for carbon finance through the CDM or JI.

These above mentioned challenges can potentially be overcome if new methodologies become available that base emission reductions on fixed, agreed baselines and measured program performance and that do not have to trace the direct causality for each ton of Green House Gas (GHG) emissions that is reduced under the program. To help make this a reality and clear the way for larger mitigation programs is one of the objectives of the Carbon Partnership Facility (CPF).

The foreseen operational duration of the action is 48 months as from signature of an agreement/contract.

*Indicators:* Development and application by CPF of environmentally stringent CDM methodologies as basis for its CDM projects. Development of pilot and new approaches to CDM and develop methodologies where no or limited rules currently exist and work on standardized and simpler methodologies for the post-Kyoto CDM and joint implementation market.

*The action will be implemented* under joint management with an international organisation, the World Bank.

### **Forest Law Enforcement & Trade (FLEGT)**

(6) A contribution of **EUR 4 500 000** for **Support to the EU FLEGT Facility (ref. 168912)**

*The objectives of the action are:*

**Goal:** Assist in the implementation of the EU Forest Law Enforcement Governance & Trade (FLEGT) Action Plan and achieve sustainable and equitable use of forests in the interests of the poor.

**Purpose:** Reforms adopted that improve governance and the functioning of markets, ensuring that illegal logging and associated trade which adversely affect the poor are curtailed.

The Facility supports the specific objectives of the EU FLEGT Action Plan:

**Stakeholder involvement:** Foster governance reforms by enabling multi-stakeholder processes reviewing national legislation, sector regulation, and law enforcement related to timber harvesting, transport and processing in partner countries. Ensure civil society participation and consideration throughout the Voluntary Partnership Agreement (VPA) process, and support capacity building where needed.

**Social safeguards:** Empower civil society and local forest-dependent communities in decisions on forest use and equitable benefit sharing. Actively encourage partner countries to link FLEGT issues to their poverty reduction strategies and to monitor the impacts of VPAs on poverty.

Transparency and accountability: Provide access to information on forest use, timber processing, revenues and law enforcement thus contribute to equitable use of resources by setting up a system of checks and balances. Provide technical support to partner countries to establish more accountable and transparent timber harvest control systems. Provide assistance to civil society and private sector associations to understand and use the newly available information.

Legal trade: Promote trade in legally and sustainably produced timber in EU and other consumer markets to improve incentives for partner countries to engage in reform processes that establish good governance in the sector.

*Expected results and activities:*

The EU FLEGT Facility operates in close collaboration with the EC and EU Member States in implementing activities in the framework of the EU FLEGT Action Plan. Expected results include but will not be limited to the following expected results of the EU FLEGT Action Plan:

- Negotiation of Voluntary Partnership Agreements completed or in progress.
- Licensing schemes that verify legality are in development or operational.
- National policies in VPA countries are informed by evidence of the impacts on poor people of forest use and on trade practices.
- Improvements in transparency and accountability in allocation, management, control, transport, processing, export and regulation of forest resources and related revenue flows in partner countries, with increased parliamentary and civil society oversight.
- Reduction in illegal logging in partner countries.
- Market recognition is established for FLEGT licensed products.
- Trade between EU and those partner countries with licensing schemes in operation is regulated to prevent import by EU of illegally harvested timber.
- Positive social impacts in terms of benefit sharing, protection of access rights, reduction in conflicts associated with access rights.
- The EU offers compelling incentives to partner countries to engage in VPA processes.

The foreseen operational duration of the action is 48 months as from signature of an agreement/contract.

*Indicators:* National policies are informed by evidence of the impacts on poor people of forest utilisation and related trade practices. More markets discriminate against illegally harvested products. Market recognition of FLEGT licensed products.

*The action will be implemented* under joint management with an international organisation, the European Forest Institute (EFI), through a renewal or extension to Contribution Agreement (CA) EuropeAid/ENV/2006-124886/TPS, by which its description of the action (Annex I to the CA) is replaced by the Operational Guidelines of the EU FLEGT Facility in force since 14/11/2008, hereby amending the description of the action as referred to in Commission Decision C(2005)4579 of 30/11/2005 latest amended by Commission Decision C/2006/6593 of 18/12/2006.

This International Organisation is currently subject to an external evaluation in relation to article 53 (d) of the Financial Regulation. In anticipation of the results of this assessment the authorising officer deems that, based on the long-standing and problem free cooperation with this Organisation as well as on its own evaluation of the internal rules of this International Organisation, joint management mode can be proposed and Standard Convention for International Organisation can be signed in accordance with the provisions laid down in Article 43 of Implementing Rules to the Financial Regulation.

**Biodiversity and biosafety, EU Biodiversity Action Plan for Economic and Development Cooperation and the external component of the EU Biodiversity Action Plan to 2010 and beyond**

- (7) A contribution of **EUR 1 500 000** to support the **Country focused project (2nd phase) to strengthen the CITES implementation capacity of developing countries to ensure sustainable wildlife management and non-detrimental trade (ref. 169071).**

*The objectives of the action are:*

This project will ensure the follow up of the previous phase of this project (that combined a needs assessment with regional problem-solving workshops supported by e-learning) by consolidating all previous training/capacity building activities into a country focused capacity building programme carried out through interactive e-learning on Convention on International Trade in Endangered Species (CITES), supported by specialized technical workshops and issue-focused toolkits. The goal is to provide a fully adaptable and sustainable source of capacity building support to all Parties and focused assistance to implement follow up actions.

These actions cover scientific, regulatory or enforcement activities identified in the first phase e.g. species population inventories (animals, plants, trees etc) supporting the decision making for sustainable harvesting, development of management plans and quota setting, regulatory/legislative developments, enforcement actions, information campaigns, etc.

*Main activities:*

The following activities are identified:

- Provision of comprehensive training through interactive e-learning courses focusing on countries identified in the first phase of the project.
- Targeted follow-up activities in the relevant countries, including specialized workshops for hands-on skills building that is linked to the interactive e-learning courses. This includes practical support to scientific, regulatory and enforcement activities identified by those countries e.g. species population inventories (animals, plants, trees etc), development of management plans (including involvement of local communities in the harvesting and management of the natural resources), setting of sustainable quota, regulatory/legislative actions, enforcement actions, information campaigns, etc

- Provision of toolkits, checklists of CITES species and online databases to provide support and guidance on specialized subjects for which capacity building is required.

*Expected results:*

- CITES training achieves a higher degree of standardization, consistency, comprehensive coverage and accuracy. Training that suits and addresses national needs is available to all Parties.
- CITES training makes effective use of national experts in Party-to-Party technical assistance. E-learning is supported by specialized workshops and activities that focus on participants gaining much-needed practical skills in the developing countries concerned.
- Officers and authorities are better able to fulfill their responsibilities through acquired knowledge and practical skills training.
- Governance capacity of government officials and scientist as well as wildlife managers is improved. Developing countries are better equipped to deal with existing treaty obligations and with new developments and directions in CITES implementation to ensure that wildlife trade (animals, plant, trees etc) is at sustainable levels.
- Improved knowledge about occurrence and distribution of CITES species. More and better species management plans, including the setting of sustainable harvest and export quota with involvement of local communities, civil society and private sector.
- Improved regulations, implementation and enforcement in countries concerned.
- Improved insurance that wildlife trade globally and imported into the EU is at sustainable levels and of legal origin. Countries under trade suspensions pursuant to CITES or EU compliance mechanisms are able to fulfill the recommendations that allow them to resume trade.

The foreseen operational duration of the action is 36 months.

*Indicators:* Level of awareness and capacity among CITES management and scientific authorities in countries concerned. The indicator is the number of countries where a minimal of 2 persons has received specialized training according to their needs and the number of countries where e-learning materials is accessible to all staff tasked with CITES responsibilities. Furthermore qualitative assessment of increased capacity by Parties based on their biennial reports submitted to the CITES Secretariat by the CITES Parties.

*The action will be implemented* under joint management with an international organisation, Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Secretariat, through a renewal or extension to Contribution Agreement (CA) EuropeAid/DCI-ENV/2008/149804/TPS, by which its description of the action (Annex I to the CA) may be amended, hereby amending the description of the action as referred to in Commission Decision C(2008)4129 of 07/08/2008.

This International Organisation is currently subject to an external evaluation in relation to article 53 (d) of the Financial Regulation. In anticipation of the results of this assessment the authorising officer deems that, based on the long-standing and problem free cooperation with this Organisation as well as on its own evaluation of the internal rules of this International Organisation, joint management mode can be proposed and Standard Convention for International Organisation can be signed in accordance with the provisions laid down in Article 43 of Implementing Rules to the Financial Regulation.

(8) A contribution of **EUR 2 774 835** to support the **Demarcation and Establishment of the Caribbean Biological Corridor (CBC): as a Framework for Biodiversity Conservation, Environmental Rehabilitation and Development of Livelihood Options in Haiti, the Dominican Republic and Cuba (ref. 172386).**

The *overall objective* of the proposed action is to establish the Caribbean Biological Corridor in the Dominican Republic, Republic of Haiti and Cuba, as a framework to contribute to the reduction of biodiversity loss in the Caribbean Region and the American Neotropics, through environmental rehabilitation, particularly in Haiti and to the alleviation of poverty as a means of reducing the pressure on biological resources within the CBC. The overarching goal therefore, is to develop an adequate cooperation platform among all initiatives that are being developed or that could be developed within the specific limits of CBC, thereby boosting the long-term integration of conservation actions among the insular states, contributing in that way to global biodiversity preservation. This is the first step in the integration of a conservation alliance in the Caribbean, based on man-nature relationship.

- Facilitate the development of CBC actions in an area that includes particularly the mountains of western Hispaniola and Eastern Cuba, since it represents an important part of the Caribbean biodiversity and is located in the middle of significant corridors of migratory bird species and marine species. These territories are wintering grounds for many birds which have been subject to few conservation actions.
- Facilitate the strengthening of a network of protected areas for the island of Hispaniola and the harmonisation as far as practicable of management procedures in the participating countries. The area defined for the initial development of CBC is characterized by great economic and social differences as well as different development of conservation actions. The Dominican Republic has designed its National System of Protected Areas, while Haiti only has a few approved protected areas, notwithstanding that in both countries the reduction of community pressures on protected resources require quick and effective action.
- Facilitate the development of alternative livelihood opportunities for the affected communities as a means of reducing pressure on the biodiversity resources and addressing poverty. The CBC is intended to expand conservation actions in protected areas giving a boost to compatible economic options and also to extend those actions to the regions facilitating

connectivity among protected areas. In collaboration with the World Food Programme (WFP), innovative activities will be planned in order to promote alternative livelihood opportunities by generating demand for local production, through local purchases of the commodities used by existing food based programmes (such as school feeding, mother and child health and nutrition programmes) as well as through risk reduction/ prevention schemes under the overall environmental framework of the project.

- A number of pilot community based projects will be undertaken to demonstrate that the needs of the community can be addressed at the same time as increasing proper stewardship of the environmental resource base, particularly biodiversity resources. This action will contribute to the development of the necessary resources in the participating countries to ensure sustainability of this action at the technical and policy levels.
- Facilitate the establishment of a Tri-National Coordination Structure to support the Implementation of the Caribbean Biological Corridor.

*Expected results and activities:*

- Demarcation of the Caribbean Biological Corridor;
- Strengthening the Network of Protected Areas for the Island of Hispaniola and mitigating Threats to Protected Areas;
- Rehabilitation of degraded Area and the Identification and Implementation of Livelihood Alternatives for Communities;
- Human Resources Development;
- Establishment of a Tri-National Coordination Structure to support the Implementation of the Caribbean Biological Corridor ;
- Monitoring and Evaluation.

The foreseen operational duration of implementation of the action is 36 months.

*Indicators:* The geographical boundaries, the core areas of conservation, ecosystems critical buffer zone coverage and effective protection of the CBC has been formally adopted by the three countries, 24 months after initiating action. The establishment of protected areas of Haiti, the reengineering of protected areas of the Dominican Republic and Cuba at 24 months. At least ten successful pilot projects, based of a range of livelihood options, demonstrate to the options Groups Target sustainable livelihoods in harmony with the nuclei of conservation, to 14 months after initiated Action and 15 by the end of the implementation of the Action. The key players selected are sensitized on the values of biodiversity, conservation of the species and identified critical areas, and sustainable practices.

*The action will be implemented* under joint management with an international organisation, the United Nations Environment Programme (UNEP).

**Priority action identified under the United Nations Convention to Combat Desertification (UNCCD)**

(9) A contribution of **EUR 2 300 000** to the action **Integrating Climate Change Finance into Sustainable Land Management Investment Strategies (ref. 168964)**.

*The objectives of the action are:*

Overall: Recognizing the inter-linkages between climate change adaptation, mitigation and land degradation, the overall objective is to ensure sustained adequate investment flows in Sustainable Land Management (SLM) for benefiting the rural livelihoods of populations living in fragile and/or degraded landscapes, through increasing co-financing from climate change financing mechanisms.

Specific:

1. Efficiently include climate change related financing into national processes leading to investment frameworks supporting SLM
2. Build capacities to identify, formulate and implement financially feasible mitigation and adaptation projects in the agricultural, rural and land use sectors to benefit SLM and United Nations Convention to Combat Desertification (UNCCD) implementation
3. Make available expertise and knowledge on the applicability of current and/or emerging adaptation and mitigation financing mechanisms in Developing Countries to support the international UNCCD and United Nations Framework Convention on Climate Change (UNFCCC) policy dialogue.

*Expected results and activities:*

- The linkages between land degradation and climate change are adequately reflected in national level strategies related to rural development.
- Climate change financial mechanisms fully integrated into participating countries' UNCCD/SLM integrated financing strategy.
- International, local and private sector stakeholders, including civil society and businesses recognise the need and benefits of investing in mitigation and adaptation measures in the agricultural and land use sector.
- Investment Facilitation platforms and related mechanisms established at national and/or sub-regional level to promote mitigation and adaptation activities in the agricultural, rural and land use sectors.
- National and/or sub-regional initiatives launched for the strengthening of national level capacities in developing climate change mitigation and adaptation activities to access existing and/or emerging financing mechanisms.
- Improved framework conditions in place for the development of an appropriate regulatory and technical framework for adaptation projects.
- The Climate and Land Investment Information Platform (CLIP) is established with up to date information on investment options for the Agriculture, Forestry and Other Land Uses (AFOLU) sector in view of the post 2012 climate regime.

- South to south exchanges are promoted amongst the regions on ways and means to better access climate change financing under the framework of integrated financing strategy (IFS).

Main activities:

- Prepare studies on the technical and financial linkages between land degradation and climate change.
- Prepare analysis of investment flows for National Adaptation Programmes (NAPs) and National Adaptation Programmes of Action (NAPAs) and identify means to harmonise the two instruments.
- Prepare a mapping of the most relevant policies and programmes where Sustainable Land Management (SLM) and Climate Change synergies need to be better positioned.
- Analysis of the current investment flows to climate change projects in AFOLU sectors (adaptation and mitigation).
- Develop a roadmap for the integration of climate change financing mechanisms into Integrated Financing Strategy.
- Integrate into the economic analysis of climate change the variable of Land Degradation (national level Stern Review).
- Organize a public-private dialogue to raise awareness and provide information on carbon credit purchase, adaptation and investment opportunities.
- Mapping of major investors and stakeholders investing in the AFOLU sector.
- Prepare a detailed concept for a climate change investment facility for mitigation and adaptation projects in the agricultural, rural and land use sectors.
- Identify partners and co-funding for the establishment of a climate change investment facility for mitigation and adaptation projects in the agricultural, rural and land use sectors.
- Prepare training courses/workshops to strengthen national level capacities in attracting climate change available/emerging finance.
- Develop screening tools, initiate project identification process at national and sub-regional levels.
- Develop basic financial and technical criteria for adaptation projects in agricultural and land use sector that demonstrate the contributions to the implementation of the UNCCD.
- Prepare a detailed concept for the Climate and Land Information Platform (CLIP)
- Identify partners and co-funding for the establishment of the Climate and Land Information Platform (CLIP)
- Develop a concept for a South-South initiative to strengthen the national investment framework through the access of climate change finance
- Engage in EU Global Climate Change Alliance
- Integrate, at national level (through NAPs) and sub-regional level, strategic SLM related issues, contributing to the implementation of the Ten Year Strategic Plan and Framework to enhance the UNCCD (2008-2018)

Foreseen operational duration is 36 months as from signature of a Contribution Agreement.

*Indicators:* Climate change issues incorporated in SLM related programmes and processes. Number of climate change related projects formulated and implemented. Experiences and best practices on the applicability of adaptation and mitigation financing mechanisms in the agricultural, rural and land use sectors in Developing Countries shared with key stakeholders

*The action will be implemented* under joint management with an international organisation, the Global Mechanism of the United Nations Convention to Combat Desertification (UNCCD).

This International Organisation is currently subject to an external evaluation in relation to article 53 (d) of the Financial Regulation. In anticipation of the results of this assessment the authorising officer deems that, based on the long-standing and problem free cooperation with this Organisation as well as on its own evaluation of the internal rules of this International Organisation, joint management mode can be proposed and Standard Convention for International Organisation can be signed in accordance with the provisions laid down in Article 43 of Implementing Rules to the Financial Regulation.

## Forests

(10) A maximum contribution of <b>EUR 3 600 600</b> to the <b>Programme on Forests – PROFOR (ref. 168909)</b> .
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*The objectives, purpose of PROFOR is to:*

- (a) develop a wide range of approaches for planning, programming and implementing of forest activities and processes at the global and regional level, and national and sub-national levels in selected countries,
- (b) mainstream sustainable forest management considerations at all levels through international agreements, Poverty Reduction Strategy Papers (PSRP), policy dialogue, and other relevant policy and technical instruments,
- (c) enhance market based approaches to support improved forest governance, management, and protection, and,
- (d) support other forest related processes to better address poverty alleviation, improved forest governance, sustainable forest management, and forest conservation needs.
- (e) assisting countries to curb illegal and unsustainable logging and related trade (market transformation), and improve transparency and equitability of forest resource use
- (f) developing and disseminating improved methodologies to tackle poor governance
- (g) support to regional political processes designed to strengthen forest governance, and to promote transparency and legality in the forest sector

*Expected results and main activities:*

Credible regional (or sub-regional) action plans prepared. Regional plans are being implemented and well-resourced. Timber trade analysis produced and follow-up work initiated in all regions. Regional bodies and member state counterparts collaborating in at least one PROFOR field of action. Action plans prepared in a number of countries and key actions underway. All REDD R-plans have a strong governance element. Number of Community-Industry partnerships established. Law enforcement systems in a number of target countries strengthened. Number of court cases efficiently handled. Number of companies adopting procurement policies based on legal timber. Independent forest monitoring (IFM) established in a number of countries. Stumpage and other forest fee collection improved and integrated into national budgets in a number of countries. REDD reports published and actively disseminated. FLEG studies and analysis available on the Internet. Annual (GDNL) training sessions organised.

Foreseen operational duration is 48 months as from signature of an Agreement.

*The action will be implemented* under joint management with an international organisation, the World Bank Group (WB), through a renewal or extension to Administrative Agreement (AA) EuropeAid/ENV/2006-116381/TPS / Trust Fund TF051459, by the Operational Guidelines, hereby amending the description of the action as referred to in Commission Decision C(2006)6555 of 15/12/2006.

**Fisheries**

(11) A maximum contribution of **EUR 250 000** to **Strengthening the regional environmental governance capacity of the Caspian states (ref. 169069)**.

*The objectives:*

The overall objective of this project is to promote better regional environmental governance in the Caspian region.

The purpose of the project is to fully operationalize and make the Caspian Sea's regional environmental governance mechanism sustainable.

The project will do this by helping to strengthen the capacity of the Tehran Convention and its interim Secretariat.

*Expected results and main activities:*

Strengthen the regional environmental governance capacity of the Caspian states through the Tehran Convention and its interim Secretariat.

- Long-term financing strategies for the Tehran Convention are prepared.
- Strategic Convention Action Programme being implemented, the SCAP was adopted at COP II)
- Conference of the Parties (COP)-III and COP-IV are organised.
- Awareness raising and civil society participation are enhanced by promoting and operationalizing the Caspian Friends Network of NGOs and community-based organizations and other Aarhus Convention related activities.

- The Tehran Convention Interim Secretariat activities including the Report on the Status of Caspian Sea Bio-resources and the Environment Atlas are supported.

Foreseen operational duration is 36 months as from signature of an Agreement.

*Indicators:* Successful and measurable improvement of governance capacity related to implementation of COP II and COP III decisions.

*The action will be implemented* under joint management with the United Nations Environment Programme (UNEP), envisaged is its Regional Office for Europe for the "regional environmental governance capacity of the Caspian States through the Tehran Convention and its interim Secretariat.

### Chemicals, waste and sustainable consumption

(12) A maximum contribution of **EUR 1 125 000** to **Strengthening National and Regional Capacities to Implement the Globally Harmonised System of Classification and Labelling of Chemicals (GHS) in ASEAN—Phase II (Ref. 172385)**.

*The objectives:*

The overall objective of the proposed project is to contribute to the protection of the environment and human health from dangerous chemicals in developing countries. The specific objective is to make a significant contribution towards global implementation of the GHS (as called for by WSSD and SAICM) by strengthening its implementation in the Association of Southeast Asian Nations (ASEAN) and with ASEAN's key trading partners.

*Expected results and main activities:*

The following expected results are expected:

- Implementation of the GHS in the ASEAN region expanded and consolidated
- Increased awareness of the importance of GHS and sound chemicals management for national development planning (“mainstreaming”)
- Free trade of dangerous chemicals within ASEAN and between ASEAN and its regional trading partners while ensuring protection of human health and the environment facilitated
- Implementation of international chemicals management conventions (Rotterdam, Stockholm and Basel) facilitated
- National and regional implementation of the GHS in Central Asia and more particularly PRC facilitated
- Role of civil society in GHS implementation and sound chemical hazard communication strengthened

ASEAN level envisaged activities will include:

- Further elaboration and consolidation of the National GHS Implementation Management Structure
- Review of existing GHS Situation and Gap Analysis and undertaking revisions/updates as necessary
- Review and further development of National GHS Implementation Strategies and identification of linkages with implementation of other international chemicals agreements
- Training, including stakeholder workshops, on GHS classification and hazard communication (labels and safety data sheets) and technical issues
- GHS implementation activities (as identified in existing GHS National

Envisaged Implementation Strategies, including:

- o Completion and entry in to force of GHS implementing legislation
- o Technical workshops and training for classification and hazard communication for industry, and in particular SMEs
- o Supporting activities for stakeholders, and outreach activities (e.g. to development and planning agencies) in order to improve the mainstreaming of GHS and sound chemicals management, as well as gender, into overall national development agendas
- Regional implementation of key activities as outlined in the completed Regional GHS Implementation Strategy (completed during the phase I project) involving all 10 ASEAN member countries (as with Phase 1)
- Further support activities for civil society and labour organizations, including expansion of the South East Asia PILO network “SEApChemNet” (developed through the first ASEAN project).

Envisaged Support Activities for ASEAN Regional Neighbours

In view of importance of inter-regional trade and need for cooperation, the following additional support activities for ASEAN regional neighbours are proposed:

- National activities for People’s Republic of China, including:
  - o Establishment of a National Project and GHS Implementation Management Structure (based on existing structures for chemicals management, if possible)
  - o Completion of a GHS Situation and Gap Analysis
  - o Development of National GHS Implementation Strategy and identification of linkages with implementation of other international chemicals agreements
  - o Organization of a National GHS Workshop
  - o Training on GHS classification and hazard communication (labels and safety data sheets)
  - o GHS Implementation Activities, including development of draft GHS implementing legislation, supporting activities for stakeholders, and outreach activities (e.g. to development and planning agencies) in order to improve the mainstreaming of GHS and sound chemicals management, as well as gender, into overall national development agenda
- Regional GHS Conference, held in Beijing in 2010, with significant Chinese government participation and participation from countries of ASEAN and

Central and East Asia (including Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, Korea, and Japan).

*Expected Outcomes*

The project will bring all relevant government structures together and improve exchange of information and dialogue among government ministries concerned with chemical hazard communication, thereby providing a basis for improved cooperation and enhancing synergies for integrated GHS implementation (and improving governance for sound chemicals management, and international chemicals agreements implementation, overall). The project will also result in legislation implementation in ASEAN countries, draft legislation in PRC, and significant awareness created in other countries in the region about the need for and basis of GHS-implementing implementation, as well as how GHS can contribute to the implementation of other international chemicals management initiatives (such as SAICM, and the Stockholm and Rotterdam Conventions).

The project will catalyze strengthening of institutional structures in the region to facilitate GHS implementation and monitor activities related to GHS implementation, including the coordination with other regions and trading partners.

The project will strengthen cooperation and dialogue between civil society and governmental stakeholders, and between civil society organisations themselves, at the regional and national levels with regard to GHS implementation and chemical hazard communication through the increased involvement of and cooperation between non-governmental entities (e.g. such as labour, consumer, health, and public interest groups). Additionally, specific activities designed to enhance their capacity and coordinate their participation will be executed.

The project will increase the awareness of industry regarding opportunities for collaboration with government and civil society, and develop specific activities designed to strengthen their involvement at the national and regional levels (with a focus on Small and Medium Enterprises).

The planned duration of the project is 36 months as from the signature of the Contribution Agreement.

*Indicators:* Further development of national implementation strategies in ASEAN countries and implementation of key GHS activities (as identified in national and regional implementation strategies). National GHS implementation strategy developed and endorsed in PRC. Asian regional conference on GHS implementation completed.

*The action will be implemented* under joint management with an international organisation, the United Nations Institute for Training and Research (UNITAR).

This International Organisation is currently subject to an external evaluation in relation to article 53 (d) of the Financial Regulation. In anticipation of the results of this assessment the authorising officer deems that, based on the long-standing and problem free cooperation with this Organisation as well as on its own evaluation of the internal rules of this International Organisation, joint

management mode can be proposed and Standard Convention for International Organisation can be signed in accordance with the provisions laid down in Article 43 of Implementing Rules to the Financial Regulation.

### **3.3. Stakeholders**

By definition, there are a wide range of stakeholders, including governments, international and regional organisations, development NGOs, civil society advocacy groups, including environmental NGOs, representatives of industry and agriculture, labour organisations, women's groups, indigenous people and the research community.

### **3.4. Risks and assumptions**

Most of the organisations mentioned above are subject to high expectations from their members but have limited capacity. Use of sub-contractors and consultants is common and can lead to delays or lower quality results. Efforts have been made to minimise this risk by concentrating support on those parts of the relevant work programmes which have a high profile and have received strong support from partners, especially developing countries.

### **3.5. Cross-cutting issues**

Environmental sustainability, gender equality, up-to-date decision support and performance monitoring, good governance and human rights will be mainstreamed into the projects under all the objectives.

## **4. Implementation**

### **4.1. Method of implementation**

The method of implementation is for each identified action specified under section 3.2. Most actions will be implemented through joint management, besides centralised management.

### **4.2. Procurement and grant award procedures**

- a) In case of **grants, procurement**: All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. The maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 253 of the Implementing Rules of the Financial Regulation where financing in full is essential to carry out the action in question.

- b) In case of joint management with **international organisations**: All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

#### **4.3. Budget and schedule**

The maximum EC contribution to targeted actions in the present Action Sheet financed from budget item 21 04 01 in 2009 is **EUR 21 175 435**, distributed between the actions described in section 3.2.

See section 3.2 above for the planned durations of the individual actions.

#### **4.4. Performance monitoring**

The EC will launch result-oriented monitoring missions on an *ad hoc* basis.

Monitoring systems will be developed for each action planned, if appropriate.

This is essential for evaluating the activities, offering information with respect to follow-up measures needed to improve management of these or future activities.

#### **4.5. Evaluation and audit**

The audit rules are laid down in the general conditions of the contribution agreements, administrative agreements, grant or procurement contracts.

Depending on the nature of the action, mid-term and final evaluations would be envisaged.

In addition, the Commission conducts regular audits of action.

#### **4.6. Communication and visibility**

Most of the results will be widely disseminated to all stakeholders.

EC contributions will be identified and reported in key publications by the beneficiaries.

➤ **ACTION SHEET C**➤ **IDENTIFICATION**

Title	Under Priority 2 of the ENRTP: <b>Support to the Global Climate Change Alliance (GCCA)</b> [Ref. 20535 + 20630 + 20631]		
Total cost	<b>EUR 36 200 000</b> <sup>12</sup> (Included in this amount is EUR 1 200 000 as a contribution from the Czech Republic under Article 18.1.aa of the Financial Regulation)		
Aid method / Management mode	Centralised and decentralised management (project approach and/or budget support)		
DAC-code	41000	Sector	Environment

➤ **RATIONALE**○ **Sector context**

A four-year Thematic Strategy for Environment and Sustainable Management of Natural Resources including Energy<sup>13</sup> (ENRTP, 2007-2010) was adopted by the Commission on 20 June 2007. The basic act for this programme is the Development Cooperation Instrument<sup>14</sup> (DCI), in particular Article 13, which was adopted on 18 December 2006.

The four-year strategy addresses challenges which have a profound effect on the lives of poor people: rapidly degrading key ecosystems, climate change, poor global environmental governance and inadequate access to and security of energy supply.

The strategy will be implemented through a combination of different mechanisms in accordance with the Council (Financial) Regulation<sup>15</sup> and the options provided for in Article 25 of the DCI, in particular calls for proposals, direct agreements, joint management, and tenders for services.

On 07/08/2008 the Commission adopted the 2008 Annual Action Programme<sup>16</sup> under the ENRTP, including measures to address the GCCA.

The Commission adopted a Communication "Building a Global Climate Change Alliance between the EU and poor developing countries most vulnerable to climate

<sup>12</sup> From the total allocation is an amount of EUR 2 639 850 marked as part of the reserve as referred to in the 2009 budget of the ENRTP. The commitment of it is subject to the approval of the reserve by the Budgetary Authority.

<sup>13</sup> Commission Decision C/2007/2572

<sup>14</sup> Specifically Art 13 and Article 38 of the DCI Regulation

<sup>15</sup> Regulation 1605/2002 and revisions thereof

<sup>16</sup> Commission Decision C/2008/4129 of 07/08/2008 last amended on 23/12/2008 C/2008/8515  
[http://ec.europa.eu/europeaid/where/worldwide/environment/working-documents\\_en.htm](http://ec.europa.eu/europeaid/where/worldwide/environment/working-documents_en.htm)

change" on 18/09/07 and a Staff Working Paper on the implementation framework on 15/07/2008.<sup>17</sup> Both documents describe the general context of the present action.

One of the problems identified is the absence of a targeted dialogue on climate change between the EU and those countries most vulnerable to the effects of climate change, in particular the Least Developed Countries (LDCs) and Small Island Developing States (SIDS). Indeed, past dialogue has concentrated on those countries which are major emitters of greenhouse gas emissions and have led to the establishment of partnerships with many of these countries. It is nowadays clear that climate change will have a negative impact on the development efforts of poor countries, and needs to be part and parcel of the political dialogue and cooperation the EU entertains with these countries.

The GCCA creates a platform for dialogue and exchange among the EU and target countries (individually, on a regional basis or as a group) and intends to provide support in five priority areas:

- Adaptation to climate change;
- Reducing emissions from deforestation;
- Enhancing participation in the Clean Development Mechanism (CDM);
- Promoting Disaster Risk Reduction (DRR) and
- Integrating climate change into poverty reduction efforts.

The project will promote where feasible the use of budget support mechanisms for more comprehensively addressing climate change.

○ **Lessons learnt**

Two consultants prepared a report (completed in June 2008) to analyse the potential role, scope and activities of GCCA. They noted that, so far, climate change related activities have been implemented through a project approach, based mainly on actions prioritized in the National Adaptation Plans of Action (NAPA). To date, 24 NAPAs have been finalized and the process is ongoing in most of the remaining LDCs, with the financial support of the Least Developed Country Fund (LDCF) managed by the Global Environment Facility (GEF).

Areas identified in NAPAs include, *inter alia*, assistance on water (e.g., increased water efficiency), agriculture (e.g., research on drought-resistant varieties), health (e.g., malaria prevention in newly exposed population), sustainable energy production and use. Whilst the implementation of such projects is absolutely necessary in order to assist developing countries in dealing with the most urgent adaptation needs, the classic project-by-project financing approach has limits as far as the political dialogue is concerned. The consultants therefore recommend in their report to "pilot phase" the use of budget support mechanisms in order to provide for a platform to effectively dialogue and improve LDCs preparedness and adaptation to climate change at the policy and strategy level.

○ **Complementary actions**

The project will be complementary to other climate-related actions funded under the ENRTP as well as those funded from geographic envelopes. Climate-related actions

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<sup>17</sup> SEC(2008) 2319

under the ENRTP predominantly support Non-State Actors and International Organisations, while this project will focus on support to Governments. Any further funding of climate change related activities available from the geographic funds has the potential to benefit from the experience of actions undertaken under the GCCA and hopefully capitalise on the groundwork undertaken. Intra-ACP funds will also be used to support GCCA activities, particularly at regional level. Complementarity with the present project will be ensured.

Action proposed in this project is also complementary to existing climate change initiatives, in particular those established under the UN Climate Change Convention and the Kyoto Protocol (e.g. Special Climate Change Fund, Least Developed Countries Fund, Adaptation Fund, Climate Change window of GEF trust fund). The complementarity also consists in testing of more systemic approaches for adaptation action, whereas the above initiatives are all project-based. Action in the pilot countries will nevertheless take into account the National Adaptation Plans of Action (NAPA) which have been funded by the LDCF.

○ **Donor coordination**

EU member states have endorsed the building of a GCCA between the EU and poor developing countries most vulnerable to climate change, in particular LDCs and SIDS, and have been invited to contribute to the initiative. So far, Sweden has made a pledge of €5.1 million to the GCCA, as well as the Czech Republic with €0.2m financed from their budget 2008 and another €1m envisaged from their budget 2009. The Commission Staff Working Document mentioned above was presented to the Member States outlining its strategy for implementing the GCCA (of which the proposed project is a key pillar). Member States are expected to then consider providing additional support to the GCCA. Efforts will be made to ensure donor coordination, in particular with the Member States active in this field and joint efforts in the pilot countries are possible.

Coordination on climate actions particularly in the area of adaptation is also taking place regularly with the World Bank and UNDP (for example exchange of information on a country basis, discussion on methodology etc.).

➤ **DESCRIPTION**

○ **Objectives**

The overall objective of the GCCA is to help poor developing countries most vulnerable to climate change, in particular LDC's and SIDS, to increase their capabilities to adapt to the effects of climate change, in support of the achievement of the MDGs and to have their voice better heard in international CC negotiations.

The specific objectives are:

1. to have an alliance established between the EU and poor developing countries most vulnerable to climate change, in particular LDC's and SIDS, and
2. to have awareness raised for climate change, to increase concrete support in this respect and to mainstream climate change in national policies of partner countries.

Expected results are:

1. Positions of the EU and the above mentioned target group on the post 2012 regime have been aligned.
2. Mainstreaming of climate change sector policies and strategies has been advanced for the selected countries
3. Concrete support in the GCCA priority areas implemented in target countries.

The present proposal will support actions addressing adaptation and/or mitigation measures linked to climate change, in principle directly with partner governments, if possible through sector/budget support.

### **Geographical scope:**

Actions from the following countries may be supported from the allocation of the year 2009:

- Focus in the ACP region on: Belize, Guyana, Jamaica, Madagascar, Mali, Mauritius, Mozambique, Rwanda, Senegal, Seychelles;
- Focus in Asia on: Bangladesh.

This list is not exhaustive and may be revised in view of progress of the dialogue with specific countries. It may also be revised due to contributions received for the GCCA under Article 18 of the Financial Regulation. For approximately seven of the above mentioned countries it is expected to agree on concrete implementation actions during 2009. For the other countries this may be during 2010 (with a new action fiche being prepared).

### ○ **Stakeholders**

The key stakeholders in this project are government officials in developing countries, but as well regional partners, researchers and civil society for the informational side and the political dialogue part of the project. The regional dialogue events will be organised back-to-back with summits/ troikas between the EU and the target countries, and require the same audience. The integration of climate change into development policies, plans and budgets, as well as the implementation of climate change-related aid through budget support will require the commitment and enhancement of capacity of the same key stakeholders.

Beneficiaries of the project will be the population in the area where projects will be implemented and NGOs (where projects are foreseen to be implemented by civil society); and further the government in the pilot countries.

### ○ **Risks and assumptions**

A risk is that – especially as regards testing the budget support approach – coordination between the recipient government and the donor community to integrate climate change into the budget (and budgetary support) will be a lengthy process, and it will not be possible to allocate the funding available. Therefore alternative ways of financing (project approach, co-financing, contribution agreements...) for specific climate support activities are foreseen.

### ○ **Crosscutting Issues**

Environment and sustainability are the very subjects of this programme and are therefore taken care of. Improved cooperation and coordination between different

ministries and the fact that especially budget support is targeted as implementation tool means that governance issues will be appropriately assessed during implementation.

Vulnerability risks reduction projects will pay the necessary attention to gender balanced measures.

➤ **IMPLEMENTATION ISSUES**

○ **Implementation method**

The three following methods will be applied to implement the action:

- **Direct centralised management** (for General or Sector Budget Support, or project approach).
- **Joint management** (through the signature of an agreement with an International Organisation): in that case the organisation will be selected by the Commission in an objective and transparent way, based on its comparative advantages for the implementation of the concrete actions chosen for a given country. The Commission shall have verified that the international organisation complies with international standards on accounting, internal control, audit and procurement ("four pillars"). If at the time of the selection the International Organisation is subject to the external evaluation in relation to article 53 (d) of the Financial Regulation, the authorising officer might decide, in anticipation of the results of this assessment, that based on the long-standing and problem free cooperation with this Organisation as well as on its own evaluation of the internal rules of this International Organisation, joint management mode can be proposed and Standard Convention for International Organisation can be signed in accordance with the provisions laid down in Article 43 of Implementing Rules to the Financial Regulation.
- **Partly decentralised management** through the signature of a financing agreement with a country. In that case the level of decentralisation shall be minimal:

The Commission controls ex ante the contracting procedures for procurement contracts > 50.000 EUR and ex post for procurement contracts ≤ 50.000 EUR. The Commission controls ex ante the contracting procedures for all grant contracts.

In case of decentralisation of payments, through the programme estimates, payments are decentralised for contracts up to the ceilings indicated in the table below.

The Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

Works	Supplies	Services	Grants
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< 300.000 EUR	< 150.000 EUR (Budget)	< 200.000 EUR	≤ 100.000 EUR
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○ **Procurement and grant award procedures**

1) Contracts

*In case EC procedures apply:*

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the DCI Regulation<sup>18</sup>.

*In case of joint management with international organisations:*

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

2) Specific rules of grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. They are established in accordance with the principles set out in Title VI 'Grants' of the Financial Regulation applicable to the general budget. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Communities.
- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 112 of the Financial Regulation applicable to the general budget.

○ **Budget and calendar**

**Maximum EC contribution: EUR 36 200 000<sup>1</sup>**

Included in this amount is EUR 1 200 000 as a contribution from the Czech Republic<sup>19</sup> under Article 18.1.aa of the Financial Regulation (of which EUR 200 000

<sup>18</sup> [http://ec.europa.eu/europeaid/projects/forests/documents/dci\\_legal\\_basis\\_en.pdf](http://ec.europa.eu/europeaid/projects/forests/documents/dci_legal_basis_en.pdf).

<sup>19</sup> The contributions from the Czech Republic may only be committed once the related transfer agreements have been signed and the funds are received on budget line 21 04 01.

from their budget year 2008 and EUR 1 000 000 envisaged from their budget year 2009<sup>20</sup>).

The contribution of EUR 200 000 from the Czech Republic will be allocated to the "Facility to Support the GCCA"<sup>21</sup>, referred to in the 2008 AAP of the ENRTP<sup>22</sup>, Action Sheet A, section 3(2), action (3) the third paragraph.

The indicative breakdown of the remaining EUR 36 million is approximately:

- EUR 27 500 000 for support to actions in the Africa, Pacific and Caribbean (ACP) region;
- EUR 8 500 000 for support to actions in Asia;

The estimated operational duration of actions to be identified is between 24 and 60 months as from signature of an agreement, contract or other implementing agreement.

○ **Performance monitoring**

Key performance indicators have been identified.

Output indicators related to the results to be obtained are e.g. the number of conferences, seminars and meetings successfully organised, number of country policy analyses prepared, the number of financing agreements or other contractual agreements signed and the number of projects implemented.

Another indicator is the number of priority concerns of the target countries included in the discussions leading to a post 2012 climate regime.

○ **Evaluation and audit**

The audit rules are laid down in the general conditions of the contribution agreements, administrative agreements, grant- or procurement contracts, as well as financing agreements.

Depending on the nature of the actions to be identified with the partner countries, mid-term and final evaluations will be foreseen.

Additionally, the Commission undertakes regular audits of actions.

○ **Communication and visibility**

Most of the results of the actions will be widely disseminated to all stakeholders.

EC contributions will be identified and reported in key publications of the beneficiaries.

<sup>20</sup> Letter Czech Republic of 16/12/2008 A/28185.

<sup>21</sup> EuropeAid reference CRIS 19960

<sup>22</sup> [http://ec.europa.eu/europeaid/where/worldwide/environment/working-documents\\_en.htm](http://ec.europa.eu/europeaid/where/worldwide/environment/working-documents_en.htm)

➤ **ACTION SHEET D****1. IDENTIFICATION**

Title	Strengthening international environmental governance and policy development (Priority 4 of the ENRTP 2007-2010)		
Total cost	<b>Maximum EC contribution EUR 11 850 000</b>		
Method / Management mode	Centralised management. Targeted actions through joint management, direct grants and procurement.  Actions under this priority will be implemented by DG Environment under a cross-sub-delegations agreement with EuropeAid.		
DAC-code	41000 Environment 41030 Biodiversity 31200 Forestry 32164 Chemicals	Sector	Environment, sustainable management of natural resources, including energy

**2. RATIONALE****2.1. Sector context**

A four-year Strategic Thematic Programme for Environment and Sustainable Management of Natural Resources including Energy<sup>23</sup> (ENRTP, 2007-2010) was adopted by the Commission on 20 June 2007. The basic act for this programme is the Development Cooperation Instrument<sup>24</sup> (DCI), in particular Article 13, which was adopted on 18 December 2006.

Priority four of the ENRTP aims at improving governance and should help all governments to understand and deal with environmental issues and increase the priority given to sustainability. This requires:

- Working for coherence between the environmental and the other pillars of international governance for sustainable development.
- Assisting regional and international environmental monitoring and assessment.
- Providing additional support to the Secretariats of Multilateral Environmental Agreements (MEAs)
- Promoting effective compliance and enforcement measures for MEAs.
- Supporting international environmental and energy organisations and processes,
- Supporting civil society and environmental and energy policy think tanks.
- Improving the efficiency of international negotiations

<sup>23</sup> C(2007)2572

<sup>24</sup> Specifically Art 13 and Article 38 of the DCI

This Action will be implemented through a combination of different mechanisms in accordance with the Council Financial Regulation<sup>25</sup> and the options provided for in Article 25 of the DCI, in particular direct agreements, joint management, and tenders for services. Since Priority 4 is for a limited sum, this Action Fiche addresses all activities and forms of implementation that will be used in 2009.

## **2.2. Lessons learnt**

Since many of the actions financed from the 2007 and 2008 are still underway, it is still too early to learn specific lessons from previous Priority 4 ENRTP actions.

Nevertheless, long experience demonstrates that the global environment cannot be protected without international agreements built on a common understanding of the threats and solutions that respect the differing capacities of countries to play their part. An effective system of international environmental governance needs adaptable, well resourced institutions. Experience also shows that Multilateral Environmental Agreements and other international processes are unable to raise more than their basic running costs through contributions from the bulk of participants and are therefore reliant on assistance from a narrow range of donors for much of their activity. Such support finances the scientific underpinning for action and is essential for convening meetings and negotiations that are the basis for agreed action. Donor support also allows organisations including the UN Environment Programme (UNEP) to give specialist help to developing countries in capacity building.

However, more robust international organisations are not enough. Environmental agreements need to be implemented. Too often in the past the EU was able to persuade its partners to adopt ambitious agreements based on EU standards but could not ensure that support for implementing the agreements became a priority in national development strategies or in requests to donors. By combining support for promoting the EU's environmental policies abroad with a significant programme of environmental integration under the other Priorities it is expected that the ENRTP will encourage greater progress towards implementing agreements reached.

## **2.3. Complementary actions**

The rest of the ENRTP will improve understanding of poverty and environment linkages and of the state of the key ecosystems on which human activity depends and will finance activities on the ground. This should improve implementation of international agreements and make the EU's leadership role more effective. The results of Commission funded research can also be important in suggesting policy objectives for Priority 4. As environmental challenges move up the political agenda and the will to take action grows there should also be increasing scope for combining action under Priority 4 with follow-up under Community and Member State country programmes.

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<sup>25</sup> Regulation 1605/2002 and revisions thereof

## 2.4. Donor coordination

The EU coordinates its position for all international environmental processes within the Council including on questions of financial and technical assistance for developing countries and the funding requirements of international organisations. The availability of ENRTP support in 2007 and 2008 helped to strengthen this process.

## 3. DESCRIPTION

### 3.1. Objectives

The *overall objective* is improved international environmental governance through support for the implementation of EU external environment policy objectives, the promotion of international negotiations and processes that protect the global environment or building the capacity of developing countries to participate more actively in environmental governance.

In 2009 the programme will focus mainly on progress in three areas - climate change, biodiversity, and sustainable consumption and production, while there will also be support to help the Secretariats of a number of MEAs to which the Community belongs to implement decisions agreed by their Parties. Particular stress will be placed on gathering support for an ambitious approach to negotiations on the post 2012 climate regime and building capacity to implement the outcome, including specific work on monitoring, reporting and verification of greenhouse gas emissions in developing countries and dissemination of the EU's experience of emissions trading. Much of the work on biodiversity will be linked to increasing understanding of its importance for human wellbeing in order to build greater political will for decisive action. It will include dissemination to developing countries of a major EU study on the economics of biodiversity and eco-systems, as well as support for the creation of a science-policy interface on biodiversity. Globalisation and growing affluence in large emerging economies makes the promotion of sustainable consumption and production of increasing concern in order to avoid repeating the wasteful resource use and pollution of earlier models of development.

### 3.2. Envisaged actions and expected results

This action fiche deals exclusively with Priority 4.

The following activities will be supported for the beneficiaries / organisations envisaged below and for the indicative amounts shown. These indicative amounts may be altered in line with Article 3 of the Commission Decision relating to adoption of this AAP for 2009;

- (1) A contribution of **EUR 2 330 000** for **support to the United Nations Framework Convention on Climate Change, the Kyoto Protocol and the work of their Secretariat**

The *overall objectives* are to facilitate negotiations on a future climate change regime and implementation of the current international agreements.

The *specific objective* is to support activities of the UNFCCC and Kyoto Secretariat that have been endorsed by the Parties in order to build the capacity of developing countries, improve the functioning of key elements in the existing agreements and ensure a well-managed negotiating process that addresses the needs of developing countries. The precise content of the support will be determined in the light of the outcome of the December 2008 Poznan meetings of the 2 instruments and may need to be adjusted slightly as negotiations proceed towards the December 2009 Copenhagen meetings. Assistance is expected to include:

- support for three workshops foreseen under the Nairobi Work Programme on Adaptation which will prepare guidelines for developing countries;
- seed funding to assist the Adaptation Board to complete the necessary preliminary arrangements for bringing the Adaptation Fund into operation;
- support for the Expert Group on Technology Transfer that develops tools to promote technology transfer to developing countries;
- support for the further development of the International Transaction Log which underpins the global carbon market;
- and help for the participation of delegates from developing countries in meetings of the UNFCCC and its Kyoto Protocol to promote a balanced outcome to negotiations and of developing country experts in missions to review compliance by developed country Parties.

*Expected results:* the contribution will promote higher levels of support for adaptation work in developing countries, the availability of further tools for technology transfer to developing countries as well as a better functioning carbon market through the international transaction log. It will also allow developing country delegates to take part in UNFCCC meetings. Taken together, the various actions will help create a more balanced climate change regime.

*Indicators:* recognised usefulness of tool for developing countries, smooth function on the international transaction log, capacity of the adaptation board, actual participation of delegates from countries with a GDP below USD 5500 and USD 10 000 in the case of small island states.

The foreseen operational duration of the action is 18 months as from signature of an agreement/contract.

The activity will be *implemented* through joint management with the UNFCCC Secretariat that has been tasked by the Conference of the Parties to undertake the activities listed. The UNFCCC Secretariat was established by the UN Secretariat.

This International Organisation is currently subject to an external evaluation in relation to article 53 (d) of the Financial Regulation. In anticipation of the results of this assessment the authorising officer deems that, based on the long-standing and problem free cooperation with this Organisation as well as on its own evaluation of the internal rules of this International Organisation, joint management mode can be proposed and Standard Convention for International

Organisation can be signed in accordance with the provisions laid down in Article 43 of Implementing Rules to the Financial Regulation.

- (2) A maximum amount of **EUR 2 000 000** to **support capacity building on monitoring, reporting and verification of greenhouse gas emissions in developing countries**

The *overall objective* of the activity is to provide part of the basis for developing countries' inclusion in the future climate change regime. Developing countries have already accepted in the negotiations that they will need to take action by reducing emissions from 'business as usual' if they are to benefit from financial and technical assistance under the future regime. However, a solid implementable bargain requires an improvement in the quality of greenhouse gas emissions reporting, monitoring and verification (MRV) by developing countries, enabling them to produce high quality, transparent and consistent climate-related information on a regular basis.

The *specific objective* is to develop technical guidelines for use in the development of national MRV systems and to provide – through technical workshops, seminars and trainings – assistance to developing countries and emerging economies in setting up appropriate MRV systems in line with internationally agreed standards. The precise content of the action will depend on a scoping study being funded from the 2008 ENRTP Action Programme.

*Expected results* are greater capacity in a number of developing countries and emerging economies for monitoring, reporting and verification in line with international standards; preparing for MRV in these countries to deliver the comparable data needed in a future climate change regime.

*Indicators:* MRV capacity building undertaken in a number of developing and emerging economies; quality of national MRV in developing countries

The foreseen operational duration of the action is 24 months as from signature of an agreement/contract.

The activity will be *implemented* through an open call for tender.

- (3) A maximum amount of **EUR 1 500 000** to **support outreach to developing countries on greenhouse gas emissions trading**

The *overall objective* of the activity is increase the global use of emissions trading as an instrument to tackle greenhouse gas emissions cost-effectively.

The *specific objective* is to build capacity and improve understanding of the main elements of the EU's emissions trading system in those major emerging economies that are amongst the highest greenhouse gas emitters: China, India, Brazil, Mexico, South Africa, and South Korea in order to encourage them to develop trading systems that are robust and compatible with the EU system. Linked trading systems provide a cost effective way to reduce global emissions.

*Expected results* are: increased awareness, understanding and technical capacity amongst the key stakeholders in the target countries.

*Indicators:* technical material developed for and outreach activities taken place in each of the countries targeted.

The foreseen operational duration of the action is 24 months as from signature of an agreement/contract.

The action will be *implemented* through an open call for tender.

(4) **A contribution of EUR 100 000 to support a study for the International Maritime Organisation (IMO) on reducing greenhouse gas emissions from ships**

The *overall objective* of the activity is to reduce the contribution of the shipping sector to global greenhouse gas (GHG) emissions which have doubled since 1990 largely as a result of globalisation.

The *specific objective* is to establish the feasibility and impact of possible measures to reduce GHG from shipping that are being identified in an IMO study now underway. The present work will detail current inventories and future scenarios of greenhouse gas emissions, current and future reduction potentials and possible measures establish climate impacts of international shipping while the work to be supported by the ENRTP will allow policy makers to reach more operational conclusions. . The study will be important to developing countries both because the Small Island Developing states are very reliant on sea freight and because most flag states are developing countries.

*Expected result:* an overview of possible measures, their cost and benefits. This will facilitate discussion and decision making on the future contribution of the shipping sector to the overall climate regime under the auspices of the UNFCCC.

*Indicators:* delivery of a high quality text for this phase of the study (and with that, the complete study) in time for the March 2010 meeting of IMO's Marine Environment Protection Committee.

The foreseen operational duration of the action is 24 months as from signature of an agreement/contract.

The action will be *implemented* through a direct grant to the IMO secretariat as the Commission is not in a position to enter into joint management arrangements with the IMO and is justified because the Secretariat has been requested by the international community through a decision of the IMO Marine Environment Protection Committee to carry out this work (de facto monopoly).

(5) **A contribution of EUR 1 000 000 to support dissemination of findings of the study on The Economics of Ecosystems and Biodiversity**

The *overall objective* of the activity is to build the political will to reduce the rate of global biodiversity loss. This will be done by increasing knowledge and awareness mainly in developing countries about the global economic benefits of biological diversity, the costs of biodiversity loss and the costs and benefits of effective conservation in the expectation that greater understanding amongst key stakeholders would generate policy changes at the political level in the same way that the Stern Report has done for climate change. Biodiversity plays a critical

role in sustainable development, poverty eradication and human well-being and livelihoods.

The *specific objective* is to disseminate the final reports of the Commission and German government financed study on The Economics of Ecosystems and Biodiversity (TEEB) to key players especially in developing countries. The final study results, which will be available from late 2009 to 2010, are expected to include 4 separate reports providing targeted practical guidelines to national policy-makers, local administrations, enterprises and consumer groups on incorporating ecosystem and biodiversity valuations in decision-making. These reports will be disseminated in all UN languages including through printed and internet-based media and by organising high level conferences and workshops as well as seminars for practitioners dealing with the economic aspects of biodiversity. Developing countries will be the primary target for dissemination of TEEB since they are unlikely to be able to fund or benefit from similar work without external support. *Expected results* are making available the TEEB reports to targeted audiences in developing countries and a number of high level conferences as well as seminars on TEEB-themes.

*Indicators:* timely organisation of the conferences and seminars, increased awareness and understanding by developing country policy makers of the key messages in the reports.

The foreseen operational duration of the action is 18 months as from signature of an agreement/contract.

The action will be *implemented* through joint management with UNEP who are hosting the Secretariat for the TEEB studies that are being conducted under an Advisory Board put in place by the Commission and the German government.

UNEP has been subject to a compliance assessment in relation to Article 53 (d) of the Financial Regulation which found that UNEP generally meets the standards identified by the Commission for the four pillars.

(6) A contribution of **EUR 1 000 000** to **support the Intergovernmental science-policy Platform on Biodiversity and Ecosystem Services**

The *overall objective* of the activity is to strengthen the links between science and policy making on biodiversity and to provide authoritative assessments which fulfil the same function for biodiversity as those done by the Intergovernmental Panel on Climate Change for global warming. Such work is of particular value for developing countries that do not have the resources on their own to gain access to and use cutting-edge research for policy making.

The *specific objective* is to support the further development and start up phase of Intergovernmental science-policy Platform on Biodiversity and Ecosystem Services (IPBES). The 9<sup>th</sup> Conference of the Parties (COP 9) of the Convention on Biological Diversity supported the convening of an inter-governmental stakeholder meeting organised by UNEP in Malaysia in November 2008 where it was hoped agreement could be reached on an institutional structure and initial work programme for IPBES which would then be formally adopted by the 25<sup>th</sup> UNEP Governing Council in February 2009. In fact the November meeting

was not able to reach agreement on all the issues before it so UNEP GC 25 is now expected to give guidance for a further meeting in 2009 that will complete the initial arrangements. These are expected to make IPBES the key forum to improve the links between the science of biodiversity and biodiversity policy particularly through identifying emerging issues, undertaking regular independent assessments of changes in biodiversity and eco-system services and providing policy-relevant scientific advice to stakeholders. There is general agreement on the urgency of bringing the IPBES into being, in order that it can underpin efforts to reduce biodiversity loss in the face of the disappointing response to the 2010 target. Urgent implementation will only be possible if major supporters of the concept, including the EC and its MS, are able to pledge funding for setting up the IPBES secretariat and the IPBES Scientific Steering Committee at the final negotiations in late 2009.

*Expected results:* in the short term - successful negotiations by the end of 2009 leading to the establishment of an effective IPBES. In the long term - increased awareness amongst stakeholders of emerging biodiversity issues, regular integrated assessments, provision of policy support to stakeholders and communication of relevant biodiversity knowledge.

*Indicators:* Effectiveness of the IPBES structure and feasibility of the agreed work programme.

The foreseen operational duration of the action is 48 months as from signature of an agreement/contract.

The action will almost certainly be *implemented* through joint management with UNEP which has taken the lead in the process to establish IPBES and is expected to play a key role in the Secretariat.

<p>(7) <b>A contribution of EUR 500 000 to support the Secretariat of the Convention on Biological Diversity</b></p>
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The *overall objective* of the activity is to promote the global target of reducing current rates of biodiversity loss by 2010, particularly in developing countries. The Convention on Biological Diversity (CBD) is a key policy tool in this area.

The *specific objective* is to support the implementation by the Secretariat of various decisions taken by the Parties of the Convention on Biological Diversity and its Cartagena Protocol on Biosafety (CPB). The activities to be supported are under discussion with the Secretariat and will be based on the criteria that they should respond to the EU's policy priorities for CBD COP 9 and the 4<sup>th</sup> Meeting of the Parties of the CPB and should be particularly beneficial for developing countries. The activities are expected to include actions to increase developing country awareness and capacity to handle biodiversity and biosafety issues, a workshop on the sustainable production and use of biofuels, sub-regional capacity building on protected areas, support for developing country participation in key meetings and support for the organisation of negotiating meetings to complete the development of an international regime on access and benefit sharing in relation to genetic resources.

*Expected results* are a higher degree of awareness in developing countries on issues related to biodiversity and biosafety, increased participation of developing countries in key meetings including the 9<sup>th</sup> meeting of the Working Group on Access and Benefit Sharing, better understanding of ways to limit negative impacts of biofuel production on biodiversity and increased capacity to implement the programme on protected areas in developing countries.

*Indicators:* actual participation by developing country representatives, workshops carried out as agreed by CBD parties.

The foreseen operational duration of the action is 18 months as from signature of an agreement/contract.

The action will be *implemented* through joint management with the CBD Secretariat which is under the responsibility of and financially accountable to UNEP. The accounts of the CBD Secretariat were included in the compliance assessment in relation to Article 53 (d) of the Financial Regulation which found that UNEP generally meets the standards identified by the Commission for the four pillars.

- (8) A contribution of **EUR 200 000** for support to **enhance the capacity for conservation planning in the African-Eurasian Migratory Waterbird Agreement Area**

The overall *objective* is to strengthen protection of African-Eurasian migratory waterbirds by conserving their habitats in developing countries.

The *specific objective* is to assist developing country range states within the area covered by the African-Eurasian Migratory Waterbird Agreement (AEWA) to gain access to information about critical sites for migratory waterbirds in order to integrate the conservation of these sites into their conservation and development policy. The information on the conservation status of and threats to key sites will be collected with the help of and made available to governments and civil society. These sites are not only essential to the migration that the birds need to undertake to complete their life-cycle; they also valuable ecosystems that provide food, building materials and other products for poor people and act as flood defences.

*Expected results* are firstly better national monitoring capacity that supports updating and maintaining data resources essential to underpin conservation of the network of critical sites. Secondly, use of on-line resources to influence conservation planning and development policy in the AEWA region.

*Indicators:* updated information received from 66% of critical sites; on-line resources used by a range of users (500 unique users from the target regions); 66% of positive responses to the Critical Sites Network Feedback tool.

The foreseen operational duration of the action is 18 months as from signature of an agreement/contract.

The action will be *implemented* through joint management with the AEWA Secretariat which is under the responsibility of and financially accountable to

UNEP. The accounts of the AEWA Secretariat were included in the compliance assessment in relation to Article 53 (d) of the Financial Regulation which found that UNEP generally meets the standards identified by the Commission for the four pillars.

**(9) A contribution of EUR 70 000 to support the analysis of proposals for amendment of the CITES Appendices**

The *overall objective* of the activity is to allow parties to take informed decisions on the listing of species under the Convention on International Trade in Endangered Species (CITES). Listing leads to the restriction of international trade in the species concerned in order to avoid detriment to its long-term conservation status.

The *specific objective* is to carry out a detailed analysis of proposals for amendment of the CITES Appendices which list species whose trade is subject to different levels of restriction. For each proposal, a recommendation will be made using data on the biological and trade status of the species and an evaluation of the proposals against agreed CITES listing criteria. The work will cover proposals for amendment for decision by the 15<sup>th</sup> CITES Conference of the Parties which will take place in Qatar, in January 2010. Developing countries are the majority of CITES Parties and the source of much of the international trade, but rarely have access internally to the expertise and data needed to make informed decisions on listing.

*Expected results* are analysis of all proposed amendments for listing under CITES for CoP 15 and more generally, enabling parties to the Convention to take informed decisions.

*Indicators:* timely analysis of the expected 35-70 listing proposals.

The foreseen operational duration of the action is 6 months as from signature of an agreement/contract.

The activity will be *implemented* through a direct grant to the International Union for Conservation of Nature (IUCN) which, as an authoritative global organisation grouping the world's conservation expertise, has a mandate from CITES to analyse listing proposals and therefore has a de facto monopoly for this activity.

**(10) A contribution of EUR 990 000 to support consolidation and strengthening of the work of the International Panel for Sustainable Resource Management.**

The *overall objective* of the activity is to strengthen the links between science and policy making on the sustainable management of resources over their whole life cycle including as wastes. The intention is to provide authoritative assessments which fulfil the same function for natural resources as those done by the Intergovernmental Panel on Climate Change for global warming. Such work is of particular value for developing countries that do not have the resources on their own to gain access to and use cutting-edge research for policy making.

The *specific objective* is to support the activities of UNEP's International Panel for Sustainable Resource Management in 2010 and part of 2011. In addition to supporting the functioning of the panel itself, the support will inter alia help to create more partnerships with individual governments in particular those of developing countries and to develop regional links, to finance further assessments of sustainable resource management, and finally to support an evaluation of previous Commission support to the Panel.

*Expected results* include more national partnerships, further reports on scientific assessments and their dissemination, increased links with ongoing, similar initiatives in the business community or international organisations, capacity building through briefing material and regional capacity building projects, efficient functioning of the Panel and a report evaluating the Panel's work to date.

*Indicators:* scientific studies produced and disseminated on ways to reduce impacts of resource use, evidence that material produced by the project is actually used by decision makers.

The foreseen operational duration of the action is 12 months as from signature of an agreement/contract.

The activity will be *implemented* through joint management with UNEP.

(11) A contribution of <b>EUR 200 000</b> for a <b>stocktaking of existing sustainable production and consumption policies</b>
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The Johannesburg Plan of Implementation (JPOI) of the 2002 World Summit on Sustainable Development calls for the development of a 10-year framework of programmes (the 10 YFP) in support of regional and national initiatives to accelerate the shift towards sustainable production and consumption policies.

The *overall objective* of the activity is to facilitate the creation of the 10 YFP for SCP by laying a sound basis for discussion and decision making by the international community which fully involves developing countries.

The *specific objective* is to prepare an inventory mapping existing SCP policies and priorities, interlinkages and gaps. The inventory will help developing countries to identify available resources that match their already identified SCP priorities, serve as a basis for donor coordination and support the identification and design of implementation mechanisms for the 10 YFP.

*Expected result* is an inventory that will provide a solid basis for discussion and decision making in the appropriate fora on the formulation of the 10 YFP. These include the 18<sup>th</sup> and 19<sup>th</sup> sessions of the UN Commission on Sustainable Development as well as the Marrakech Process (bi-annual international expert meetings on SCP)

*Indicators:* delivery of the inventory in time for the next meetings of the Marrakech Process and CSD 18/19 cycle.

The foreseen operational duration of the action is 18 months as from signature of an agreement/contract.

The action will be *implemented* through joint management with UNEP.

**(12) A contribution of EUR 100 000 to support the OECD's Global Forum on Sustainable Development focused on eco-innovation**

The *overall objective* of the activity is to promote eco-innovation policy and its diffusion to emerging economies and developing countries. Such countries need state of the art environmental technology if they are to avoid the inefficient and polluting development paths previously followed by industrialised countries and overcoming the barriers to local technological innovation and technology transfer inter alia requires careful policy choices. The *specific objectives* are to support the preparation and holding of the Global Forum including the publishing relevant analytical material; the participation of experts and delegates from developing countries and the dissemination of the Forum outcomes.

*Expected results* are the organisation of the Global Forum by the end of 2009, with analytical material, participation and dissemination particularly addressing developing countries and emerging economies.

*Indicators:* Global Forum organised on time and analytical material, reporting and participation reflecting developing country and emerging economy interests.

The foreseen operational duration of the action is 12 months as from signature of an agreement/contract.

The activity will be *implemented* through joint management with OECD.

This International Organisation is currently subject to an external evaluation in relation to article 53 (d) of the Financial Regulation. In anticipation of the results of this assessment the authorising officer deems that, based on the long-standing and problem free cooperation with this Organisation as well as on its won evaluation of the internal rules of this International Organisation, joint management mode can be proposed and Standard Convention for International Organisation can be signed in accordance with the provisions laid down in Article 43 of Implementing Rules to the Financial Regulation.

**(13) A contribution of EUR 200 000 for support to the Montreal Protocol Technology and Economic Assessment Panel and its Technical Options Committees**

The *overall objective* is the continued protection of Earth's ozone layer by reducing emissions of ozone depleting substances (ODS).

The *specific objective* is support of the Technology and Economic Assessment Panel (TEAP) and the Technical Options Committees (TOC). The Panel and the Committees provide reports and advice that are essential to the good functioning of the Protocol. Virtually all remaining use of ODS takes place in developing countries and the work of the TEAP will be instrumental in helping these countries inter alia to tackle illegal trade and ensure that their accelerated phase out of hydrochlorofluorocarbons (HCFCs) agreed in 2007 not only reduces ODS use but leads to the maximum possible climate benefits. The TOCs will provide

authoritative independent advice to developing countries on refrigerants, foams, and agricultural and medical uses of ODS

The *expected results* are a TEAP assessment report on possible further actions, two annual TEAP reports on progress in implementing agreed action, analytical work by the TEAP preparing for negotiations on the next replenishment of the Montreal Multilateral Fund and reports on specific issues by the TOCs.

*Indicators*: delivery of high quality reports according to the schedule to be fixed by the TEAP co-chairs.

The foreseen operational duration of the action is 24 months as from signature of an agreement/contract.

The action will be *implemented* through joint management with the Secretariat of the Montreal Protocol which is under the responsibility of and financially accountable to UNEP. The accounts of the Secretariat of the Montreal Protocol were included in the compliance assessment in relation to Article 53 (d) of the Financial Regulation which found that UNEP generally meets the standards identified by the Commission for the four pillars.

(14) A contribution of <b>EUR 160 000</b> to <b>support the reduction of mercury emissions</b>
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The *overall objective* of is to build support in Africa for action to reduce global emissions of mercury. The EU is pressing for negotiations on a MEA to protect human health (especially that of children) and the environment by reducing the risks posed by mercury. Africa has expressed interest in such negotiations and is especially concerned by the threat from unmanaged mercury-containing wastes. However, few countries in Africa currently have information on domestic mercury emissions and waste streams. Without such information it will be difficult for them to play an active part in negotiations and ensure that the outcome encourages appropriate capacity building for successful implementation.

The *specific objective* is to gather information on the quantity and distribution of mercury emissions, as well as the intentional use of mercury in four African countries.

*Expected results* are development of inventories focused on intentional uses of mercury in Nigeria, Tanzania and two further African countries still to be selected. This should in turn lead to national action plans to control and reduce future mercury emissions and should provide all African countries with information relevant to playing an active part in future negotiations.

*Indicators*: actual development of the national inventories in four African countries.

The foreseen operational duration of the action is 18 months as from signature of an agreement/contract.

The activity will be *implemented* through joint management with UNEP.

**(15) A contribution of EUR 400 000 to support the participation of Parties in the Stockholm Convention's Effectiveness Evaluation**

The *overall objective* of the activity is to detect whether the Stockholm Convention is effective in protecting human health and the environment against controlled persistent organic pollutants as a prelude to further actions should these prove necessary.

The *specific objective* to contribute to the on-going evaluation of the effectiveness of the Convention by generating additional monitoring data to fill the information gap on POPs levels in the environment and in human beings in the two developing country regions for which this information is lacking. Through learning by doing, the project will strengthen the national capacity of the Parties involved to contribute to the sampling of POPs and analysis of data.

*Expected results:* additional comparable monitoring data on POPs levels from Africa, Latin-America and the Caribbean; continuation of monitoring activities to generate data for future evaluations; the completion of the establishment of a process and format for the Convention's Effectiveness Evaluation.

*Indicators:* timely delivery of the data to allow the establishment of a baseline for all regions by 2011.

The foreseen operational duration of the action is 24 months as from signature of an agreement/contract.

The action will be *implemented* through joint management with the Stockholm Convention Secretariat which is under the responsibility of and financially accountable to UNEP. The accounts of the Secretariat of the Stockholm Convention were included in the compliance assessment in relation to Article 53 (d) of the Financial Regulation which found that UNEP generally meets the standards identified by the Commission for the four pillars.

**(16) A contribution of EUR 300 000 for the implementation of the agreed technical assistance programme of the Rotterdam Convention on trade in hazardous chemicals and pesticides**

The *overall objective* of the activity is to improve the capacity of developing countries to implement the Convention.

The *specific objective* is to support some elements of the technical assistance programme adopted by the 4<sup>th</sup> Conference of the Parties that were identified as priorities by developing country delegations and that may also improve the capacity of partners to respond to the EU's implementing regulation which is more rigorous than the Convention itself.

*Expected results* are sub-regional training and awareness meetings, national and sub-regional implementation planning meetings and sub-regional meetings on the development of proposals for financial and technical support on chemicals management and on trade related aspects of the Convention.

*Indicators:* timely organisation of the meetings and usefulness of their results to participants as evidenced by meeting reports.

The foreseen operational duration of the action is 24 months as from signature of an agreement/contract.

The action will be *implemented* through joint management with the Secretariat of the Rotterdam Convention (UNEP).

**(17) A contribution of EUR 250 000 to support the organisation of Extraordinary COPs of the Basel, Rotterdam and Stockholm Conventions**

The overall *objective* of the activity is to promote synergies between three international Conventions that between them deal with the life cycle of a number of hazardous substances.

The *specific objective* is to support the participation of developing countries in a Joint Meeting of Extraordinary COPs of the three Conventions. The Joint Meeting is expected to complete a three year process of decision-making designed to allow the Conventions to work more effectively together and better exploit the synergies between them. In particular the Joint Meeting will need to confirm the establishment of some joint Secretariat services and decide on future arrangements for financing these, promote shared use of the Basel and Stockholm regional centres, and joint technical assistance programmes involving the secretariats, UNEP, FAO and UNDP, etc. The Meeting will also have to agree on a review mechanism for assessing progress.

The *expected results* are effective decisions at the Joint Meeting that lead to much closer cooperation between the three Conventions.

*Indicators:* timely delivery of invitations, pre-session and in-session meeting documents, participation funding, meeting report and project accounts, as well as an efficiently-run meeting that reaches effective decisions.

The foreseen operational duration of the action is 15 months as from signature of an agreement/contract.

The activity will be *implemented* through joint management with UNEP.

**(18) A contribution of EUR 300 000 to the International Institute for Sustainable Development for the publication of "Earth Negotiations Bulletin" (ENB).**

The *overall objective* of the activity is to improve developing country participation in international environmental governance.

The *specific objective* is to support ENB's coverage of major international meetings, particularly those relating to Multilateral Environmental Agreements and United Nations processes. By providing an authoritative independent daily report of the state play of negotiations this publication is particularly important for informing developing countries, who usually have small delegations, and therefore allowing them to participate more effectively in meetings.

*Expected results* are a free paper and web-based publication that reports from a number of important environment-related international meetings. This will consist of daily and summary records.

*Indicators:* daily publication of the ENB for the important environment related meetings identified, number of hits on the ENB website.

The foreseen operational duration of the action is 21 months as from signature of an agreement/contract.

The action will be *implemented* through a direct grant to the International Institute for Sustainable Development which is the only organisation given full access to report on these meetings.

(19) A contribution of <b>EUR 250 000</b> to <b>support the Arctic Footprint and Policy Assessment</b>
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The *overall objective* of the activity is to contribute to the environmental protection of the Arctic Region.

The *specific objectives* are to achieve better understanding of pressures on the Arctic environment, to analyse how effective the EU's policy is in addressing the EU's footprint on the Arctic, to present options for improving EU policy response and to deliver input to the reflection on the planned Communication on the Arctic. The study will provide the basis for better informed dialogue with partners in the Arctic region.

*Expected results* are an assessment of the EU's footprint on the Arctic including likely development of the footprint in the future, assessment of the effectiveness of the EU's current policy response and analysis of options for EU policy development.

*Indicators:* study delivered in time, quality of the analysis and the recommendations.

The foreseen operational duration of the action is 12 months as from signature of an agreement/contract.

The action will be *implemented* through an open call for tender.

### 3.3. Stakeholders

By definition there are a wide range of stakeholders in activities to strengthen international environmental governance and exercise EU leadership. Stakeholders include governments, international and regional organisations, development NGOs, civil society advocacy groups including environmental NGOs, industry and agriculture representatives, labour organisations, women's groups, indigenous people and the research community. Many of the activities describe above are aimed at facilitating the participation of a wide range of stakeholders in decision-making.

### **3.4. Risks and assumptions**

Most of the organisations mentioned above are subject to high expectations from their members but have limited capacity to carry out work. The use of sub-contractors and consultants is common and can lead to delayed or lower quality results. Efforts have been made to minimise this risk by concentrating support on those parts of the respective work programmes which have a high profile and have received strong support from partners especially developing countries.

### **3.5. Crosscutting Issues**

Environmental sustainability, gender equality, good governance and human rights will be mainstreamed into the projects listed above.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Implementation method**

The method of implementation for each identified action is specified under section 3.2.

Actions under Priority 4 of the ENRTP will be implemented by DG Environment under a cross sub-delegation agreement with EuropeAid.

### **4.2. Procurement and grant award procedures**

In case of Joint Management: Agreements will be concluded and implemented in accordance with the procedures and standard documents laid down and published by the international organisation concerned, as specified in the agreements.

In case of centralised management: For grants and procurement the Practical Guide to contract procedures for EC external actions will apply unless DG Budget's rules must be applied.

### **4.3. Budget and schedule**

The maximum EC contribution for targeted actions and calls for tender for Priority 4 in 2009 financed from budget item 21 04 01, as detailed in this sheet is **EUR 11 850 000**. The indicative breakdown is outlined under section 3.2.

In the case of grants and contributions under joint management, the EC contribution may be maximum 80% of the total eligible costs. Exceptionally 95% co-financing or full financing may be agreed upon. In case of procurement it may be financing in full.

The estimated duration of the actions are indicated in section 3.2.

### **4.4. Performance monitoring**

The EC will launch result oriented monitoring missions on ad hoc bases.

Monitoring systems will be developed for each envisaged action, if appropriate.

This is essential in evaluating the activities, offering information with respect to follow up measures needed to improve the management of these or future actions.

#### **4.5. Evaluation and audit**

The audit rules are laid down in the general conditions of the contribution agreements, administrative agreements, grant- or procurement contracts.

Depending on the nature of the action mid-term and final evaluations would be foreseen for the actions.

Additionally, the Commission undertakes regular audits of actions.

#### **4.6. Communication and visibility**

Most of the results of the actions will be widely disseminated to all stakeholders.

EC contributions will be identified and reported in key publications of the beneficiaries.

➤ **ACTION SHEET E****1. IDENTIFICATION**

Intitulé/Numéro	Sous la Priorité 5 de l'ENRTP : Valorisation énergétique de la biomasse en Afrique de l'Ouest (ref. 172589)		
Coût total	<b>Contribution de la CE : 1 M€</b> Autres bailleurs : - <b>France / FFEM : 1,5 M€</b> (montant à confirmer selon résultats de l'instruction en cours) - <b>Pays-Bas / DGIS : 1,2 M€</b> (reliquat 1 <sup>ère</sup> phase) + ~ <b>2M€</b> (2 <sup>ème</sup> phase à confirmer selon instruction en cours) Les cofinancements seront parallèles.		
Méthode d'assistance / Mode de gestion	Approche projet en gestion centralisée directe		
Code CAD	23070	Secteur	<i>Biomasse</i>

**2. MOTIF****2.1. Contexte sectoriel**

Les pays d'Afrique de l'Ouest sont parmi les pays où la consommation énergétique et le taux d'accès à l'énergie sont les plus faibles au Monde, ce qui handicape fortement leur développement économique et leur progrès social. La biomasse y est la principale source d'énergie utilisée mais son potentiel est de plus en plus réduit du fait notamment de plusieurs décennies d'aléas climatiques, de la croissance démographique et de pratiques agricoles et d'élevage peu soucieuses de la préservation de l'environnement. Utilisée sous forme de charbon de bois ou de bois de chauffe, la biomasse y est exploitée le plus souvent sur un mode minier, sans prise en compte du renouvellement de la ressource, mais également d'une façon très inefficace et extrêmement nocive pour la santé du fait des fumées qui s'accumulent dans les maisons.

Le pétrole restant l'énergie la plus facile à distribuer, il constitue la première énergie moderne utilisée dans la région. Les pays de l'UEMOA sont donc exposés au paradoxe suivant : la faiblesse des systèmes énergétiques les oblige à recourir à des groupes diesel et au kérosène ou au gaz pour les besoins domestiques, ce qui accroît encore leur dépendance, alors que les prix des hydrocarbures sont actuellement extrêmement volatiles: ils avaient triplé en quelques années avant de revenir en quelques mois à un niveau assez bas. Leur tendance à long terme est à la hausse, ce qui pèsera durablement sur les économies des pays importateurs de pétrole.

Si le bois de chauffe et le charbon de bois continueront d'être largement utilisés par les populations dans les décennies à venir, une valorisation plus moderne de la biomasse (biocarburants, biogaz, biocombustibles modernes comme les briquettes ou le gelfuel) est bien

sûr souhaitable. En particulier, les biocarburants liquides représentent une réelle opportunité aujourd'hui en Afrique pour améliorer la sécurité énergétique et développer l'accès aux services énergétiques en milieu rural notamment. Mais ils comprennent également des risques potentiels en termes de sécurité alimentaire et d'environnement notamment qu'il convient de mesurer et de prendre en compte. Il y a urgence pour les autorités nationales et régionales ouest-africaines à définir leurs politiques sur les biocarburants afin d'encadrer les investissements en cours et à venir sur ce thème. Le très récent rapport « Bioénergies et développement durable dans les pays membres de l'UEMOA » en atteste.

Lors de leur visite à Ouagadougou en septembre 2008 à l'occasion du lancement du Partenariat UE-Afrique sur l'énergie, les Commissaires Michel et Piebalgs ont rappelé l'intérêt pour l'UE et pour l'UEMOA de la question des énergies renouvelables, confirmé dans la Déclaration conjointe signée par les Commissaires européens et de l'Union Africaine à Addis-Abeba en septembre. A Ouagadougou, les deux commissaires européens avaient visité l'Institut International d'Ingénierie de l'Eau et de l'Environnement (2iE) et inauguré le laboratoire Biomasse énergie financé par la Commission européenne et par la France.

Le « Document de vision et de stratégie régionale de valorisation énergétique de la biomasse pour un développement durable » édité en avril 2006 puis le rapport « Bioénergies et développement durable dans les pays membres de l'UEMOA »<sup>26</sup> commandité par l'UEMOA et le Hub Rural d'Afrique de l'Ouest et du Centre fournissent des éléments pour définir la stratégie régionale en la matière. Ce dernier rapport propose finalement un « Plan Directeur pour la bioénergie, l'agriculture et le développement rural de l'UEMOA – 2009-2011 » validé par l'UEMOA et très prochainement par ses Etats membres. C'est ce Plan directeur qui justifie le présent projet qui contribuera à ses axes n°1, « Développement des ressources » ; n°2 « Soutien stratégique » ; n°4 « Développement du marché » et l'axe n°5, « Transfert de technologie et recherche & développement ».

## **2.2. Enseignements tirés**

Les réponses à apporter aux problèmes évoqués ci-dessus sont donc de deux ordres. Il faut bien entendu développer d'autres solutions énergétiques dans la sous-région, alternatives au pétrole importé et à une biomasse inefficace et non durable, comme l'hydraulique, le solaire, l'éolien, mais aussi les exploiter mieux notamment par des politiques et des régulations adaptées, des mesures d'efficacité énergétique, des interconnexions électriques... Mais il est certain que la biomasse demeurera à court et moyen termes la principale source d'énergie. Il est donc essentiel de travailler à la question de la biomasse dans l'UEMOA, d'une part en favorisant le développement de la biomasse énergie moderne dans des conditions durables, et d'autre part en améliorant la biomasse traditionnelle en termes de durabilité et d'efficacité.

Le PREDAS, Programme Régional pour la promotion des Énergies Domestiques et Alternatives au Sahel, financé sur le 8ème FED, est mis en œuvre depuis 2003, avec un co-financement de la GTZ. Son évaluation à mi-parcours a été positive. Elle recommande notamment de développer une Vision régionale conjointe sur l'énergie domestique entre le CILSS, l'UEMOA et la CEDEAO et une approche multi-bailleurs, avec un pilotage unique et de s'appuyer plus fortement sur l'assistance technique internationale.

Le projet BEPITA, financé par la Commission Européenne dans le cadre de l'Initiative de l'Union Européenne pour l'Energie (EUEI) à travers le programme COOPENER, a pour

<sup>26</sup> Les références et modalités d'accès à ces 2 rapports sont indiquées dans la bibliographie.

objectif de soutenir deux plates-formes en Afrique Sub-saharienne sur lesquelles s'appuieront les cycles de formation en biomasse-énergie, l'une au Cameroun et l'autre au Burkina Faso. Ce projet qui se termine fin 2008 a obtenu des résultats intéressants, tant sur le plan de la formation que de la recherche appliquée et du développement. C'est notamment dans ce cadre que le laboratoire biomasse énergie de 2IE a été mis en place.

Le PRBE, Programme Régional Biomasse Energie, a été évalué en fin 2007. Si son positionnement au sein de l'UEMOA a été reconnu adéquat, son degré d'avancement est en deçà des attentes, notamment à cause des procédures internes de l'UEMOA pas adaptées à la gestion de projet.

### **2.3. Actions complémentaires**

#### 2.3.1. Actions de la CE

Le PIR 10ème FED pour l'Afrique de l'Ouest souligne le caractère intégrateur de l'énergie; il devrait financer des activités sur les interconnexions et sur la mise en œuvre de la politique d'accès aux services énergétiques. Il n'y a pas d'action spécifique sur la biomasse de prévue.

Le programme de travail 2009-2013 du PREDAS prévoit notamment de promouvoir le développement des biocarburants au Sahel et en Afrique de l'Ouest par la mise en place de cadres réglementaires et fiscaux, la diffusion des conditions optimales de développement des biocarburants qui évitent les phénomènes de compétition et substitution avec la production alimentaire et la préparation de projets du MDP (mécanisme de développement propre du Protocole de Kyoto) sur ce sujet.

Le Programme régional de gestion durable des terres et d'adaptation aux changements climatiques au Sahel et en Afrique de l'Ouest est actuellement en cours d'instruction. Il sera financé par le Programme thématique Sécurité alimentaire (Budget/FSTP) à hauteur de 10 M€. Si ses activités sont assez distinctes de celles du présent projet, les deux ont un objectif commun de gestion durable des ressources naturelles dans les pays de la CEDEAO.

Enfin, ce projet est complémentaire de projets régionaux financés par la Facilité Energie UE-ACP (Système d'Information sur l'Energie confié à l'UEMOA, et renforcement de capacités confié à 2IE).

#### 2.3.2. Actions des autres bailleurs et de la région

Les Pays-Bas (DGIS) appuient l'UEMOA à travers le PRBE depuis 2004. Le montant total était de 2,5 M€ dont 1,2 M€ reste disponible sur la 1ère phase de ce projet qui se terminera fin 2009. Une deuxième phase est prévue avec des financements envisagés à hauteur de 0,5 M€ / an à partir de 2010 et sur quatre ans.

La France apporte un appui par de l'assistance technique et une aide projet à 2IE. Un projet du Fonds français pour l'environnement mondial (FFEM) est en cours d'instruction; il contribuera au volet biomasse traditionnelle du projet (mise en place de cadre de gestion des approvisionnements énergétiques des villes de Niamey, Ouagadougou et Bamako) avec une approche filière intégrée. Son montant sera de l'ordre de 1,5 M€ et il devrait démarrer au cours du deuxième semestre 2009.

L'Allemagne apporte un appui dans ce secteur essentiellement au niveau national dans cette région, notamment au Burkina Faso pour les biocarburants et dans plusieurs pays du Sahel pour le bois-énergie.

- Enfin, des projets de la BAD (PAFN) et de la Banque mondiale (PEII) au niveau national sur les questions de bois-énergie.

#### **2.4. Coordination des bailleurs de fonds**

Ce projet est conçu avec une approche multi-bailleurs. Sa préparation et sa mise en œuvre se fera en particulier en coopération avec les Pays-Bas et la France, sous l'égide de l'UEMOA. Les co-financements seront parallèles pour la plupart des activités. Le Comité de pilotage sera l'instance qui permettra la coordination formelle du projet entre les différents partenaires. La prochaine réunion des partenaires du projet se tiendra en janvier.

### **3. DESCRIPTION**

#### **3.1. Objectifs**

L'objectif global de ce projet est d'appuyer la stratégie régionale sur la biomasse de l'UEMOA, d'une part en favorisant le développement de la biomasse énergie moderne dans des conditions durables, et d'autre part en améliorant la biomasse traditionnelle en termes de durabilité et d'efficacité.

Plus spécifiquement, il s'agit de faciliter la prise de décision en matière de biocarburants dans l'UEMOA pour contribuer à la réduction de la pauvreté en milieu rural via:

- une meilleure analyse des potentiels en termes de produits agricoles et d'usage des sols par rapport aux besoins alimentaires et énergétiques, des systèmes d'incitation et politiques tarifaires à mettre en place, des conséquences pour l'environnement,
- un test des huiles végétales brutes pour les plateformes multifonctionnelles pour la production d'énergie en milieu rural,
- un renforcement des capacités des décideurs politiques, économiques et des organisations professionnelles.

Il s'agit par ailleurs d'appuyer la gestion durable des ressources ligneuses péri-urbaines pour assurer les approvisionnements en bois-énergie des capitales sahéliennes.

#### **3.2. Résultats escomptés et principales activités**

##### Résultats escomptés:

- (1) Démonstration de la faisabilité de l'utilisation de biocarburants liquides pour la production d'énergie en milieu rural
- (2) Recommandations pour la mise en œuvre de politiques énergétiques et agricoles adaptées,
- (3) Mise en place d'une école doctorale internationale et interuniversitaire
- (4) Renforcement de la protection de l'environnement et de la biodiversité par la proposition de méthodologies adaptées d'évaluation des projets proposés aux pouvoirs publics,

*(pour mémoire, résultats de ce projet hors financement CE)*

- (5) Amélioration de l'approvisionnement en bois-énergie des populations des capitales sahéliennes
- (6) Mise en place d'un comité stratégique interministériel au niveau de l'UEMOA

### **Activités / Composantes:**

*Sont développées ci-dessous essentiellement les 3 Composantes financées ou cofinancées par la Commission européenne dans le cadre de ce projet. Les activités portant sur le bois-énergie (financées par le PREDAS, la France et le FSTP) et celles portant sur les aspects purement institutionnels du développement des biocarburants (financées par le PREDAS notamment) sont mentionnées brièvement à la fin de ce chapitre.*

#### ***Composante 1: Quantification et analyse des besoins et des potentiels***

Les impacts peuvent varier énormément en fonction du type de biocarburants d'autant qu'ils couvrent un large éventail de pratiques agricoles et d'utilisations finales. Leur prise en compte en termes de politiques publiques nécessite de mieux comprendre ce qu'il est possible de faire en fonction des conditions spécifiques au sein du pays. Ainsi, côté offre, la structuration d'une filière d'approvisionnement fiable, industrielle ou artisanale suppose la bonne compréhension des conditions locales de production (plantes, superficies, rendements...) et des bénéfices pour le développement local. Côté demande, la contribution de la bioénergie au développement passe par les activités génératrices de revenus permises par l'accès à l'énergie. D'un côté comme de l'autre, les conditions de prix sont déterminantes. Or elles sont affectées par les dynamiques externes qui ne se cantonnent pas aux tensions sur les marchés énergétiques comme la spéculation sur les marchés agricoles. Dans ce contexte de demande locale mal comprise, il est particulièrement pertinent d'identifier et analyser dans un premier temps les activités potentiellement stimulées par un meilleur accès à l'énergie en milieu rural.

Concrètement, il s'agira tant par des études que par des travaux « de terrain » de répondre à des questions telles que: Quels modèles de production et de transformation pertinents (production familiale à petite échelle, production villageoise, production intégrée dans une filière, production à grande échelle ou combinaison)? Quelles possibilités pour la production conjointe de biocarburants et de ressources alimentaires? Quelles variétés sont les mieux adaptées aux conditions pédo-climatiques ? Quelles sont les surfaces disponibles ? Qualité et quantité d'eau disponible? Besoins en termes d'emploi et saisonnalité de ces besoins? Impacts environnementaux (positifs et négatifs) ? Combien et quels types de biocombustibles pourraient être produits/utilisés (éthanol ou Biodiesel raffiné, Huiles Végétales pures)? Combien de biocarburants utilisés sur place, pour quelles applications (applications décentralisées d'accès aux services énergétiques, transport, exportation)? Quels sous-produits, comment les utiliser et assurer leur valorisation?

L'activité consistera notamment à réaliser l'inventaire des nombreux projets et plantations énergétiques notamment en jatropha en Afrique de l'ouest, en faire des suivis sur un certain nombre de parcelles. Mais il s'agira aussi de dresser des inventaires pédoclimatiques afin d'élaborer des cartes de potentiels et de déterminer les coûts. Les résultats seront traités à l'aide de l'outil SIG.

#### ***Composante 2: Démontrer la faisabilité de l'utilisation de biocarburants liquides en milieu rural***

Le 1/3 du PIB pour les 15 pays de l'Afrique de l'Ouest provient de l'agriculture et donc du monde rural où est concentrée la grande majorité de leurs populations. Cette agriculture est

basée sur des pratiques culturales extensives qui, du fait de la pression démographique, pèsent lourdement sur les écosystèmes et sont largement responsables de la dégradation du milieu que pourrait aggraver un recours massif aux biocarburants. La protection de l'environnement et le développement économique ouest-africain passe donc assez largement par l'intensification de l'agriculture. Celle-ci passe notamment par un accès amélioré aux services énergétiques, tant pour le pompage de l'eau pour l'irrigation (quelques kWh suffisent) ou le conditionnement de la production (mise en place d'une chaîne de froid, séchage).

Parmi les produits énergétiques issus de biomasse agricole, l'huile occupe une place de premier rang pour un développement rural porté par les activités génératrices de revenus. Qu'il s'agisse de coton ou de palmier, la filière huile est courte et la multiplicité des usages permet d'envisager des stratégies de substitution aux produits pétroliers importés.

Il s'agira en relation avec les actions déjà menées par le PREP<sup>27</sup> du PNUD d'aller plus loin et de: i) identifier les besoins de production et de transformation des produits afin d'établir une typologie, ii) dimensionner et caractériser les technologies mûres en optimisant les systèmes plateforme et iii) démontrer la faisabilité de l'utilisation de biocarburant (huiles végétales) dans les moteurs.

### ***Composante 3: Renforcement des capacités***

Étant donnée la faible capacité d'encadrement au niveau PhD dans l'UEMOA, le besoin est apparu d'une école doctorale de statut international et à caractère interuniversitaire dans la région. Le projet permettra de la mettre en place au sein de 2iE et en collaboration avec de nombreuses universités africaines et européennes. Cette école doctorale permettra de créer à Ouagadougou une plateforme scientifique de haut niveau, ouverte sur le monde et attrayante pour des chercheurs seniors et juniors et des étudiants d'Afrique et d'ailleurs et par voie de conséquence de former en Afrique et pour l'Afrique les enseignants chercheurs et les cadres de demain dans ce secteur. Elle s'inscrit dans l'initiative des Instituts Africains des Sciences et Technologies (IAST)<sup>28</sup>. Les champs thématiques couverts volontairement pluridisciplinaires concerneront la protection et gestion des ressources naturelles de l'eau et des sols et les sources d'énergie décarbonées. Il s'agira d'apporter un appui sous forme de bourse pour les étudiants et les échanges de chercheurs et d'enseignants au niveau international. Cette composante s'inscrit dans une perspective à long terme et dans un contexte où 2IE dispose d'un laboratoire biomasse-énergie performant et encadre déjà des doctorants.

### ***Composante Biocarburants – aspects régaliens (financée par PREDAS et PRBE)***

Les opérateurs privés et les porteurs de projets choisissent leurs options en fonction du cadre législatif et politique national. Les autorités publiques doivent donc (i) définir leurs objectifs de manière transparente en engageant une réflexion à long terme sans négliger de prendre des mesures à court terme, (ii) fournir un cadre de décision spécifiant les outils de politique publique retenus et (iii) accompagner les projets existants afin d'accroître leur expérience. Les décideurs politiques, aux niveaux local, national et régional, doivent peser les avantages et inconvénients de chaque option afin de déterminer les types de production et d'utilisation qui répondent le mieux aux objectifs des politiques publiques. Dans le cadre du projet un état des lieux au niveau de chaque pays sera dressé :

<sup>27</sup> Programme Régional Energie pour la réduction de la Pauvreté du PNUD

<sup>28</sup> Le projet de création d'un Institut Africain des Sciences et de la Technologie (IAST) est une initiative de l'Institution Nelson Mandela pour la Promotion de la Science et de la Technologie et la Diffusion du Savoir en Afrique Sub-Saharienne (INM). Cette initiative est au cœur de l'effort global entrepris pour promouvoir le développement et la croissance économique du continent africain, en lien avec le NEPAD.

- Lois et réglementations sur le foncier;
- Tarifs douaniers pour les importations de matériel et de matière première (équipement, engrais, etc...), et les exportations en fonction des pays;
- Taxes et revenus liés à l'utilisation du foncier et la vente de carburants,
- Programmes de formation et d'expertise liés aux biocarburants;
- Prix et tarifs des produits et services énergétiques (carburant, électricité, ...);
- Les règles de subsidiarité entre collectivités territoriales,...

La qualité du processus participatif et des consultations sera déterminante pour l'applicabilité et la pertinence des politiques définies. L'utilisation de tous les outils de politique publique à la disposition des décideurs permettra de maximiser les bénéfices publics des projets de biocarburants.

### ***Composante Bois-énergie (financée par FFEM)***

L'action proposée vise à une intervention axée sur la mise en place de cadre de gestion des approvisionnements énergétiques des villes de Niamey, Ouagadougou et Bamako qui, dans la continuité des interventions passées propres à chacun des pays et à leurs contraintes socio-économiques et écologiques mais par des actions nouvelles, assurera une prise en compte commune de ces contraintes par des échanges de solutions notamment concernant :

- \* Les approches de planification de l'exploitation
- \* Les approches socio-organisationnelles de la production et les modalités de transfert de gestion de l'Etat aux populations riveraines
- \* Les cadres de contrôle forestier et leurs intégrations dans le processus de décentralisation ainsi que la question du financement de ce contrôle dans un contexte où l'Etat ne peut tout assurer
- \* Le suivi-environnemental des écosystèmes forestiers
- \* Le suivi socio-économique des sites villageois de production en termes notamment de résultats dans la lutte contre la pauvreté

L'opération proposée, outre son caractère régional qui permet notamment la prise en considération de flux de bois transfrontaliers, vise exclusivement la gestion des ressources ligneuses. Elle répond donc au constat que près de 85% des la consommation énergétique des villes l'est sous forme de produits ligneux. On ne s'intéresse pas à la pénétration d'autres sources d'énergies, notamment le gaz qui a le désavantage d'être aujourd'hui très coûteux et hors de portée des populations pauvres des villes. Elle se veut aussi complémentaire d'actions de restauration qui seraient soutenues dans le cadre d'autres opérations en lien avec le réflexe potentiel des bûcherons : « j'exploite et commercialise des produits ligneux : que puis-je faire pour maintenir ce potentiel ? ».

### **3.3. Risques et hypothèses**

L'augmentation des prix des matières premières pourrait limiter la faisabilité de la mise en œuvre des biocarburants en Afrique au profit des populations. Mais la mise en place de politiques co-construites et le ciblage des usages des biocarburants sur des applications de production sont de nature à créer de la richesse en milieu rural et à limiter ce risque. Il n'est pas exclu toutefois que le projet in fine recommande un recours limité aux biocarburants, si les externalités de ces filières se montraient trop négatives. La réussite du projet ne se mesurera pas à la promotion des biocarburants, mais bien au développement de tous les éléments nécessaires à une prise de décision raisonnée dans un souci de développement durable. Ainsi, si les arguments développés par le projet conduisaient certains Etats de l'UEMOA à davantage étudier, voire à rejeter l'option biocarburant, cela pourrait être aussi considéré

comme un indicateur de succès du projet. Il s'agit bien de dresser un tableau sans concession de la situation afin de donner aux législateurs le recul nécessaire à la prise de décision.

- L'assistance technique de qualité en place au sein du 2IE est une garantie de la viabilité des activités prévues.

### **3.4. Questions transversales**

Les aspects transversaux relatifs à la gouvernance et à l'environnement sont au cœur du projet qui vise notamment à aider les pays de l'UEMOA à définir leur politique sur les biocarburants et à mieux y intégrer la dimension environnementale. Le projet a également traité à l'accès universel aux services de base (l'énergie) et à la question de l'égalité homme-femme: la corvée de bois échoue aux femmes qui y passent de nombreuses heures quotidiennes, elles seront par ailleurs les premières bénéficiaires des usages agro-alimentaires des plateformes multifonctionnelles qui utiliseront les biocarburants.

### **3.5. Parties prenantes**

Le premier groupe cible est constitué des décideurs politiques tout d'abord mais aussi économiques nationaux et internationaux, investisseurs et bailleurs, qu'il convient d'informer sur les choix nationaux, les possibilités et les besoins prioritaires des pays, les technologies les plus appropriées, les besoins de recherche notamment au niveau agricole pour accroître la productivité à l'hectare.

Le deuxième groupe cible enfin est constitué des universités et centres de recherche qu'il convient de renforcer en cadres de haut niveau au fait des contextes locaux, formés sur le terrain africain pour que les savoirs développés puissent être plus directement appropriés et ne nécessitent pas de triviales simplifications empruntées au contexte économique et technologique des pays industrialisés.

Souvent reléguées au second plan des politiques énergétiques, y compris pour les bioénergies, les populations rurales constituent le troisième groupe cible et les bénéficiaires finaux du projet, parce qu'elles sont les plus proches de l'offre de biomasse, mais aussi parce qu'elles sont les plus vulnérables au prix de l'énergie. C'est en termes d'impact sur ces populations que le projet élaborera les critères d'éligibilité des filières (création d'emplois en fonction des filières, localisation rurale ou urbaine, part d'emploi qualifiés, amélioration des performances des systèmes agricoles, ...). Il s'agira d'évaluer la contribution de la bioénergie à la réduction de la pauvreté à la fois par les revenus qu'elle est susceptible de générer mais également par le développement économique résultant des activités nouvelles. La compétition potentielle pour l'accès à la terre et le rôle des communautés et des espaces collectifs dans les schémas industriels seront chiffrés. L'impact sur la sécurité alimentaire des ménages ruraux et urbains sera aussi évalué.

## **4. QUESTIONS DE MISE EN ŒUVRE**

### **4.1. Mode de gestion**

Le projet sera mise en œuvre via un mode de gestion centralisée directe. La Délégation au Burkina Faso, en charge du suivi de l'UEMOA, en assurera la responsabilité avec le support des unités

sectorielles au siège. Néanmoins pour permettre à l'UEMOA d'assumer un rôle de maître d'ouvrage, cette organisation présidera le Comité d'Orientation du projet.

Le Comité d'Orientation du projet se réunira au moins 2 fois la 1<sup>ère</sup> année puis au moins une fois par an jusqu'à la fin du projet. Outre l'UEMOA, il réunira un représentant de la CEDEAO, du CILSS, la CE, la France et les Pays-Bas et associera en tant que de besoin les principaux acteurs dans le domaine des biocarburants au niveau régional. Les Etats membres de l'UEMOA/ de la CEDEAO seront également impliqués dans le processus de décision, soit directement en étant parties prenantes du Comité d'orientation, soit via les réunions statutaires des Ministres de l'énergie de l'UEMOA et de la CEDEAO.

Les autres PTF et les pays seront informés de la tenue de ces comités et seront associés aux préparations des dossiers en fonction de leurs intérêts propres. De même, les conclusions des travaux seront reversées aux contributeurs notamment lors des instances de l'UEMOA, du CILSS et de la CEDEAO.

#### **4.2. Procédures de passation de marchés et d'octroi de subventions [/devis programmes]**

Tous les contrats mettant en œuvre l'action doivent être attribués et exécutés conformément aux procédures et aux documents standard établis et publiés par la Commission pour la mise en œuvre des opérations extérieures, tels qu'en vigueur au moment du lancement de la procédure en cause.

4.2.1. Un contrat de subvention sera passé à 2iE. La « Fondation 2iE » est une association internationale de droit burkinabè à but non lucratif et reconnue d'utilité publique au Burkina Faso.

Fort d'une collaboration scientifique avec le CIRAD depuis plus de 5 années dans le domaine de la biomasse énergie et des biocarburants, le 2iE a su développer une expertise dans ce domaine sans équivalent en Afrique de l'Ouest et probablement en Afrique Subsaharienne. 2iE dispose d'une équipe de 4 enseignants chercheurs permanents, dont un chercheur détaché du CIRAD, qui travaillent au sein d'un laboratoire de recherche « biomasse énergie et biocarburant » équipé de matériel d'expérimentation de pointe, unique dans la région. Ce laboratoire accueille des chercheurs d'instituts partenaires du nord et du sud et encadre actuellement 3 étudiants doctorants. 2iE abrite chaque année un mastère sur les énergies renouvelables qui s'appuie sur les travaux de ce laboratoire et sur ceux d'un autre laboratoire spécialisé dans l'énergie photovoltaïque.

Il apparaît donc clairement que 2iE jouit d'un monopole de fait dans la région dans le domaine des biocarburants pour les activités prévues par le projet, tant en terme d'expertise disponible que d'équipements et d'infrastructures.

4.2.2. Les audits et évaluations seront réalisés en utilisant les contrats cadres de la CE.

#### **4.3. Budget et calendrier**

Le budget indicatif se présente comme suit :

<b>Contributions (en euros)</b>	<b>CE</b>	
<b>A – 2IE (contrat de subvention)</b>		
Composante 1 – Analyse des besoins et potentiels	50 000	5%
Composante 2 – Test biocarburants milieu rural	340 000	34%
Composante 3 – Renforcement de capacités	433 000	43,3%
Audit interne/visibilité	10 000	1%
<i>Sous-total couts directs éligibles</i>	<i>833 000</i>	

<i>Sous-total couts directs éligibles+ imprévus</i>	<i>873 000</i>	
Coûts administratifs (6,5%)	57000	5,7%
<b>Total A</b>	<b>930 000</b>	<b>91%</b>
<b>B – Audit/Evaluation (marchés de services)</b>		
Audit <sup>29</sup>	20 000	2%
Evaluation	50 000	5%
<b>Total B</b>	<b>70 000</b>	<b>7%</b>
<b>Total projet</b>	<b>1 000 000</b>	<b>100%</b>

<b>Contributions (en euros)</b>	<b>CE</b>	<b>2IE<sup>30</sup></b>	<b>France</b>	<b>DGIS</b>	<b>Total</b>
Comp. 1 – Analyse des besoins et potentiels	50 000	120 000			<b>170000</b>
Comp. 2 – Test biocarburants milieu rural	340 000	130 000			<b>470000</b>
Comp. 3 – Renforcement capacités	433 000	80 000			<b>513000</b>
Comp. institutionnelle biocarburants		50 000		600 000	<b>650000</b>
Comp. bois-énergie		50 000	1 500 000	600 000	<b>2150000</b>
Autres composantes biomasse énergie		130 000		2 000 000 <sup>31</sup>	<b>2130000</b>
Divers	177 000				<b>177 000</b>
<b>Total projet</b>	<b>1 000 000</b>	<b>560 000</b>	<b>1 500 000</b>	<b>3 200 000</b>	<b>6 260 000</b>
Imprévus (4,8%)			40 000	4%	

Répartition indicative des financements par bailleur et par composante :

Le calendrier du projet sera le suivant :

<sup>29</sup> L'audit et l'évaluation seront probablement réalisés en commun avec les autres bailleurs et cofinancés par eux.

<sup>30</sup> Valorisation des actifs de 2IE mobilisés pour le projet (laboratoire, personnel technique, assistance technique...)

<sup>31</sup> Correspond à la 2<sup>ème</sup> phase du PRBE dont l'instruction est en cours et donc les activités pas entièrement définies.

	Année 0			Année 1			Année 2			Année 3			Année 4		
<b>Activités</b>															
Signature contrat de subvention															
(pm) <i>Assistant technique long terme (financement Fr)</i>															
Comp.1 : analyse besoins et potentiels															
Comp. 2 : test biocarburants															
Comp. 3 : renf. capacités															
Evaluation intermédiaire															
Evaluation finale															

La durée prévue du projet est de 36 mois de phase opérationnelle et de 24 mois de clôture.

#### 4.4. Suivi de l'exécution

Un Comité d'orientation sera mis en place, présidé par l'UEMOA, et dont les membres seront notamment la CEDEAO, le CILSS, les bailleurs impliqués (CE, DGIS, Fr, All).

- Le projet s'appuiera sur l'assistance technique déjà en place au sein de 2IE, financée par la France.
- Le projet sera suivi de près sur la base d'indicateurs clé présentés dans des cadres logiques et établis en lien avec chaque Plan Annuel de Travail, en cohérence avec les autres projets engagés, notamment le PREDAS. Une matrice d'évaluation des performances sera également préparée annuellement pour permettre au comité de pilotage d'évaluer les avancées du projet. Cette matrice intégrera les critères classiques de l'évaluation, relatifs à la pertinence, l'efficacité, l'efficience, l'impact, la viabilité, la cohérence et la valeur ajoutée communautaire. Elle intégrera également des recommandations relatives à la suite du projet.

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#### 4.5. Évaluation et audit

Le projet sera soumis à une évaluation intermédiaire externe au cours de son 5<sup>ème</sup> semestre de mise en œuvre opérationnelle. Une évaluation finale sera réalisée en fin de projet. Des audits pourront être effectués par le siège de la Commission Européenne ou la délégation de la CE au Burkina Faso en vertu de son mandat régional.

#### 4.6. Communication et visibilité

Une stratégie de communication et visibilité adaptée à différents publics, dont les différents membres des organisations partenaires et de la Commission Européenne, sera développée en tant qu'activité à part entière du projet. Les normes liées à la visibilité seront dérivées du « Guide UE pour la visibilité des actions externes » [http://ec.europa.eu/europeaid/visibility/index\\_en.htm](http://ec.europa.eu/europeaid/visibility/index_en.htm) .

➤ **ACTION SHEET F**

➤ **IDENTIFICATION**

Title	Under Priority 5 of the ENRTP: Sustainable Energy in Central America – Support to the Energy and Environment Partnership (EEP) (Ref. 20558)		
Total cost	Maximum EC contribution EUR 1 500 000		
Aid method / Management mode	Project approach –indirect centralized management mode(ADA)		
DAC-code	23030	Sector	Renewable Energy Sources/Policy

➤ **RATIONALE**

○ **Sector context**

Central America is a subcontinent that connects North America with South America and has a land area of 762,064 square kilometers. The economic activity in Central America during the year of 2006 reached a growth rate of 5.9%, which was an important event (ECLAC, 2007). First, it was above average across Latin America (5.3%) during the year of reference; secondly, it was the second highest rate in 30 years in the Central American region. After a period of almost 10 years with low growth rates of GDP, (Gross Domestic Product), from 2003 the region began to achieve higher rates, reaching an extraordinary value in 2006.

The Energy consumption in the Central American Isthmus is characterized by a high dependency of petroleum and biomass (firewood) products. According to ECLAC estimates, the countries of Central America have reached a final energy consumption of an equivalent of 158 million petroleum barrels (distributed mainly by 45% of petroleum products, by 38% of biomass, 12% of electricity and by 5% others). With regard to the consumption sector, according to the Energy Economic Information System of OLADE (Organización Latinoamericana de Energía) in 2005, the two largest sectors of energy consumption in the region were residential with 43% (where the firewood represented 83%), and transport, with 30%, mainly of fossil fuel derivatives. However, only with regards to the total consumption of petroleum derivatives, the transportation sector used about 66%. Notwithstanding the dominance of oil use in Central America's power sector, hydropower is extremely important to several of the region's countries as a primary source of power. Hydropower has historically dominated electricity generation in Central America. However, conventional thermal capacity has become increasingly important. Facing energy shortages in the mid-to-late 1990s, Central American countries began privatizing their energy markets following a liberal US-model and, allowing foreign investors to develop new power plants, most of them of the conventional thermal type.

The production and consumption of fossil fuels in its various options (such as fuels in the transport sector, in the production of electricity, as a fuel in industrial processes and final consumption in other sectors), produce different impacts. These include, at local level: pollution in urban-industrial areas; at regional level: rain or acid deposition; and at the global level: contribution to Climate Change. All these externalities represent costs not included in the market prices of fuels, which create a distortion in the economic decisions regarding the optimal energy sector.

During 2006, total emissions in the region by consumption of petroleum products was 38 million tons of CO<sub>2</sub>, 1.2 million of CO, 272,000 of NO<sub>x</sub> and 166,000 tons of SO<sub>2</sub>. To this end were used emission factors of the Intergovernmental Panel on Climate Change (IPCC). Between 1980 and 2006, total consumption of petroleum products (final consumption for the economic sectors plus the consumption for electricity production), was multiplied by 2.58. At the end of 2006, the installed capacity of electric generation in Central America reached 9.369 MW.

The energy sector reforms in Central America included processes of market liberalization and privatization of almost all public enterprises. These changes were not applied to the electricity sector of Honduras, or electrical and fossil fuel sectors in Costa Rica. In Guatemala, El Salvador and Nicaragua the public sector kept the transmission and hydroelectric generation companies, while in Panama, the government still owns 50% of privatized companies. These reforms delimited the state functions into two separate entities: on one hand the entity responsible for the country's energy policies, and on the other hand, the regulator entity, which regulates the electricity industry.

### **Energy and Environment Partnership with Central America**

The Energy and Environment Partnership with Central America (EEP) has been supporting the Central American countries since its launching during the World Summit on Sustainable Development of the United Nations in Johannesburg 2002, in order to promote the renewable energies, with the purpose of contributing to the sustainable development and the mitigation of the global climate change. This effort was initiated with the support of the Ministry for Foreign Affairs of Finland in coordination with the Central American Integration System (SICA) and the Central American Commission on Environment and Development (CCAD), and since February 2007, the incorporation of the Austrian Development Agency (ADA) has strengthened this effort.

There have been several initiatives in favor of promoting the use of renewable energy in Central America. Some of them have ended in positive results and can be complemented with the present Partnership. The activities of the Partnership are focused on the following components:

- 1) Removal of legal and institutional barriers hindering the development of renewable energy in the region;
- 2) Promotion and strengthening of renewable energy development in all sectors (residential, commercial, industrial, transport and services), including biofuels as well as the promotion of energy efficiency;
- 3) Strengthening human resource and institutional capacity in renewable energy and energy efficiency issues, organizing 12 regional forums in all the Central American countries;
- 4) Supporting until now 178 projects on the appropriate use of renewable energy.

### **2.2 Lessons learned**

The Central American energy supply system presents a number of deficiencies, which reduce economic and technical efficiency of supply, increasing prices for end consumers. Following we present some of the main lessons learned:

- In the energy sector Central American countries face challenges on different levels due to the lack of energy security, rising oil and transport costs, negative impacts of local pollution and climate change and limited access to sustainable energy technologies.
- Power shortages increasingly threaten the economic and social development of some countries of the region. The lack of energy security and increasing fuel prices hampers the competitiveness of the private sector companies.
- The growing dependence on fossil fuel imports in the context of fluctuating fuel prices increasingly burdens national budgets of some countries.

- The most Central American countries do not make use of their local renewable energy and energy efficiency potential in an optimal way. The region has a high potential of renewable energy resources (especially hydropower, geothermal, wind and solar). Renewable Energy projects still face major financial, economic, legal, institutional and capacity related barriers. - The need to give special treatment to renewable energy projects, like small hydroelectric power plants, bioenergy projects, solar energy systems, wind and geothermal activities, especially reinforcements of the national transmission networks, and the interconnection with the regional system (SIEPAC).

- In four countries in the region, Nicaragua, Guatemala, Honduras and El Salvador, there is a major participation of firewood in the matrix of energy supply, used mainly in the residential sector. This high consumption entails a two-fold problem: first, it has an impact on the quality of people's lives, because in poor households people spend more of their income to meet their energy requirements than higher income groups, and also the indoor air pollution due to the use of biomass for cooking purposes continues to be a problem for the health of women and children; and on the other hand, the unsustainability of the production of firewood since it causes heavy deforestation. Approximately half of all Central Americans live in rural areas, and it is estimated that the average family living below the poverty line burns approximately 12 tons of firewood a year. These and other unsustainable developments have led to the clearing of land and forested areas. These developments have contributed to large-scale erosion and soil loss, leaving many areas vulnerable to flash floods and mudslides as the natural landscape's ability to retain water is jeopardized.

- Some of the projects are located in Protected Areas, making the access to resources difficult.

- In the specific case of the Energy and Environment Partnership with Central America several obstacles have been identified, that have affected the development of the Partnership's projects, the most important of which are:

- \* A project proponent could be no longer interested in the project execution or there have been changes in the original conditions of the proposal of the project, for instance changes in the politico-legal circumstances in a country.

- \* Many of the Project Developers do not have the technical capacity to formulate a project document; in such cases the National or the Regional Coordinator is requested to assist these applicants, but often fails for various reasons to do so. Initially, most of the projects had a technology partner from Europe which could perform such work. -Local technical assistance may be hired out the same funds approved for the project to support the project developer in the formulation and design of the project

- \* Some of the technologies for the renewable energy projects are not immediately available. The EEP has set itself as a task to verify that the required technology exists in the region to develop this type of projects.

- \* Another lesson learned is the necessity to be able to guarantee the supply of technologically advanced equipment (e.g. the photovoltaic technology), conditioned to tropical weather, which guarantees the operational success of the project. This is mentioned because providers have supplied equipments in the past with malfunctions, as well as specifications and requests that did not take into account the characteristics of the extreme climates of the Central American region. Identifying these prior barriers to initiate a project beforehand, saves time and in some occasions even saves the credibility of the Partnership.

## 2.3 Complementary actions

### - SG-SICA: Central American Strategy on Sustainable Energy 2020

The general objective of this strategy (see attachment) is to ensure Central America's energy supply, in quality, quantity and diversity of sources, necessary to ensure sustainable development; taking into consideration social equity, economic growth, governance and compatibility with the environment, according to international environmental commitments.

In the framework of this strategy, a Central America Matrix of Actions for Integration and Energy Development has been formulated. The objective of the Matrix is to identify actions to be undertaken in the short term to promote the integration and energy development of the region. The main actors are an Inter-institutional Group of support to the process of energy integration and development of Central America: (SG-SICA, SIECA, CEAC, CCHAC, ECLAC, INCAE, CABEI, IADB, USAID and OLADE) and the Energy and Hydrocarbons Directorates of Central American countries.

The matrix includes actions on the short, medium and long term, such as: rational use of energy, institutional aspects, diversification of the energy consumption matrix, new renewable sources of energy, rural electrification, sustainable energy strategy and regional integration. It also includes: expected objectives and results, institutions responsible for supporting the region, government entities to coordinate and develop activities. To execute these activities, the Energy Coordination Unit of SG-SICA was created by Resolution of the Ministers or Responsible of the Energy Sector of the SICA countries.

#### *EC funded projects:*

- **GAUREE 2 – HONDURAS (€ 5 million)**, which includes four basic components: Increase rural electrification by means of renewable energy projects; implementation of hydraulic energy generation project; reduction of energy losses in distribution systems and improvement of energy efficiency. In process of being closed.
- **EURO SOLAR (€ 30,244,800)**: Regional EC funded programme in 8 countries in Latin America (including four countries in Central America), that aims to reduce poverty, allowing remote rural communities hitherto without access to electricity, to benefit from renewable electric energy. This project started on 2007 and the closure is foreseen for 2010.
- **SOLEDUSA 2003-2009 (€ 10,000, 000)**. This project is being implemented in Panama, and includes three components: provision of renewable energy infrastructure to education and health rural centres. The other two components are dealing with the improvement of health and education services in the province of Veraguas and the Comarca of Ngobe.
- **Thematic Lines**. Through ONG 's projects exist successful experience at local level dealing with the use and promotion of alternative energy.

#### **Member States:**

A number of member states are investing in the sector and in some relevant instances channelling their funding through the Central American Economic Integration Bank (BCIE).

#### **Others:**

**World Bank** through the PIR (Project for Rural Infrastructure) is also prioritising rural electrification. Through one of its main objectives, this program is aiming at providing rural communities with electric power service, which will support production and improve the well-

being of the rural population. Among the modes of energy production, increased support will be considered for renewable sources such as solar energy.

The WB through the GEF Funds are also financing to the BCIE for the support of Financial guarantees to the Energy investors, through the project "Opportunities of investment on renewable energy in Central America (ARECA).

BCIE is also supporting to Small And Medium Enterprises (SME) for the promotion of cleaner technology, through the project Market for the Biodiversity (CAMBio), initiative leading by UNDP/GEF/BCIE.

## 2.4 Donor coordination

The Energy and Environment Partnership with Central America has been supported by the Ministry for Foreign Affairs of Finland and the Austrian Development Agency, with a contribution of EUR 8.8 million since the beginning of the first phase and the project is currently in its second phase.

Currently, the Partnership is looking for the support of new donors, because it has been very successful since it started and it has already an organization structure working with the regional governments of Central America. The updated EEP Framework Document dated November 2007 (available on the website [www.sica.int/energia](http://www.sica.int/energia)) forms the basis for the implementation of the ongoing Partnership and should therefore be the reference document for any newcomer joining the Partnership. The on-going EEP's second phase will finish on December 2009, and the third phase of the programme will initiate on January 2010. The EC contribution will support this effort which is already working with its own procedures and rules, according to the administrative requirements of the current donors. This means that the EC contribution will be managed under the same framework, and the format of the existing reports will be the same for all participating donors.

### ➤ DESCRIPTION

The Energy and Environment Partnership with Central America is a project that has been ongoing for more than five years. The formulation phase was done by SICA in coordination with the Ministries of Environment of Central American countries in coordination with the different donors. Consequently, an Action Fiche should be sufficient to operate in an efficient manner in this already existing cooperation framework.

### ○ Objectives

#### Overall Objective

To promote renewable energy projects in the region, contributing to sustainable development, poverty alleviation, and the mitigation of Climate Change.

#### Specific Objectives:

1. In response to the legal and institutional barriers existing in Central America, the EEP will support the activities related with regional policies and legislation in the area of energy in the member countries of SICA.
2. To promote the development of renewable energy projects (hydro power plants, bioenergy, wind, geothermal, solar, bio-fuels and others) and energy efficiency projects.

○ **Expected results and main activities**

In the general framework and procedures for the four components in which is working the AEA the concentration of the activities will be devoted on two main results presented below, avoiding the dispersion of resources and re-forcing the ongoing activities funding by the government of Finland and Austria, specifically the results 2, which have been one of the main cornerstone of the initiative. The first and second activities will concentrate the 76.6 % out of the total budget. Depending on the demand for projects, received at the Steering Committee; and it's planned that most of the resources are on the second results, which offer more immediate results at local level. The reports to be used will be those already defined by the EEP. The project supporting the EEP will strive to incorporate greater use of renewable energy research results so as to increase its effectiveness and enhance synergies between different policy areas and their instruments, both at European and Member State level.

**Result No. 1**

**A strengthened regional of policies and legislation framework on sustainable energy in Central America, which ensures the participation of the stakeholders.**

It's a priority for the Central American Commission on Environment and Development (CCAD), coming from the Ministers of Environment and Energy to support activities regarding the regional sustainable energy policy. To achieve this result, the following activities have been planned:

1. Support the UCE-SICA in the diagnosis of the energy legislation in every country of the Central American system.
2. Formulate a regional sustainable energy policy draft proposal.
3. Present to the Ministries of Energy and Environment the products of this Result No. 1, in order to obtain their approval.

**Result No. 2**

**Renewable Energy Projects Portfolio executed with different technologies at regional level**

It has been observed that the renewable energy projects developers need at the first stage support to initiate their ideas, that's why the Energy and Environment Partnership is working with them to start successful projects with the following activities:

1. Divulcation of the EEP opportunities to motivate project developers to present projects profiles through the Ministries of Environment and Energy in each country.
2. Execution of the approved projects, including pilots and feasibility studies.
3. Facilitate the presentation of the projects to obtain financial loans for its execution. (For example: CABEL, European Investment Bank, IADB and others).
4. To present in the regional forums the successful cases achieved, to motivate the divulgation and future implementation of the projects by others projects developers. Including in each forum a special session for training on technical assistant to help projects developers to better formulate and administrate their projects.
5. Support the organization of Steering Committee meetings to present the projects for evaluation and approval.

o **Stakeholders**

**Main Stakeholders:**

**Central American Integration System (SICA)**

Regarding the Central American electric energy system one should mention the proactive role of the Secretariat General of the Central American Integration System (Secretaría General Del Sistema de la Integración Centroamericana (SG/SICA)), in the execution and coordination of the mandates of the Central American Presidential Summits and the decisions reached by the Foreign Affairs Ministerial Councils.

Through the Declaration of the III Meeting of Ministers of Environment and Energy of the Central American Integration System (SICA), held on October 10, 2006 in Panama City, it was decided to create the Energy Coordination Unit of SICA, attached to the Secretary General of SICA, and task it with the coordination of actions regarding sustainable energy, focusing on the investments made in renewable energy sources for electric generation projects.

**Central American Commission on Environment (CCAD)**

The CCAD is the Secretariat of SICA, responsible for the regional environmental agenda. The main objective is to "contribute to the sustainable development of the Central American region, strengthening the cooperation and integration for environmental management".

To achieve this objective, CCAD has elaborated the Central American Environmental Plan (PARCA) for the medium and long term (2005-2010), which includes 3 strategic areas: 1) Pollution Prevention and Control. 2) Conservation and Sustainable Use of Natural Resources. 3) Institutional strengthening of the CCAD.

**Main Beneficiaries:**

Rural communities, NGO's, academics, governmental institutions (in particular the Ministries with competences in energy and environment), private sector and other institutions.

o **Risks and assumptions**

- Each country has different contexts regarding energy, the legislation is also different, and it could be difficult to try to harmonize the sector in the whole region.
- Lack of strong incentives at the national level for renewable energies projects.
- Given the crucial importance of energy issues for the development of the region there is high priority accorded to it on institutional and policy levels. Since the relevant national authorities endorse each project, these projects are not only fully in line with the government's development strategy but as a result, political support is assured from the outset.
- Liberalization and deregulation in the nineties have led to very different framework conditions for renewable energy in Central America. Given the actual fuel prices, there is a strong political movement towards sustainable and national energy resources. In the unlikely event of major changes in the oil market and a subsequent change in the general energy policy of the Central American Governments only little room would remain for balancing feasibility in renewable with inadequate regulatory frameworks.
- Given the expected timeframe for considerably increasing the share of renewable and allowing access to modern energy services for all citizens, there is no exit strategy of donors

defined within this phase. On the contrary, evaluations foresee positive results through continuation of the program.

- Lack of access to bank loans to finance the projects due to the high requested guarantees.

➤ **IMPLEMENTATION ISSUES**

○ **Implementation method**

The Governments of Finland and Austria are currently financing the Energy and Environment Partnership.

The implementation method of the EC contribution to the programme will be the “*indirect centralized management mode*”, thereby delegating budget implementation tasks to the Austrian Development Agency (ADA). The delegated tasks will include preparation, implementation and closure of grant agreements and procurement contracts, and management of corresponding expenditures. ADA is already a donor to the Energy and Environment Partnership, and it has successfully completed the compliance audit procedure required to be eligible under this modality to the EC contribution. A standard delegation agreement will be signed with ADA which will include, among others, a definition of the tasks assigned and the arrangements for performing them. The exercise of public authority by the Commission will be through the integration of the EC Delegation to the organizational structure below.

**Organizational Structure**

**Supervisory Board:**

The Supervisory Board for the Partnership is constituted by the Secretary-General of the System for the Central American Integration (Secretaría General del Sistema de la Integración Centroamericana SG-SICA) or his representative, the Representative of the Presidency Protempore of the Central American Commission for Environment and Development (Comisión Centroamericana de Ambiente y Desarrollo CCAD), the Representative from the Ministry for Foreign Affairs of Finland and the Representative of the Austrian Development Cooperation. The EC will have a seat in the Supervisory Board.

**Steering Committee:**

All Central American countries and the Dominican Republic have a formal participation within the organizational structure of the Partnership through a designated Representative Member and an Alternate member.

If there are separate Ministries for Environment and Energy, Governments nominate a representative and an alternate members from the different ministries,. It is recommended that these members be related or involved in the issues of climate change and energy. The Finnish Government has designated two representatives for the meetings. The Austrian Development Cooperation has two representatives in the meetings, and the European Commission will designate two representatives as well.

The Representatives of each Central American country, the Dominican Republic, the two representatives of the Austrian Development Cooperation, the two representatives of the Finnish Government and two representatives of the European Commission will form the Steering Committee. A representative of CCAD participates in the Steering Committee as an observer.

**Regional Coordination Unit:**

The Regional Coordination Unit (RCU) is made up by the Regional Coordinator, the Administrative Director, the Projects Manager, the Administrative and the Senior Advisor.

**National Coordination Units:**

Nationally designated members form the National Coordination Units. In order to perform their duties, these members form a National Technical Committee, whose members contribute with the required capacities to an effective execution of the activities at national

level. The National Coordination Units relate among themselves and with the Steering Committee through the Regional Coordination Unit.

o **Procurement and grant award procedures**

This contribution will be implemented under the indirect centralized management mode, with ADA as a delegated implementing body. The procurement rules that apply are those used by ADA in the framework of the EEP

o **Budget and calendar**

The European Commission will channel its resources via an account to the implementing agency ADA. The latter's decisions on the use of the disbursed EC resources will respect the following **indicative** distribution:

Activities linked to Result n. 1	250 000 €
Activities linked to Result n. 2	1 000 000 €
Information, Comm. and Visibility	50 000 €
Operational and	
Administrative costs	100 000 €
Evaluation, Auditing, Unforeseen	100 000 €

**TOTAL: 1 500 000€**

Both current donors of the EEP, ADA and the Ministry for Foreign Affairs of Finland, contribute to the Operational and Administrative Costs of the Partnership, because it is considered basic for the good functioning of the programme, and it's fair for both donors to share these costs.

The project will have a life span of 30 months starting from the signature of the Financing Agreement. This timeframe includes six months for the closure phase. The disbursement of the funds will be 50% as a first payment in the first year, and the remaining 50% in the second year.

The time table for the EC contribution for the EEP is planned as follows:

		YEAR 1		YEAR 2		YEAR 3	
1	Supervisory Board Meetings		X		X		
2	Regional Forums	X	X	X	X		
3	Diagnosis of the regional energy situation	XXXXXXXXXX					
4	Energy Policy draft proposal		XXX	XXXXXXXXXX			
5	Presentation Ministers Energy/Environment					XXXX	
6	Divulgation of EEP activities	XXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXX			
7	Execution of the projects	XXXXXXXXXX		XXXXXXXXXXXXXXXX			
8	Facilitate loans for projects	XXXXXX		XXXXXXXXXXXXXXXX			
9	Steering Committee Meetings	X	X	X	X		
10	Closing period					XXXXXXXXXX	

#### **4.4 Performance monitoring**

The project will be monitored by staff of the EC Delegation in Managua responsible for this project, by means of field trips and participation in events and Committee meetings; however, the key EEP reports established for achieving results, will be monitored by a six-month internal program which shows the progress regarding these reports. External monitoring missions will be considered as complementary actions.

The indicators which are being presented in the reports, in order to measure the accomplishments of the EEP are the following:

#### **ECONOMIC AND SOCIAL IMPACT INDICATORS**

5. Economic saving
6. Income level improved
7. Investment promoted
8. Installed capacity
9. Number of Beneficiaries (families)
10. Employment generation
11. Clean Energy Production (Kwh)
12. Knowledge and understanding of the technology (number of persons trained, number of workshops organized, technical manual published)

#### **ENVIRONMENTAL IMPACT INDICATORS**

13. Ton/CO<sub>2</sub> reduction
14. Hectares reforested
15. Kerosene reduction
16. Fuel oil reduction
17. Diesel reduction
18. LPG reduction
19. Firewood saving

#### **4.5 Evaluation and audit**

The delegated implementing body shall apply its own audit procedures recognized as equivalent to those of the Commission. Every year the SG-SICA/AEA contracts an external financial audit, which is presented to the Ministry for Foreign Affairs of Finland and the Austrian Development Agency. In addition, the project's budget foresees funds to finance at least one specific audit of the EC contribution. Such audit will be contracted by ADA upon request of the EC and on the basis of terms of reference provided by the EC.

#### **4.6 Communication and visibility**

A strategy of information, communication and visibility will be prepared which not only shows the results of the EC Contribution but also contributes to the general objective itself.

The EEP has the dissemination strategy to present all the activities as a whole and not split any project by donor, there are only EEP projects. So EC will be presented as a donor, and there will be no mentioning of origin of funds for any particular project: it's a joint EEP project, funded jointly by partners, without any specific Austrian, Finnish or EC flag on a given project. However, in general terms, of course the origin of all contributions to the EEP will be mentioned.

This visibility strategy will be elaborated taking in consideration the EC Guide for Visibility, ensuring that local counterparts will take the necessary steps to avoid any confusion on the origin of funds. In this sense, an exhaustive control by the Delegation in each particular action will be carried out.

**ATTACHMENT TO ACTION SHEET F  
CENTRAL AMERICA: SUSTAINABLE ENERGY**

**DCI REGULATION – ARTICLE 13: ENTRP**

**REGARDING THE VERIFICATION OF THE CONDITIONS FOR INDIRECT  
CENTRALISED MANAGEMENT PROVIDED FOR IN ART. 56 OF THE EC  
REGULATION 1605/2002**

The Financial Regulation (FR) (Council Regulation No. 1605/2002) and its implementation rules (Commission Regulation No. 2342/2002) are applicable to the Budget Line 21.04.01: Environment and sustainable management of natural resources, including energy.

Indirect centralised management was selected for the "Sustainable Energy in Central America – Support to the Energy and Environment Partnership (EEP)" since the Austrian Development Agency (ADA) has been assessed by EuropeAid and confirmed that the criteria envisaged by Article 56.1 of the Financial regulation are fulfilled under article 56(1) of the Financial Regulation with a view to perform of tasks linked to the implementation of Community. The exercise of public authority by the Commission will be through the integration of the EC Delegation to the organizational structure as stated in point 4.1 of the Action Fiche.

**Summary table**

<b>Article [56.1] [56.2] FR criterion</b>	<b>Comment</b>
(a) Transparent procurement and grant-award procedures, which are non-discriminatory and exclude any conflict of interests and which are in accordance with the relevant FR provisions	<i>AIDCO did not identify significant exceptions to the criteria and corrective actions ADA should implement prior to being entrusted with the budget implementation tasks.</i>
(b) An effective and efficient internal control system for the management of operations, which includes effective segregation of the duties of authorising officer and accounting officer or of the equivalent functions	<i>idem</i>
(c) An accounting system that enables the correct use of Community funds to be verified and the use of funds to be reflected in Community accounts.	<i>idem</i>
(d) An independent external audit exercised by a national institution for independent external auditing	

(e) Adequate annual ex post publication of beneficiaries of funds deriving from the EC budget.	<i>idem</i>
Prevention of irregularities and fraud and recovery of funds if necessary	<i>Adequate clauses will be included in the Delegation Agreement</i>
The Commission will ensure supervision, evaluation and control of the implementation of the tasks entrusted	<i>Adequate clauses will be included in the Delegation Agreement</i>

**Conclusion:** In his note (AIDCO G2 GN D(2008) 6381) of 26/03/2008, the Director General of EuropeAid confirmed that the conditions placed by Article 56 the FR are currently being met. On this basis is proposed that the applicable implementation method to the Annual Action Programme 2009 (the action entitled " Support to the Energy and Environment Partnership (EEP) " for 2010) for Central America be **indirect centralised management** and submitted to the Commission for decision.

Date: *[signed]*  
Signature: Director AIDCO/B  
Authorising officer by sub-delegation

➤ **ACTION SHEET G**

○ **1. Identification**

Title	Under Priority 5 of the ENRTP: Global Energy Efficiency and Renewable Energy Fund (GEEREF) <sup>32</sup> (ref. 168899)		
Total cost 2009	<b>EUR 15 000 000</b> <sup>33</sup>		
Aid method / Management mode	Project approach - Centralised indirect management (art. 54 (2) (b) FR)		
DAC-code	23010 Energy policy 41000 Environment	Sector	Environment, sustainable management of natural resources including energy

○ **2. Rationale**

Under the 2007 AAP<sup>34</sup> of the ENRTP, in particular action sheet D, the Commission allocated EUR 25 000 000 to the Global Energy Efficiency and Renewable Energy Fund (GEEREF).

Subsequently, under the 2008 AAP<sup>35</sup> of the ENRTP, in particular action sheet D, the Commission allocated another EUR 20 000 000 to the Global Energy Efficiency and Renewable Energy Fund (GEEREF).

As the full action sheet for GEEREF was included in the 2007 AAP, the present action sheet for 2009 will only summarise the main information and give updates on the state of play of GEEREF, as was done in the 2008 AAP.

**2.1. Sector context**

The four-year Thematic Programme for Environment and Sustainable Management of Natural Resources including Energy [ENRTP, 2007-2010] has been adopted by the Commission on 20 June 2007<sup>36</sup>. The basic act for this programme is the Development Cooperation Instrument No 1905/2006<sup>37</sup>, DCI), in particular Article 13. As referred to above, EUR 25 million and EUR 20 million were allocated to GEEREF from the 2007 AAP and 2008 AAP.

<sup>32</sup> COM(2006)583 and press release IP/06/1329 of 6 October 2006 “Commission proposes €100 million global risk capital fund for developing countries to boost energy efficiency and renewables”

<sup>33</sup> The EUR 15 000 000 financial support to GEEREF is earmarked as being part of the reserve as referred to in the 2009 budget of the ENRTP. The commitment if it is subject to the approval by the Budgetary Authority.

<sup>34</sup> Commission Decision C/2007/5836 of 3 December 2007, as last amended on 19 December 2007 by Commission Decision C/2007/6540:

[http://ec.europa.eu/europeaid/where/worldwide/environment/working-documents\\_en.htm](http://ec.europa.eu/europeaid/where/worldwide/environment/working-documents_en.htm).

<sup>35</sup> Commission Decision C/2008/4129 of 07/08/2008 last amended on xx/12/2008 C/2008/8515

[http://ec.europa.eu/europeaid/where/worldwide/environment/working-documents\\_en.htm](http://ec.europa.eu/europeaid/where/worldwide/environment/working-documents_en.htm).

<sup>36</sup> C(2007)2572

<sup>37</sup> OJ L378 of 27.12.2006 p 41

A Commission's Communication<sup>38</sup> and its accompanying Impact Assessment<sup>39</sup> set out in more detail how the Global Energy Efficiency and Renewable Energy Fund is to be designed in order to fit the needs within this sector.

## **2.2. Lessons learnt**

The Impact Assessment highlighted the need to create a 'patient capital fund', as it was considered by a large range of stakeholders as the only option that would allow an effective and efficient pooling of public and private funds and, through appropriate risk sharing arrangements, provide an incentive for commercial capital to co-invest, thereby mobilising private capital that would not be available otherwise.

Mobilising private sector finance is essential in order to channel sufficient finance into sustainable energy investments. In particular, the overall equity flow needs further stimulation.

The lessons learnt include the need to ensure intermediate funding structures to avoid "parachute banking" whereby project funding is too distant from the beneficiaries; setting reasonable expectations with respect to returns on investment to commercial co-financing parties, combine investment support with technical assistance also for management training purposes; introduce performance based incentive structures for fund management teams that ensure investments with returns to investors.

## **2.3. Complementary actions**

The GEEREF, as outlined in the Communication, is a novel public-private partnership complementing available Community financing instruments. It is specifically designed to boost the Community's capability to support the implementation of its partner countries' sustainable development and poverty eradication programmes, and accelerate the transfer, development and deployment of environmentally sound technologies. Complementarity with ongoing EC actions will be ensured by the European Investment Fund (EIF), which will implement GEEREF (see below).

## **2.4. Donor coordination**

For the elaboration of each envisaged action, coordination will take place, if possible, with the beneficiary country and/or other donors, notably Member States. The GEEREF will be set up with a mandate established by donors and investors.

### **o 3. Description**

#### **3.1. Objectives**

As laid down in priority 5 (Support for sustainable energy options in partner countries and regions) of the thematic strategy paper ENRTP, the objectives of the present action are to contribute to the expansion of renewable energy, energy efficiency and other related clean energy technologies to markets and services in developing

<sup>38</sup> COM(2006)583: *'Mobilising public and private finance towards global access to climate-friendly, affordable and secure energy services: The Global Energy Efficiency and Renewable Energy Fund'*, 6 October 2006

<sup>39</sup> SEC(2006) 1224, 6 October 2006

countries and economies in transition (including territories), with the objective to increase access to low carbon, secure and affordable energy, and to help improve the economic and social circumstances of underserved or disadvantaged populations, to encourage sustainable economic development, while promoting the protection of the environment.

This action should be seen in the context of the EU's general policy objectives in the field of energy to simultaneously win the battle against climate change, to eradicate energy poverty and to secure global energy supplies.

Ref. 168899

### **3.2. Envisaged actions and expected results**

GEEREF was set up in November 2008 as a separate independent legal entity in Luxembourg. The use of a separate legal entity is common practice in the risk capital sector. In early December 2008 after the fund had been fully established, the GEEREF Investment Committee, made up of representatives of the three public investors Germany, Norway and the European Commission approved the fund's first investments.

Description of *envisaged actions* intended to support the ENRTP are the following:

- The GEEREF will pool public and private funds through an innovative public-private partnership in order to offer new risk sharing and co-funding options for various investors in the areas of energy efficiency and renewable energy.
- The GEEREF will actively engage in the creation and funding of regional sub-funds or scale up similar existing initiatives.

By addressing the equity funding gap for energy efficiency and renewable energy projects, the *expected results* of GEEREF would be:

- As will be set out in the mission statement of the Fund, the Fund will contribute to the expansion of renewable energy, energy efficiency and other related clean energy technologies to markets and services by increasing access to financing.
- A first financial input in the order of EUR 100 million (Community money plus other investors input) achieved, the Impact Assessment showed that additional capital of at least EUR 300 million up to EUR 1 billion could be mobilised through the sub-fund structure and at the project and SME level.

It is also expected that the GEEREF will lead to an increased engagement of the private sector in the energy efficiency and renewable energy business in the areas of investments. The provision of "patient capital" provided on a long term and subordinated return basis will buy down the cost of capital for renewable energy and energy efficiency projects/SMEs. This will improve the investment conditions for private equity co-investors or senior lenders, thereby making the project/SMEs eligible for funding from these sources. The latter will thus have access to resources previously outside their reach.

### **3.3. Stakeholders**

The scope of the GEEREF is to support regional sub-funds for Sub-Saharan Africa, Caribbean and Pacific Island States, the countries of the European Neighbourhood Policy and Russia, Latin America, and Asia (including South-East Asia, Central Asia and the Middle East). There will be a special emphasis on serving the needs of the ACP countries. The support is intended for renewable energy and energy efficiency project developers and SMEs.

### **3.4. Risks and assumptions**

GEEREF aims to be financially self-sustainable. To mobilise private risk capital in high risk and medium risk sub-funds, the public component of the GEEREF will serve to accept lower returns depending on the actual risks to be covered, and thereby lift returns for the private sector towards commercial thresholds. The public component will also serve to accept longer investment or repayment periods and to take on higher transaction costs to allow targeting small and medium scale businesses. Given the implicit risk of investing in untested markets in developing countries markets it is possible that 100% capital recovery will not be achieved.

### **3.5. Crosscutting Issues**

This action has an environmental purpose and will accelerate the transfer, development and deployment of environmentally sound technologies. It promotes poverty eradication by promoting SMEs in the energy sector that will generate income and can lead to less dependence on expensive imported fuels. Though the economic aspect is prevailing, it also considers gender equality. Women are usually responsible for collecting biomass and the availability of modern energy supplies reduces physical burdens on women thereby improving their health and allows more time for income earning activity.

All activities of the Fund will be based on values that focus on established sustainability values in accordance with the Triple Bottom Line Principles (People, Planet, Profit) in order to ensure that an investment has a positive impact on the environment and contributes to sustainable development. This is being set out in the Issue document of the fund.

## **○ 4. Implementation issues**

### **4.1. Implementation method**

The Community contribution is being made available via centralised indirect management (Financial Regulation, article 54 (2) (b)) with implementing tasks delegated to the European Investment Fund (EIF). The EIF has already received in 2007 a delegation of powers from the Commission to subscribe shares to the GEEREF, hold those shares in a separate trust account on behalf of the Commission, take part in the decision making organs of the GEEREF and monitor the progress of the GEEREF and report to the Commission. Those tasks have been detailed in an agreement concluded between the Commission and the EIF, which was subject to the provisions and the conditions provided for in the Financial Regulations for indirect centralised management based on existing cases.

For the implementation of the action may a new European Community Mandate to the EIF be concluded, or an extension to the ongoing Mandate with reference ENV/2007/147 331 with title "Management of a participation of the European Community in the Global Energy Efficiency and Renewable Energy Fund ("GEEREF")".

#### 4.2. Procurement and grant award procedures

- a) In case of **grants, procurement**: All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. The maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 253 of the Implementing Rules of the Financial Regulation where financing in full is essential to carry out the action in question.

- b) In case of agreements with **international organisations**: All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

#### 4.3. Budget and calendar

**EUR 15 000 000**<sup>2</sup> from budget item 21 04 01 of the year 2009.

GEEREF was set up for a limited period of 15 years after the Initial Closing Date. The duration of the Compartment may be extended twice by one-year up to the discretion of the Board with the consent of GEEREF A Shareholders representing at least 75% of the GEEREF Total Commitments. **The Community funding of (indicative) EUR 80 million is planned in the strategy paper ENRTP for the period 2007-2010.**

#### 4.4. Performance monitoring

Financial reporting will be in accordance with the requirement of the International Financial Reporting Standards. Non-Financial reporting will complement the financial statements based on selected environmental, social and economic objectives or indicators e.g.:

- Amount and % of co-financing obtained
- Amount of carbon dioxide avoided or reduced
- Number of households provided with access to modern energy
- Number of MW produced or installed renewable energy capacity
- Number of MWh saved or MWh clean energy delivered
- Number of mtoe substituted
- Number of businesses participating in the seed, start-up and growth phase.

#### **4.5. Evaluation and audit**

The audit rules are laid down in the general conditions of the contribution agreement and in the prospectus of the fund.

The mandate signed with EIF foresees semi-annual reports and a final report, both on technical and financial aspects.

All agreements, including those made on behalf of the EC by EIF will include the necessary provisions to safeguard the audit rights of the EC/Court of Auditors.

#### **4.6. Communication and visibility**

The EC contribution to the GEEREF has already been referred to extensively in international fora. A press release was issued at the occasion of the fund's first investments. All publications of the Fund will acknowledge the EC contribution.

➤ **ACTION SHEET H**

Title/Number	Under Priority 5 of the ENRTP: Cooperation on clean coal technology (CCT) and carbon capture and storage (CCS) with coal-dependent developing and emerging country partners (ref. 20539 + 20634)		
Total cost	Maximum EC Contribution <b>EUR 10 000 000</b>		
Aid method / Method of implementation	Project approach – centralised management		
DAC-code	32182	Sector	Technological research and development

➤ **RATIONALE**○ **Sector context**

**The EU demonstrates leadership domestically and internationally on climate change, but the sole action of the EU will not suffice to achieve our objective of limiting global climate change to less than 2°C.** By 2020, developing country emissions will exceed those of the developed world, driven by the combustion of fossil fuels to meet soaring demand for electricity in emerging economies. Further greenhouse gas emission reductions are needed globally and the EU must actively help fossil-fuel dependent emerging economies and developing countries achieve their mitigation potential as well, in particular considering their increasing energy demand. Mitigating climate change will directly benefit all developing countries and especially the poorest that are likely to suffer most from climate change. This is important both politically and practically.

**In a business-as-usual scenario, carbon capture and storage (CCS) would not be ready for global deployment on a timescale commensurate with the problems outlined above.** CCS technologies and storage types and locations are not yet demonstrated in the power sector, even in developed countries, so developing countries are unable or unwilling to demonstrate/deploy without additional assistance. The lack of experience means additional uncertainty and risks associated with technologies and financing compared to other alternatives, particularly in the absence of a global carbon price/other incentive to encourage demonstration and deployment in emerging/developing countries. In some cases, the developing country enabling environment may not be considered suitable and public acceptance and knowledge may be limited. However, given the potential for economies of scale and large-scale deployment following demonstration in certain key coal-dependent emerging economies, and the urgency of the climate change challenge, it is essential to demonstrate in those countries in parallel to demonstration in developed countries.

The EC committed itself in both climate change and energy packages (2007 and 2008) to stepping up existing cooperation on carbon capture and geological storage with **China** and extending it to other key partners, such as **India** and **South Africa** (see COM(2006)843,

paragraph 5.4). According to recent bilateral exchanges, other countries which might also have an interest in capacity building for CCT and CCS are **Russia** and **Ukraine**.

○ **Lessons learnt**

We have learned from bilateral discussions under the various climate change dialogues that one size will not fit all. We have learned from preparatory studies and research (COACH and NZEC projects) and the EU-China Climate Change Partnership the importance of ownership by the partner country and the importance of involvement of experts and stakeholders on an equal footing with the European partners. For these reasons, we plan to implement a differentiated approach, using a combination of a call for proposals and a tender to implement a number of activities at an appropriate level for the countries concerned.

○ **Complementary actions**

EC membership of the Carbon Sequestration Leadership Forum (CSLF) and increasing contact with the Australians in the context of their proposed CCS Centre of Excellence will enable us to exchange information and coordinate with the key partners and donors in this field. This activity is also directly complementary to DG RTD and DG TREN led activities with these partner countries. The potential for cooperation with the partners in the Asia-Pacific Partnership will be examined, as the Commission is aware of on-going work between Japan and China and Australia and China, and has been approached by i.a. Australia to exploit synergies between the different activities.<sup>40</sup>

This activity is complementary to EU activities, which concentrate on other energy technologies, e.g. the Global Energy Efficiency and Renewable Energy Fund (GEEREF). It is also complementary to the EU-China Energy and Environment Programme, which is looking at different aspects of energy policy with a focus on energy efficiency and renewable energies.<sup>41</sup>

○ **Donor coordination**

The full strategy and plans for extending the cooperation beyond the limited activities outlined below will be set out in a Commission Communication, due for adoption in spring 2009. In the course of the stakeholder consultation for this Communication, outlines of planned activities were presented to Member States (MS), Norway, industry and the partners in the current EU-China work. Of the MS, the most interested are: UK, DE, NL, FR, IT.

➤ **DESCRIPTION**

**"Cooperation on clean coal technology (CCT) and carbon capture and storage (CCS) with coal-dependent developing and emerging country partners"**

○ **Objectives**

The objective is to build capacity and test feasibility for CCT and CCS technologies in coal-dependent emerging economies and developing countries, taking a partner-driven, differentiated approach.

○ **Expected results and main activities**

We propose to support two types of activities as follows.

<sup>40</sup> <http://www.asiapacificpartnership.org/CleanerfossilenergyProjects.htm>

<sup>41</sup> <http://www3.eep.org.cn/>

**i) capacity building and studies on clean coal technologies and CCS in developing countries and emerging economies targeting in particular coal dependent countries (e.g. China, India, South Africa, Russia, Ukraine and other countries, as appropriate).** Activities to be supported and selected via a call for proposals may include for instance:

- Support for national CCT and CCS capacity building and technology development centres;
- Capacity building in the form of internships on CCT and CCS for engineers and power sector managers from a limited number of heavily coal dependent emerging economies and developing countries to European companies.;
- Cooperation activities between interested groups in emerging economies and developing countries and those working on CCS demonstration plants in Europe, and
- Studies on preparatory activities for the possible demonstration, diffusion and deployment of clean coal and CCS technologies.

**ii) Global Expertise development:** this component will include the support to the site-specific feasibility and design phase of the Near Zero Emission Coal (NZE) project in China, including the transition to Phases II and III of NZE; and actions aimed at disseminating worldwide key information on roles and opportunities for CCS.

**A) Support to the site-specific feasibility and design phase of the Near Zero Emission Coal (NZE) project in China,** and the transition to Phases II and III of NZE. Phase I of the NZE consists of three research projects (UK-NZE, and EC financed COACH and STRACO2 projects) that will set out a series of options in their final reports relating to i.a. capture technology options, storage potential, regulatory options and site selection, for assessment and implementation by the Chinese government.

This component includes the following three elements:

- A detailed **feasibility study** will be launched in Sept 2009. It will be the concrete follow up of the Phase I research work (to be completed in autumn 2009) and the adoption of the planned Commission Communication on CCS to be issued in spring 2009. The feasibility study will include the following activities:
  - Support to and analysis of the decision on which capture technology, storage site and plant type/size to use
  - An EIA of both the demonstration power plant, and the carbon storage site (transport included)
  - An assessment of the issues to be considered in the detailed design study for the construction of the demonstration plant (including transport), based on plant location and type
  - An assessment of the costs – construction and O&M
  - The identification of options for fully financing CCS demonstration plant in China
  - An assessment of the regulatory framework in China

- The preparation of the tender documents based on results of above mentioned feasibility study for the Phase III of NZEC – the construction phase of the pilot plant – (including assistance to the evaluation of participating bidders).
- Activities to facilitate the transition to Phase III of the NZEC project, including coordination with ongoing efforts, existing steering groups, with the Chinese government, the European Commission and Member States.

This kind of cooperation has the potential to underline the EU's credibility in the international climate negotiations and provide a model for technology cooperation and financing between developed and developing countries. In advance of the December 2009 Copenhagen climate negotiations, it will be politically important to start moving from the research to the implementation phase in relation to the commitments made by the EU at the Summit with China in 2005.

B) **Global Visibility Actions** will aim at widely disseminating best practices, raising awareness on the role and potentialities of CCT/CCS in partner countries, eliciting support for the EU policies on CCT, and drawing together experts and exchange innovation on the subject. Activities will therefore include seminars, workshops and conferences; the publications of leaflets and booklets on specific subjects; participation in conferences; the set up and maintenance of a website where both project and wider CCT/CCS issues and research findings will be disseminated.

#### ○ **Risks and assumptions**

The on-going climate negotiations for a post-2012 framework may affect the project(s) in a positive or negative way, as will the current negotiations on the Climate and Energy package, including on the modalities of the ETS review and the EU's CCS Demonstration programme. We are working on the assumption that a flexible approach will enable recipient country ownership of the activities implemented.

CCS in the power sector is at the demonstration stage. We need to demonstrate it globally in order to better assess the potential and risks of the technological and storage options in combination in the power sector. By working in partnership with developing countries, building on the research conducted under Phase I of the NZEC project, working with local institutions and bringing in international expertise to conduct a thorough feasibility study, we can minimise the risks and maximise the potential benefits of global deployment.

#### ○ **Crosscutting Issues**

The objective of the project is environmental sustainability. By ensuring that all activities are done through cooperation lessons learnt in the EU on suitable forms of governance will be transferred.

#### ○ **Stakeholders**

The key stakeholders are European and third country governments, research institutes and organisations and industry (primarily the engineering and power generation sectors). Initial consultations with industry (i.a. via the Zero Emissions Technology Platform (ZEP)) and MS have shown a positive response to our plans to cooperate on this issue with a range of developing countries, including China.

Local project partners will be able to participate in and implement projects as long as they are targeted at the appropriate level in line with the current state of the debate and the technology in any given country. This underlines the need for a differentiated approach. We have been consulting stakeholders in emerging and developing countries through the existing bilateral arrangements (e.g. EU-China Climate Change Partnership, EU-India S&T cooperation, EU-South Africa Working Group on coal, CCT and CCS). The South African Minister for Environment, Marthinus van Schalkwyk has recently written to Commissioner Dimas with details of S. Africa's CCS plans and requesting cooperation with the EC on this issue.

The cooperation with China stems from commitments made between the EU (represented by President Barroso for the Commission and Mr Blair as President of the European Council), at the EU China Summit in 2005.<sup>42</sup>

Consultations of the relevant EC delegations have taken place and consultation with partner governments is ongoing.

➤ **IMPLEMENTATION ISSUES**

○ **Method of implementation**

**i) Capacity building and studies on clean coal technologies and CCS in developing countries and emerging economies**

Centralised management of contracts awarded via a call for proposals, which is open to participants from a limited number of heavily coal dependent emerging economies and developing countries including South Africa, India, Russia and Ukraine.

**ii) Global Expertise development**

Direct centralised management of contracts awarded via a call for tenders. To that effect, a tender dossier for the feasibility study and detailed design of the CCS demonstration plant will be prepared. An international tender will be launched in September 2009.

○ **Procurement and grant award procedures/programme estimates**

**1) Contracts**

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the DCI Regulation. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in articles 31(7) and (8) DCI.

**2) Budget and calendar**

The total budget is €10m, to be divided between results i and ii. An indicative breakdown would be €3m for the CCT / CCS call for proposals and €7m for the work on global expertise development including an NZEC feasibility study in China.

<sup>42</sup> [http://ec.europa.eu/environment/climat/pdf/china/joint\\_declaration\\_ch\\_eu.pdf](http://ec.europa.eu/environment/climat/pdf/china/joint_declaration_ch_eu.pdf)

The call for proposals should be launched after the adoption of the AAP, in May 2009. The tender procedure should be launched in the second half of 2009.

○ **Performance monitoring**

Proposals under the call will be required to include suitable performance monitoring arrangements following the detailed guidelines for the call. The detailed tender documents for the feasibility study specify monitoring and reporting arrangements.

Proposals under the call will be required to include performance indicators. Evaluation criteria for the tender for the feasibility study will be drawn up as part of the work under the framework contract.

Furthermore, the action will be subject to EuropeAid's annual external monitoring exercise.

○ **Evaluation and audit**

Details of evaluation and audit will be included in the call for proposals.

○ **Communication and visibility**

The contractor awarded the tender will conduct outreach, dissemination and awareness raising activities.

Standard clauses on visibility will form part of the call for proposals.

➤ **ACTION SHEET I**➤ **Identification**

Title/Number	Under priority 2 and 5 of the ENRTP: Local Call for Proposals in Cuba (ref. 20655)		
Total cost	EC contribution <b>EUR 3 000 000</b>		
Method/ Management mode	Centralised management		
DAC-code, if applicable	23000 Energy 41000 Environment	Sector	Environment, sustainable management of natural resources, including energy

➤ **Rationale**General sector context

Two thirds of the planet's key ecosystem services are being degraded or used unsustainably and present an obstacle to achieving the Millennium Development Goals. The adverse effects of these changes have an impact on the whole world, but they increase the vulnerability of the poor in particular, who depend directly on a wide range of natural resources and ecosystem services for their livelihoods and who are particularly vulnerable to environmental hazards.

In 1994 was established the Ministry of Science, Technology and Environment (CITMA), the environmental authority in Cuba which runs the national environment system. The creation of the Ministry made it possible to replace the previous structures and consolidate efforts with a greater degree of top-down structure and representation at the national level, and also to achieve a greater degree of coherence in international environmental work.

In 1997, the National Assembly approved Law No. 81 "On the Environment" which sets the legal framework to adequately reflect the requirements of environmental protection and the attainment of sustainable development. In 1997, the central Government also approved the National Environmental Strategy 2007-2010. Climate change and Energy are part of the main priorities identified in the Strategy, which is monitored by quantitative environmental and performance indicators reviewed at the beginning of each year in accordance with the work plan. The indicators are also connected to other national indicators.

Donor coordination in the area of environment and climate change (including renewable energies) is ensured by CITMA. UNDP has been the main partner in this area as Environment and Energy are two of the priorities within its UN Assistance Framework 2008-2009. Some UNDP projects are funded by EU Member States (for example: Belgium and Italy on water and sanitation, France on biodiversity). Several

studies in the area of climate change are being funded by Canada (CIDA) and GEF which is also funding projects in the area of biodiversity and climate change.

The local call is expected to raise wide interest among civil society and generate good quality proposals. Several NGO's (Oikos, Care, WWF...) and international organisations (UNDP) present in Cuba are active in the field of environment and energy, and participated already in previous editions of the global calls for proposal published under the Thematic Programme for Environment and Sustainable Management of Natural Resources, including Energy.

### Climate Change

Cuba submitted its First National Communication on Climate Change in 2001. The Second National Communication is currently being prepared. Having ratified the United Framework Convention on Climate Change, the Cuban government is committed to assessing the degree of vulnerability of the sectors which are likely to be most impacted by climate change.

The efforts of the Cuban State to develop science and technique in Cuba show the certainty of a policy established since the beginning of the Revolution. The creation of the Institute of Meteorology and the assignment to this institution of functions related to climate monitoring, and the development of investigations oriented to the establishment of prediction and climate warning methods for different timeframes, are a relevant evidence of the interest to reduce climate impacts.

Cuba possesses an efficient response system before the impacts of climate anomalies. The main achievements that it presents are based on the existence of a centralised structure that guarantees the participation of all the levels of society. The fact that the National Civil Defence System is inserted within the general plans for the defence of the country guarantees a high level of response. The main virtue of the Cuban response system is that the preservation of human life constitutes its main priority, even at the cost of employing important material resources.

Notwithstanding, weaknesses do exist. The popular perception and that of some productive sectors on the events of climate variability is still incomplete and in some cases erroneous, since there is no education system structured in this sense, in spite of the efforts carried out. Also, the monitoring and warning systems and the way they are used by society could still be improved.

Measures of adaptation to climate variability identified are focused in the continuous strengthening of the institutional capacity to prevent and to act before these variations, increasing the level of readiness of the Cuban society. Experience demonstrates that preparedness is an appropriate strategy to reduce the adverse impacts of climate variability.

### Energy

Cuba is working to become self-sufficient in energy, putting a major effort into research, development, and demonstration of efficiency and a wide variety of renewable resource technologies, including sugar cane biomass for electricity and cooking gas, small rivers for hydroelectric power, wind and a prodigious amount of

sun for electricity with photo-voltaics and wind generators, and bioclimatic architecture to reduce energy needs.

*- Biomass conversion*

Cuba's reliance on sugar exports plays a central role in its economic and energy problems. Many in the Cuban solar energy community look towards sugar as a potential centrepiece of Cuba's recovery. Imported oil has long fuelled the majority of Cuba's energy needs. Sugar, the main export crop, provides the credits to get that oil but inadequate oil imports mean insufficient diesel to fuel harvest vehicles and other agricultural production equipment, and less feedstock to make fertilizers and pesticides. The shortages hamper the sugar harvest, reducing output.

Cuban agriculturists have responded to the fertilizer and fuel shortage (as well as the embargo-induced difficulty in obtaining pesticides) with a crash program to adopt and develop alternative agriculture methods such as minimal tilling to reduce tractor use, composting to reduce fertilizer needs, and organic pest control to reduce dependence on pesticides.

Sugar's potential contribution to the Cuban search for energy self-sufficiency does not end with converting cane waste into electricity. The industry produces about 3 million tons of solid "cachaza" a year - the residue of minerals and wax left after filtering the pressed cane juice. Cuban sugar researchers are developing biogas digesters to convert the cachaza into methane gas for cooking fuel.

Additionally, Cuba is also using other biomass, such as coffee bran and rice hulls, as energy sources. The country produced about 250,000 tons of rice and 55,000 tons of coffee in 1995. About 70% of the coffee bran by product is used in the coffee industry itself, primarily burned in the ovens. Cuba is investigating the energy conversion potential of the remnants that are available for electrical generation.

*-Hydroelectricity*

Hydroelectricity is second only to biomass in Cuba's renewable energy picture. The hydroelectric potential in Cuba is estimated at 650 MW. The capacity factors are somewhat low due to the seasonal fluctuations of the rivers, as well as the requirements for irrigation use of water at certain times of the year.

Micro hydro generators already provide electricity to some rural villages in Cuba's mountainous regions. The micro hydro potential in Cuba is estimated at 25 MW, spread out over more than 400 sites. About 200 of these micro hydro sites have been developed already, supplying 30,000 Cubans with electricity. Four per cent of the Cuban population (160,000 homes) is still without electricity.

*- Photovoltaic*

Blessed with high solar radiation (over 5 kWh/square meter/day throughout the year, comparable to southern Arizona), Cuba has embarked on an ambitious rural photo-voltaics program to bring electricity to the un-served parts of the population. The program is supported by the Cuban government, non-governmental organizations, and aid from Switzerland, Spain, Austria, Germany and India. The primary beneficiaries have been doctor's offices, rural homes, and small communities. Over 50 community clinics and 295 homes have been electrified with photo-voltaics.

*- Wind power*

The use of wind power in Cuba is extensive, with more than 6500 windmills for mechanical water pumping currently operating (and another 2500 installed but awaiting repairs), along with many small wind turbines (less than 1 kW) for electricity generation. The grid expansion, combined with the availability of diesel generator and cheap fuel, reduced the use of wind power for electrical generation and water pumping. Starting in the late 1980s, CIES and other research organizations began to develop small wind turbines and windmills to meet specific needs, particularly in farming and cattle ranching. In 1991, the National Energy Commission sponsored the formation of the Wind Power Group, which later established a preliminary Wind Power Program presently focusing on three areas - wind power assessment, wind electricity generation, and wind water pumping.

Until recently, the Cuban wind resource was not considered great enough to support large wind turbines or wind farms. However CIES researchers have begun monitoring at 17 sites over the last three years. In the central and eastern parts of the northern coast, CIES has located sites that could support wind turbines as large as 150 kW.

➤ **Description of the call for proposals**

○ **Basic act and Financing source**

The basic act for this programme is the Development Cooperation Instrument (DCI) Regulation (EC) No 1905/2006, in particular Article 13, which was adopted on 18 December 2006. The four-year Strategy Paper for the Thematic Programme for Environment and Sustainable Management of Natural Resources, including Energy (ENRTP, 2007-2010) was adopted by the Commission on 20 June 2007. The local Call for Proposal will be financed under budget line 21 04 01 from the budget 2009.

Due to the absence of local / regional funding under existing geographic programmes, the present local call for proposals is financed from a thematic programme.

○ **Objectives of the programme, fields of intervention/**

The present call for proposals is in line with the objectives laid down in the ENRTP response strategy 2007-2010, and more in particular priorities 2 and 5.

**Priority 2 – Sub priority Climate change:**

Supporting capacity building, especially for actions related to adaptation and exchange and increase of knowledge.

The type of actions eligible for financing include:

- Activities which aim at a better understanding of actual ways of addressing climate change mitigation and adaptation, in particular in relation to activities at the local/decentralized levels;
- Activities which aim at enhanced development and adoption of suitable technologies/methodologies for adaptation and mitigation;

- Activities which aim at better understanding and development of pilot experiences on the integration of climate change in management and planning at the central and local level;
- Activities which aim at enhanced capacities of local authorities in understanding climate change issue, planning and integration in local development strategies and plans.

### **Priority 5 – Energy:**

Support sustainable energy options for the promotion of sustainable energy, preferably at local level.

The type of actions eligible for financing include:

- promoting clean, environmental friendly energy technologies;
- promoting the use of renewable energy sources and energy savings and efficiency measures;
- facilitating development of energy infrastructures in support of the above objectives.

The Guidelines of the envisaged Local Call for proposals will further detail the specific interventions in relation to those two priorities, as well as the potential beneficiaries of the call.

#### ○ **Eligibility conditions**

The call for proposals will follow the standards established in EuropeAid's "Guidelines for Applicants".

The guidelines will refer to the types of activities, sectors or themes referred to in heading 3.2.

Article 24 of the DCI Regulation (EC) No 1905/2006 lays down the eligibility rules of potential beneficiaries. However, depending on the type of action and the level of EC contribution, different criteria may be set, which will be further detailed in the guidelines of the Call for proposals.

#### ○ **Essential selection and award criteria**

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions.

The rate of co-financing for grants is set at 80 %. Full financing may only be applied in duly justified cases, in accordance with Article 253 of the Financial Regulation applicable to the general budget of the European Communities.

#### ○ **Schedule of calls for proposals**

The call for proposals is expected to be published in the second semester of 2009.

Indicative timetable:

- Publication: September 2009
- Evaluation: December 2009 / January 2010
- Contracting: February / March 2010

○ **Indicative amount of call for proposals**

**EUR 3.000.000** from budget item 21.0401 for 2009.

<b>Sub-themes</b>	<b>Indicative minimum /maximum amount EC grant - EUR</b>	<b>Indicative range of actions to be selected</b>
Energy	€ 500 000 - € 750 000	6- 4
Climate change	€ 500 000 - € 750 000	

In case not enough project proposals of sufficient quality can be recommended by the evaluation committee for an EC grant, the authorising officer may re-allocate the remaining funds under another call for proposals under the ENRTP.

➤ **Support measures**

In addition to the normal follow-up made by the Headquarters and/or by Delegations, the Commission is entitled to carry out interim or ex post evaluation missions.

According to the terms of the grants contracts concerning visibility (in particular annex II of the Special Conditions), the beneficiaries of grants will be requested to take all necessary steps to publicise the fact that the European Union has co-financed the Action. Such measures must comply with the relevant rules on the visibility of external actions laid down and published by the Commission. Audit requirements are also laid down in the same grant contract

➤ **ACTION SHEET J**

Title/Number	Under Priority 1, 2 and 5 of the ENRTP: General Call for Proposals for different thematic actions (ref. 20656).		
Total cost	Maximum EC contribution <b>EUR 62 650 000</b> <sup>43</sup>		
Method/ Management mode	Project approach – Call for proposals – <i>Centralised</i>		
DAC-code, if applicable	23000 Energy 31200 Forestry 41000 Environment	Sector	Environment, sustainable management of natural resources, including energy

➤ **Rationale**

Two thirds of the planet's key ecosystem services are being degraded or used unsustainably and present an obstacle to achieving the Millennium Development Goals. The adverse effects of these changes have an impact on the whole world, but they increase the vulnerability of the poor in particular, who depend directly on a wide range of natural resources and ecosystem services for their livelihoods and who are particularly vulnerable to environmental hazards. In particular poor countries will have the greatest difficulty in predicting and adapting to the effects of climate change.

This present Action Fiche which addresses the Call for Proposals only will concentrate on challenges which have a profound effect on the lives of poor people: rapidly degrading key ecosystems, climate change, poor global environmental governance and inadequate access to sustainable energy services and secure energy supply. The calls will give the necessary attention to other cross cutting themes such as i.a. gender, good governance and indigenous people.

Lessons learned: the present call for proposals will benefit from the lessons learned from the previous call for proposals organised under the ENRTP.

➤ **Description of the call for proposals**○ **Basic act and Financing source**

The basic act for this programme is the Development Cooperation Instrument (DCI) Regulation (EC) No 1905/2006, in particular Article 13, which was adopted on 18 December 2006. The four-year Strategy Paper for the Thematic Programme for Environment and Sustainable Management of Natural Resources, including Energy (ENRTP, 2007-2010) was adopted by the Commission on 20 June 2007. The Call for

<sup>43</sup> Of this total allocation, an amount of EUR 4 050 000 is earmarked in section 2.6 as part of the reserve as referred to in the 2009 budget of the ENRTP. The commitment of this amount is subject to the lift of the reserve by the Budgetary Authority.

Proposal will be financed under budget line 21 04 01 from the budget 2009 and is intended to be increased with an allocation from the budget of the year 2010 (to be specified in the 2010 AAP).

○ **Objectives of the programme, fields of intervention/priorities of the year and expected results**

The Instrument sets the objective of the ENRTP as integrating environmental protection requirements into Community's development and other external policies as well as promoting the Community's environmental and energy policies abroad in a common interest of the Community and partner countries and regions.

The objectives of the present call for proposals are laid down in three of the five priorities of the ENRTP:

**Priority 1: Working upstream in assisting developing countries to achieve the MDG7 on environmental sustainability**

**Priority 2: Promoting implementation of EU initiatives and internationally agreed commitments**

**Priority 5: Support for sustainable energy options in partner countries and regions**

The Guidelines of the envisaged Call for proposals will further detail the specific areas / ecosystems for interventions focussing mainly on the following sub-themes<sup>44</sup>:

**Lot: Priority 1 / Promoting environmental sustainability**

*Type of actions eligible for financing:*

- Actions to quantify and raise awareness of the linkages between poverty, human health, disaster management and environment in order to promote greater availability of high quality, relevant data and indicators for decision-makers through south–south or north-south cooperation, twinning, advocacy training, networking, and sharing of experiences, all in the context of international forums such as the Poverty and Environment Partnership, OECD/DAC Environet, Poverty Conservation Learning Group and other relevant groupings.

*Expected results:* Improved reports/case studies as well as data and indicators on linkages between poverty, human health, disaster management and environment for decision makers.

*Possible Indicators:*

- Number of Studies produced and published in international journals on the linkages between poverty, human health, disaster management and the environment.

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<sup>44</sup> The distribution in lots in the present document is indicative and might be modified in the Guidelines of the call for proposals, depending in particular on the status of the reserve of the European Parliament when the call for proposals is launched.

- Results presented in international and national seminars and conferences, in particular policy oriented events.
- Presence of projects' implementers/participants in relevant international fora, such as the Poverty and Environment Partnership, OECD/DAC Environet, Poverty Conservation Learning Group.

*Geographical scope:* All countries eligible under the DCI Regulation. However, the guidelines of the CFP may include limitations to this scope.

**Lot: Priority 2 / Climate Change / Non-ENPI<sup>45</sup>**

*Type of actions eligible for financing:*

- Actions that support local / regional<sup>46</sup> authorities in designing and implementing local climate change action plans, dealing primarily with adaptation and disaster risk reduction but potentially also including mitigation components (low-carbon developing paths). Eligible activities are: i) assessment of vulnerability, ii) capacity development of the different stakeholders, iii) design and implementation of multi-sector action plans/strategies, iv) cooperation on a coordinated approach with neighbouring regions on disaster risk reduction.

*Expected results:*

- Better understanding of actual ways of addressing climate change mitigation and adaptation, in particular in relation to the integration of climate change in beneficiary countries' development strategies and activities at the local/decentralized levels.
- Enhanced development and adoption of suitable technologies/methodologies for adaptation and mitigation.
- Better understanding and development of pilot experiences on the integration of climate change in planning at the local level.
- Enhanced capacities of local authorities in understanding climate change issue, planning and integration in local development strategies and plans.
- Enhanced capacities of authorities to work with other local authorities on disaster risk reduction.

*Possible Indicators:*

- Number of local authorities integrating climate change in their plans and strategies.
- Number of networks on climate change and DRR between local entities set up.
- Number of Climate actions plans and adaptation activities at local level.
- Number of pilot projects adopting new technologies developed/transferred or deployed at the local level with EC funding for mitigation.
- Increased penetration and deployment of new low carbon technologies at the local level (% coverage or share of energy produced over total for the area).

<sup>45</sup> Please refer to EC Communication COM(2007)540 "Building a global climate change alliance"

<sup>46</sup> Sub-national levels.

- Number of local authorities taking part in training and capacity building activities.

*Geographical scope:* Island and coastal regions of Developing Countries.

**Lot: Priority 2 / Forests**

*Type of actions eligible for financing:*

- Proposals should address deforestation and forest degradation through targeting improvements in forest law enforcement & governance AND development of finance/incentive mechanisms that can deliver at local level and provide benefits to forest-dependent local and indigenous people. In the context of this objective proposals will:
  - aim to draw from practical local level experience and seek to influence national, regional and international policy responses to deforestation and forest degradation.
  - draw from experiences in protecting and managing forests sustainably and be targeted at reversing negative trends in degradation and deforestation.

Proposals should be guided by the recent Commission Communications on Deforestation COM(2008)645 and the Global Climate Change Alliance COM(2007)540 and may include (innovative) communication as an element of the action and not be limited to project reporting tasks or sharing lessons.

*Expected results:*

- Countries with actions funded under the call are successful in attracting funding to reduce emissions from deforestation and forest degradation.
- Reduction in deforestation rates.
- Proposals contribute to the development of effective cross-sectoral policies to reduce deforestation and combat forest degradation.
- National level policies influence the international forest policy and climate change agendas.

*Possible Indicators:*

- Number of national strategies and planning processes addressing forest governance, fiscal policies and the challenges of establishing mechanisms to stop deforestation.
- Number of pilot actions addressing avoided deforestation and forest degradation.
- Number of projects piloting innovative financing mechanism and financial contribution raised.

*Geographical scope:* All countries eligible under the DCI Regulation. However, the guidelines of the CFP may include limitations to this scope.

**Lot: Priority 2 / Forest Law Enforcement, Governance and Trade (FLEGT)**

*Type of actions eligible for financing:*

- Support to civil society organisations, indigenous people organisations and other non state actors to participate in national processes for FLEGT Voluntary Partnership Agreement (VPA) preparation, negotiation and/or implementation\*.
- Private sector initiatives to support implementation of the EU FLEGT Action Plan by promoting production of and trade in forest products from legal and sustainable sources and prevention of the entry of illegally harvested timber into supply chains *inter alia* through business to business links, support for the development of policies and practices in financial institutions, private sector procurement policies.

All proposed actions should include specific provisions addressing communication and awareness-raising. Proposals should include provision for participation in annual information exchange meetings in Brussels.

*Expected results:*

- Positive and focused civil society contributions to the development and negotiations of VPA in more countries.
- Concerns of non state actors, including indigenous people integrated into the actions of FLEGT VPA.
- Effective implementation of FLEGT Voluntary Partnership Agreements as a result of greater societal involvement.
- Market share of tropical timber forest products from countries with FLEGT VPAs maintained or increased in EU.
- Increasing numbers of countries entering into dialogue on FLEGT VPA.

*Possible Indicators:*

- Number of countries engaging in dialogue on FLEGT VPA.
- Number of VPAs concluded.
- Number of VPAs negotiated with active stakeholders' participation / contribution.
- Number of transparency initiatives for public information in forest sector.
- Market share of tropical timber forest products from countries with FLEGT VPAs.
- Greater coverage in media of forest governance and law enforcement.
- Number of private sector initiatives in support of verification of timber and establishment of legality assurance systems.

*Geographical scope:* All countries eligible under the DCI Regulation,

\* however for the first mentioned action priority will be given to proposals targeting countries where VPA processes are underway.

**Lot: Priority 2 / Biodiversity / Non-ENPI**

*Type of actions eligible for financing:*

- 1) Actions to substantially strengthen support for biodiversity conservation in protected areas and buffer zones for maintenance and improvement of ecosystem services to the benefit of local populations. Innovative financing schemes (such as payment for ecosystem services) must be part of the proposals.
- 2). Actions to support field pilot activities and models to limit the spread and reduce the impact of invasive species.

*Expected results:*

- Reducing / halting the loss of biodiversity and improvement in the services provided by the ecosystems in specific zones; increased benefits of local population of ecosystems services.
- Enhanced development and adoption of innovative financing instruments for increased sustainability of biodiversity conservation funding.
- Strengthened local capacities for biodiversity and ecosystem sustainable management.
- Improved information and understanding of the dynamics of invasive species; development of replicable models to limit their spread and impact on ecosystems.

*Possible Indicators:*

- Changing trends in the loss of endangered species in target areas.
- Number of projects piloting innovative financing mechanism for payments for ecosystem services, and financial contribution raised.
- Prevalence of invasive species in participating project areas.
- Number and quality of innovative mechanisms to limit the spread of invasive species.
- Models available and used to understand the dynamic of invasive species.

*Geographical scope:*

- *1<sup>st</sup> type of action:* South East Asia.
- *2<sup>nd</sup> type of action:* Small Island Development States (SIDS) and Overseas Countries and Territories (OCT's).

**Lot: Priority 2 / Desertification**

*Type of actions eligible for financing:*

- Actions addressing sustainable land use and soil management for mitigation and adaptation to climate change in arid and semi-arid ecological zones (including management of soil organic matter as linked to sustainable agriculture and agro-forestry, degraded land rehabilitation).

*Expected results:*

- Improved resilience of rural communities in most vulnerable dryland areas in developing countries in relation to the effects of droughts, land degradation and climate change.

*Possible Indicators:*

- Trend in number of farmers using soil conservation/land management practices.
- Reduction in land area affected by land degradation.
- Percentage of cultivated land under agro-forestry/sustainable agriculture practices in target areas.
- Livelihood/income of farmers/households participating in selected projects.

*Geographical scope:* All countries eligible under the DCI Regulation. However, the guidelines of the CFP may include limitations to this scope.

**Lot: Priority 2 / Fisheries**

*Type of actions eligible for financing:*

- Actions with a regional or global scope on:
  - Supporting the conservation of fishery resources through the effective management of Marine Protected Areas (MPA) while contributing to poverty reduction.
  - Promoting the implementation of the ecosystems approach to fisheries.

*Expected results:*

- Improved contribution of MPAs to the regeneration of fish stocks and poverty alleviation.
- Enhanced cooperation mechanisms and information/experience exchange promoted within regions.
- Better understanding of the ecosystem approach to fisheries and demonstrated added value of this concept in the fisheries management.
- Enhanced capacity for applying the ecosystem approach to fisheries.

*Possible Indicators:*

- Fish population in areas around target MPAs.
- Livelihoods/income of household depending on fishing in selected projects.
- Number of capacity building and awareness raising activities with policy makers and fishermen to promote an ecosystem approach to fisheries.
- Number of ecosystem approaches to fisheries management initiated.

*Geographical scope:* All countries eligible under the DCI Regulation. However, the guidelines of the CFP may include limitations to this scope.

**Lot: Priority 2 / Sustainable production / consumption and waste***Type of actions eligible for financing:*

- Actions focussing on waste streams of production and consumption, in particular:
  - Solid waste from urban areas, with emphasis on recycling and energy production opportunities and multiplier effects.
  - End of life electronic equipment, with emphasis on recycling opportunities or safe disposal.

*Expected results:*

- Increased capacity for, and support to, the adoption of integrated solid waste management (collection and disposal), with particular emphasis on waste recycling as a job/livelihood generating opportunity, at the same time protecting the health and safety of workers.
- Improved management of e-equipment and e-waste, with particular emphasis on reducing its environmental and health impacts, while at the same time generating new income opportunities through product and/or component recycling.

*Possible Indicators:*

- Share of solid urban waste collected and properly disposed of, in the area of the projects.
- Percentage of urban solid waste recycled in target area.
- Reduction in the number of accidents and fatalities around informal urban solid waste collection/recycling activities.
- Number of jobs generated in the target zone through improved collection/recycling of urban solid waste, including e-waste.

*Geographical scope:* All of the countries eligible under the DCI Regulation, however excluding countries from the ENP region and Asia, for which Sustainable Consumption and Production (SCP) activities are financed under the regional programmes.

**Lot: Priority 2 / Biodiversity and Climate Change / ENPI<sup>47 48</sup>***Type of actions eligible for financing:*

- Ensuring that land use management and water management take into account local climate change scenarios. This should be done in a mutually supportive way in order to strengthen ecosystem resilience while reducing the vulnerability of beneficiary countries to climate change. This includes facilitating

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<sup>47</sup> Of special importance is the complementarity with geographical programmes, as laid down in the DCI Regulation

<sup>48</sup> Half of the financial support to actions (specific to the ENPI South) under this item is subject to the lift by the Budgetary Authority of the reserve as referred to in the comments for budget line 21 04 01 for 2009.

collaboration among concerned persons and groups, followed by joint planning and implementation.

- Establishment of green infrastructure, e.g. maintenance and restoration of wetlands (e.g. for flood protection, provision of habitat) and forests (e.g. for water regulation, provision of habitat) so as to increase resilience of livelihoods and ecosystems against climate change and also contribute to climate change mitigation.

*Expected results:*

- The implementation of these projects shall provide valuable insights, raised awareness and strengthened capacity, contributing to our understanding of the role of biodiversity and ecosystems with regards to the climate system. This shall allow continuous improvement of the undertaken measures. The exchange of best practice shall be promoted.
- The implementation of these projects shall contribute to the improvement of livelihoods, and preservation of biodiversity and healthy ecosystem capable of providing the services we depend upon into the future, taking into account the latest climate change scenarios.

*Possible Indicators:*

- Number of climate change integrated land/water resource management plans developed thanks to the projects.
- Percentage of rehabilitated ecosystem (forests; wetlands; ...) in the area of implementation of selected projects.
- Number of networks and programming seminars set-up.
- Habitat fragmentation.

*Geographical scope:*

European Neighbourhood and Partnership Instrument countries.

Special attention will be paid to avoid duplication and overlapping amongst actions under this lot and actions undertaken in ENPI Bilateral and Regional projects for both East and South geographical areas.

**Lot: Priority 5 / Sustainable energy / Non-ENPI**

***A] Sub-Saharan Africa***

*Type of actions eligible for financing:*

- In sub-Sahara Africa, actions must aim to support the implementation of the **Africa-EU Energy Partnership** in particular through promotion of regional energy markets, including capacity building to African regional institutions. For this action, twinning between European and African regional institutions (for example between agencies for energy management, regulators, etc.) might be the most appropriate mechanism.

*Expected results:*

- Increased capacity for sustainable regional energy policy development and implementation.
- Adoption of sustainable energy management related legislation in regional/national plans.
- Reduction of energy losses.

*Possible Indicators:*

- Number of Regional capacity building events held.
- Number of Participating countries which adopt sustainable energy regulations.
- Percentage of energy loss in transportation.

*Geographical scope:* Africa Sub-Saharan region.

***B] South America***

*Type of actions eligible for financing:*

- In South America, actions must aim to enhance energy security at the regional and national level through support to regional dialogue, relevant feasibility studies, regional mapping exercises of scenarios and opportunities for regional and national clean energy technology deployment and interconnection, etc. in particular with the objective of:
  - supporting the development of regional and national energy interconnections.
  - increasing use of clean energy technologies.

*Expected results:*

- Progress towards the development of increased number of regional energy interconnections.
- Better deployment and increased use of clean energy technologies, including renewables and energy efficiency.
- Identification and preparatory works for the development of viable infrastructure projects in the identified fields.

*Possible Indicators:*

- New agreements on regional networks developed.
- Share of energy coming from renewables or low carbon sources.
- Improvements in energy efficiency (consumptions/GDP, for instance).

*Geographical scope:* Countries in South America eligible under the DCI Regulation.

**Lot: Priority 5 / Sustainable energy / ENPI**

***A] Mediterranean***<sup>49</sup>

*Type of actions eligible for financing:*

- Actions supporting the implementation of the **Mediterranean Solar plan** in the Southern Mediterranean partner countries, in particular through:
  - Promoting convergence of national energy policies including, inter alia, setting up of an adequate legal, regulatory, institutional and organisational framework to enable the development and massive deployment of solar energy and the relevant technologies;
  - Facilitating development of electricity interconnections in order to progress quickly in the development of renewable electricity trade in the Euro-Mediterranean region;
  - Facilitating cooperation on technology aspects including through a network of the relevant research and scientific institutions active in the field of solar energy.

*Expected results:*

- Development of policies, legislative and regulatory frameworks favouring development of solar energy.
- Increased knowledge and use of the relevant technologies in the area of solar energy, including for electricity generation.
- Development of certain number of demonstration projects in the area of solar energy.

*Possible Indicators:*

- Number of participating countries adopting policies and regulatory framework which favour the development and use of solar energy technologies.
- Number of activities promoting cooperation on renewable energy technologies and the related regulatory framework.
- Number of demonstration project successfully implemented.

*Geographical scope:*

Morocco, Tunisia, Algeria, Libya, Egypt, Jordan Israel, Palestinian Authority, Syria, Lebanon<sup>50</sup>.

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<sup>49</sup> Financial support to actions under this item is subject to the lift by the Budgetary Authority of the reserve as referred to in the comments for budget line 21 04 01 for 2009.

<sup>50</sup> Special attention will be paid to avoid duplication and overlapping amongst actions under this item and actions undertaken in ENPI Bilateral and Regional projects for both East and South geographical areas

## ***B) Eastern European neighbourhood***

### *Type of actions eligible for financing:*

- Actions enhancing **energy security** in the **Eastern European neighbourhood and Partnership Instrument countries** in particular through:
  - promoting development of a better convergence of legislative and regulatory frameworks in the energy sector,
  - promoting clean, environmental friendly energy technologies, including for fossil fuels,
  - promoting the use of renewable energy sources and energy savings and efficiency measures,
  - facilitating development of energy infrastructures in support of the above objectives.

### *Expected results:*

- Better convergence of legislative and regulatory frameworks in the energy sector.
- Increased use of renewable energy sources and improved energy efficiency and energy savings.
- Increased development and use of clean energy technologies.
- Improved energy security in the region including with respect to energy infrastructures.

### *Possible Indicators:*

- Participating countries reforming the energy sector in line with EU policies and standards.
- Share of energy produced by renewables or low carbon technologies.
- Energy efficiency improvement.
- Improvements in energy infrastructures reflecting the above objectives.

### *Geographical scope:*

Ukraine, Belarus, Moldova, Georgia, Azerbaijan, Armenia, Russia<sup>50</sup>.

## ○ **Eligibility conditions**

The call for proposals will follow the standards established in EuropeAid's "Guidelines for Applicants".

A list of countries eligible for financing will be further defined / narrowed down in the Guidelines for the Call for Proposals published in the framework of this programme. These might be different per action per priority, sub-theme and ecosystem.

For the purpose of eligibility of applicants and partner organisations, Article 24 of the DCI Regulation (EC) No 1905/2006 in particular will be respected. However, a selection of these organisations will be specified in the guidelines of the Call for proposals, that will in particular target civil society and international organisations.

○ **Essential selection and award criteria**

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions<sup>51</sup>.

The guidelines of the Call for proposals will be published on the Internet<sup>52</sup>. They will lay down the final criteria and requirements: i.e. the rules regarding the eligibility of applicants and partners, the types of action and costs which are eligible for financing, and the evaluation (selection and award) criteria.

It is foreseen to request that the initial duration of a proposed action shall not be lower than 18 months nor exceed 60 months.

The selection procedure will be based on the principle of a "restricted call for proposals", meaning all eligible applicants may take part but only the applicants who have been shortlisted on the basis of a concept note will be invited to submit a full proposal.

The guidelines will also give information on the evaluation process and the contractual conditions which will apply to successful applicants.

The maximum possible rate of co-financing for grants is 80%.

○ **Schedule and further information on the call for proposals**

The call for proposals will follow the standards established in EuropeAid's "Guidelines for Applicants".

The guidelines of the call for proposals will lay down for which themes (lots) re-granting will be allowed (small grants), just as was done under the previous call for proposals 2007+2008. This means that the applicants will be allowed to include in their proposed action under specific conditions the supply of small grants for a limited amount to a limited number of local non-profit making organisations directly supporting the theme/objective of the proposed action. This will be further explained in the guidelines of the call for proposals.

Indicative time table:

April/May 2009:	Expected publication / launch of the call for proposal <sup>52</sup>
June/July 2009:	Deadline for submission of concept notes
Sep 2009:	Notification of results of the evaluation of the concept notes / Invitations for submission of the full application forms. (Commission work)
Nov 2009:	Deadline for submission of full application forms.
Dec 2009-Jan 2010:	Announcement final results and start of contracting.
March-April 2010:	First contracts concluded start activities.

<sup>51</sup> [http://ec.europa.eu/europeaid/work/procedures/implementation/practical\\_guide/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm)

<sup>52</sup> <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

○ **Indicative amount of call for proposals**

**EUR 62 650 000** from budget line 21 04 01 for the year 2009.

The Commission intends to allocate an extra amount to the said call for proposals from the budget of the year 2010. This amount will be decided and published in the 2010 Annual Action Plan of the ENRTP.

The call for proposals is divided into targeted lots with indicative percentages of the total available amount assigned to each lot (see above). Applicants will be requested to apply to a specific lot and will in return be assessed on the basis of the guidelines for that specific lot. If the assessment of applications under a specific lot does not deliver enough proposals of an acceptable quality level, the authorising officer may re-allocate the remaining allocation to another lot.

For performance indicators to the themes referred to above in all lots we refer to Annex 4: "Matrix for programme implementation under the thematic strategy" of the ENRTP<sup>53</sup>.

The call for proposals referred to in Action Sheet H may also be included as a separate lot in the same guidelines as for the lots referred to in the present Action Sheet. On the other hand the lots referred to in the present Action Sheet may be published in different guidelines.

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[http://ec.europa.eu/europeaid/where/worldwide/environment/documents/multi\\_annual\\_programme\\_enrtp\\_en.pdf](http://ec.europa.eu/europeaid/where/worldwide/environment/documents/multi_annual_programme_enrtp_en.pdf)

The indicative percentage and allocation per lot under the present call for proposal is as follows:

Lot		Indicative percentage and allocation of total available amount from 2009 budget	Minimum /maximum amount EC grant - EUR	Indicative range of actions to be selected
1	Promoting environmental sustainability	6% ≈ 4,00 m	500 000 - 1 500 000	3 to 6
2	Climate Change / non-ENPI	18% ≈ 11,00 m	750 000 - 2 500 000	5 to 10
	Forests	20% ≈ 12,25 m	750 000 - 2 500 000	9 to 16
	FLEGT	14% ≈ 9,00 m	500 000 - 2 500 000	6 to 15
	Biodiversity / non-ENPI	7% ≈ 4,50 m	500 000 - 2 500 000	3 to 8
	Desertification	6% ≈ 4,00 m	500 000 - 2 500 000	3 to 7
	Fisheries	4% ≈ 2,50 m	500 000 - 1 500 000	2 to 5
	Sustainable Production / Consumption and waste	6% ≈ 3,50 m	500 000 - 2 500 000	3 to 6
5	Biodiversity and Climate Change / ENPI	6% ≈ 3,60 m <sup>54</sup>	500 000 - 1 500 000	3 to 6
	Sustainable energy / ENPI	7% ≈ 4,50 m <sup>54</sup>	500 000 - 1 500 000	3 to 7
	Sustainable energy / non-ENPI	6% ≈ 3,80 m	500 000 - 1 500 000	3 to 6

It is envisaged to allocate a substantial amount of the budget of the year 2010 to the present described call for proposals; however, this is subject to adoption by the Commission of the 2010 AAP (envisaged March/April 2010). As the publication of the call for proposals' guidelines and final selection of successful applicants are all likely to take place in 2009, a substantial reserve list of project proposals will be created for at least the same amount of the 2009 allocation. In such case, after adoption of the 2010 AAP, further EC grants can be supplied to project proposals on the reserve list with funds from 2010, respecting in principle the same indicative percentages per lot as referred to above, save otherwise mentioned in the 2010 AAP.

<sup>54</sup> Half of the amounts mentioned for the ENPI region, specific to the ENPI-South region, for a total of EUR 4 050 000, is part of the reserve as referred to in the 2009 budget of the ENRTP. This will not affect ENPI-East support. The commitment of it is subject to the approval of the reserve by the Budgetary Authority.

➤ **Support measures**

In addition to the normal follow-up made by the Headquarters and/or by Delegations, the Commission is entitled to carry out interim or ex post evaluation missions.

According to the terms of the grants contracts concerning visibility (in particular annex II of the Special Conditions), the beneficiaries of grants will be requested to take all necessary steps to publicise the fact that the European Union has co-financed the Action. Such measures must comply with the relevant rules on the visibility of external actions laid down and published by the Commission. Audit requirements are also laid down in the same grant contract.

➤ **ACTION SHEET K**  
**THEMATIC PROGRAMME ENRTP**  
**SUPPORT MEASURES**

➤ **IDENTIFICATION**

Title/Number	Under Priority 1, 2, 3, 4 and 5: Support measures(ref. 20657)		
Total cost	<b>EUR 923 565</b>		
Aid method/ Management mode	Direct centralised management or joint management		
DAC code	n.a.	Sector	n.a.

➤ **DESCRIPTION**

This amount is reserved for actions eligible under the thematic strategy paper ENRTP falling in one of the following categories:

- Potential support measures for the programme (e.g. audits, evaluations, studies, identifications, conferences, etc.) not exceeding EUR 200 000 each;
- Use of existing framework contracts for actions/missions of maximum 2 years and not exceeding EUR 200 000 per action, if allowed by the framework contract.

○ **Method of implementation**

In case of centralised direct management, procedures will be followed as laid down in EuropeAid's "Practical guide to contract procedures for EC external actions".

In case of Joint Management with an international organisation, the standard Contribution Agreement will be used.

○ **Procurement and grant award procedures**

Depending on the implementation method mentioned above, the relevant procurement and grant award procedures will apply.

The maximum possible rate of co-financing for grants may not exceed 80%. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Communities.