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This action is funded by the European Union

**ANNEX 4**

of the Commission Implementing Decision on  
the Annual Action Programme 2016 Part IV and 2017 Part I in favour of the Asia region to be  
financed from the general budget of the European Union

**Action Document for SWITCH-Asia II Promoting Sustainable Consumption and  
Production**

| <b><u>INFORMATION FOR POTENTIAL GRANT APPLICANTS</u></b>  |  |
|---|--|
| <b><u>WORK PROGRAMME FOR GRANTS</u></b>   |  |
| This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals: 5.3 where the implementation modality 5.3.1.1. “Grants – call for proposals (direct management)” has been used. |  |
| <b>1. Title/basic act/<br/>CRIS number</b>  | SWITCH-Asia II Promoting Sustainable Consumption and Production<br>2016: ACA/2016/038-690 financed under Development Cooperation<br>Instrument   |
| <b>2. Zone benefiting<br/>from the<br/>action/location</b>  | <b>Asia Regional</b><br>The action shall be carried out in the countries eligible under the<br>Multiannual Indicative Programme for Asia for the period 2014-2020  |
| <b>3. Programming<br/>document</b>  | Multiannual Indicative Programme for Asia for the period 2014-2020 <sup>1</sup>  |
| <b>4. Sector of<br/>concentration/<br/>thematic area</b>  | Promotion of a Green Economy   |
| <b>5. Amounts<br/>concerned</b>   | Total estimated cost: EUR 39.650.000<br>Total amount of EU budget contribution EUR 34.000.000<br>This action is co-financed in joint co-financing by:<br>- International organisation for an amount of EUR 750.000<br>This action is co-financed by potential grant beneficiaries for an<br>indicative amount of EUR 4.900.000 |
| <b>6. Aid<br/>modality(ies)</b>   | Project Modality   |

<sup>1</sup> C(2014) 6112

|  |  |                          |                              |                          |
|--|--|--------------------------|------------------------------|--------------------------|
| <b>and implementation modality(ies)</b>                                | Direct Management Grants – call for proposal<br>Direct Management – Procurement of services<br>Indirect management with UNEP, international organisation                       |                          |                              |                          |
| <b>7 a) DAC code(s)</b>  | 32120 - Industrial development<br>41010 - Environmental policy and administrative management   |                          |                              |                          |
| <b>b) Main Delivery Channel</b>  | 41000 - United Nations agency, fund or commission (UN)<br>51000 - University, college or other teaching institution, research institute or think-tank, Business intermediaries |                          |                              |                          |
| <b>8. Markers (from CRIS DAC form)</b>                                 | <b>General policy objective</b>  | <b>Not targeted</b>      | <b>Significant objective</b> | <b>Main objective</b>    |
|  | Participation development/good governance  | x                        | <input type="checkbox"/>     | <input type="checkbox"/> |
|  | Aid to environment   | <input type="checkbox"/> | <input type="checkbox"/>     | x                        |
|  | Gender equality (including Women In Development)   | x                        | <input type="checkbox"/>     | <input type="checkbox"/> |
|  | Trade Development  | <input type="checkbox"/> | x                            | <input type="checkbox"/> |
|  | Reproductive, Maternal, New born and child health  | x                        | <input type="checkbox"/>     | <input type="checkbox"/> |
|  | <b>RIO Convention markers</b>  | <b>Not targeted</b>      | <b>Significant objective</b> | <b>Main objective</b>    |
|  | Biological diversity   | x                        | <input type="checkbox"/>     | <input type="checkbox"/> |
|  | Combat desertification   | x                        | <input type="checkbox"/>     | <input type="checkbox"/> |
|  | Climate change mitigation  | <input type="checkbox"/> | x                            | <input type="checkbox"/> |
|  | Climate change adaptation  | x                        | <input type="checkbox"/>     | <input type="checkbox"/> |
| <b>9. Global Public Goods and Challenges (GPGC) thematic flagships</b> | SWITCH to GREEN Flagship   |                          |                              |                          |

**SUMMARY** The overall objective of the programme SWITCH-Asia II is to promote sustainable growth, to contribute to the economic prosperity and poverty reduction in Asia and to mitigate climate change. Through the increase of investments and the creation of jobs, this programme will enable to foster economic growth and help reduce poverty in Regional Asia. This Action Document proposes to implement the following 3 components:

**I. Grants to support the uptake of SCP (sustainable consumption and production)** with the specific objective to promote sustainable production (development of less polluting and more resource efficient, carbon neutral products, processes and services) and sustainable consumption patterns and behaviours in Asia (purchase of less polluting and more resource-efficient products; conducting more sustainable lifestyles and behaviours). This objective should be achieved through an improved understanding and strengthened cooperation between Europe and Asia and within Asia, notably by supporting Asian SMEs and MSMEs and consumers in adopting sustainable consumption and production practices and activities by getting access to finance, and by mobilizing the relevant stakeholders such as the private

sector, financial intermediaries, retailers, producers and consumer organisations and groups, individual consumers along with relevant public sector authorities.

**II. Policy advocacy at regional, sub-regional and national level:** The main objective of this action will be to advocate national, sub-national, regional and sub-regional policy frameworks to promote the shift towards more sustainable consumption and production pattern and resource efficiency, thereby contributing to green growth and reduction of poverty in the Asian countries.

**III. Sustainable Consumption and Production (SCP) facility:** This component will strengthen the implementation of the SCP policies at the national level based on the demand received either in the regional fora or by the EU Delegations in the target countries<sup>2</sup>. The SCP facility aims to create an internal dialogue by facilitating the information exchange between the components of the programme and initiate an external dialogue by communicating the results of the programme to the various stakeholders.

SWITCH-Asia II programme meets the objectives of multiannual indicative programme for Regional Asia 2014-2020 on green economy uptake, and is in line with the SWITCH TO GREEN Flagship, and with the Communication on Private Sector Development<sup>3</sup>.

## 1 CONTEXT

### 1.1 Sector/Country/Regional context/Thematic area

The Asia-Pacific region is home to two thirds of the world's population, it has a great number of large cities, and differences between urban populations and people living in rural, agricultural settings are pronounced with regard to income, opportunities, aspirations and identity. Many developing countries in the Asia-Pacific region find themselves in the midst of a rapid industrial transformation, which is occurring at unprecedented scale and speed. The need for economic growth and human development often takes a short-term view that marginalizes environmental sustainability, which in turn will constrain future development opportunities over the medium and long term. While many countries in the region have successfully lifted people out of poverty this has come at a cost of increased use of natural resources, growing emissions, and rising amounts of waste. Economies in Asia and the Pacific continue to grow; however, the natural environment is under increasing pressure. Major ecosystems are under threat. Loss of biodiversity is massive as life support systems on land and in the oceans are being degraded. The region is the fastest growing source of new greenhouse gas emissions in the world<sup>4</sup>; several countries are among the most vulnerable to climate change and natural disasters. Cities in Asia are growing at an unprecedented pace,

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<sup>2</sup> eligible countries under Multiannual Indicative Programme for Asia for the period 2014-2020

<sup>3</sup> COM(2014)263 - "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries"

<sup>4</sup> Data show that only few countries (Bhutan, Laos and Myanmar) have a positive ecological footprint of consumption (the area used to support a defined population's consumption); the other countries cross the threshold of their capacities on covering their consumption needs without depleting natural resources ([http://www.footprintnetwork.org/en/index.php/GFN/page/footprint\\_for\\_nations](http://www.footprintnetwork.org/en/index.php/GFN/page/footprint_for_nations)). China, India, Indonesia and Iran are among the 10 largest GHG emitters; Thailand and Pakistan among the 20 largest GHG emitters (<http://cait.wri.org/historical/Country%20GHG%20Emissions>).

with 44 million added to city populations every year<sup>5</sup>. The resulting congestion, waste, pollution, and associated health impacts remain key challenges in sustaining urban development. Over the past decade there have been many efforts in policy development to harmonise economic, environmental and social goals. Many countries now have policy initiatives for material and energy efficiency, climate mitigation and investment in green sectors such as renewable energy, low-carbon buildings, eco-efficiency of heavy industry, and public transport. Investment in green sectors is growing but often competes with investment in brown sectors. The policy tools of sustainable consumption and production are increasingly used by governments and businesses in Asia and Pacific aiming to decouple economic activity from environmental pressure and impacts. While the state of policy development is now very mature, implementation is still lacking in many countries because of gaps in funding, human resources and institutional arrangements.

### ***1.1.1 Public Policy Assessment and EU Policy Framework***

Addressing current unsustainable patterns of consumption and production is an imperative for the achievement of sustainable development in an increasingly resource intensive world. What is at stake is the protection, sound and effective management of the natural resource base and ecosystems, which underpin humanity's capacity for development, progress and well-being.

Unsustainable consumption and production patterns are increasing water and air pollution, including GHG (Greenhouse Gas) emissions, land and forest degradation, waste generation and the use of harmful chemical substances. SCP has become well embedded in the global agenda for sustainable development since the adoption of Agenda 21 at the Earth Summit in 1992. In the Johannesburg Plan of Implementation (JPOI) in 2002 as well as in the outcome document of Rio+20 in 2012, the international community recognized SCP as one of the overarching objectives of and an essential requirement for sustainable development. As established in the recently adopted 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), including SDG 12 on "Ensuring Sustainable Consumption and Production Patterns", SCP is now foremost recognized as a universal opportunity. Within the 2030 Agenda for Sustainable Development adopted by the international community, SDG12 on SCP has been proven to be connected to at least 12 other SDGs, providing critical connections among them and making the SDGs more tightly linked as a network. It also opens the door for easier mainstreaming of these dimensions into other areas and sectors, and from there into strategies and policies relevant to those sectors.

Furthermore, the international Paris Agreement (FCCC/CP/2015/L.9<sup>6</sup>) of United Nations Framework Convention on Climate Change (UNFCCC) COP21 demonstrates strong recognition of the *'urgent need to enhance the provision of finance, technology and capacity-building support by developed country Parties, in a predictable manner, to enable enhanced pre-2020 action by developing country Parties. (...) By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits'*.

Through greater business and product responsibility, particularly in sectors with strong multiplier effects, such as agriculture, energy, digital technologies, infrastructure and green

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<sup>5</sup> From ADB's long-term strategic framework for 2008-2020<sup>5</sup>

<sup>6</sup> <https://unfccc.int/resource/docs/2015/cop21/eng/109.pdf>

sectors, the private sector will have a huge impact and contribute to attaining inclusive and sustainable growth. This in turn will lead to positive feedback since addressing gaps, for instance in transport or energy infrastructure, will tackle critical bottlenecks to economic growth in many Least Developed Countries and to their entry into global value chains. Environment features in several of the EU policy dialogues with partners in the Asia region, such as ASEM<sup>7</sup> and ASEAN<sup>8</sup>, and -Pacific Roundtable on SCP<sup>9</sup> and the ASEAN forum on SCP, which provide an institutionalised exchange and co-ordinated platform, with a growing practical experience in especially sustainable production and industry and involvement in supporting adequate policy development. Despite these positive developments, additional specific and targeted actions are needed at an Asia-wide level to help meet Asia's growing environmental challenges. Already in 1997 the European Commission stressed the need to improve reciprocal understanding and to strengthen the environmental dialogue between Europe and Asia, notably by mobilising the private sector and focusing on priority sectors in Asia, particularly urban and industry-related issues, pollution prevention and cleaner technologies. Those issues were restated in the European Consensus on Development<sup>10</sup> and in the Agenda for Change<sup>11</sup>. The latter calls for more action *as the world's population continues to grow, to tackle global challenges like conflict prevention, security, environmental protection, climate change, and to deliver global public goods such as food security, access to water and sanitation, energy security and migration.*

### **1.1.2 Stakeholder analysis**

The largest group of the SWITCH-Asia II programme's stakeholders is made up of the SMEs and MSMEs, which forms the primary target group. MSMEs together with SMEs represent 80% of the total industrial enterprises in Asia. They are particularly targeted as both producers and retailers have a high pollution potential. In order to multiply successful SCP practices, the involvement of intermediary organisations, e.g. business services provides networks, industry associations, chambers of commerce, consumer organisations, labour organisations, marketing and advertising agencies is crucial. These direct beneficiaries of the SWITCH-Asia II grants have great potential to reach out to a big number of SMEs and MSMEs consumers and can promote SCP practices to the target groups. However the success of the actions also depends on the existence of accurate SCP policies and adequate financial incentives. Therefore, the engagement of the policy-makers and regulatory authorities and the involvement of financial institutions are of particular importance. A great deal of government ownership will be achieved by ensuring consistency in the sectors chosen by the projects and the ones selected by the country at the political level. This is why a strong coordination among all three components will be sought; to ensure that the SCP topics tackled are supported by adequate policy support. A key factor is the degree and effectiveness of central

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<sup>7</sup> ASEM Thematic Declarations, Beijing Declaration on Sustainable Development, Beijing 2008, and ASEM9 Vientiane Declaration on Strengthening Partnership for Peace and Development Vientiane <http://www.aseminfoboard.org/asem-thematic-declarations.html>

<sup>8</sup> The Association of Southeast Asian Nations, or ASEAN, was established on 8 August 1967 in Bangkok, Thailand, with the signing of the ASEAN Declaration (Bangkok Declaration) by the Founding Fathers of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and Thailand. Brunei Darussalam then joined on 7 January 1984, Viet Nam on 28 July 1995, Lao PDR and Myanmar on 23 July 1997, and Cambodia on 30 April 1999, making up what is today the ten Member States of ASEAN. *ASEAN Economic Blueprint*, Jakarta 2008, <http://www.asean.org/archive/5187-10.pdf>

<sup>9</sup> APRSCP, is established in 1998, office Manila, with a steering committee consisting of SCP experts from each Asian country, to improve information and technology Exchange and sponsor regional events and training programmes on SCP, <http://www.aprscp.net/>

<sup>10</sup> Development policy of the European Union entitled "*The European Consensus*" [Official Journal C46 of 24.2.2006]

coordination. The identification and promotion (via legislative acts or planning decisions) of a central SCP coordinating agency within government is paramount. This agency may not necessarily be with the environment sector, but can also be placed more centrally within the economic planning functions of government (e.g. President's or Prime Minister's Office, Ministry of Finance, Ministry of Planning or a special commission). Adequate resources, staffing and capacities to ensure a coordinating and policy guidance role are needed. This central node should play a lead role in supporting the SCP policy cycle.

**1.1.3 Priority areas for support/problem analysis**

The Asia-Pacific region accounts for more than half of the world's total resource use, and faces the great challenges in making the transition to more sustainable patterns of growth. Domestic material consumption increased from 6.2 billion tonnes to 37.5 billion tonnes between 1970 and 2008, at an annual growth rate of 4.8%. the region has become already the biggest consumer of natural resources and by 2030, the region is expected to have the world's largest group of consumers, with consumer spending predicted to reach some USD32 trillion.

SCP is a complex issue involving many areas of sectoral policies that need to work together to achieve the objectives of SCP. To enable this, countries need to strengthen capacity for cross-departmental cooperation at various levels including high-level decision making and lower level day-to-day operational arrangements. This involves strengthening horizontal communication within and among departments, encouraging greater transparency of departmental strategies among public servants, and sharing information. There is a need to translate the policies, programmes, and initiatives of the public and private sector into public and private investments in green technology. The objective is to create a momentum for investors and to emphasize to them that investments in green technology are the most viable option for sustainable economic growth in Asia.

On a sectoral level energy efficiency, buildings, sustainable agriculture, mobility and tourism are of interest as expressed by most of the countries in the Asia-Pacific region. Key cross-sectoral issues also include sustainable cities, water management and waste management. This was further elaborated upon in March 2016 when SWITCH-Asia Regional Policy Support Component convened government representatives for a consultation on the development of a new Regional Roadmap for SCP for 2016-2017. The priorities identified at this meeting included the following areas for regional cooperation and support for national implementation: Energy efficiency, Sustainable Public Procurement, Sustainable Lifestyles, Sustainable Tourism, Education on SCP, Support for initiating and implementing national SCP programmes in line with international frameworks such as the SDGs and 10YFP in cooperation with all SCP partners, SCP and Resource Efficiency Indicators, analysis of resource efficiency trends and capacity building for statistics and research agencies to undertake further analysis.

**2 RISKS AND ASSUMPTIONS**

| <b>Risks</b>   | <b>Risk level (H/M/L)</b> | <b>Mitigating measures</b>  |
|--|---------------------------|---|
| Conspicuous target groups reached by the selected projects | L                         | Target groups will be scrutinised from the selection stage to ensure appropriateness. |

|  |   |   |
|--|---|---|
| Lack of coordination with other donors.  | M | Develop partnerships with other existing donors that are compatible with and complement the SWITCH-Asia programme.  |
| The political situation in some Asian countries might lead to a standstill in the SCP uptake.  | M | A dialogue driven approach should be promoted to pre-empt this situations.  |
| Delegations have reduced capacity to handle new projects   | M | Regional projects will be encouraged and those targeted at Least Developed Countries.   |
| Individual actions are required to define key performance indicators, baselines and target values but information at the overall projects level may not be available.  | M | This risk will be mitigated by requesting all projects to monitor activities and results through a simplified intermediate-level framework developed by the SCP Facility Component. |
| Efficient gains in production may be offset by waste, due to improper handling, storage and consumer behaviour   | H | This risk is mitigated by ensuring that the projects tackle both production and consumption simultaneously, meaning that they apply an integrated approach.                         |
| Insufficient ownership of Asian governments resulting in a lack of measures of promoting sustainable consumption and production.   | H | Closer links with the policy dialogues forums (APRSCP, ASEAN forum for SCP, SAARC forum on SCP) in the programme design should be ensured.  |
| <b>Assumptions</b>   |   |   |
| <ul style="list-style-type: none"> <li>• The Asian governments are committed to the objectives of the policy components and a constant dialogue is ensured.</li> <li>• Lessons learnt from the networking meetings and the evaluation of the SWITCH-Asia programme, are effectively incorporated in the guidelines for the next Call for Proposals and in the policy component.</li> </ul> |   |   |

### 3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

#### 3.1 Lessons learnt

Policy actions require a close cooperation with the Asian Governments and high commitment from the latter's part. It is therefore essential to adapt the Policy Support Component to the local context of the targeted countries and choose the most effective means to have a high impact. For that reason, for each of the countries that will be targeted at national level, there shall be an adapted implementation, based on past experience from previous cooperation of the EC Delegations with the Governments in case.

The mid-term Evaluation of the SWITCH-Asia programme carried out in 2013, the strategic regional evaluation finalised in 2014 as well as the evaluation of the policy component finalised in 2015 all point out the relevance of the programme for the region's priorities. The

comprehensive structure of complementarity is one of the main success factors of the SWITCH-Asia Programme. SWITCH-Asia I<sup>12</sup> will provide a good basis for the continuation of the programme ensuring as well the provision of its 3 components. SWITCH-Asia II will build on the achievements and tap into the existing networks already created on the ground. In addition, there is an interlinking between the 2 phases of SWITCH-Asia, as the one of its structural components will run its course until 2017 (i.e. Network Facility).

Six calls for proposal were successfully implemented from 2007 to 2014 under SWITCH-Asia I, which led to the selection of 95 projects covering different aspects of sustainable consumption and production patterns. The calls generated great interest, receiving in total more than 1700 concept notes. This aspect is telling for the great interest in the area combined with a wealth of "problems" to be tackled. The evaluations confirmed that the potential impact of the projects was very promising; particularly with regard to their replication and multiplication potential. Based on the findings of the evaluation and of the discussions recorded during the networking events the following recommendations need to be considered when deciding the future of the programme:

- *Reform of the sectors addressed by the SWITCH-Asia grants.* In order to achieve an optimal alignment of the programme with the global developments in sustainable consumption and production, SWITCH-Asia II will aim to identify actions which complement the programmes developed so far by the 10 Years Framework of Programmes - the global framework in terms of Sustainable Consumption and Production. Moreover, UNEP – the secretary of 10 YFP – will be jointly implementing the Policy Advocacy Component under SWITCH-Asia II. This aspect positions SWITCH-Asia II at the heart of the global developments in terms of SCP in the Asian region. UNEP will be requested to endorse the SWITCH-Asia projects as "10YFP – aligned" projects whenever possible.
- *Focus on demand driven implementation policies drawn from regional gatherings and the Asia Pacific Roundtable on SCP.*

*Reform the Policy Support Component for increased impact and EU visibility.* The evaluation of the policy support component (2015) recommends that a regional and especially sub-regional approach covering many countries with different political and development contexts is useful to enhance collective willingness to engage in SCP policies but it can only achieve a limited impact in a given country. Moreover, hosting the project in the right place within the country's government is a pre-requisite to ensure ownership and support throughout implementation. Furthermore, the role of the UNEP for the programme is visible in the regional activities but not too much at the national level, where UNEP's capacity to undertake the national implementation has proven limited. A valuable lesson drawn from comparing the national policy support and the regional support component is that the national policy support components achieved stronger results due to the fact that the capacity building team was based in the country of intervention, and that it responded to immediate needs expressed by the government linked to the implementation of existing policies.

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<sup>12</sup> SWITCH-Asia I covers all components developed during 2007-2013, while SWITCH-Asia II covers components developed/reformed during 2014-2020

### 3.2 Complementarity, synergy and donor coordination

SWITCH-Asia II builds on the developments achieved under the previous SWITCH-Asia I (2007-2013) as well as on the outcomes of the Regional Policy Support Component (renewed until June 2016 and funded from DCI-ASIE 2009/020-517 and DCI-ASIE 2013/024-617) and the Network Facility 2 (funded from DCI-ASIE 2012/023-422). New projects and components established will complement the previously established ones enriching their sector choice and aiming to achieve synergy and more meaningful impact in the region in the area of sustainable consumption and production, both at regional as well as at national level.

SWITCH-Asia II is consistent with the "10 Year Framework of Programmes (10YFP) in support of regional and national initiatives to accelerate the shift towards sustainable consumption and production"<sup>13</sup>.

SWITCH-Asia II – without compromising on its core objective of SCP uptake - aims to reinforce existing SCP initiatives complementing ongoing projects and the policy support in the Asian region such as 1) the 47 National Cleaner Production Centres established worldwide (eight of which are situated in Asia<sup>14</sup>) under the UNIDO-UNEP Programme on Clean Production; and 2) the Green Growth Capacity Development Programme developed by UNESCAP<sup>15</sup> to assist building organisational and institutional capacities to achieve the Green Growth objectives.

Promotion of SCP practices and patterns is playing a key role in the global transformation toward a green economy. The outcomes of SWITCH-Asia I and II will be contributing to newly established SWITCH TO GREEN<sup>16</sup> flagship which will encompass ongoing and future actions financed from the Global Public Goods and Challenges thematic programme as well as from geographic instruments in particular in the area of promotion of SCP patterns and practices and support to green business development such as SWITCH Asia I and II, SWITCH-Med and SWITCH Africa Green. Similarly, synergies will be established with the EU funded Green Economy programmes (*Creating enabling policy conditions for the transformation towards an inclusive green economy*) which intends to cover countries from the region under its first component PAGE (Partnership for Action on Green Economy – PAGE) such as Mongolia and China. Links with the Asia Investment Facility (AIF) have already been encouraged via the SWITCH-Asia magazine<sup>17</sup>, which highlighted the relevant projects for the SWITCH-Asia grants, as well as active links will be sought to be encouraged by closely linking the newly selected AIF grants with the SWITCH-Asia grants, and establishing connections during the networking events and the webinars focused on Access to green finance for SMEs and MSMEs. Complementarity with AIF will be ensured with the selected projects addressing the access to finance component. HQ together with the EUD will assume an active role in upscaling the results achieved by SWITCH-Asia grants and linking them with the blending options available under AIF.

SWITCH-Asia II will address both **urban and rural** areas and the industry and the service sector. Improvement actions in the primary production sectors (e.g. mining, agriculture, fisheries, and forestry) will not be addressed, unless they are part of a broader initiative

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<sup>13</sup> United Nations Department for Economic and Social Affairs

<sup>14</sup> Cambodia, China, India, Lao People's Republic, Lebanon, Sri Lanka, Republic of Korea, Vietnam, Uzbekistan

<sup>15</sup> UN Economic and Social Commission for Asia and the Pacific

<sup>16</sup> SWITCH TO GREEN, COM (2014)

<sup>17</sup> <http://www.switch-asia.eu/publications/switch-asia-magazine/>

applying supply-chain analysis or the life-cycle assessment (LCA) concept and focusing primarily on sub-sequent steps in the value chain, as other programmes cover these: e.g. EU-FLEGT (Forestry Law Enforcement, Government and Trade) covering sustainable production in forestry, trade in, and use of certified wood.

### **Synergy and donor coordination**

Globally to enhance actions supporting green economy transformation including SCP promotion, coordination among actors will be critical, even more so that Goal 12 of the proposed Sustainable Development Goals<sup>18</sup> address directly the uptake of SCP in the world. The EU Delegations will play an important role in coordination mechanisms existing in the respective countries.

### **3.3 Cross-cutting issues**

The SWITCH-Asia II programme explicitly contributes to increase and ensure environmental sustainability. As an inherent element of corporate social responsibility this will also contribute to good governance. Furthermore, SCP has proven to contribute towards:

- Overall reduction of greenhouse gases: all SWITCH-Asia funded activities must consider and quantify their contributions to reductions in greenhouse gas emissions.
- Cross cutting development effects - contribution to (institutional) development and strengthening competitiveness of Asian private sector, health and poverty alleviation.
- Gender, children and minority groups, good governance issues and participatory approaches will be explicitly covered in the corporate social responsibility dimension of selected projects.

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Objectives/results**

The *overall objective* of the programme SWITCH-Asia II is to promote sustainable growth, to contribute to the economic prosperity and poverty reduction in Asia<sup>19</sup> and to support the development of a green economy and mitigation of climate change in the target countries.

In addressing this objective, the programme has the following *specific objectives* which are to be implemented by three components:

**Specific Objective1** - to promote *sustainable production* (development of less polluting and more resource efficient products, processes and services) and *sustainable consumption* patterns and behaviours in Asia, through an improved understanding and strengthened cooperation between Europe and Asia and within Asia, notably by supporting SMEs in adopting SCP practices and getting access to finance, and by mobilizing the private sector, financial intermediaries, retailers, producers and consumer organisations and groups, along with relevant public sector authorities.

- Output 1: Adoption of sustainable production and consumption practices, particular among SMES and MSMEs;
- Output 2: Move SCP practices from demonstration to replication and increase the access to finance of the SMEs and MSMEs.

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<sup>18</sup> Transforming our World, The 2030 Agenda for sustainable development (finalised text for adoption 1 August 2015)

<sup>19</sup> eligible countries under Multiannual Indicative Programme for Asia for the period 2014-2020

**Specific Objective 2** - to strengthen the dialogue at regional, sub-regional and national policies on Sustainable Consumption and Production (SCP) in selected countries from the Asia region.

- Output 1: advocate SCP related regulatory framework at regional, sub-regional and national level (e.g. reporting on SDG on SCP related goals, SCP mainstreaming, etc) shared globally and with other regions.
- Output 2: Demonstrate effective SCP policy instruments;
- Output 3: Support the uptake of SDG12 (Ensure sustainable consumption and production patterns) and SCP related policies in the target countries.

**Specific Objective 3** – to create an enabling environment to strengthen the implementation of national SCP policies in target countries and assist stakeholders (government, private sector, citizens, civil society) in harvesting the benefits of Sustainable Consumption and Production.

- Output 1: Formulation and implementation of national policies on SCP by Asian governments on demand basis;
- Output 2: Build capacity of implementing line ministries and sub national agencies to promote SCP and to coordinate their portfolios related to SCP practices from different fields;
- Output 3: Support the overall effectiveness, sustainability and impact, the interactions among grant projects in the target countries and policy support activities at programme level.
- Output 4: Increase awareness on SCP and knowledge distilled from the projects for wider replication; and links with global SCP actions in other regions towards promoting inclusive green economy.
- Output 5: Increase interactions facilitated between SMEs and MSMEs and financial intermediaries (access to finance);
- Output 6: Enhance policy dialogue on SCP in Asia (national and regional, including the APRSCP<sup>20</sup>) and support the policy advocacy component at the regional level.

## 4.2 Main activities

### 4.2.1 Component 1: Grants to support the uptake of the SCP practices

The Grants under Component 1 will be selected for co-funding through one restricted call for proposals. Applications will be made for either of the two lots described below:

Lot1: Support the switch to **sustainable consumption patterns** and behaviour amongst consumer groups, civil society stakeholders and the public sector.

- **Design for Sustainability** - research and design of products with lower environmental impact in the entire life cycle and poverty reduction potential, including use and end-of-life stage (utilising concepts as Eco-design, Design for Recycling, Design for the Poor, etc.);
- **Stimulating sustainable consumption** – 1) greening the Public Procurement; 2) consumer awareness raising; 3) development of credible, robust and ambitious Eco-labelling schemes and procedures of environmental excellence; 4) marketing of environmentally friendly products; 5) Facilitate SMEs funding for SCP-related innovations; 6) market-based solutions inclusive of the poor; 7) nudging consumers

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<sup>20</sup> APRSCP – Asia –Pacific Roundtable on Sustainable Consumption and Production

and use behavioural insights to promote sustainable behaviours; 8) prevention of misleading environmental claims and greenwashing; 9) work with retailers.

- **Sustainable usage** – closed-loop schemes in relation to re-use repair and recycle systems; promotion of waste treatment by consumers; prevention of waste (including food waste).

Lot 2: SME and MSME **support for SCP uptake** and **access to finance**.

- **Cleaner Production** – 1) introducing technical innovations, where possible with indigenous or locally produced technology (to tailor to the local conditions and avoid high transaction costs); 2) improved resource efficiency (materials, water, energy); 3) embedding in environmental management systems (e.g. ISO 14001, EMAS, and others) and application of environmental accounting systems; 4) Corporate Social Responsibility (CSR) and implementation of Occupational Health & Safety (OH&S) measures;
- **Greening the supply chain** – 1) inducing environmental practices as part of the market push-pull mechanism in the whole chain of production; 2) demonstrate as part of the supply chain (B2B) and/or in close relation with retailers (B2C), how to enhance the production and sales of eco-friendly products in line with international product standards and codes of conducts; 3) CSR-reporting.
- In combination with the selected activities identified above, **projects in Lot 2 - support SMEs in the uptake of sustainable consumption and production practices and the access to finance, should provide:**
  - a clear analysis of the types of constraints in terms of access to finance encountered by firms and other productive actors involved in SCP-related activities;
  - the distinction between: (a) constraints that are to be dealt with at systemic level, and for which broader interventions of financial sector development would be needed (e.g. legal-regulatory and supervisory issues; financial infrastructure gaps); (b) constraints that can be dealt with by working with stakeholders at the meso and micro levels of the financial sector [e.g. banking training institutes/associations, technical providers in the financial sector, individual financial institutions (banks, leasing companies, in some cases also MFIs)]
  - concrete solutions and activities to facilitate the access to finance to support SCP, e.g. in terms of awareness raising on opportunities and challenges of green finance and capacity building of relevant stakeholders (e.g. at policy and industry levels).

The use of grant resources for the provision of liquidity or credit enhancements /risk sharing for local green finance schemes/institutions is not allowed. However, all this activities are eligible under the AIF programme. Appropriate coordination (and synergy if possible) should be ensured between SWITCH-Asia projects proposed in Lot 2 - *support SMEs and MSMEs in the uptake of SCP practices and the access to finance*, and existing initiatives at country level on access to finance (in particular financial inclusion for SMEs) including activities under the investment facilities (e.g. Asia Investment Facility).

Applicants submitted under Lot 1 or Lot 2 should address explicitly at least one of the following 10YFP programmes: Consumer information, sustainable lifestyles, sustainable public procurement, sustainable buildings, sustainable tourism and sustainable food

#### *4.2.2 Component 2: Policy advocacy at regional, sub-regional and national level*

Activities under this component will be developed in order to strengthen the national, regional and sub-regional policies in the target countries to contribute to national reporting on SDG on SCP related goals and targets, mainstreaming SCP in climate change mitigation, energy efficiency, resource efficiency, sustainable buildings and sustainable public procurement, etc.

A non-exhaustive list of activities is presented below:

- Facilitate Regional level SCP and SDG related SCP policy and regulatory framework gap assessments
- Facilitate policy and legal framework reviews with partners
- Support national SDG data assessments and indicators development and monitoring for national reporting on SCP related SDGs
- Optimise and leverage current and new partnerships to support activities and partner results including the UN, Private Sector, Civil Society, Technical and Research Institutions.
- Facilitate financial gap analysis and funding opportunities for innovative financing and investments to support SCP implementation
- Facilitate regional SCP thought leadership and SCP success stories in regional and sub-regional forums ( Forum of Ministers, APFSD, SACEP, ASEAN, Investment Forums, SME dialogue, Business and Procurement Forums, Tourism, Infrastructure and Construction)
- Establish valuable links with the SCP facility component available in the programme.
- Partner with Green Economy Initiatives in the UN, national /regional and international green growth programmes to leverage SCP mainstreaming
- Partner with UN and partner strategic programmes and initiatives on Climate Change , Energy Efficiency, Sustainable Procurement Policies, Sustainable Tourism
- Identify and work with partners for the Annual Asia Sustainable Consumption and Production Week for Sustainable Lifestyles
- Exchange of experiences in SCP policy advocacy and support (e.g. on SDG data assessments and indicators development and monitoring for reporting on SCP related SDGs), with actions under the SWITCH to Green Flagship initiative, including other SWITCH regional programmes

#### *4.2.3 Component 3 – SCP facility*

Activities for this component will be developed mainly on demand basis expressed in the regional gatherings by the target countries. The type of activities to be covered by the facility can be summarized in 3 work packages:

WP1 - Capacity building at national level in the target countries

- Build capacity of implementing line ministries and sub national agencies to promote SCP and to coordinate their portfolios related to SCP practices from different fields.

- Improve capacity, knowledge and skills of the technical government agencies on the application of SCP related tools such as Life Cycle Assessment, Eco-labelling, etc. and the use of economic instruments for SCP.
- Support ministries from target countries (on demand) in creating economic and social incentives to foster the implementation of Sustainable Production tools and to encourage Sustainable Consumption
- Show-case European experience and share relevant EU know-how and provide support is given to apply these practises on the local context

#### WP2 – Awareness raising of SCP

- Create internal and external dialogue and promote the programme
- Aggregate and disseminate successful project and policy results for wider replication via an interactive website ([www.switch-asia.eu](http://www.switch-asia.eu))
- Development of a customised analytical method and performance indicator scheme at the programme level.
- Advice and support grant projects on how best to maximize their impact;
- Strengthen existing networks and induce further partnership to leverage SCP-uptake;

#### WP3 – Scaling up of good practices on SCP achieved by SWITCH-Asia II

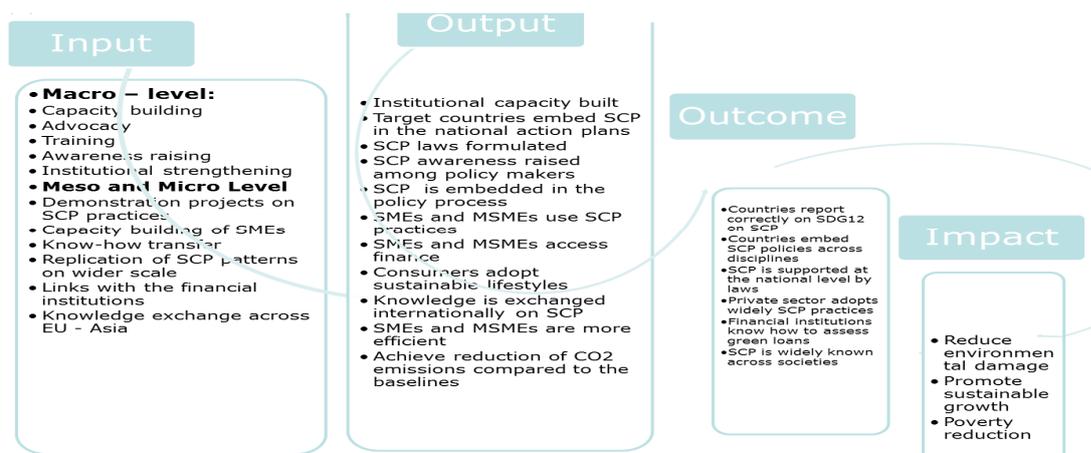
- Facilitate matchmaking between SMEs and financial intermediaries, including the provision of comprehensive information (i.e. database, publications) on financial support initiatives (access to finance) for SMEs in Asia;
- Organise the yearly Steering Committee of the Programme in order to set the priorities, take stock and liaise with the stakeholders involved.
- Prepare case studies and other specialised tools on SCP for the target countries and/or the region;
- Establish valuable links with the policy advocacy component available in the programme.
- Organise networking events to share experiences and lessons learnt, and develop new connections with other SCP experts and networks;
- Promote SWITCH-Asia Programme at policy forums and other public events;
- Disseminate best practices, achieved by projects and policy support cases
- Support the organisation of APRSCP to ensure ownership by the Asian countries in the uptake of SCP
- Establish valuable links with global SCP actions and with related actions in other regions, towards promoting inclusive green economy under the framework of the SWITCH to Green flagship initiative;
- Contribute to the implementation of joint activities under the SWITCH to Green flagship initiative, notably events, reports, etc. implemented by the SWITCH to Green facility.

### 4.3 Intervention logic

The basic hypothesis of SWITCH-Asia II is that by promoting sustainable consumption and production to Asian countries' governments combined with grants to demonstrate SCP practices, the environmental problems in the Asian region will improve, the population will live more sustainably and the economy will be developed in a sustainable manner.

The drivers of change identified for SWITCH-Asia II are the advocacy of SCP to the Asian governments, capacity building of the Asian governments, combined with demonstration projects targeted at MSMEs and SMEs employing SCP practices.

The adoption of the SDG12 on Sustainable Consumption and Production gives SWITCH-Asia II prominent rationale for pursuing this objective. The target countries will be supported in achieving the SDG12 targets.



In addition to the assumptions listed under point 2 the following assumptions are made:

- target countries will choose to report on SDG12 on SCP
- target countries will express requests for SCP policy formulation support
- financial institutions will continue to be interested in upscaling the results
- SMEs will continue to have an interest in applying SCP practices
- political framework in the target countries will be stable to ensure fruitful dialogue

## 5 IMPLEMENTATION

### 5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

### 5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented is 72 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

## 5.3 Implementation modalities

### 5.3.1.1 Grants: call for proposals SWITCH-Asia II (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The *overall objective* of the programme SWITCH-Asia II is to promote sustainable growth, to contribute to the economic prosperity and poverty reduction in Asia and to mitigate climate change.

The activities to be undertaken under SWITCH-Asia II will have to address one of 2 the published priorities:

Lot 1: Priority: Support the switch to sustainable consumption patterns and behaviour amongst consumer groups, civil society stakeholders and the public sector

Lot 2: Priority: SMEs and MSME support for SCP uptake and access to finance

(b) Eligibility conditions

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 procedures 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. The responsible authorising officer may extend the geographical eligibility in accordance with Article 9(3) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

The geographical eligibility in terms of place of establishment for participating in grant award procedures shall apply as established in the basic act. The activities proposed should be implemented in the countries eligible under Multiannual Indicative Programme for Asia for the period 2014-2020. Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant ranges between €300.000 and €2,5 mil and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 48 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 80%. For actions in Least Developed Countries the rate of co-financing is 90% .

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's

authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

The call for proposal will be published in the third trimester of 2016.

5.3.1.2 Procurement (direct management)

| Subject in generic terms, if possible | Type (works, supplies, services) | Indicative number of contracts | Indicative trimester of launch of the procedure |
|---------------------------------------|----------------------------------|--------------------------------|---|
| SCP Facility                          | Services                         | 1                              | 3 <sup>rd</sup> trimester 2016                  |
| Programme Support Measures            | Services                         | 2                              | 1 trimester 2017<br>3 trimester 2017            |

The SCP facility will be awarded by restricted tender procedure following international publication of a prior information notice and a contract notice. The service contract selected will be managed either in the headquarters or in a regional delegation, should the latter be established

5.3.1.3 Indirect Management with an international organisation

Policy advocacy at regional, sub-regional and national level component may be implemented in indirect management with United Nations Environmental Programme (UNEP) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the strengthening of the national, regional and sub-regional policies in the target countries to contribute to national reporting on SDG on SCP related goals and targets, mainstreaming SCP in climate change mitigation, energy efficiency, resource efficiency, sustainable buildings and sustainable public procurement etc.

This delegation agreement is justified since at the UN Conference on Sustainable Development in June 2012 (Rio +20) world leaders decided to strengthen UNEP's mandate as the leading environmental authority that sets the global environmental agenda. UNEP's central role in the UN's broader coordination mechanisms in Asia Pacific, include the UN Development Group's UN Country Teams and the Regional Coordination Mechanism, has enabled SCP to be firmly embedded within the work of the UN programmes and the implementation of the 2030 Sustainable Development Agenda<sup>21</sup>. Only activities linked to advocacy are entrusted to UNEP. The implementation activities based on further requests received from the target countries will be supported from Component 3 – SCP facility.

The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012.

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<sup>21</sup> UNEP has been tasked with Chapter 12 of the ESCAP Statistical Yearbook (on SCP) as well as the resource efficiency sections of the 2016 report on “Transformations for Sustainable Development

The Commission authorises that the costs incurred by the entrusted entity may be recognised as eligible from January 1<sup>st</sup>, 2017 in order to ensure continuity with the previous actions established under decision (DCI-ASIE 2009/020-517 and DCI-ASIE 2013/024-617) which are due to end in December 2016.

#### 5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions:

In accordance with Article 8(3) of Regulation (EU) No 236/2014 and with regard to the regional<sup>22</sup> nature of this action, the Commission decides that natural and legal persons from the following countries, territories or regions shall be eligible for participating in procurement and grant award procedures: eligible countries under Multiannual Indicative Programme for Asia for the period 2014-2020. The supplies originating there shall also be eligible.

#### 5.5 Indicative budget

| <b>SWITCH-Asia II – Promoting Sustainable Consumption and Production 2016</b>                 | <b>EU contribution (amount in EUR)</b> | <b>Indicative third party contribution, in currency identified</b> |
|---|--|--|
| 5.4.1. – Component 1 - Grants to support the uptake of sustainable consumption and production |  |  |
| 5.4.1.1.Call for proposals SWITCH-Asia II (direct management)                                 | 19 600 000                             | 4.900.000  |
| 5.4.2. – Component 2- Policy Support Component composed of:                                   |  |  |
| 5.4.2.2. – Indirect management with UNEP – Policy Advocacy                                    | 5.000.000                              | 750.000  |
| 5.4.2. – Component 3- Procurement (direct management) SCP Facility                            | 9.000.000                              |  |
| 5.8 – Evaluation, 5.10 - Audit  | 200.000                                | N.A.   |
| 5.10 – Programme Support Measures   | 200.000                                |  |
| <b>Totals</b>   | <b>34.000.000</b>                      | <b>5.650.000</b>   |

#### 5.6 Organisational set-up and responsibilities

SWITCH-Asia II programme takes advantage of a comprehensive organisational model, which needs to be strengthened with the support of the new components. The overall coordination of the programme is ensured by the SCP Facility with support from DEVCO HQ

which ensures that best practices are disseminated widely, and that the programme liaises with all stakeholders interested.

The EUDs are expected to provide the SCP facility with input for the policy implementation in the target countries, to comment and give their consent on the terms of reference established for each country jointly with the SCP facility and DEVCO HQ and where appropriate to the Policy Advocacy Component, to coordinate the implementation of possible SCP support in the target country, to facilitate the presence of selected experts and anchoring the possible selected technical assistance expertise within the national structure to achieve maximum outcome and to sign off the activities performed in their country. The EUDs will be consulted by the Policy advocacy component and SCP facility and actively involved with priority setting at the national, regional and sub-regional level.

The SCP Facility will convene and organise the Steering Committee of the programme at least once a year. The role of the Steering Committee will be to provide direction to programme implementation ensuring that the activities are consistent with the objectives and expected outcomes. Members of the Steering Committee will be representatives from the EUD and/or DEVCO HQ, SCP Facility, Policy Advocacy representatives and the focal points established in the target countries for SWITCH-Asia. Should a EUD not be present a comprehensive written note with activities expected in a given target country will suffice. The role of the Steering committee will be to gather all the stakeholders and establish a yearly work plan for activities and events based on demands received from the target countries by either EUDs/HQ or/and UNEP, and to exchange on the developments within the programme. Outcomes from the ongoing/completed SWITCH-Asia grants implemented in the countries should be consistently fed into the Steering Committee's topics of discussions. Revisions every 6 months of the work plan should be envisaged to check appropriateness and meeting targets. Appropriate back to back events should be encouraged with well-known established regional or sub-regional events.

Costs for the presence of the SWITCH-Asia focal points established in the relevant ministries will be covered by the Policy Advocacy Component. Logistical organisation and further costing of the steering committee will be the responsibility of the SCP facility.

The EUD will also be involved in evaluating the grants submitted via the calls for proposals.

Should a delegation in the region obtain a regional status, parts of the programme could be devolved there for implementation.

## **5.7 Performance monitoring and reporting**

The day-to-day technical and financial monitoring of the implementation of this action and the projects resulting from a call for proposals will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log-frame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. Each project will be requested to collect data and

establish baselines before its start. Set indicators will be prepared by the SCP facility, based on the matrix of indicators previously used by the selected projects.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.8 Evaluation**

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

It will be carried out for problem solving, and learning purposes, in particular with respect to the adequacy of the grant projects and of the policy support needs to the local needs in order to adapt a possible continuation of the programme.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

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

## **5.9 Audit**

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

The financing of the audit shall be covered by another measure constituting a financing decision

## **5.10 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 0 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

## **6 PRE-CONDITIONS**

Action Projects will comply with the EU rules regarding visibility and will maintain a two-way communication with the EU Delegations and the SCP facility, which will enhance communication with major stakeholders of sustainable consumption and production in Asia.

Similarly the policy advocacy component will maintain a two-way communication system with the EU Delegations as well as with the SCP facility in order to enhance the communication with the major stakeholders in Asia.

## APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) <sup>23</sup>

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

|  | <b>Results chain</b> | <b>Indicators</b> | <b>Baselines</b><br>(incl. reference year) | <b>Targets</b><br>(incl. reference year) | <b>Sources and means</b><br><b>of verification</b> | <b>Assumptions</b> |
|--|----------------------|-------------------|--|--|--|--------------------|
|--|----------------------|-------------------|--|--|--|--------------------|

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<sup>23</sup> Mark indicators aligned with the relevant programming document mark with '\*' and indicators aligned to the EU Results Framework with '\*\*'.

|  |   |  |   |  |  |  |
|--|---|--|---|--|--|--|
|  | <p><b>To promote sustainable growth, to contribute to the economic prosperity and poverty reduction in Asia and to support the development of a green economy and mitigation of climate change in the target countries.</b></p> | <p>1) Real GDP growth, (i) latest year and (ii) average over last 5 years**<br/> 2) Number of countries compliant with international environmental agreements and treaties pertaining to SDG 12.<br/> 3) Level of GHG emissions*<br/> 4) Level of energy consumption*<br/> 5) Proportion of renewable energy consumed*<br/> 6) Number of Countries implementing and reporting on System of Environmental-Economic Accounting (SEEA) accounts<br/> 7) Material flow per produced unit<br/> 8) Share of green investment of the overall investment<br/> 9) Material productivity – GDP/DMC (Domestic Material Consumption in tonnes)</p> | <p>1) Real GDP growth per target country for the latest available year compared with the previous year and the average for the latest available 5 year period<br/> 2) 2016 taken as baseline<br/> 3) GHG reported in 2016 by target country<br/> 4) 2016 taken as baseline<br/> 5) 2016 taken as baseline<br/> 6) 2016 taken as baseline<br/> 7) 2016 taken as baseline<br/> 8) 2016 taken as baseline<br/> 9) 2016 taken as baseline</p> | <p>1) By 2030, substantially increase growth in the target countries.<br/> 2) At least 2/3 the target countries will be compliant with the international environmental agreements and treaties.<br/> 3) By the end of the project achieve GHG emission reduction in the target countries.<br/> 4) By the end of the project reduce the energy consumption by at least 20% in the demonstration projects<br/> 5) by the end of the project increase the share of the renewable energy consumed<br/> 6) At least half of the target countries implement and report on SEEA accounts<br/> 7) At least 20%</p> | <p>1) Reports (including Monitoring and Evaluation) on the state of environment and economy of each Asian country<br/> 2) Reports of international organisations (WTO, ILO, World Bank, IMF, UN, etc), environmental lobbies, research institutions, etc.<br/> 3) CSIRO and UNEP Material Flow and Resource Productivity Database, International Energy Agency (IEA) database (for energy use), EDGAR database (for emissions)</p> |  |
|--|---|--|---|--|--|--|

|                       |  |   |  |   |   |  |
|-----------------------|--|---|--|---|---|--|
| Specific objective: 1 | <b>To promote sustainable production and sustainable consumption patterns and behaviours in Asia and within Asia.</b>                                | 1) Number of Micro, Small and Medium Enterprises (MSMEs) applying Sustainable Consumption and Production practices with EU support**  | 1)The baselines will be identified by each selected action based on the SCP topic of intervention as well as year and country of action. | 1)The targets will be established independently by each project within the 48months of interaction. | 1)Reports/surveys from country Industry Associations (private) a/o Environmental Protection Agencies (public) Project reports   | Availability and accessibility of adequate investment schemes, and adequate enabling policy playing field (removal of contra productive subsidies on raw materials, enforcement of existing regulations, etc.) |
| Specific objective: 2 | <b>To strengthen the dialogue at regional, sub-regional and national policies on Sustainable Consumption and Production in the target countries.</b> | 1) Number of SCP policy and instruments updated/implemented/formulated by relevant stakeholders in the target countries.<br>2) Number of countries with SCP National Actions Plans or SCP mainstreamed as a priority into national policies, poverty reduction strategies and sustainable development strategies. | 1) The baselines will be identified by each selected action starting in 2017.  | 1) Targets will be identified by each selected action in 2017                                       | 1)National Action Plans Expressed acceptance of (co-signature)SCP-indicators<br>2)Reports/surveys from country Industry associations (private) a/o Environmental Protection Agencies (public) | National governments seek to implement a sustainable and pro-poor development and adopts a strategy that enhances the compliance with international agreements   |

|                       |   |   |  |   |  |  |
|-----------------------|---|---|--|---|--|--|
| Specific Objective: 3 | <b>To create an enabling environment for the implementation of national SCP policies in the target countries and assist stakeholders in harvesting the benefits of SCP.</b> | 1) Number of countries which demand SCP implementation support  | 1) Baseline to be determined in 2017   | 1) By 2020, increase by at least 50% the number of countries in the Asian region demanding SCP implementation support . | 1) National Action Plans on SCP  | National governments demand support in the implementation of SCP related policies  |
| Outputs/ SO1          | <i>Sustainable production and consumption practices, particularly among MSMEs adopted</i>   | 1) Number of Micro, Small and Medium Enterprises (MSMEs) applying Sustainable Consumption and Production practices with EU support**<br>* | 1)The baselines will be identified by each selected action based on the SCP topic of intervention as well as year and country of action. | 1)The targets will be established independently by each project within the 48months of interaction                      | 1)Reports from country and Industry Associations (private) a/o Environmental Protection Agencies (public)<br><br>Project reports | Availability and accessibility of adequate investment schemes, and adequate enabling policy playing field (removal of contra productive subsidies on raw materials, enforcement of existing regulations, etc.) |

|               |   |  |  |   |   |  |
|---------------|---|--|--|---|---|--|
| Output 2 /SO1 | <i>Move SCP practices from demonstration to replication and increase the access to finance of the SMEs and MSMEs</i>  | 1) Number of SMEs and MSMEs benefiting from green investments  | 1)The baselines will be identified by each selected action based on the SCP topic of intervention as well as year and country of action.<br>2) Financial incentives earmarked with environmental performance improvements; | The targets will be established independently by each project within the 48months of interaction  | Project reports<br>Project based measure change from the onset of the action. | Availability and accessibility of adequate investment schemes, and adequate enabling policy playing field (removal of contra productive subsidies on raw materials, enforcement of existing regulations, etc.)   |
| Output 1 /SO2 | <i>Advocate SCP regulatory framework at regional, sub-regional and national level (e.g.reporting on SDG on SCP related goals, SCP mainstreaming, etc) shared globally and with other regions.</i> | 1) Number of regional fora strengthened and convened in the region through the project<br>2) Number of sub-regional events on SCP organised with support of the project (ASEAN forum on SCP, SAARC forum on SCP, APRSCP)<br>3) Number of national roundtable on SCP supported by the project | 1) Zero regional fora as the project has not started (2016).<br>2) Zero sub-regional events as the project has not started (2016).<br>3) Zero as the project has not started (2016).                                       | 1)At least 1 regional fora/year organised by the project target countries choose to report on SDG 12 in the region .<br>2)At least 1 sub-regional event organised/year.<br>3)At least 3 national roundtables are organised/year | 1) Project reports<br>2) Project reports<br>3) Project report                 | National governments seek to implement a sustainable and pro-poor development and adopts a strategy that enhances the compliance with international agreements<br><br>Countries in the region are willing to participate in the regional, sub-regional and national events on SCP. |

|               |  |   |  |   |  |  |
|---------------|--|---|--|---|--|--|
| Output 2 /SO2 | <i>Demonstrate effective SCP policy instruments</i>  | 1) Number of SCP policies successfully demonstrated for the target countries with support of the project.             | 1) Zero as the project has not started yet | 1)All SCP policies identified in the regional, sub-regional and national fora are successfully demonstrated . | 1) Project reports   | National governments seek to implement a sustainable and pro-poor development and adopts a strategy that enhances the compliance with international agreements |
| Output 3 /SO2 | <i>Support the uptake of SDG12 and SCP related policies in the target countries</i>                    | 1) Number of countries report on SDG 12   | 1)2015 – adoption of the SDG 2015-2030.    | 1)At least 16 target countries choose to report on SDG 12 in the region. by the end of the project.           | National Action Plans Expressed acceptance (co-signature) SCP-indicators | National governments seek to implement a sustainable and pro-poor development and adopts a strategy that enhances the compliance with international agreements |
| Output 1/SO3  | <i>Formulation and implementation of national policies on SCP by Asian governments on demand basis</i> | 1) Number of country strategy or policy documents in support of green economy transition developed with EU support ** | 1) Baseline to be determined in 2017       | 1)At least 10 countries have developed and implemented their SCP national plans                               | National Action Plans on SCP   | National governments demand support in the implementation of SCP related policies  |

|                     |  |  |                                      |  |                              |   |
|---------------------|--|--|--------------------------------------|--|------------------------------|---|
| <b>Output 2/SO3</b> | <i>Build capacity of implementing line ministries and sub-national agencies to promote SCP and to coordinate their portfolios related to SCP practices from different fields.</i>              | 1) Number of governments applying i) green public procurement policies; ii) lifecycle approach policies implemented (from design, packaging, retail, maintenance*, | 1) Baseline to be determined in 2017 | At least 2 target countries are supported in the implementation of the SCP national plan/year until 2022 | National Action Plans on SCP | National governments demand support in the implementation of SCP related policies |
| <b>Output 3/SO3</b> | <i>Support the overall effectiveness, sustainability and impact of interactions among grant projects in the target countries and policy support activities at programme level.</i>             | 1) Number of events and activities supporting the interactions among grant projects and policy support activities.   | 1) Baseline to be determined in 2017 | 1) At least 2/3 of the policy makers in the target countries are trained on SCP                          | Project report               | Grants will continue to have a policy aspect integrated in their design           |
| <b>Output 4/sO3</b> | <i>Increase awareness on SCP and knowledge distilled from the projects for wider replication and links with global SCP actions in other regions towards promoting inclusive green economy.</i> | Number of publications or media coverage produced to increase awareness on SCP based on the project's outcomes.  | 1) Baseline to be determined in 2017 | 1) Policy dialogue   | Project report               | APRSCP or similar regional forum will continue to be held                         |
| <b>Output 5/SO3</b> | <i>Increase interactions facilitated between SMEs and MSMEs and financial intermediaries (access to finance);</i>  | 1) Number of events organised in the target country with a broad range of stakeholders.  | 1) Baseline to be determined in 2017 | 1) At least 2 events/year with broad range of stakeholders are organised in any of the target countries  | Project report               | Countries show interest in SCP related events.                                    |

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| <b>Output 6/SO3</b> | <i>Enhance policy dialogue on SCP in Asia (national and regional, including the APRSCP<sup>24</sup>) and support the policy advocacy component at the regional level.</i> | 1) Stage of development of National Action Plans; including the scope of those plans and the level of agreement / acceptance on developed plans | 1) Baseline to be determined in 2017 | 1) At least 1 national action plan developed per year for any of the target countries | Project report | Countries show interest in SCP |
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<sup>24</sup> APRSCP – Asia –Pacific Roundtable on Sustainable Consumption and Production