This action is funded by the European Union

**ANNEX 2**

of the Commission Implementing Decision on the financing of the annual action programme in favour of the Asia region for 2018 part III, 2019 part I, and in favour of Central Asia for 2018 part III

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

### MULTIANNUAL PROGRAMME

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

<table>
<thead>
<tr>
<th>1. Title/basic act/CRIS number</th>
<th>SWITCH-Asia and Central Asia II – Promoting Sustainable Consumption and Production, CRIS number: ACA/ 2018/041-536 &amp; ACA/2019/41589 financed under Development Cooperation Instrument</th>
</tr>
</thead>
</table>
| 2. Zone benefiting from the action/location | DCI regions Asia and Central Asia  
The action shall be carried out in the countries eligible under the Multiannual Indicative Programme for Asia and Central Asia for the period 2014-2020 |
| 3. Programming document | Addendum No I to the Multiannual Regional Indicative Programme for Asia for the period 2014-2020 (RIP)  
Addendum No I to the Multiannual Indicative Programme between the European Union and Central Asia for the period 2014-2020 (RIP) |
| 4. Sector of concentration/thematic area | Planet – Climate Change and Environment  
Regional Sustainable Development  
DEV. Aid: YES |
| 5. Amounts concerned | Total estimated cost: EUR 57 770 000  
Total amount of EU budget contribution EUR 47 000 000  
The contribution is for an amount of EUR 14 000 000 from the general budget of the European Union for 2018 and for an amount of EUR 33 000 000 from the general budget of the European Union for 2019 |

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1. C(2018) 4741 of 20/07/2018  
2. C(2018) 4741 of 20/07/2018
2019, subject to the availability of appropriations following the adoption of the relevant budget
This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 10 775 000

6. Aid modality(ies) and implementation modality(ies)
   Project Modality
   Direct management grants – call for proposal and procurement of services
   Direct Management – Procurement of services

7 a) DAC code(s)
   32120 - Industrial development
   41010 - Environmental policy and administrative management

b) Main Delivery Channel
   51000 - University, college or other teaching institution, research institute or think-tank, Business intermediaries

8. Markers (from CRIS DAC form)
   General policy objective
   Participation development/good governance
   x
   Not targeted
   Significant objective
   x
   Main objective

   Aid to environment
   Not targeted
   Significant objective
   x
   Main objective

   Gender equality (including Women In Development)
   x
   Not targeted
   Significant objective
   x
   Main objective

   Trade Development
   Not targeted
   Significant objective
   x
   Main objective

   Reproductive, Maternal, New born and child health
   x
   Not targeted
   Significant objective
   x
   Main objective

   RIO Convention markers
   Not targeted
   Significant objective
   x
   Main objective

   Biological diversity
   x
   Not targeted
   Significant objective
   x
   Main objective

   Combat desertification
   x
   Not targeted
   Significant objective
   x
   Main objective

   Climate change mitigation
   Not targeted
   Significant objective
   x
   Main objective

   Climate change adaptation
   x
   Not targeted
   Significant objective
   x
   Main objective

9. Global Public Goods and Challenges (GPGC) thematic flags
   SWITCH to GREEN Flagship

10. SDGs
   SDG 12: Responsible Consumption and Production
   SDG 11: Sustainable Cities and Communities
   SDG 8: Decent work and Economic Growth
   SDG 13: Climate Action

SUMMARY
The overall objective of the programme SWITCH-Asia and Central Asia II is to promote sustainable and inclusive growth, to contribute to the economic prosperity and poverty reduction in Asia and Central Asia and to a transition towards a low-carbon, resource-efficient and circular economy. The Programme is being articulated around 3 components: Policy
Advocacy Component, Sustainable Consumption and Production Facility and grants to support the uptake of Sustainable Consumption and Production (SCP). This Action Document intends to 1) reinforce the grants to support the uptake of SCP and 2) to extend the Sustainable Consumption and Production Facility for Asia to Central Asian Countries. Through the increase of investments and the creation of jobs, this programme will foster economic growth and help reduce poverty in Regional Asia and Central Asia.

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 and Central Asia (purchase of less polluting and more resource-efficient products; conducting more sustainable lifestyles and behaviours), contributing to a circular economy. This objective should be achieved through an improved understanding and strengthened cooperation between Europe, Asia and Central Asia, notably by supporting Asian and Central Asian micro, small and medium enterprises (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, including producers, retailers and their associations, financial intermediaries, innovation centres and universities, consumer organisations and groups, individual consumers along with relevant public sector authorities.

II: 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 Central Asia. 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. The existing facility for Asia implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) will be amended to cover the Central Asian countries as well.

SWITCH-Asia and Central Asia II programme contributes to the objectives of the multiannual indicative programme for Regional Asia 2014-2020 and Central Asia in the sectors Planet - Climate Change and Environment for Asia and in the Regional Sustainable Development sector for Central Asia respectively. Similarly, the programme is in line with the SWITCH TO GREEN Flagship, and with the Communication on Private Sector Development³.

1 CONTEXT

1.1 Regional context

Asia and Central Asia are dynamic regions. Regional megatrends, such as urbanization, economic and trade integration and rising incomes and changing consumer patterns are transforming its societies and economies while multiplying the environmental challenges. These environmental challenges range from growing greenhouse gas emissions, poor air

³ COM(2014)263 - "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries"
quality, land use change, pollution, waste management, pressure on marine ecosystems, biodiversity loss and increasing demand for resources, such as energy, construction materials, minerals and water. Aligning these trends with sustainable development requires political will and action to reshape the relationships between the economy, society and the environment. Regional trade and investment frameworks and responses to common regional challenges (urbanisation, energy security, pollution and resource scarcity) must be used by governments to facilitate joint investments in strategic niches that have high transformative potential. Emissions trading systems, for instance would deliver more environmental and economic benefits if the geographic coverage was larger (United Nations Economic and Social Commission for Asia and the Pacific - UN-ESCAP). The main challenge in Asia and Central Asian region is how to continue economic growth required to improve quality of life while meeting the basic needs of all inhabitants and reducing the pressure on environmental carrying capacity.

The Asia 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 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 Central Asia 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, several countries are among the most vulnerable to climate change and natural disasters. Global material productivity has declined since the beginning of the millennium, following a large shift of economic activity to less material-efficient economies, such as those of China, India and South East Asia, resulting in growing average environmental pressure per unit of economic activity. More efficient resource use will thus become an increasingly

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4 Data from the Asian Development Bank (ADB), UNESCAP and the United Nations Development Programme (UNDP Report): Transformation towards sustainable and resilient societies in Asia and the Pacific include data from East and North-East Asia: China, Democratic People’s Republic of Korea (DPR Korea), Japan, Mongolia, Republic of Korea; South-East Asia: Brunei, Darussalam, Cambodia, Indonesia, the Lao People’s Democratic Republic (Lao PDR), Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, Viet Nam; South and South-West Asia: Afghanistan, Bangladesh, Bhutan, India, Islamic Republic of Iran, Maldives, Nepal, Pakistan, Sri Lanka, Turkey; North and Central Asia: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan, Turkmenistan, Uzbekistan.

5 Data shows 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). 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).

important factor for competitiveness and growth, especially of the developing countries involved in global value chains.

Cities in Asia are growing at an unprecedented pace, with 44 million added to city populations every year.\(^7\) The resulting congestion, waste, pollution, and associated health impacts remain key challenges in sustaining urban development. The past decade has seen a lot of efforts in developing policies 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 Central Asia 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.

Sustainable solutions are seen as key for changing production and consumption patterns. Such a transformation requires political, economic, institutional, behavioural and technological shifts, which are realised through a combined application of sustainable consumption and production principles, approaches and strategies, introducing radical changes towards Cleaner Production and a Circular Economy (e.g. zero waste models),\(^8\) therefore requiring increased implementation efforts in future decades.

2015 saw two important achievements in the global agenda: the Paris agreement and the adoption of the new SDGs within the Agenda 2030. The Paris agreement sets out a global action plan for the world to avoid dangerous climate change by limiting global warming to below 2 degrees, leading to countries adopting the first ever universal, and legally binding global climate change deal. SDGs contain 17 goals with 169 targets covering a broad range of Sustainable Development issues. SDG 12 aims to ensure SCP patterns – it is about promoting resource and energy efficiency, sustainable infrastructure, and providing a better quality of life for all. SCP aims at "doing more and better with less" increasing net welfare gains from economic activities by reducing resource use, degradation and pollution along the whole lifecycle, while improving quality of life by involving various stakeholders: businesses, consumers, policy makers, researchers, scientists.

More regional cooperation on trade would beget both benefits (technology and information transfer and investments in green technologies and services) and risks (resource extraction and greater movement of goods and services) to the environment. Trade integration will not automatically support sustainable development – it requires establishing the upward convergence of environmental standards (a race to the top rather than to the bottom) as an intrinsic feature of trade agreements. Regional economic relationship must encourage a competitiveness that is defined by high levels of environmental quality and reduced environmental risk, shared prosperity and decent jobs for all so that markets can deliver expanded opportunities. Rapid economic growth has resulted in the expansion of consumer lifestyle, which in turn has stimulated economic growth.\(^9\) With better education and awareness of environmental issues, the new consumers could become a driving force for

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\(^7\) From ADB’s long-term strategic framework for 2008-2020

\(^8\) COM/2018/028 final

\(^9\) Organisation for Economic Co-operation and Development (OECD), 2013
sustainable development transformations via their purchasing and investment decision. But this will require innovations in the provisions of services and goods and nudging social preferences towards sustainable choices. Transformations require fostering further innovation, scaling up niches and building alliances among diverse stakeholders at the subnational level and in civil society.

In the current linear economy model, economies depend on inputs from natural resources. In the production of goods and services, resources are extracted, processed and transported. At the end of their lifecycle, they are recycled or disposed. At each stage, energy is used, and employment, money and well-being are generated, among other benefits. Because turning natural resources into goods and services requires energy, there are also strong links between resource use, greenhouse gas emission and damage and depletion of the environment systems.

The EU’s Circular Economy Action Plan (see at the end of the next section) has the objective to change this linear economic model and achieve a transformation towards a low-carbon, resource-efficient and circular economy.

Some business models are particularly vulnerable to climate change or natural disasters while others are only viable because market failures are keeping environmental resources under-priced. The government mitigation of market failures will decrease profitability of unfair businesses and open them up to innovation. With environmental concerns mounting, the business models that are not able to adapt and transform will cease to be competitive.

1.1.1 Public Policy Assessment and EU Policy Framework

Public Policy Assessment in Asia

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. Sustainable Consumption and Production (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 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. SDG12 on SCP is connected to at least 12 other SDGs, providing critical connections among them and making the SDGs more tightly linked as a network.

Furthermore, the international Paris Agreement of the 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 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 (LDCs) and to their entry into global value chains. Environment features in several of the EU policy dialogues with partners in the Asia and Central Asia region, such as the Asia–Europe Meeting (ASEM), the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Roundtable on SCP (APRSCP) and the ASEAN forum on SCP, which provide an institutionalised exchange and co-ordinated platform, with a growing practical experience especially in 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.

The European Consensus on Development reaffirms the importance of international cooperation on the green and circular economy, highlighting that "the EU and its Member States will promote resource efficiency and sustainable consumption and production, including the sustainable management of chemicals and waste, with a view of decoupling economic growth from environmental degradation and enabling the transition to a circular economy”.

**Public Policy Assessment in Central Asia**

Countries in Central Asia have expressed various degrees of responsiveness to the SCP agenda. Recently, the Government of Uzbekistan has undertaken significant steps in outlining its commitment to energy efficiency and renewable energy. With respect to renewable energy, solar power has been identified as an untapped opportunity where take up will be encouraged through tax breaks. Similarly for Tajikistan, where on occasion of the 8th meeting of the Working Group on Environment and Climate Change (WGECC) in Tashkent (June 2018) the representative of the Tajik Committee of Environment protection explained that Tajikistan is implementing substantial ecological programmes within the National Programmes until 2020

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10 [https://unfccc.int/resource/docs/2015/cop21/eng/l09.pdf](https://unfccc.int/resource/docs/2015/cop21/eng/l09.pdf)
12 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](http://www.asean.org/archive/5187-10.pdf)
13 APRSCP was established in 1998 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/](http://www.aprscp.net/)
14 European Consensus on Development, COM (2016) 740 final
and 2030. Kazakhstan has undertaken steps to move towards a more sustainable mode of development which were outlined in two key strategic documents: the 2012 “Kazakhstan 2050 Strategy” and the 2013 “Green Economy Concept” (GEC) which outlined the path to long-term growth based on climate-friendly technologies, energy efficiency measures, and the restoration and sustainable management of natural resources. The GEC, in particular, envisaged modernising deteriorating environmental infrastructure, and set ambitious environment-related targets for the power generation, mining, industry and agriculture sectors and for energy, soil and water use.

Kyrgyzstan has been pursuing an environmentally friendly model of development trying to promote an extensive list of possible initiatives. These ranged from organic agriculture to energy-efficient lighting and renewable technologies, and the creation of a special economic zone for green tech-companies. Kyrgyzstan is committed to develop the legal framework that will define the country’s green economy priorities. With the support of implementing partners such as business associations and international organisations, the Government is trying to promote the green economy, especially among small- and medium-sized businesses. The development of the legal framework is expected to ensure the active involvement of business and the public sector. The commitment will include activities to increase the awareness of the private sector about elements of the green economy. It will also inform the private sector on the benefits of green technologies to ensure long-term sustainable development.

For Kyrgyzstan the largest sector of the economy remains agriculture and improving the environmental situation and popularizing the use of organic farming methods are in line with Kyrgyzstan’s economic interests. Regarding the renewable energy sector, there are ongoing efforts to promote energy efficiency improvements linked with high performance energy efficient technologies. The Kyrgyz law exempts customs duties on equipment and materials destined for renewable energy power plants, suggesting openness to foreign investment.

EU Policy Framework

The EU’s has an ambitious Circular Economy Action Plan\(^\text{15}\) in place to stimulate Europe’s transition towards a circular economy and to boost the EU’s competitiveness, foster sustainable economic growth and generate new jobs. Circularity explores opportunities to promote closed material loops and resource efficiency chains with a system-wide approach and across the entire value chain. This concept implies designing products for reuse, recovering as much as possible from resources while in use, using products as long as possible, remanufacturing products at the end of service life, and in essence avoiding waste in production and supply.

A particular case of a “linear sector” that needs to be made more “circular” is plastic. The way plastics are currently produced, used and discarded harms the environment and fails to capture the economic benefits of a more resource-efficient and circular approach. The 2018 EU Circular Economy Package\(^\text{16}\) adopted a new set of measures including a European Strategy for Plastics in a Circular Economy.

The EU Plastic Strategy\(^\text{17}\) intends to support and complement existing measures by providing a systemic perspective and creating synergies with other actions, such as on prevention, eco-


\(^{16}\) \url{http://ec.europa.eu/environment/circular-economy/index_en.htm}.

\(^{17}\) \url{http://ec.europa.eu/smart-regulation/roadmaps/docs/plan_2016_39_plastic_strategy_en.pdf}. 

[8]
design, work on the interface between waste, chemicals and product policies, measures to boost markets for secondary raw materials, use of economic instruments, etc.

The EU is a major economy, a leading exporter and importer of goods and services and is deeply embedded in global value chains. It will thus not be possible for the EU to achieve a circular economy in isolation. In fact, in the Communication adopted on the Circular Economy Action Plan, the Commission noted that the circular economy will need to develop globally and that increased policy coherence in internal and external EU action in this field will be mutually reinforcing and essential. The reflection paper on Harnessing Globalisation conveys the same message and adds that, in order to reap the full benefits of the circular economy, including for EU businesses, a global transition is necessary, so that economic growth is decoupled from resource use. The OECD and the International Resource Panel have demonstrated that decoupling economic growth from environmental degradation is a real possibility in a circular economy when resource efficiency and technologies (including low carbon technologies) are employed to achieve sustainable consumption and production. The SWITCH Programme plays an important role in accelerating the transition to a global low-carbon, resource-efficient and circular economy.

1.1.2. Stakeholder analysis

The largest group of the SWITCH-Asia and Central Asia II programme's stakeholders is made up of MSMEs, which forms the primary target group. MSMEs represent 80% of the total industrial enterprises in Asia and an average of 50% of Central Asia.

- Green Business Development Service (BDS) providers (e.g. business associations, chambers of commerce, national clean production centres, NGOs, universities): these organisations play a key role in the delivery of SWITCH Asia and Central Asia, primarily as grantees providing support to MSMEs under the grant component. Partnerships involving Asia, Central Asian and EU organisations will be encouraged in order to increase project management capacities, SCP expertise, and sharing of lessons learned. In order to multiply successful SCP practices, the involvement of intermediary organisations, e.g. business services providers networks, industry associations, chambers of commerce, consumer organisations, labour organisations, marketing and advertising agencies is crucial.

- The local business community and entrepreneurs: the programme will continue to focus on micro, small and medium sized enterprises –including those that are part of the informal economy- as final recipients of the grant component. The capacity building provided by the programme is considered appropriate and will be continued, but more attention will be given to financial sustainability aspects (i.e. focus on SCP practices that do not require high upfront investments, identification of those which do require financing on some scale, and which thus require green business proposals to provide support to SMEs to enhance their access to such finance).

- Consumers in Asia and Central Asia and elsewhere: The programme will promote sustainable consumption through the policy component and through green business projects; the call for proposals guidelines will require that proposals include relevant activities targeting consumers.

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These direct beneficiaries of the SWITCH-Asia and Central Asia II grants have great potential to reach out to a large number of SMEs and MSMEs as well as 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. Substantial government ownership will be achieved by ensuring consistency in the sectors chosen by the projects and the ones selected by the country at the policy level.

1.1.3 Priority areas for support/problem analysis

The Asia region accounts for more than half of the world's total resource use, and faces 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 already become 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.

More people globally are expected to join the middle class over the next two decades. This is good for individual prosperity but it will increase demand for already constrained natural resources. 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 capacities 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 and Central Asia.

On sectoral level, energy efficiency, energy efficient buildings, sustainable agriculture, mobility and tourism are of interest as expressed by most of the countries in the Asia 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. Identifying “hot spots” within the value chain where interventions have the greatest potential to improve the environmental and social impact of the system as a whole is a crucial first step. Businesses can also use their innovative power to design solutions that can both enable and inspire individuals to lead more sustainable lifestyles, reducing impacts and improving well-being. 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 the 10 Years Framework of Programmes (10YFP).
2 RISKS AND ASSUMPTIONS

<table>
<thead>
<tr>
<th>Risks</th>
<th>Risk (H/M/L)</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conspicuous target groups reached by the selected projects</td>
<td>L</td>
<td>Target groups will be scrutinised from the selection stage to ensure appropriateness.</td>
</tr>
<tr>
<td>Lack of coordination with other donors.</td>
<td>M</td>
<td>Develop partnerships with other existing donors that are compatible with and complement the SWITCH-Asia and Central Asia programme.</td>
</tr>
<tr>
<td>Delegations have reduced capacity to handle new projects</td>
<td>M</td>
<td>Projects will be aligned with the sectors in the National Indicative Priorities (where they exist) to tap into resources already available in the delegations.</td>
</tr>
<tr>
<td>Individual actions are required to define key performance indicators, baselines and target values but information at the programme level may not be available.</td>
<td>M</td>
<td>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, which will then allow processing (aggregating) information at the programme level.</td>
</tr>
<tr>
<td>Efficient gains in production may be offset by waste, due to improper handling, storage and consumer behaviour</td>
<td>H</td>
<td>This risk is mitigated by ensuring that the projects tackle both production and consumption simultaneously, meaning that they apply an integrated approach.</td>
</tr>
</tbody>
</table>

Assumptions

- The Asian and Central Asian governments are committed to the objectives of the policy components and policy dialogue is facilitated.
- 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.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The evaluations of the SWITCH-Asia programme highlight 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.

Seven calls for proposal were successfully implemented from 2007 to 2016 under SWITCH-Asia I, which led to the selection of 106 projects covering different aspects of sustainable consumption and production patterns. The calls generated great interest, receiving in total more than 2,000 concept notes. The evaluations confirmed that the potential impact of the projects was very promising; particularly with regard to their replication and multiplication.

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potential. Starting from 2007, the programme has granted support to consortia totalling more than 400 Asian and European not-for-profit partners, about 100 private sector associates and benefitting up to 70,000 Asian micro, small and medium-sized enterprises (MSMEs). The environmental performance of their operations has been raised and their products’ and services’ environmental quality improved. These interventions increased the resilience and domestic competitiveness of the cooperating SMEs, made existing occupations safer and created new jobs, thus contributing to the reduction of poverty in Asia.

Successful partnerships include organisations that have economic and financial expertise and experience, and include local partners with pertinent linkages with government agencies. Grant projects are more effective when realistic proposals and business plans are prepared, indicating the financial viability of technical solutions, taking into account the local realities. Five key recommendations have been summarised below:

1. **Encouraging mutually beneficial “green” trade** to increase and diversify markets between the EU and developing countries and for MSMEs to be given further support to take advantage of the potential of green trade. Green trade offers a wide range of opportunities for EU development cooperation to develop initiatives in areas of mutual interest for the EU and partner countries. Encouraging partnerships between business organisations from developing countries and counterparts from the EU when implementing green trade initiatives can have multiple benefits for all involved, notably in terms of know-how exchange and access to new markets, with, for example, EU businesses supported in promoting green technologies and services, and partner countries supported in conforming with environmental standards and regulations required to enter the EU market.

2. Attention to be given to mechanisms to further facilitate the integration of millions of very small entities into the supply chain, without which the longer term objectives of EU Green Economy initiatives will not be fully achieved. Additional attention should also be dedicated to financial, institutional and organizational arrangements for sustainability after project completion and the role of Delegations in assisting with sustainability at national level needs to be strengthened.

3. **Revise partnerships** to include organisations that have economic and financial expertise and experience, and include local partners with pertinent linkages and relationships with government agencies. Grant projects are more effective when realistic proposals and business plans are prepared, indicating the financial viability of technical solutions, taking into account the local environmental, social and economic landscape, leading to successful applications for finance. Projects that address sectors of significant socio-economic importance to countries are more successful than those that address sectors that are of less importance. The SCP programmes should further take into account the benefits of targeting industrial parks and special economic zones.

4. Prepare a **monitoring and evaluation system** that requires grantees to complete on-line formats once or twice a year, that capture qualitative and quantitative data on effectiveness and impact of socio-economic and environmental progress against targets; and which automates much of the analysis.

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20 The Inclusive Green Economy In EU Development Cooperation: An innovative approach at the intersection of the EU’s Planet, People and Prosperity objectives

[12]
5. Facilitate green business development and scaling-up of outputs (green products and services) of projects and adoption of good practices on SCP and the Green Economy:
   a) Request more analysis of prospective financial benefits to organisations from adopting SCP practices.
   b) Provide expertise to projects to prepare marketable business models, where required, including identifying funding sources in the participating countries in the different regions and the EU, including blending facilities.

3.2 Complementarity, synergy and donor coordination

Through its SCP actions in beneficiary countries and by demonstrating that economic development can go hand in hand with the social and environmental pillar of sustainable development, SWITCH-Asia and Central Asia II will support relevant policy dialogues (e.g. on environment and climate change) and encourage a transition towards a low-carbon, resource efficient and circular economy.

SWITCH-Asia and Central 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 will complement the previous ones, enhancing the sectoral 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 and Central 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". In addition, complementarity will be sought with the FPI project "Reducing plastic waste and marine litter in East and South East Asia – supporting a transition to a circular economy" that has the objective of establishing cooperation with China, Indonesia, Japan, the Philippines, Singapore, Thailand, and Vietnam on circular economy.

SWITCH-Asia and Central 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 world-wide (eight of which are situated in Asia) under the United Nations Industrial Development Organization (UNIDO)-UNEP Programme on Clean Production; and 2) the Green Growth Capacity Development Programme developed by UNESCAP to assist building organisational and institutional capacities to achieve the Green Growth objectives.

The outcomes of SWITCH-Asia I and II will also be contributing to SWITCH TO GREEN23 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

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21 United Nations Department for Economic and Social Affairs (UNDESA).
22 Cambodia, China, India, Lao People's Republic, Lebanon, Sri Lanka, Republic of Korea, Vietnam, Uzbekistan.
23 SWITCH TO GREEN, COM (2014).
The SWITCH-Asia and Central 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:

- Gender, children and minority groups, good governance issues and participatory approaches will be explicitly covered in the corporate social responsibility dimension of selected projects.
- Overall reduction of greenhouse gases: all SWITCH-Asia and Central 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 the Asian and Central Asian private sector, health and poverty alleviation.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective of the programme SWITCH-Asia and Central Asia II is to promote inclusive sustainable growth, to contribute to the economic prosperity and poverty reduction in Asia and Central Asia and to support the development of a green economy and the transition towards a low-carbon, resource-efficient and circular economy in the target countries.

Specific Objective 1: to promote sustainable production (development of less polluting and more resource efficient products, processes and services) and sustainable consumption patterns and behaviours in Asia and Central Asia, through an improved understanding and strengthened cooperation between Europe and Asia and Central 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 MSMEs;
- Output 2: Move SCP practices from demonstration to replication and increase the access to finance of the MSMEs for SCP investments

Specific Objective 2: 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 polices on SCP by Central 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;
- 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 MSMEs and financial intermediaries (access to finance);
- Output 6: Enhance policy dialogue on SCP in Central Asia (support to existing fora)

The programme will focus on few sectors in each country with good opportunities for advancing green business and SCP practices, and potential for job creation and social inclusion. Sectors will be aligned with the countries' National Indicative Programme Sectors (where they exist) or they will be refined at country level after a country level stocktaking and consultation with key stakeholders in the guidelines for the call for proposals. The sector choice as well will be informed by the Sustainable Consumption and Production Facility as well as by the Policy Advocacy Component based on the in-country consultation with the relevant stakeholders.

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 12 but also promotes progress towards Goal(s) 8 Decent Work and Economic Growth; Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, and Goal 11 Sustainable Cities and Communities. This does not imply a formal commitment by the Asia or Central Asian region benefiting from this programme.

4.2 Main activities
4.2.1 Actions to support the uptake of the SCP practices

The Actions will be selected for co-funding through one restricted call for proposals. In order to ensure equal country distributions, ranking will be first made by target country, allowing at least one application per country (if applicable) if above the minimum threshold score on all
criteria. Should any sufficient budget remain unallocated, applications will be awarded in order of ranking.

Applications will be made for any of the 2 lots described below, depending on the target groups covered:

**Lot 1**: Asia  
**Lot 2**: Central Asia

**Both lots will target at least one or more of the following priorities**

**Priority 1**: Actions addressing sustainable supply chains management with a focus on green trade with a focus on facilitating the integration of MSMEs into supply chains.

**Priority 2**: Actions focused on consumers and governments' policies to support sustainable consumption - consumer awareness

**Priority 3**: Actions focused on either large industrial parks and large economic zones or clusters of SMEs in order to produce bankable projects.

Proposals are encouraged to promote economic and social rights and empowerment of girls and women. Ensuring that girls and women are empowered, that their economic and social rights are fulfilled and that an enabling environment for their fair and active participation in the economy exists are key priorities for the EU. Such an objective will contribute to faster growing economies, whilst preventing human exploitation.

Possible actions to be undertaken by selected projects:

- **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 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).

- **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

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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 priority 1 and priority 3 - 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 such as banks, leasing companies, in some cases also microfinance institutions)]
  - 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 these activities are possibly eligible under the Asia Investment Facility (AIF) and Investment Facility for Central Asia (IFCA) programme. Appropriate coordination (and synergy if possible) should be ensured between SWITCH-Asia projects proposed in Lot 1 and 3 - 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, Central Asia Investment Facility).

Applicants submitted under all lots 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.

### 4.3 Intervention logic

The basic hypothesis of SWITCH-Asia and Central Asia II is that by promoting sustainable consumption and production to Asian and Central Asian countries' governments combined with grants to demonstrate SCP practices, the environmental problems in the Asian and Central 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 and Central Asian governments, capacity building of the Asian and Central Asian governments, combined with projects promoting and replicating SCP practices to a large number of MSMEs. The adoption of the SDG12 on Sustainable Consumption and Production
gives SWITCH-Asia and Central 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 countries

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

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

5.3.1.1 Grants: call for proposals SWITCH-Asia and Central 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 inclusive sustainable growth, to contribute to the economic prosperity and poverty reduction in Asia and Central Asia and to support the development of a green economy and the transition towards a low-carbon, resource-efficient and circular economy in the target countries.

The **expected outputs** are 1) MSMEs and business service providers are better equipped to promote and adopt SCP practices, and seize green economy opportunities 2) policy institutions in Central Asia have strengthened capacities, awareness, policies and instruments to enable green business entrepreneurship and promote the shift to SCP patterns.

The programme will focus on few sectors in each country with good opportunities for advancing green business and SCP practices, and potential for job creation and social inclusion. Sectors will be aligned with the country National Indicative Programme Sectors (where they exist) or they will be refined at country level after a country level "stocktaking" and consultation with key stakeholders in the guidelines for the call for proposals. The sector choice as well will be informed by the Sustainable Consumption and Production Facility as well as by the Policy Advocacy Component based on the in-country consultation with the relevant stakeholders.

(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 the Multiannual Indicative Programme for Asia for the period 2014-2020 and the Multiannual Indicative Programme for Central 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 EUR 1 million and EUR 3 million and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grants (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%.

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 2018 under suspension clause.

5.3.1.2 Procurement (direct management)

<table>
<thead>
<tr>
<th>Subject in generic terms, if possible</th>
<th>Type (works, supplies, services)</th>
<th>Indicative number of contracts</th>
<th>Indicative trimester of launch of the procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCP Facility for Central Asia</td>
<td>Services</td>
<td>1</td>
<td>3rd trimester 2018</td>
</tr>
<tr>
<td>Programme Support Measures</td>
<td>Services</td>
<td>1</td>
<td>1st trimester 2019</td>
</tr>
</tbody>
</table>

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.

In accordance with Article 8(3) of Regulation (EU) No 236/2014 and with regard to the regional 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 the Multiannual Indicative Programme for Asia for the period 2014-2020 and the Multiannual Indicative Programme for Central Asia for the period 2014-2020. The supplies originating there shall also be eligible.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) 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 in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.
5.5 **Indicative budget**

<table>
<thead>
<tr>
<th>SWITCH-Asia and Central Asia II – Promoting Sustainable Consumption and Production 2018</th>
<th>EU contribution (amount in EUR)</th>
<th>Indicative third party contribution, in currency identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3.1.1 Call for proposals SWITCH-Asia and Central Asia II (direct management)</td>
<td>45,700,000</td>
<td>10,775,000</td>
</tr>
<tr>
<td>Lot 1 Asia</td>
<td>32,700,000</td>
<td>8,175,000</td>
</tr>
<tr>
<td>Lot 2 Central Asia</td>
<td>13,000,000</td>
<td>2,600,000</td>
</tr>
<tr>
<td>5.3.1.2 – Procurement (direct management)</td>
<td>950,000</td>
<td>N.A.</td>
</tr>
<tr>
<td>5.3.1.2 – Procurement (direct management) Programme Support Measures</td>
<td>200,000</td>
<td>N.A.</td>
</tr>
<tr>
<td>5.8 – Evaluation</td>
<td>150,000</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>47,000,000</strong></td>
<td><strong>10,775,000</strong></td>
</tr>
</tbody>
</table>

5.6 **Organisational set-up and responsibilities**

SWITCH-Asia and Central 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 EU Delegations in Asia and Central Asia 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 EU Delegations 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 EU Delegations and/or DEVCO HQ, SCP Facility, Policy Advocacy representatives and the focal points established in the target countries for SWITCH-Asia. Should a EU Delegation 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 EU Delegations/HQ and/or 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 of the work plan every 6 months should be envisaged to check for appropriateness and progress in meeting the agreed targets. Appropriate back to back events should be encouraged with established regional or sub-regional events.

Logistical organisation and further costing of the steering committee will be the responsibility of the SCP facility.

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

Grants arising from this action will be implemented by the respective EU Delegations.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action and 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 logframe 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.

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.

Interim evaluations 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 (especially for Central Asia) 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).

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 5.4 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 other 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-condition

Grant 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 and Central Asia.
APPENDIX - INDICATIVE LOGFRAME MATRIX

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.

<table>
<thead>
<tr>
<th>Results chain</th>
<th>Indicators</th>
<th>Baselines (incl. reference year)</th>
<th>Targets (incl. reference year)</th>
<th>Sources and means of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall objective: Impact</td>
<td>To promote inclusive sustainable growth, to contribute to the economic prosperity and poverty reduction in Asia and Central Asia and to support the transition towards a low-carbon, resource efficient and circular economy.</td>
<td>1) Real GDP growth, (i) latest year and (ii) average over last 5 years** 2) Number of countries compliant with international environmental agreements and treaties pertaining to SDG 12. 3) Level of GHG emissions* 4) Level of energy consumption* 5) Proportion of renewable energy consumed* 6) Number of Countries implementing and</td>
<td>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 2) 2018 taken as baseline 3) GHG reported in 2018 by target country 4) 2018 taken as baseline 5) 2018 taken as baseline</td>
<td>1) Reports (including Monitoring and Evaluation) on the state of environment and economy of each Asian country 2) Reports of international organisations (WTO, ILO, World Bank, IMF, UN, etc.), environmental lobbies, research institutions, etc. 3) CSIRO and UNEP Material Flow and Resource Productivity</td>
<td></td>
</tr>
<tr>
<td>Reporting on System of Environmental-Economic Accounting (SEEA) accounts</td>
<td>Material flow per produced unit 7) 2018 taken as baseline 8) 2018 taken as baseline 9) 2018 taken as baseline</td>
<td>Share of the renewable energy consumed 6) At least half of the target countries implement and report on SEEA accounts 7) At least 20% reduction of the material flow/produced unit 8) At least 20% of the created jobs are green jobs. 9) Significant improvement of the material productivity/ratio for each of the target country towards achieving the global average 1USD/1kg material use.</td>
<td>Database, International Energy Agency (IEA) database (for energy use), EDGAR database (for emissions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output SO1</td>
<td>To promote sustainable production and sustainable consumption patterns and behaviours in and within Asia and Central Asia.</td>
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<tr>
<td>SO 1</td>
<td>1. Number of relevant actors (i.e., BDS providers) whose awareness on SCP practices has been raised (Gender disaggregated).</td>
<td></td>
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<tr>
<td></td>
<td>2. Number of relevant actors (i.e., BDS providers and MSMEs) whose SCP abilities have increased.</td>
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<tr>
<td></td>
<td>3. Number of relevant actors (i.e., BDS providers) cooperating with others (e.g., MSMEs) for the benefit of SCP. Examples could be “Number of women led MSMEs receiving support” or “Number of business plans for SCP investments elaborated” or “Number of environmental audits at MSME level carried out”</td>
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<tr>
<td></td>
<td>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.</td>
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<td></td>
<td>1) The targets will be established independently by each project within the 48 months of interaction.</td>
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<td></td>
<td>1) Reports/surveys from country Industry Associations (private) a/o Environmental Protection Agencies (public) Project reports</td>
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<td></td>
<td>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.)</td>
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<tr>
<td>Move SCP practices from demonstration to replication and increase the access to finance of the MSMEs</td>
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<tr>
<td>1. Number of relevant actors (i.e., financial institutions and their staff) whose awareness/abilities (on SCP and GE practices/projects) have been raised. 2. Number of relevant SCP tools whose use has been supported with increased actors’ abilities. 3. Number of relevant actors (i.e., green businesses gender disaggregated) whose awareness (on bankable SCP) has been raised 4. Number of relevant SCP tools whose use has been supported with increased awareness 5. Number of relevant SCP tools whose use has been supported with increased awareness. 6. Number of relevant SCP tools whose use has been supported with increased actors’ abilities.</td>
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<td></td>
</tr>
<tr>
<td>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. 2) Financial incentives earmarked with environmental performance improvements</td>
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<tr>
<td>The targets will be established independently by each project within the 48months of interaction</td>
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<td>Project reports Project based measure change from the onset of the action.</td>
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<td>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.)</td>
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</table>
### Output SO 2

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.

<table>
<thead>
<tr>
<th>Specific Objective: <strong>Formulation and implementation of national policies on SCP by Central Asian governments on demand basis</strong></th>
<th>1) Number of countries which demand SCP implementation support</th>
<th>1) Baseline to be determined in 2019</th>
<th>1) By 2020, increase by at least 50% The number of countries in the Central Asian region demanding SCP implementation support.</th>
<th>1) National Action Plans on SCP</th>
<th>National governments demand support in the implementation of SCP related policies</th>
</tr>
</thead>
</table>
| 7. Number of relevant actors (i.e., green businesses gender disaggregated) whose awareness (on bankable SCP) has been raised | 8. Number and amount of services provided to SCP actors (e.g., MSMEs) by CSOs/SPs. Number of business plans for SCP investments elaborated | }
| Output 1/SO2 | **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.** | 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 2019 | 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 |
| Output 2/SO3 | **Support the overall effectiveness, sustainability and impact of interactions among grant projects in the target countries and policy support activities at programme level.** | 1) Number of events and activities supporting the interactions among grant projects and policy support activities. | 1) Baseline to be determined in 2019 | 1) At least 1/3 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 |
| Output 3/SO3 | **Increase awareness on SCP** | Number of publications or media coverage | 1) Baseline to be determined in 2019 | 1) Policy dialogue | Project report | Identification of relevant regional |
and knowledge distilled from the projects for wider replication and links with global SCP actions in other regions towards promoting inclusive green economy.

| Output 4/SO3 | Increase interactions facilitated between MSMEs and financial intermediaries (access to finance); | 1) Number of events organised in the target country with a broad range of stakeholders. | 1) Baseline to be determined in 2019 | 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. |
| Output 5/SO3 | Enhance policy dialogue on SCP in Central Asia | 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 2019 | 1) At least 1 national action plan developed per year for any of the target countries | Project report | Countries show interest in SCP |