This action is funded by the European Union

ANNEX I

of the Commission Implementing Decision on the financing of the annual action programme in favour of the Asia region for 2019 part III

Action Document for Smart Green ASEAN Cities

<table>
<thead>
<tr>
<th><strong>ANNUAL PROGRAMME</strong></th>
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</thead>
<tbody>
<tr>
<td>This document constitutes the annual 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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>1. Title/basic act/CRIS number</strong></th>
<th><strong>Smart Green ASEAN Cities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>CRIS number: ACA/2019/040-067, financed under Development Cooperation Instrument</td>
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</table>

<table>
<thead>
<tr>
<th><strong>2. Zone benefiting from the action/location</strong></th>
<th><strong>Association of Southeast Asian Nations (ASEAN) Member States</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The action shall be carried out at the following location:</td>
<td></td>
</tr>
<tr>
<td>ASEAN Member States and limited activities in the European Union</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>3. Programming document</strong></th>
<th><strong>Addendum to the Multiannual Regional Indicative Programme (RIP) for Asia for the period 2014 – 2020¹</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>4. SDGs</strong></th>
<th><strong>Main SDG: 8, 12, 11 (Sustainable Cities and Communities); links to Goal 13 (Climate Action);</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other significant SDG(s): Goal 5 (Gender Equality); Goal 6 (Clean Water and Sanitation); Goal 7 (Affordable and Clean Energy); Goal 12 (Responsible Consumption and Production)</strong></td>
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</tr>
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</table>

<table>
<thead>
<tr>
<th><strong>5. Sector of intervention/thematic area</strong></th>
<th><strong>Sector 1 (Regional MIP): Climate Change, Environment and Disaster Management</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEV. Assistance: Yes</strong></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>6. Amounts concerned</strong></th>
<th><strong>Total estimated cost: EUR 5.1 million (to be confirmed)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount of EU budget contribution EUR 5 million</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Co-financing: EUR 0.1 million (to be confirmed)</strong></td>
<td></td>
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</table>

¹ C(2018)4741 of 20 July 2018
7. Aid modality(ies) and implementation modality(ies)  

Project Modality  
Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 5.3.1

8 a) DAC code(s)  
140 (Water and Sanitation); 151 (Government and civil society, general); 160 (Other Social Infrastructure and Services); 210 (Transport and Storage); 410 (Environmental Protection); 43030 (Urban development and management)

b) Main Delivery Channel  
40000- Other multilateral institution

9. Markers (from CRIS DAC form)  

<table>
<thead>
<tr>
<th>General policy objective</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Principal objective</th>
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</thead>
<tbody>
<tr>
<td>Participation development/good governance</td>
<td>☐</td>
<td>x</td>
<td>☐</td>
</tr>
<tr>
<td>Aid to environment</td>
<td>☐</td>
<td>☐</td>
<td>x</td>
</tr>
<tr>
<td>Gender equality and Women’s and Girl’s Empowerment</td>
<td>☐</td>
<td>x</td>
<td>☐</td>
</tr>
<tr>
<td>Trade Development</td>
<td>x</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Reproductive, Maternal, New born and child health</td>
<td>x</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RIO Convention markers</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Principal objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biological diversity</td>
<td>☐</td>
<td>x</td>
<td>☐</td>
</tr>
<tr>
<td>Combat desertification</td>
<td>x</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Climate change mitigation</td>
<td>☐</td>
<td>☐</td>
<td>x</td>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>☐</td>
<td>☐</td>
<td>x</td>
</tr>
</tbody>
</table>

10. Global Public Goods and Challenges (GPGC) thematic flagships  

Environment and Climate Change, Human Development, Food and Nutrition Security (*Supporting poor and insecure to react to crisis and strengthening resilience*)

**SUMMARY**

In the next 15 years, urban areas in Association of Southeast Asian Nations’ (ASEAN) Member States are expected to accommodate another 100 million people, leading to a substantial pressure on the region’s natural, social and economic resources. This would add up to fast growing problems such as increasing greenhouse gas (GHG) emissions; waste, air and water pollution; traffic congestion; and natural resources and urban ecosystem degradation. Dealing with climate change and environmental issues related to the fast urbanisation in Southeast Asia is a priority for the ASEAN, which is committed to ensure that urban areas become environmentally sustainable and people-friendly2.

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2 ASEAN Social Cultural Community Blueprint (ASCC) 2025.
The programme will support the ASEAN Member States on a city, national, and regional level, to deal with urban environmental and climate change and related governance issues, focusing on smart solutions enabled by digitalisation and the use of technologies. The support will also target facilitating policies and access to public and private funds and facilitating cooperation between cities within the ASEAN, as well as among ASEAN and European cities, and the sharing of European experiences. The overall objective of this proposed action is to promote a more sustainable urbanisation in the ASEAN cities, while reducing their environmental footprint and improving the quality of life for citizens. The specific objective is that green and smart city solutions are adopted in the ASEAN region.

Expected outputs are: (1) enhanced design, planning and implementation of green and smart city solutions in selected cities; (2) strengthened national capacity for green and smart city development (through EU-ASEAN experience sharing); and (3) increased exchange of good smart and environmental city management practices from the EU and within the ASEAN.

The programme supports on-going initiatives in the ASEAN, especially the ASEAN Initiative on Environmentally Sustainable Cities (ESC), the ASEAN Smart Cities Network (ASCN), and the ASEAN Sustainable Urbanisation Strategy (ASUS) and will seek synergies with the International Urban Cooperation (IUC) and the cities belonging to the Global Covenant of Mayors in ASEAN. ASUS and ASCN are new frameworks launched in 2018 to enhance cooperation within the ASEAN at a higher political level, using new digital and other technologies as means to address these challenges jointly and in innovative ways.

The project will contribute directly to the reduction of the environmental and carbon footprints of selected ASEAN cities through smart solutions, while promoting energy efficiency, renewable energy, more resource-efficient and low-carbon transport systems, reducing air pollution, and contributing to the development of a circular economy. It will follow a bottom-up approach from the city level to support the adoption of smart city solutions on a city level, feeding into national and regional dimensions of sustainable urbanisation in the ASEAN.

1 CONTEXT ANALYSIS

1.1 Context Description

The Association of Southeast Asian Nations (ASEAN) was established in 1967. In 2015, ASEAN Leaders signed the Kuala Lumpur Declaration on The Establishment of The ASEAN Community. The region has a total area of 4.4 million square kilometres and is home to more than 630 million people of diverse ethnic, cultural, linguistic and social backgrounds. ASEAN’s economic performance has continued to outpace the rest of the world with sustained annual economic growth rates of above 5% per annum since the 1980s. However, there is wide diversity within the region.

All ASEAN Member States (AMS) are: (a) experiencing high rates of urbanisation accompanied by fast economic growth; (b) facing similar threats from climate change, as many cities are located either by the ocean or by big rivers such as the Mekong, Irrawaddy and Salween, while also contributing to fast-growing GHG emissions; and (c) increasingly...
experiencing the exchange of people, goods, services and capital between countries and cities.\textsuperscript{3}

Of ASEAN’s population of over 630 million, nearly 300 million people live in urban agglomerations, and more than 25\% live in cities with over one million inhabitants. In the next 15 years, ASEAN’s urban areas are expected to have to accommodate another 100 million people. ‘Middleweight’ cities of between 200,000 and 2 million residents are forecast to drive 40\% of the region’s growth. While this expansion reflects the concentration of economic opportunities in urban areas, it also puts high pressure on the environment and urban planning for infrastructure and other public services\textsuperscript{4}.

Many cities and local authorities are increasingly faced with the challenges of urban poverty, social exclusion and spatial inequality, over-crowding, conflict, crime and violence, vulnerability of infrastructure, poor basic service delivery and environmental degradation. In such contexts, women and girls, as well as other marginalised, vulnerable and disadvantaged groups, are disproportionally exposed to an increased risk of insecurity and violence\textsuperscript{5}. Yet, in many places governance remains institutionally fragmented and tools to support good decision making are limited. The emergence of digital and disruptive technologies has the potential to substantially transform cities and help alleviate these issues to enhance quality and accessibility of services, thereby improving citizens’ lives\textsuperscript{6}.

Cities are major sources of greenhouse gases and ASEAN cities need to urgently seek low-carbon economies, infrastructure and transport. Analysis of the state of atmosphere in the ASEAN region reveals that air pollution levels are increasing with the energy sector being responsible for the largest carbon dioxide emissions. It is furthermore predicted that energy-related CO2 emission levels could rise in the ASEAN region by 61\% from 2014 to 2025\textsuperscript{7}.

In addition, ASEAN countries are exposed to a high degree of cumulative climate-related risks. People living in urban areas are increasingly at risk of natural disasters and the impacts of climate induced slow-onset events. This presents a concentration of risk because the locations contributing most to economic development are simultaneously the most at risk. Yet, if managed well, resilient, inclusive and resource-efficient cities could become drivers in transforming ASEAN into a climate resilient and low-carbon economy, contributing to both local liveability and global sustainability.

1.2 Policy Framework (Global, EU)

The Council conclusions on EU cooperation with cities and local authorities in third countries, as adopted on 25 June 2018, emphasise the commitment of the EU to boost the potential of cities as hubs for sustainable and inclusive growth and innovation as well as to bring about a green and circular economy. It emphasises in particular strengthened partnerships with cities and relevant local authorities in third countries to fulfil EU policy objectives, including supporting ‘smart city’ approaches focusing on digital solutions.

The Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development shall be mainstreamed into EU policies and initiatives as recognised in the 2016

\textsuperscript{3} The 5\textsuperscript{th} ASEAN State of Environment Report (SOER5)
\textsuperscript{4} ASEAN MDG Assessment Report, ASEAN-UNDP, 2015
\textsuperscript{5} ASCN Concept Note, 2018
\textsuperscript{6} EU cooperation with cities and local authorities in third countries - Council conclusions (25 June 2018)
\textsuperscript{7} The 5th ASEAN State of Environment Report (SOER5)
Global Strategy for the EU's Foreign and Security Policy and the New European Consensus on Development. In particular, SDG 11 aims to ‘make cities inclusive, safe, resilient and sustainable’. SDG 17 in addition highlights the role of partnerships in achieving development processes. Furthermore, the Paris Agreement and the Global Climate Action Agenda recognise the crucial role of cities in achieving SDGs and the 7th Environment Action Programme of 2014 emphasises intensive cooperation between cities at Union and international level on innovative and sustainable urban development.

The EU and Member States have confirmed their commitment to the New Urban Agenda. The Urban Agenda for the EU relies on the principle of an integrated approach to sustainable urban development as the guiding principle. It focuses specifically on three pillars of EU policy making and implementation: i) better regulation; ii) better funding and iii) better knowledge (base and knowledge exchange). In addition, it makes use of existing European policies, instruments, platforms and programmes such as the opportunities offered by Cohesion Policy, including its sustainable urban development strand and the local energy transition dimension of the EU energy policy. The contribution of local authorities to policy making and local implementation is emphasised in the Commission Communication on ‘Empowering local authorities for enhanced governance and more effective development outcomes’ as well as Regulation on the Governance of the Energy Union. It will be increasingly the case also within the European Climate Pact.

1.3 Public Policy Analysis of the partner country/region

ASEAN commitments and strategic measures to ensure that its urban areas are environmentally sustainable are outlined in the ASCC Blueprint 2025. In line with EU policies, these include participatory and integrated approaches in urban planning and management; strengthening the capacity of national and local institutions; promoting coordination to provide access to clean land, green public space, clean air, clean and safe water, and sanitation; promoting cities that are friendly to all and provide sustainable and accessible infrastructure systems; strengthening positive economic, social and environmental linkages among urban, peri-urban and rural areas; and strengthening policies and strategies for effective impact management of population growth and migration of cities.

The Master Plan on ASEAN Connectivity 2025 (MPAC 2025) guides ASEAN's actions to improve connectivity in the region. Its vision is to achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness and an integrated ASEAN Community. Focus areas of the MPAC 2025 are sustainable infrastructure, targeting in particular middleweight cities and the ASEAN Sustainable Urbanisation Strategy (ASUS), which aims to make urban development sound, inclusive and sustainable. However, connectivity issues in ASEAN are still largely driven by ASEAN Member States and engagement in this area is more effective on the national level.

The ASUS identifies gaps and common barriers to the implementation of sustainable urbanisation actions in ASEAN, such as lack of coordination, weak implementation capacity.

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8 HABITAT III: The European Union and its Member States’ objectives and priorities for the 3rd UN Conference on Housing and Sustainable Urban Development – Council conclusions (12 May 2016)
9 International Urban Cooperation, Covenant of Mayors for Sub-Saharan Africa.
10 ASUS priority actions: enhance financial inclusion through digital transactions, develop and expand affordable housing, integrate digital solutions to improve public security, enhance solid waste management systems, develop traffic management solutions, introduce an integrated public transport system, develop flood management systems and develop digital talent through digital skills promotion.
lack of reliable data and strategic planning, and inability to access alternative sources of financing. ASUS includes two toolkits, a practical guide how to prioritise key sub-areas of sustainable urbanisation actions, and implementation templates for ASUS priority actions. Meetings of existing city networks in ASEAN are foreseen to provide platforms for sharing best practices.

In addition, the **ASEAN Initiative on Environmentally Sustainable Cities (ESC)** under the ASEAN Working Group for Environmentally Sustainable Cities (AWGES) is an existing platform for city leaders to engage with each other focusing on capacity building at city level and improved standardisation at national level. It covers 25 smaller and rapidly growing cities across ASEAN and aims to develop:

1. a framework on Environmentally Sustainable Cities, including mapping the vision, principles and scope, and identifying the goals, objectives, strategies and activities/programmes;
2. an ASEAN Implementation Plan for ESC for each of the participating cities and the establishment of an ASEAN Network on ESC to share and exchange experiences and best practices in environmental management and protection, and to articulate capacity development needs;
3. key indicators for clean air, clean water, clean land, green spaces and urban biodiversity;
4. the ASEAN ESC Award, which recognises exemplary national efforts in member states and promotes efforts towards environmental sustainability in ASEAN cities.

ESC targets include clean air, land, water; sustainable urban planning development and Implementation; climate resilient and low-carbon cities.

Under Singapore's ASEAN Chairmanship 2018, as one of its priorities, Singapore launched the **ASEAN Smart Cities Network (ASCN)**. The ASCN focuses on network development and partnership to stimulate smart cities and provides ASEAN cities with a robust set of sustainable urbanisation actions that they can then tailor to their own circumstances. It is a collaborative platform to exchange best practices, develop individualised city action plans, and catalyse bankable smart city projects with the private sector. The ASCN so far includes up to three cities from each AMS (26 nominated pilot cities including ASEAN's largest cities and all capitals) – with room for expansion – and aims to secure support from ASEAN’s external partners (including states, financial institutions and private partners) by pairing them with member cities on a voluntary basis. The ASCN is a suitable anchor as it provides the opportunity for knowledge sharing of European experiences and twinning with European cities and is seeking external partners.

The initiative adopts a broad and inclusive definition of ‘smart’ cities that incorporates elements of digitalisation and technology, sustainability, and liveability. The ASCN aims to leverage technology as an enabler for smart urbanisation cutting across many sectors such as transport, water quality, energy, health care, education, public services, data, and information and communications technology (ICT).

So far, Singapore has convened the first annual meeting of the ASCN in July 2018 alongside the World Cities Summit. AMS formally endorsed the ASEAN Smart Cities Framework in November 2018. The ASCN aims to meet annually to help promote continuity of efforts across several ASEAN Chairmanships, accompanied by an annual report based on the outcomes of these meetings produced by ASEC.
The MPAC, ESC, and ASCN are so far managed under different ASEAN Directorates but are complementary in their aim to enhance sustainable urban development in ASEAN. In addition, they include an environmental dimension, as well as a focus on knowledge sharing and technological developments. The proposed programme would support the overall ASEAN agenda on sustainable urbanisation as well as these specific initiatives by bringing in EU experiences and perspectives through city partnerships/twinning with European cities.

1.4 Stakeholder analysis

**Regional**

The ASEAN Secretariat provides policy support and coordination, ensuring policy coherence with the ASEAN Community Vision 2025. The Secretariat’s basic function is to ensure the effective implementation of ASEAN projects and activities, including the implementation of the ESC and the ASCN. The Secretariat can play an important role in linking the project with the ASEAN initiatives. However, the number of staff dedicated to urban management is limited and therefore capacity building will focus on the national and city level. Different directorates are in charge of the ESC, the MPAC and ASUS, as well as the ASCN and effective cross-pillar coordination is a perennial issue that ASEAN has yet to fully resolve. A taskforce within the Secretariat will be in charge of coordinating the different initiatives.

The ASEAN Working Group on Environmentally Sustainable Cities (AWGESC) addresses the environmental and climate change dimensions of urbanisation. It is composed of senior officials from the Ministry of Environment of each ASEAN Member State. The AWGESC is located under the ASEAN Senior Officials on Environment and is directly connected to the ASEAN Ministerial Meeting on Environment, the ASEAN Socio-Cultural Community Council and the ASEAN Summit (ASEAN Heads of State / Government). The AWGESC is at the helm of implementing and scaling up the ASEAN Initiative on ESC, thus playing a crucial role in promoting sustainable urbanisation in ASEAN.

**National (ASEAN Member States)**

Initiatives linked to sustainable urbanisation are also driven by ASEAN Member States, which can take the lead in disseminating smart city practices nationally. For instance, the ASCN is closely linked to Singapore's vision of a ‘smart nation’. Singapore's Ministry of National Development and the Ministry of the Environment and Water Resources set up the Centre for Liveable Cities, which mission is to ‘distil, create and share knowledge on liveable and sustainable cities’. Other ASEAN initiatives have been included in national agendas of ASEAN Member States. For instance, ownership of ESC has been included in the ministerial policies and implementation agendas of ASEAN member states. More importantly, the AWGESC closely coordinates and encourages national focal points to progressively achieve ESC goals and targets the national and city levels. To expand the ESC framework at the national level, close coordination between all involved actors and technical line ministries is key.

**Cities**

Smart solutions on city level are crucial to promote a more sustainable urbanisation in ASEAN and reducing its environmental footprint while improving the quality of life for citizens. Initiatives such as the ESC, ASCN, as well as the Global Covenant of Mayors' chapters in ASEAN (supported by the IUC programme) and the ASEAN Mayors' Forum, the first
network of local governments affiliated with ASEAN are directly engaged at city-level. For instance, the implementation of ASEAN ESC includes 25 cities but also supports regional activities to enable cross-country networking, learning and multi-stakeholder collaboration at the local, national and regional level. The ASCN is currently comprised of 26 pilot cities with room for expansion as the mechanism matures. International partners are invited to join the initiative and pair their cities with ASEAN cities under this framework. The stakeholders at city level mirror those at the national level. Coordination between technical agencies and authorities to implement the ESC and ASCN is crucial and each actor shall have a solid understanding of the implementation of the respective agendas.

**Private Sector**

Partnerships with the private sector are key for municipalities to develop market-based and competitive solutions as well as strategies that combine local skills, resources and ideas to stimulate the local economy. For instance, this could be achieved by involving associations and companies in city-wide strategic planning processes. It might also involve formalised partnerships with businesses and supporting diversified options for sustainable financing including private funds to foster the adoption of smart city solutions. The role of the private sector should not be limited to the being a solution provider for cities but also developing its own processes and operations towards a net-zero emission future.

**Civil Society Organisations and Local Authorities**

Academia, scientific organisations and civil society/NGOs, play important roles for public awareness and consultation. In particular research can help improve the quality of evidence on urban development and assess specific needs, and research organisation could support the implementation of this programme. Similarly, local authorities and government networks serve as catalysts for change and have the capacity to mobilise local communities due to their proximity to citizens. The engagement of associations of local authorities under thematic budget lines can be explored and specific organisations will be identified at a later stage. Special reference can be made to national associations of local government, able to represent all cities in ASEAN countries and therefore create a synergetic effect to reach as many beneficiaries as possible. However, associations of local authorities do not yet exist in all ASEAN Member States and existing associations are often weak and need to be strengthened.

1.5 **Problem analysis/priority areas for support**

ASEAN comprises some of the largest and fastest growing cities of the world. More than 40% of the population lives in urban areas and some ASEAN cities are already among the most populated metropolises in the world.

The rapid urbanisation of the cities in the ASEAN region has resulted in a number of challenges: increasing inequality in access to basic social services such as water, sanitation,
housing, education and health care, and increasing environmental problems including air and water pollution, and challenges to cope with the growing amounts of solid waste. A major challenge for ASEAN governments is that the urban population growth is outpacing their efforts to improve city infrastructure and to do so in a way that reduces pollution.  

The constant increase of ASEAN’s urban population contributes to interrelated environmental, social, and economic challenges due *inter alia* to:

1. natural resources and urban ecosystem degradation, loss of biodiversity, depletion of clean water, degradation of air quality and environmentally fragile land, noise pollution, and occupation of areas prone to flooding or landslides;
2. poor urban and industrial management, inadequate water, sanitation, drainage and solid waste services;
3. urban planning and construction, road safety, overcrowding, degradation or loss of amenities, segregation among social groups, consumer behaviours, businesses' and collective decision-making processes;
4. governance problems related to lack of trust and multi-level dialogue, poor access to resource, weak participation, fairness, inclusiveness, transparency, and accountability.

Combined with the impacts of climate change, these pressures lead to an unsustainable future of ASEAN cities. Cities are the main contributor of CO₂ emissions, mainly from energy use for cooking, cooling, industry, transport, and heating, which contribute 70% of global CO₂ emissions. ASEAN cities with populations over 5 million inhabitants, tend to have PM2.5 and PM10 levels above the WHO recommended levels. For instance, PM2.5 levels in Hoh Chi Minh City (Viet Nam), Manila (the Philippines), Jakarta (Indonesia) and Bangkok (Thailand) are over the recommended levels by two-fold or more, and PM10 levels by similar degrees.

Similarly, the industrial sector is also a growing source of GHG emissions in ASEAN. The sector experienced a proportional increase in GHG emission levels of 31.3% between 2009 and 2013, the largest of any sectors, which may reflect the increasing industrial development in the region. Strong adaptation and mitigation programmes are thus required to withstand the negative impacts of climate change and to reduce GHG emissions. The deterioration of the urban environment disproportionately affects the urban poor and other vulnerable groups including women.

In ASEAN, weak policies and lack of strategic planning, especially at the city level and, to a certain degree, at the national level impede sustainable urban management. At the regional level ASEAN may lack capacity to oversee, coordinate and monitor the various urbanisation initiatives. Policies and planning, human resources, and access to finance to increase the capacity of ASEAN cities to tackle urban environmental issues should be prioritised. Interventions should focus on regional, national and city levels.

While many international case studies address sustainable urbanisation, the most useful insights for ASEAN are likely to come from within the region itself, for instance in the application of technologies for smart cities. There are many examples of smart urbanisation from across ASEAN, but networks for sharing such lessons need to be strengthened and robust data to assess performance is scarce. By supporting existing ASEAN frameworks with a focus on knowledge exchange within ASEAN as well as bringing in European experiences on sustainable urban management and city networks these issues can be addressed.

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13 The 5th ASEAN State of Environment Report (SOER5)
The cities for pilot actions will be defined during the inception phase of the project. The methodology, seeking a balanced approach across the region (with the exception of Singapore and Brunei Darussalam), will be closely aligned with other projects, such as the International Urban and Regional Cooperation (IURC): Sustainable and Innovative Cities and Regions. Criteria could for instance include the level of commitment and capacity of urban authorities to participate, experience in integrated urban strategic planning, thematic experience on smart city solutions, and experience with multi-stakeholder approaches. For all pilot actions an environmental baseline will be established to ensure effective impact measurement.

2 **RISKS AND ASSUMPTIONS**

<table>
<thead>
<tr>
<th>Risks</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited resources and support from line ministries at ASEAN Member States’ level to support actions of cities at sub-national level.</td>
<td>L</td>
<td>National focal points to expand communication and coordination with related ministries such as national development planning agencies, Ministry of Finance and Home Affairs, as well as members of parliament for political support.</td>
</tr>
<tr>
<td>Poor horizontal coordination between initiatives</td>
<td>M</td>
<td>The steering structure is located at the highest ASEAN level to ensure political ownership and strong political guidance and coordination.</td>
</tr>
<tr>
<td>Change of leadership at city level might change priorities, including planning and budgeting.</td>
<td>M</td>
<td>Policy dialogue with new leadership. Provide training to policy makers and budget planners at local level. Strengthen and regulate the provision of multi-year budget transfers to sub-national level. Intensify knowledge-sharing and practices/policies with other cities and stakeholders through exchanges.</td>
</tr>
<tr>
<td>Lack of public support</td>
<td>M</td>
<td>Increased environmental education, curricula and public awareness together with good governance to attract public participation for environmentally sustainable cities. Involve local NGOs to facilitate community awareness and participation.</td>
</tr>
<tr>
<td>Limited spatial information availability on ASEAN cities' carbon index, climate change risk and vulnerabilities and patterns of climate change-induced disasters in ASEAN cities</td>
<td>M</td>
<td>Cooperation with EU-funded EUSHA project is foreseen. AHA Centre together with the EU ERCC (Emergency Response Coordination Centre) should be able to provide spatial products related to climate vulnerabilities and patterns on climate change induced disasters. Cooperation with JRC is foreseen to supply spatial products on an ASEAN City Carbon Index which can be based on the Asian City Index model (Energy and CO₂, Transport, Water, Air Quality, Land Use and Building, Waste, Sanitation, Environmental Governance).</td>
</tr>
<tr>
<td>Weak cross-sector and vertical coordination within AMS governments may reduce effectiveness of the programme’s intervention.</td>
<td>M</td>
<td>Institutions that are responsible for urban management areas must be described clearly within National Action Plans. The programme will encourage AMS to facilitate cross-sector and vertical coordination on a regular basis, at least for targeted cities under the project.</td>
</tr>
<tr>
<td>Rising expectations among stakeholders and members</td>
<td>L</td>
<td>Clear communication to AMS during programme implementation facilitated by ASEC to ensure transparency.</td>
</tr>
</tbody>
</table>
Project has limited direct engagement on city level due to risk of centralised policy making in some AMS. 

| L. | Secure full support from line ministries at central level to engage with sub national/city level. The support from central line ministries will be one of the commitments required from each participant AMS. The risk can further be mitigated by engaging associations of local governments. |

Assumptions

1. ASEAN commits to consistently implement the ESC programme in accordance with ASCC Blueprint 2016 – 2025.
2. Continued support from AMS to sub-national institutions on ESC models and increased participation and contribution from other related line ministries to improve capacity of local authorities.
3. City governments have the political will, sound policy planning, budgeting and political support as well as willingness to ensure public participation.

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

Lessons learnt from the EU-funded SWITCH Asia programme show that many countries in the Asia region find themselves in the midst of a rapid industrial transformation, new urbanisation processes and with rising consumption patterns due to the rise of their middle-classes. These factors are multiplying the environmental challenges and putting urban ecosystems under threat. Lessons learnt from United Nations programmes highlight climate change mainstreaming as a lengthy and complex process that require changes in attitudes, behaviours and practices as well as the importance of human capacity building in particular for municipalities. Participatory approaches can ensure community needs are addressed and foster ownership and future sustainability of local investments. Further lessons learnt for successful sustainable urban management are summarised under inclusive and gender and vulnerable group-sensitive policy and planning, alignment with national interest, and predictable budgeting.

The underpinning element of this action is to share strategic and thematic lessons learnt drawn from the EU which will demonstrate how the EU as a regional entity facilitates the exchange of practices and experiences on implementing smart cities solutions.\(^{14}\) Bringing together the specificity of the ASEAN context with the EU experiences on smart city solutions,\(^{15}\) several examples exist in line with overall objective and specific objective of this action; for instance in the areas of (a) ICT (i.e. strategic urban planning, building energy management systems, urban data platforms, traffic control systems, ICT as planning support and mobile applications for citizens); (b) energy efficiency in buildings (i.e. small energy storage and building integrated renewable energy sources; (c) energy system integration (photovoltaics, smart street lighting, waste-to-energy and (d) mobility & transport (i.e. car-pooling, car-sharing, bicycle infrastructure, intermodality).

In addition, integrated solutions from the European Innovation Partnership on Smart Cities and Communities (EIP-SCC), an initiative supported by the EU for smart city stakeholders (cities, industry, SMEs, banks, research institutes) can serve as reference for developing partnership models and a market place where cities can get in touch with potential private

\(^{14}\) EU Smart Cities Info System: https://smartcities-infosystem.eu/ and https://eu-smartcities.eu/

\(^{15}\) EU Smart Cities Solutions: https://smartcities-infosystem.eu/solutions
sector partners. Lessons learnt can be integrated while tailoring multi-stakeholder and market based approaches in ASEAN for smart city solutions.16

For city led sustainable urban mobility solutions, a large community of cities and experts is available in the CIVITAS17 platform where international cooperation is also foreseen.

In addition, ELTIS18 the EU funded platform and one-stop-shop for sustainable urban mobility planning (SUMP) can inspire and support development of transport planning and local solutions. ELTIS was also in charge of developing the first SUMP guidelines serving as inspiration for European cities to create their own mobility management plans. The community is recognised within the EU as the urban mobility observatory and one-stop-shop for sustainable urban mobility planning.

3.2 **Complementarity, synergy and donor coordination**

Complementarities, synergies and donor coordination will be ensured with sustainable urbanisation programmes in the region that partially address similar issues. Although several key projects are active in some of the ASEAN countries, they are not recognised as regional cooperation programmes by ASEAN and often lack a regional dimension. Lesson learnt can be harnessed but in many cases they are either narrow in their scope of intervention (such as World Cities), or only target few ASEAN Member States (URBAN LEDS, IUC). In particular, UN HABITAT, the EU’s Urban-LEDS II, Mobilise Your City and ‘Making cities sustainable and resilient (MCS Resilient)’ a joint initiative of UNISDR, UN HABITAT and the EU, address governance and planning issues. In the area of knowledge exchange and partnerships, there are two relevant actions under the International Urban Cooperation (IUC) funded by the EU Partnership Instrument.19 The Global Covenant of Mayors for Climate and Energy (DG CLIMA and ENER), as well as World Cities (DG REGIO) and European Innovation Partnership on Smart Cities and Communities (EPI-SSC) will provide examples on (European and global) networks of city-to-city cooperation and peer learning that can be tapped into.

Synergies with the International Urban and Regional Cooperation (IURC): Sustainable and Innovative Cities and Regions – Asia and the Americas will be of particular importance and benefit for this programme. For instance, the programme will align closely on the methodology of the selection of the cities for pilot actions and exchange as well as for further developing a thematic cluster approach. For instance on the planning side, the action will review the use of Sustainable Energy and Climate Action Plans (SECAP) developed under the Global Covenant of Mayors for Climate and Energy action. Further cooperation can be envisaged, for instance, inviting relevant participating IURC cities and Global Covenant of Mayors cities and stakeholders to participate in relevant meetings, to share further experiences and further integrating them within an ASEAN context.

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17 [www.civitas.eu](http://www.civitas.eu)

18 [www.eltis.org](http://www.eltis.org)

19 The IUC programme finances a Regional Covenant in Southeast Asia which covers four ASEAN countries: Indonesia, Vietnam, Singapore, Malaysia.
In addition, cooperation with other donors such as Australia, Germany, the US and Japan under ASEAN’s ESC and ASCN initiatives will be sought. The SDG Frontrunner Cities, funded by the Japan-ASEAN Integration Fund (JAIF), (activities including networking, environmental education, public relations and experimentation) could be closely engaged with the proposed project. Finally, several programmes target issues of **financing** in the area of sustainable urbanisation, such as CICLASIA (City and Climate in ASIA), and the ‘Sustainable Cities’ window of the European Investment Plan.

To coordinate the overall actors and projects in the region, the AWGESC and ASEAN Secretariat bring together development partners, as most regional projects related to urban management and environmentally sustainable cities are consulted either with the AWGESC or the ASEAN Secretariat.

## 4 Description of the Action

### 4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The **overall objective** of this proposed action is to promote a more sustainable urbanisation in ASEAN cities while reducing its environmental footprint and improving the quality of life for citizens.

The **specific objective** is that green and smart city solutions are adopted in ASEAN.

**Output 1**: Enhanced design, planning and implementation of green and smart city solutions in selected cities.

Activities may include:

- Formulation of **profiles for selected cities** where not yet available incorporating production and consumption patterns, natural resources and ecosystems, GHG emission and climate risks, as well as gender equality markers, e.g. based on know-how from European cities and networks (the output will be used selectively as a basis to rolling out the pilot actions and to review state of affairs, challenges, constraints and opportunities for advancing relevant green and smart city solutions, creating effective partnership plans with EU stakeholders).
- Strengthen capacities (‘learning by doing’) of cities in the preparation of new and improved climate resilient, participatory, gender and vulnerable group sensitive **green and smart city design and planning documents** for selected ASEAN cities, for instance through training of city planners and policy makers.
- Support **innovative smart and green city pilot actions** based on ASEAN criteria, by supporting the selection, preparation, and implementation based on European best practices and models while ensuring replicability of the project to other cities.
- Advise on the preparation of and inform on **diversified options for sustainable financing** approaches for cities to increase access to public and private funds including facilitating links between potential projects and investment institutions; providing guidance to prepare bankable proposals; attracting long term investment to scale up the pilot actions for instance by organising matchmaking sessions with investors.

**Output 2**: Strengthened national capacity for green and smart city development (through EU-ASEAN experience sharing,
Activities may include:

- Develop **knowledge sharing opportunities and organise national meetings** to share results of pilot actions amongst city authorities, local institutions, city associations, and to inform relevant national policies and legislation changes, including know-how from European cities and networks. These shall feed into ASEAN level dialogues, frameworks and exchanges (information sharing on basic understanding of green and smart cities, standards and financing).
- Develop country-tailored **capacity building** and organise national trainings on green and smart city solutions focusing on EU experiences, aligned with ESC, ASCN and ASUS frameworks and.
- Provide **specific training** to share and promote EU experiences as well as best practices from within ASEAN such as Malaysia or Singapore's experiences in relation to its Smart Nation Plan and other relevant urban management topics.
- Support ASEAN Member States in the **preparation** as well as **review and harmonisation** of relevant **masterplans, guidelines, frameworks, strategies and action plans**.
- Improve the **capacity of national governments' coordination functions**, including facilitating exchange between central and local levels, to integrate the ESC, ASCN and ASUS agendas with focus on sustainable infrastructure finance and bankability.
- Advise on **updated ESC standards** on clean land, clean water and clean air and consideration of green spaces and urban biodiversity, as well as sustainable urban development monitoring and evaluation systems in line with relevant indicators set in ESC, ASCN and ASUS priority actions.

**Output 3:** Increased exchange of good smart and environmental city management practices from the EU and within ASEAN

Activities may include:

- Support to **collaborative thematic learning and knowledge materials** (including gender dimensions) from different sustainable cities’ efforts in ASEAN incorporating EU experiences and to foster collaboration between cities in ASEAN and with those in Europe.
- Develop **structured and practical partnerships between EU and ASEAN** such as between ASEAN Mayors Forum, the IUC, the EU Covenant of Mayors, and the Global Covenant of Mayors including facilitation of peer review exercises between target cities.
- Facilitate **long term EU-ASEAN city to city partnerships**, e.g. based on thematic clusters and possibly building on the IUC initiative.
- Promote **multi-stakeholder dialogues** between the EU private sector and solution providers (technological and business solutions) with ASEAN Member States, local authorities and business actors to develop and promote business solutions from the European and ASEAN private sector, market-based approaches and improve private sector engagement on sustainable urban development.
- Facilitate discussion and research on **green and smart city guidelines and indicators** across ASEAN.
- Support ASEAN Secretariat to **monitor ASEAN city initiatives**.

In line with the EU Development Cooperation Instrument (DCI) Regulation (233/2014), ASEAN is the direct project beneficiary. The ASEAN Member States Cambodia, Lao PDR,
Indonesia, Malaysia, Myanmar, Philippines, Thailand and Viet Nam are eligible to participate in the project activities. The ASEAN Member States Brunei Darussalam and Singapore, not being direct beneficiaries, are only entitled to travel and per-diem allowance for their participation in project activities. This is an exception to the general eligibility rule based on the Article 16 of the DCI Regulation as the project is of a regional nature, fostering regional cooperation with ASEAN as direct beneficiary and as DAC-listed ODA-eligible international organisation. The project's objective and design fulfil the criteria for ODA established by the OECD/DAC, as per the requirements of Article 2 (3) of the DCI Regulation, contributing to the sustainable development of partner countries and the implementation of the 2030 agenda by strengthening ASEAN's capacities to respond to disaster emergencies, reducing the losses in lives and in the economic, social, physical and environmental assets.

4.2 Intervention Logic

The programme will support ASEAN on a city, national, and regional level to deal with urban environmental and climate change issues, focusing on green and smart solutions enabled by digitalisation and the use of technologies. The support will also target facilitating policies and access to public and private funds and facilitating cooperation between cities within ASEAN as well as between ASEAN and European cities and sharing European experiences.

The proposed intervention would support piloting of smart city solutions that are important from a regional perspective, i.e. replicable in other cities in the region and drawing on EU city experiences (see output 1).

For innovative pilot actions, the programme will target cities constituting a representative sample of ASEAN situations. The experiences and results from city level lessons learnt under output 1, will be used for creating a more enabling environment for green and smart city development at national level and used for training and knowledge sharing at national and ASEAN level (outputs 2 and 3). Policies that will be facilitated through the actions shall promote local innovation and allow the promotion and development of solutions and strategies that can improve access to public and private funds. Additionally, the green and smart city solutions that will be adopted by ASEAN should ensure sustainable, integrated, transparent and participative development.

The action will be implemented through clusters representing different environmental challenges that cities face and different ways that smart technology can help them to meet these challenges. The clusters could include, among others:

- Air pollution and clean urban transport solutions: automated and decentralised pollution monitoring system (blockchain), technology efficiency, reduction of emission factors, public transport policies and fuel quality.
- Sustainable urban mobility planning (SUMP) including: holistic assessment of urban transport with targets and objective looking at investment in and accessibility to mass transit systems to address rising transport demand, goods deliveries, active mobility policies (walking and cycling), and infrastructure safety.
- Water and sanitation including: drainage, water storage, water provision, sanitation, water management, rainwater management, groundwater management.
- Climate smart and sustainable infrastructure including: building materials, housing, roads, disaster risk reduction, early warning systems.
- Solid waste management including: sewage, plastics, waste disposal, recycling and regeneration.
- Renewable energy and energy efficiency including: solar, hydro, wind, biogas, electric batteries and others as well as demand side flexibility and integration of renewables into the grid.
- Green spaces and urban biodiversity: green infrastructure, good urban greening and biodiversity conservation practices.

The project will follow a bottom-up approach from the city level to support the adoption of green and smart city solutions on a city level, feeding into national and regional dimensions of sustainable urbanisation in ASEAN. This is based on the assumption that city governments have the political will to promote sustainable urbanisation and are willing to ensure public participation, including women and other disadvantaged populations. Continued support from regional to national and sub-national levels will also be important. For instance, the ASEAN Smart City network combines cities with national focal points and linked to a regional exchange mechanism. The project will therefore provide also capacity building at the national level based on ASEAN frameworks and EU experiences (see output 2).

To date there is little coordination among the existing ASEAN frameworks and the capacity of ASEAN Secretariat on sustainable urbanisation is limited. The project will address this issue and strengthen exchange at ASEAN level, bring in valuable European experiences and facilitate EU-ASEAN city partnerships (see output 3). The project will coordinate closely with the ASEAN Secretariat.

4.3 Mainstreaming

**Environment and Climate Change**

The proposed programme will contribute directly to environmental protection and climate change mitigation and adaptation by lowering emissions through preventing and reducing the environmental and climate footprint of e.g. mobility, housing, production and consumption, energy generation and use, appropriate pollution control and more efficient resource management, ecosystem protection and by helping the cities and their communities adapt to the effects of climate change. Strong linkages will be fostered between this action and the existing (EU supported) programmes.

**Gender**

The EU Gender Action Plan 2016-2020 highlights the EU's commitment to improving women's access to, use of, and control over clean water, energy, information and communication technology and transport infrastructure, as well as women's increased participation in decision-making processes on climate and environmental issues. Similarly, the ASCC Blue Print 2025 lists key result areas and corresponding strategic measures to strengthen social protection for women to reduce vulnerabilities considering climate change-related crises, safety, disasters and other environmental challenges. The design and planning of the proposed programme at city level shall identify specific activities to ensure that the situation of women and children is appropriately addressed. Women often face difficulties in accessing resources, services tailored to their needs, as well as decision making. Concrete activities could include developing baseline and monitoring data disaggregated by sex, as well as full participation of women during project planning, monitoring and evaluation. These
could lead to the introduction of a Gender Equality Marker to measure the degree to which the project addresses gender equality and empowerment.

**Human Rights**
Under the ASCC Blue Print 2025, ASEAN Member States agree to strengthen social protection for vulnerable groups such as children, youth, the elderly/older persons, persons with disabilities, ethnic minority groups, migrant workers, vulnerable and marginalised groups, and people living in at-risk areas, including people living in remote and border areas and climate sensitive areas. Those groups shall be engaged and consulted from the early stage of project implementation to ensure the protection of natural resources base for the social development and livelihood of these groups, including their rights to clean air, clean water (waste water and sanitation) and clean land (solid waste management and open green spaces). Concrete activities could include vulnerability assessments to understand the profile of the vulnerable groups, their adaptive capacity, as well as possible contributions to mitigation efforts in line with a Human Rights-based Approach (HRBA). Innovative and smart solutions provide a unique opportunity for cities to include their citizens in decision making and service delivery. Experience shows how basic services delivery notably improves when beneficiaries are included in the design, implementation and evaluation of services. Smart city solutions such as applications and services need to be used by citizens. Thus, early inclusion of beneficiaries will be the key.

**4. 4 Contribution to SDGs**
This intervention contributes to the 2030 Agenda. As cities host a multitude of environmental, public health and social challenges it will support the progressive achievement of SDG(s) 11 (Sustainable Cities and Communities) and 13 (Climate Action), while also contributing to 3 (health and well-being), 12 (sustainable production and consumption, including circular economy principles) and 6 (clean water, sanitation). The initiative will also contribute to SDG 16 ‘efficient institutions at all levels’ as it will have impact in efficiency and service delivery by the beneficiary cities, as well as SDG 17 (Partnerships) by engaging with other development partner’s initiatives. By creating capacities and strengthening the management of involved local governments, the initiative will also contribute to ‘localise’ the Agenda 2030.

**5 IMPLEMENTATION**

5.1 Financing agreement
In order to implement this action it is foreseen to conclude a financing agreement with Association of Southeast Asian Nations (ASEAN).

5.2 Indicative implementation period
The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this Decision and the relevant contracts and agreements.
5.3 Implementation modalities

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.

5.3.1 Indirect management with international organisation

A part of this action may be implemented in indirect management with entities which will be selected by the Commission’s services using the following criteria: (a) experience with smart and environmentally sustainable subnational and urban development projects; (b) ability to mobilise European experiences in urban management as well as with local/subnational authorities; (c) presence in ASEAN countries; (d) ability to deliver sound technical assistance on innovative urban management solutions that include infrastructure project development experience in different countries in Asia and globally.

The implementation by this entity entails the implementation of the overall and specific objectives as well as the outputs of the programme as mentioned in section 4.

If the selection of entity(ies) for indirect management fails, the entirety of this action may be implemented in direct management in accordance with the implementation modalities identified in section 5.3.2.

5.3.2 Changes from indirect to direct management mode due to exceptional circumstances

The alternative implementation modality is direct management (procurement) and it will replace the implementation modality under indirect management above where this preferred modality cannot be implemented due to circumstances outside of the Commission’s control.

The procurement will contribute to achieving the overall and specific objectives, and the outputs of the programme.

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.

a) The Commission decides that natural and legal persons from the following countries, territories having traditional economic, trade or geographical links with neighbouring partner countries shall be eligible for participating in procurement and grant award procedures: Brunei Darussalam, Singapore. The supplies originating there shall also be eligible.

b) The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the

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20 www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.
countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

With the aim of fostering regional and trans-regional cooperation, the Commission decides to extend the eligibility of this action to: Brunei Darussalam and Singapore – two countries not being direct beneficiaries are only entitled to travel and per-diem allowance for their participation in project activities.

5.5 Indicative budget

<table>
<thead>
<tr>
<th>Indirect management with international organisation (cf. section 5.3.1)</th>
<th>EU contribution (amount in EUR)</th>
<th>Indicative third party contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4 700 000</td>
<td>100 000 to be confirmed</td>
</tr>
<tr>
<td>Evaluation (cf. section 5.8), Audit (cf. section 5.9)/Expenditure verification</td>
<td>200 000</td>
<td>0</td>
</tr>
<tr>
<td>Communication and visibility (cf. section 5.10)</td>
<td>100 000</td>
<td>0</td>
</tr>
<tr>
<td>Contingencies</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>Totals</td>
<td>5 000 000</td>
<td>100 000 to be confirmed</td>
</tr>
</tbody>
</table>

5.6 Organisational set-up and responsibilities

The EU Mission and ASEAN will set up a regional Project Steering Committee (PSC) and act as Co-Chairs. This PSC will be convened back to back with high-level ASEAN meetings and (i) provide strategic and policy guidance on project implementation, (ii) review and endorse annual work plans, (iii) monitor project outputs and achievements, (iv) address obstacles and challenges identified in the project implementation. It will include representatives from the AWGESG, ASCN and ASUS. Representatives of pilot cities, research institutions and experts as well as relevant international organisations may be invited to PSC meetings as necessary.

The PSC reports to the ASEAN Senior Officials on the Environment, which coordinates activities through national level committees and specialised agencies. The Environment Division and other relevant Directorate in ASEC in charge of ASCN shall support the PSC in monitoring the general implementation and in convening the PSC Meetings; the EU will be involved in sector policy dialogue at national PSCs when and if required. Representatives from EU-funded programmes at regional and national levels shall be invited for technical level meetings and lessons learnt will be shared.
5.7 Performance and Results monitoring and reporting

Strategic oversight and coordination will be conducted by the PSC with the support of ASEC. The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. ASEAN has also developed its own monitoring system (progress of project activities) and scorecard impact indicators (achievements) for its programmes and activities which will be integrated in the project monitoring system as appropriate.

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 (for project modality). 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 nature of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that an innovative action or a pilot is being tested. The Commission shall inform the implementing partner at least 40 days 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. Evaluation services may be contracted under a framework contract.

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. It is foreseen that audit services may be contracted under a framework contract.
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.

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 contribution agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

It is foreseen that a contract for communication and visibility may be contracted under a framework contract.
### Impact (Overall Objective)

The overall objective of this proposed action is to promote a more sustainable urbanisation in ASEAN cities while reducing its environmental footprint and improving the quality of life for citizens.

<table>
<thead>
<tr>
<th>Results chain: Main expected results (maximum 10)</th>
<th>Indicators (at least one indicator per expected result)</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. (SDG 11.6.2) Annual mean levels of fine particulate matter in cities (population weighted)</td>
<td>1. WHO reports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. (SDG 11.3.2) Proportion of cities with a direct participation structure of civil society in urban planning and management that operate regularly and democratically</td>
<td>2. UN-Habitat reports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. (SDG 11.A.1) Proportion of population living in cities that implement urban and regional development plans integrating population projections and resource needs, by size of city</td>
<td>3. City reports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. (SDG 6.1.1) Proportion of (city) population using safely managed drinking water services</td>
<td>4. City reports</td>
<td></td>
<td></td>
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<tr>
<td>5. (SDG 6.3.1) Proportion of waste water safely treated (disaggregated by city)</td>
<td></td>
<td></td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

### Outcome(s) (Specific Objective(s))

Green and Smart city solutions adopted in ASEAN.

| | Indicators (at least one indicator per expected result) | Sources of data | |
|--------------------------|-------------------------------------------------------|-----------------|
| 1. Number of ASEAN cities, which successfully implemented their individual Smart City Action Plans | 1. Annual reports on various levels of ASEAN institutions; | |
| 2. Number of national policies incorporating green and smart urban principles and solutions adopted by the respective government | 2. Progress reports | |

ASEAN commits to consistently implement the ESC programme in accordance with ASCC Blueprint 2016 – 2025, ASUS and ASCF. Funding is available to implement policies and measures designed with the support of this Action. Other government and private sector activities aiming to promote economic growth do not annul the results achieved with the support of this Action.
<table>
<thead>
<tr>
<th>Outputs</th>
<th>1. Enhanced design, planning and implementation of green and smart city solutions in selected cities</th>
<th>1. Number of city planning documents aligned with green and smart city principles as prioritised actions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1.2 Number of concrete green and smart city solutions implemented in selected ASEAN cities based on exchange with EU stakeholders on relevant solutions, approaches and lessons.</td>
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<td></td>
<td></td>
<td>1.3 Number of pilot actions rolled-out</td>
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<td></td>
<td></td>
<td>1.4 Value of the investments delivered and funded</td>
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<tr>
<td></td>
<td></td>
<td>1.5 Number of communities (men and women) improving their quality of life resulting from implemented pilot projects</td>
</tr>
<tr>
<td></td>
<td>1.1 Number of city planning documents aligned with green and smart city principles as prioritised actions</td>
<td>1.1. Cities’ state of the environment reports, City’s annual reports</td>
</tr>
<tr>
<td></td>
<td>1.2 Number of concrete green and smart city solutions implemented in selected ASEAN cities based on exchange with EU stakeholders on relevant solutions, approaches and lessons.</td>
<td>1.2-1.4 Programme annual reports, midterm report, and final report</td>
</tr>
<tr>
<td></td>
<td>1.3 Number of pilot actions rolled-out</td>
<td></td>
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<tr>
<td></td>
<td>1.4 Value of the investments delivered and funded</td>
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<tr>
<td></td>
<td>1.5 Number of communities (men and women) improving their quality of life resulting from implemented pilot projects</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Strengthened national capacity for green and smart city development (through EU-ASEAN experience sharing)</td>
<td>2.1 Number of government officials benefitting from knowledge sharing interventions (trainings, conferences) based on EU experiences on smart green city solutions (disaggregated by sex and country)</td>
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<tr>
<td></td>
<td></td>
<td>2.2 Number of ESC standards updated</td>
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<tr>
<td></td>
<td></td>
<td>2.3 Number of people (disaggregated by sex) who (or number of organisations whose staff) have received capacity building and/or knowledge sharing opportunities</td>
</tr>
<tr>
<td></td>
<td>2.2 Number of national policies and national legislation developed related to ESC, ASCN, and ASUS developed through EU-ASEAN experience sharing facilitated by this Action</td>
<td></td>
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<tr>
<td></td>
<td>2.3 (EURF 2.25) Number of government policies developed with civil society participation through EU support</td>
<td></td>
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<tr>
<td></td>
<td>2.4 Number of sustainable financing and partnership agreements concluded or signed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.1 Database of project event participants</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.2 Progress reports for this Action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.3 Progress reports for this Action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.4 Progress reports for this Action</td>
<td></td>
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<td></td>
<td>3. Increased exchange of good smart and environmental city management practices from the EU and within ASEAN.</td>
<td></td>
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<tr>
<td></td>
<td>3.1 Number of city to city cooperation initiatives supported</td>
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<tr>
<td></td>
<td>3.2 % of government representatives (disaggregated by sex) showing increased knowledge on topics covered by knowledge products developed through this Action.</td>
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<td>3.3 Number of structured multi-sector dialogues including between EU private sector and solution providers with ASEAN Member States conducted</td>
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<tr>
<td></td>
<td>3.1 Progress reports</td>
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<td>3.2 Reports from pre- and post-intervention tests</td>
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<tr>
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<td>3.3 Progress reports</td>
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<td>Continued support from national to sub-national levels e.g. on ESC models</td>
<td>City governments have the political will, sound policy planning, budgeting and political support as well as willingness to ensure public participation.</td>
</tr>
</tbody>
</table>

[23]