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ANNEX 3

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

Action Fiche for Support to the India – EU Clean Energy and Climate Partnership

1. IDENTIFICATION

<table>
<thead>
<tr>
<th>Title of the action</th>
<th>Support to the India – EU Clean Energy and Climate Partnership (CECP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country(ies)/Region</td>
<td>India</td>
</tr>
<tr>
<td>Total cost</td>
<td>Total estimated cost: EUR 3 850 000</td>
</tr>
<tr>
<td></td>
<td>Total amount of the EU contribution: EUR 3 850 000</td>
</tr>
<tr>
<td>Total duration¹</td>
<td>36 months</td>
</tr>
<tr>
<td>Method of implementation</td>
<td>Direct management</td>
</tr>
<tr>
<td></td>
<td>Procurement – Services</td>
</tr>
<tr>
<td>Markers (from CRIS DAC form)</td>
<td>Rio Convention Markers</td>
</tr>
<tr>
<td></td>
<td>Biological diversity</td>
</tr>
<tr>
<td></td>
<td>☑️  ☐  ☐</td>
</tr>
<tr>
<td></td>
<td>Combat desertification</td>
</tr>
<tr>
<td></td>
<td>☑️  ☐  ☐</td>
</tr>
<tr>
<td></td>
<td>Climate change mitigation</td>
</tr>
<tr>
<td></td>
<td>☐️  ☐  ☑️</td>
</tr>
<tr>
<td></td>
<td>Climate change adaptation</td>
</tr>
<tr>
<td></td>
<td>☑️  ☐  ☐</td>
</tr>
</tbody>
</table>

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

This action aims to reinforce cooperation between EU and India on climate change and energy with a view to ensure a secure, clean, affordable and reliable energy supply for all and to progress in the implementation of the Paris Agreement.

¹ Maximum duration of the operational implementation period of individual contracts upon their signature.
Energy and climate change are at the core of the Joint Statement of the 13th EU-India Summit (Brussels, 30 March 2016), and of the summit vision document ‘EU-India Agenda for Action-2020’. At the summit, leaders from both sides also agreed a Joint Declaration on a Clean Energy and Climate Partnership (CECP). By supporting the operationalization of the CECP, this action will help to implement the summit outcomes and deepen the ongoing, broad energy cooperation and considerably strengthen dialogue on climate action.

The project will directly support ongoing policy dialogue, create an enabling environment for new policy dialogue and support technical cooperation in the areas of clean energy, energy efficiency and climate action between India and the EU and its Member States. It will also contribute to support India's implementation of its Nationally Determined Contribution (NDC) and to enhance resilience to climate change in the country. Lastly, cooperation, will be fostered between public and private actors in India and the EU, particularly in the area of research and innovation and showcasing EU businesses’ technologies and innovations.

2.2. Context

India, a Strategic Partner of the EU, is both an emerging power and, in certain ways, still a developing country. Its relative poverty and low per-capita energy use contrasts sharply with its large and ever growing population and overall emissions.

**Energy Consumption**: today, India is the third energy consumer behind China and US, despite a quarter of its population living without access to power and the use of biomass for cooking being widespread. India's energy consumption is expected to rise by 132% by 2035, with electricity demand predicted to more than triple by 2045.

**Energy Production**: India's economy is heavily reliant on coal, with half of India’s power generated through coal-fuelled plants. Petroleum is the second source of power. With only 9% of power generation through renewable energies, India has a lot more potential to tap into.

**Emissions Profile**: despite low per-capita carbon emissions (India: 1.7 metric tons, China: 6.2t, EU: 7.1t, US: 17.6t), India is the world’s fourth largest emitter. The energy industries’ sector accounts for more than half of India’s emissions, while the manufacturing and construction sectors represent 25%.

**Position on Climate change**: given its size and its development potential, India is important for the international climate regime. It has been a key player in the in the negotiations of the Paris agreement and has ratified it. Its Intended Nationally Determined Contributions (INDC) targets include: i) reducing its emissions intensity (emissions per unit of GDP) by 33-35% of its GDP by 2030 from 2005 level. India’s per capita emissions in 2030 will remain lower than the current global average of Developed Nations (8.98 metric tons of CO2 equivalent); ii) 40% of electric power installed capacity from non-fossil fuel would be achieved by 2030. Such targets highlight the need to develop international technology partnerships for development and implementation of climate friendly energy technologies as well as mitigation and adaptation to Climate Change.
The path of India’s development is thus crucially relevant, also for the EU, in climate change discussions as well as for global energy security.

At the 13th EU-India Summit (Brussels, 30 March 2016), leaders agreed on a Joint Declaration on a Clean Energy and Climate Partnership. This action will implement the Summit outcomes (Summit joint statement and the EU-India Agenda for action 2020) and thereby help to deepen the ongoing, broad, energy related cooperation and initiate a dialogue on climate action with a special focus on the implementation of India's INDC and related mitigation and adaptation initiatives, including technology transfer and business cooperation. The Paris Agreement contributed to the creation of new markets and gave an impetus to foster such a collaborative action between the European Union and India.

2.3. Lessons learnt

Given India's size (with regard to the energy consumption and production and GHG emissions), the European Union has a clear own interest to cooperate with the country to help diversify the energy production source and address global challenges. Past and on-going initiatives in the clean energy sectors have shown the importance of giving a continuous support to India in addressing the present challenges the country is facing, and of keeping up a strategic cooperation with the country.

The ongoing energy dialogue and cooperation with India have clearly demonstrated the importance of good working relations with India's various energy related ministries. The present action aims at developing these relations further and giving them a durable character.

Moreover, the ongoing dialogue and projects in India confirm that more than a pure policy based cooperation, India is looking for hands-on solutions for a greener development and EU businesses can provide these solutions in areas such as clean energy production, more efficient use of energy, smart energy networks, low carbon production and other best practices and technologies.

Hence, this action will also focus on enhancing India's capabilities to deploy low carbon energy solutions through business-to-business and business-to-state cooperation and promoting research and innovation cooperation.

Lastly, past experience has demonstrated that high number of business opportunities exist at the state level in India. Keeping this in mind, special attention will be paid to identifying and tapping into these opportunities.

2.4. Complementary actions

The proposed action is consistent with:

- The EU-India Strategic Partnership which includes amongst its key objectives sustainable development cooperation and sectorial dialogues on transport and energy;
- The outcomes of the 13th EU-India Summit (2016) and, in particular, the Joint Declaration on a Clean Energy and Climate Partnership;
- The EU Global Strategy on Foreign and Security Policy;
- The EU Energy Diplomacy Action Plan, and the Council Conclusions of 20 July 2015, that called for 'opening up opportunities for cooperation with …India…' and for 'energy partnerships and dialogues promoting sustainable low carbon and
energy efficiency technologies including with a view for business opportunities for EU companies'.

At present three Development Cooperation Instruments (DCI) funded projects are being implemented in the energy sector in India. These projects are 1) Scope Big – Scalable CSP Optimized Power Plant Engineered with Biomass integrated Gasification, which aims at setting up a solar-biomass hybrid plant in the State of Bihar; 2) Facilitating India's transition towards low carbon development by supporting implementation of national policies and programmes for offshore wind, which assists the Government of India by mapping off-shore wind energy feasibility on the south and west coastlines; and 3) Technical cooperation for Clean Energy in India, which helps build institutional capacity in the Ministry of New and Renewable Energies (MNRE), in particular on roof top solar energy. These will end within 2018.

Under the Partnership Instrument, the Clean Energy Cooperation in India (CECI) is developing three specific actions in integration of solar parks, contribution to the first off-shore wind farm in India and supporting the development of energy efficiency standards for buildings. All these projects have a component to support the high level policy dialogue by facilitating events such as the EU-India energy week or the Joint Working groups during 2017 and the beginning of 2018. The projects also ensure the representation of the EU at key thematic events.

On climate change, a contract was signed in June 2016 under PI's Policy support Facility (PSF) to initiate the policy dialogue with the Indian government. This short project aims at facilitating European business and policy-level involvement in India's Climate Change agenda as well as to gather intelligence on India’s policies and needs. Moreover, a new PSF initiative has started 2017 aiming at identifying possible activities that could be implemented between EU and India in the area of air quality management.

The current action will build on the expertise acquired and the ground work done with these EU funded projects. It will help strengthen and consolidate the policy dialogue and maintain the level of interest from all stakeholders in the sectors of clean energy and climate change.

Several Member States and other international actors are implementing projects in relation to clean energy and climate change. Some examples are - Germany supporting roof top solar energy production, Italy promoting energy efficient building materials or France facilitating the implementation of the international climate change agreement through the International Solar Alliance. EU Member States will be kept informed of the project activities and will be invited to associate themselves with this project as part of a loose coordination mechanism both in terms of their policy dialogues and their cooperation activities with India.

More concretely MS experts, industries and other MS stakeholders involved in energy and climate-related initiatives will be invited to participate in the events and exchanges organised by the project as part of its result 2. This coordinated EU approach would provide a "critical mass" for action by European actors and a much more powerful framework comprising all EU Member States vis-à-vis the Indian authorities.
3. **DETAILED DESCRIPTION**

3.1. **Objectives**

The overall objective of to reinforce cooperation between EU and India on climate change and energy with a view to ensure a secure, clean, affordable and reliable energy supply for all and to progress in the implementation of the Paris Agreement.

The **specific objective** of the action is promoting policy dialogue and cooperation in the areas of clean energy, energy efficiency and climate action by supporting the India-EU Clean Energy and Climate Partnership.

3.2. **Expected results and main activities**

To achieve the above objective, this initiative will work towards two expected results:

1. Policy Dialogue between EU and India in the areas of clean energy (including the issue of access), energy efficiency and climate change strengthened.

2. Cooperation (including research and innovation) between India, EU, EU Member states and key stakeholders strengthened in the areas of clean energy, energy efficiency and climate change.

Following is an indicative list of activities that will be needed to achieve the above-mentioned results.

Result 1. Policy Dialogue between EU and India in the areas of clean energy, energy efficiency and climate change strengthened.

1. Provide coordination and administrative services for the Clean Energy and Climate partnership (CECP).

2. Support the definition of a 3-yearly work programme for the CECP.

3. Support the setting up of CECP coordination mechanism that will meet twice per year.

4. Support the preparation of the EU-India Energy Panel, preparation for the JWG meetings and related consultations.

5. Exchange of experiences, views and positions between EU and Indian government stakeholders in the areas of - implementing the INDCs and related climate mitigation and adaptation initiatives; implementing the transparency and accountability framework for climate action; strategies for sustainable patterns of consumption and production to lessen adverse impacts of climate change and; responses to climate adaptation needs.

6. Further develop the pre-dialogue conditions for an India-EU climate change dialogue, and later on support the dialogue structure through working group meetings and events.
7. Identification of Research and Innovation cooperation needs, opportunities and obstacles through the energy and climate policy dialogues and providing related input to the EU-India Joint Steering Committee for Science & Technology Cooperation (JSCC).

Result 2. Cooperation (including research and innovation) between India, EU, EU Member states and key stakeholders strengthened in the areas of clean energy (including its accessibility), energy efficiency and climate change.

1. Develop, organise and support high level visibility events (India-EU Energy and Climate Week, EU-India Green Energy Business Initiative) and ensure representation in national and international events to increase EU and EU MS visibility.

2. Develop and implement a nation-wide information and communication campaign on various aspects of clean energy and climate.

3. Support, through speaker events, workshops, webinars and other technical cooperation activities, to the International Solar Alliance and Mission Innovation, the Montreal Protocol on substances that deplete the ozone layer, on the initiative on emission reduction in the maritime and civil aviation sectors and other ongoing initiatives.

4. Support policy development and implementation and capacity building of Indian stakeholders through studies, training, speakers events, webinars, workshops and study tours presenting EU best practices in fields such as energy efficiency in buildings and industry, development and deployment of renewable energy sources, including solar energy and offshore wind energy, smart grid applications, as well as energy recovery from waste and cooperation aiming at increasing access to modern energy.

5. Support policy development and implementation and capacity building of Indian stakeholders through training, speakers events, webinars, workshops and study tours presenting EU best practices in fields such as mitigation and adaptation initiatives, accountability framework for climate action, sustainable patterns of consumption and production and climate adaptation.

6. Support to the integration of research and innovation activities into the CECP, including identification of innovative European solutions applicable to India, matching them with identified Indian demand, identify instruments for financing and promoting their uptake in the Indian context.

7. Support to developing joint research topics/themes and to identify instruments to implement cooperative projects.

8. Identifying and supporting opportunities for EU business' engagement in India at national and state level in the fields of energy efficiency, clean energy and climate change (through facilitating meetings between relevant stakeholders,
presentation of EU best practices and solutions, support to relevant pilot activities inter alia through punctual technical assistance).

9. Identifying and supporting opportunities for Indian and EU civil society (researchers, academics, scientists, start-ups, inter alia) engagement and interaction in the fields of energy efficiency, clean energy and climate change (through facilitating meetings between relevant stakeholders, presentation of EU best practices and solutions, support to relevant pilot activities through punctual technical assistance, study tours and roadshows inter alia).

3.3. Risks and assumptions

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>National and State Governments support to the project decreases over time.</td>
<td>L</td>
<td>This risk is considered to be small given the obvious need for the initiative, the commitment previously expressed by the Indian administration and the close cooperation which could be established so far. Ongoing communication and discussions in the framework of policy dialogues with relevant GoI stakeholders will contribute to mitigating this risk further.</td>
</tr>
<tr>
<td>The activities concern a large number of authorities in India at national, State and municipal level, and a potential risk exist not all of them are adequately involved.</td>
<td>M</td>
<td>This risk will be mitigated by ensuring that the project maintains close contact with both national and State levels and that adequate mechanism are developed to ensure that the national level actors are involved in the coordination and implementation of activities.</td>
</tr>
<tr>
<td>EU Member States would prefer to implement bilateral cooperation activities rather than being involved in a EU-wide initiative.</td>
<td>M</td>
<td>This risk will be mitigated by involving EU MS experts closely in the steering of the Clean Energy and Climate Partnership and by involving them in a specially set up coordination mechanism between all partners where information on progress of activities will be shared on an ongoing basis.</td>
</tr>
<tr>
<td>Market access barriers created for example by the existing public procurement regulation might discourage EU business from seeking a more active involvement in India.</td>
<td>L</td>
<td>Business fora will take place back to back to high level political meetings and activities shall have as objective to create business opportunities. Business associations will be involved in this process and sectors and companies will be hand-picked because of their specific added value to the policy dialogue. Links will be made with other EU-funded initiatives in the area of public procurement.</td>
</tr>
</tbody>
</table>

Assumptions:
- Continued political commitment on the side of India and EU member states.
- Key ministries are committed to devote resources to support the smooth discussion and implementation of the activities.
3.4. **Stakeholders**

- EU Delegation in India, European Commission (DG ENER, CLIMA, RTD, ENV, GROW, JRC, DG DEVCO) and the EEAS
- EU Member States
- Government of India agencies such as Ministry of New and Renewable Energy (MNRE), Ministry of Power (MoP), Ministry of Coal, Ministry of Environment, Forests and Climates Change (MoEFCC), Ministry of Commerce and Industry, National Institute of Wind Energy (NIWE), National Institute of Solar Energy (NISE) Central and State Pollution Control Boards, State Governments of the 29 Indian states
- The business sector on the Indian side, business representatives/associations (FICCI, CII, FISME, IIF, etc.) and SME associations/entrepreneurs engaged in clean energy or climate related businesses; and on the European side through bodies such as the Council of EU Chambers of Commerce in India, the European Centre of Employers and Enterprises providing Public services (CEEP), European Business Group (EBG), bilateral chambers of commerce, European and EU MS organisations, the civil society and academia

4. **IMPLEMENTATION ISSUES**

4.1. **Method of implementation**

4.1.1. **Procurement (direct management)**

(a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.

(b) Indicative timing to launch the call: 2nd quarter 2017.

4.2. **Indicative budget**

<table>
<thead>
<tr>
<th>Method of Implementation</th>
<th>Amount in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.1. – Procurement (direct management)</td>
<td>3.85</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>3.85</strong></td>
</tr>
</tbody>
</table>

4.3. **Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this programme will be a continuous process and part of the implementing partner 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 and final reports.
The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

In order to ensure overall steer, a project steering committee will be established with representation from Commission services (indicatively, DG ENER, DG CLIMA, DG RTD, DG DEVCO, FPI) EU Delegation to India, EEAS.

In addition, to ensure a fluid and ongoing communication and coordination, a coordination mechanism will be set up involving relevant Indian national and local authorities, EU MS and other stakeholders.

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.

4.4. Evaluation and audit

For this action the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to the 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.

As the "N+1" applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

4.5. Communication and visibility

Communication and visibility will be an integral part of the project. The implementing partner will establish a specific communication plan in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be implemented.

The EU Delegation will participate in the dissemination of information in order to facilitate programme implementation. Existing networks of stakeholders will be used for the dissemination of information and results to local actors. Existing networks of local authorities will also be involved.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU.