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ANNEX 6

of the Commission Implementing Decision on the Annual Action Programme 2014 -
Part 1 in favour of the ENI South countries

**Action Document for ‘GreenMed II: ENI South regional environment programme 2014-
2015’**

1. IDENTIFICATION

Title/Number	GreenMed II: ENI South regional environment and water programme 2014 - 2015 CRIS number: ENI/2014/037-358		
Total cost	Total estimated cost: EUR 32,6 million Total amount of EU budget contribution: EUR 28,6 million ¹ for an amount of - EUR 9,3 million from the general budget of the European Union for 2014 - EUR 19,3 million from the general budget of the European Union for 2015, subject to the availability of appropriations following the adoption of the relevant budget Budget line: 21.03.01.02		
Aid method / Management mode and type of financing	Project Approach Direct management: - grants – call for proposal - grants – direct award - procurement of services Indirect management with the United Nations Environment Programme (UNEP)		
DAC-code	41010	Sector	Environmental policy and administrative management

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

The overall objective of this action is to support European Neighbourhood Instrument (ENI) South partner countries in addressing three main common environmental challenges: **marine pollution, loss of marine biodiversity and scarcity and poor ecological and chemical status of fresh water.** Together with

¹ The present action is funded through a multiannual action programme as referred to in Article 6(3)(a) of Regulation (EU) No 236/2014 of 11 March 2014 (the CIR regulation).

the large SWITCH MED² programme on Sustainable Consumption and Production recently launched, the action will form the backbone of the regional environment co-operation under ENI for 2014 – 2017.

The activities will be implemented through a series of contracts:

- H2020+ and Sustainable water Integrated Management Programme (SWIM) II Technical Assistance (Service contract)
- Support to an ENI Shared Environmental Information System (SEIS) (Grant)
- Demonstration Projects on sustainable water management and reducing sea pollution (Call for proposals)
- Extension of SWIM I to avoid any disruption in EU's support both on marine pollution reduction and integrated water management before implementation of pillar 2 starts (Service contract)
- Creation and effective management of Marine Protected Areas (MPAs) (Indirect Management Delegation Agreement)

The total EU contribution for these actions is EUR 28.6 million, to be drawn from both the 2014 and the 2015 budget.

2.2. Context

Marine pollution: The Mediterranean Sea is the largest semi-enclosed European sea. Surrounded by 22 countries at differing levels of economic and social development, uncontrolled coastal development, population growth, increasing tourism and marine pollution, in particular stemming from poor management of municipal waste, urban waste water and industrial emissions constitute major pressures on its marine and coastal environment.

About 650 million tons of sewage, 129,000 tons of mineral oil, 60,000 tons of mercury, 3,800 tons of lead and 36,000 tons of phosphates are discharged into the Mediterranean each year³. About 70% of the wastewater released into the Mediterranean is untreated. With more than 450 ports and terminals, the Mediterranean bears 30% of global sea-borne trade in volume and a quarter of worldwide sea-borne oil traffic. Up to one million tons of crude oil are discharged annually due to accidental spills, illegal bunkering and tank cleaning practices, and inadequate harbour facilities.

In addition to pollution generated in coastal areas and at sea, a significant part also reaches the Mediterranean through its major river basins: the Po, the Ebro, the Nile, and the Rhone which carry substantial amounts of urban, agricultural and industrial pollutants. As the Mediterranean is almost entirely closed, its waters have a very low renewal rate (80 to 90 years) making them excessively sensitive to pollution. Pollution hotspots generate an overload of major pollutants, negatively impacting on health, fisheries, coastal resources, biodiversity, tourism. New pollution sources and pollutants are constantly added to this picture, producing new problems.

Biodiversity: The Mediterranean Sea shows a remarkable biodiversity. Representing less than 1% of the world oceans, it counts about 7-8% of all known marine species including many endemic ones⁴. Biodiversity is critical to the economic development

² "Switching towards more sustainable consumption and production (SCP) patterns in the Mediterranean".

³ United Nations Environment Programme (UNEP).

⁴ Plan Bleu, 2009

in the region, in particular for fisheries and to some extent for the tourism industry. Studies show the important contribution of ecosystem services to poverty reduction⁵. However, biodiversity is in danger, due to intensified human pressure in the last decades: over-fishing, pollution, coastal development, unsustainable tourism, increased maritime traffic etc... Losses can be irreversible and such a degradation already negatively affects fishing communities and the recreational value of the marine environment. Climate change will worsen these impacts.

An effective way of protecting biodiversity is to create Marine Protected Areas, defined as «a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long term conservation of nature with associated ecosystem services and cultural values» (International Union for Conservation of Nature, 2007). While allowing ecosystems to recover, Marine Protected Areas (MPAs) deliver direct benefits to coastal societies, help sustain sustainable livelihoods through increased revenue from fishing and tourism and can bring substantial economic benefits⁶. In addition, investing in natural capital supports a wide range of economic sectors and maintains and expands the options for economic growth and sustainable development. Investing in protected areas and ensuring that a range of ecosystem services is maintained can deliver significant returns⁷.

Currently MPAs represent less than 4% of the Mediterranean⁸ and 75% of them are located along the basin's north-western shore. This is substantially below the internationally agreed 10% target, and not enough to ensure a healthy coastal and marine environment for the future. In addition, most of these MPAs are not effectively managed (some only exist on paper), nor sufficiently representative and inter-connected. Creating MPAs in the high seas would allow moving rapidly towards the agreed target, but it would require the concerned neighbouring countries agreeing on its boundaries and management, which is a challenging task.

Water: The Mediterranean region is among the most water scarce regions of the world. It gathers 60% of the world population that is below the water poverty line (with less than 1000 m³ water/capita/year). Resources are already overexploited in many places and, in many countries, water demand constantly increases with demographic growth and the development of tourism, industry and irrigated agriculture. European Neighbourhood Instrument (ENI) South countries rely on some transboundary water resources, the main ones being the Northern Sahara aquifer system, and the Nile and Jordan rivers. Shared water resources can be a source of tensions and the required co-operation among countries is often missing.

Agriculture accounts for 64%⁹ of water use¹⁰, followed by urban and industrial uses. Water efficiency is sub-optimal and there is ample room for improvement in all sectors. Water demand management has often been neglected with increasing water supply being the immediate response. Stakeholder participation in water management tends to be weak.

⁵ http://planbleu.org/sites/default/files/publications/cahier8_marin_en.pdf

⁶ http://planbleu.org/sites/default/files/publications/cahier_13_amp_en_0.pdf and

⁷ http://planbleu.org/sites/default/files/publications/cahier8_marin_en.pdf

⁸ http://ec.europa.eu/environment/nature/biodiversity/economics/pdf/d1_summary.pdf

⁹ Around 1% if we exclude the Pelagos sanctuary between France, Monaco and Italy

⁹ Varying from 50% to 90% in some countries

¹⁰ Plan Bleu, 2009

Across the region, climate change is expected to reduce water availability severely in the coming century. Water shortages are likely to worsen and in places become critical. Scenarios covering the entire Mediterranean region suggest up to 35% rainfall reductions by 2070-2100, reducing inland water flows and water yields. Furthermore, a tendency to more extreme weather events with more uneven water distributions is projected. Across the Mediterranean region, economic activities will have to adapt to reduced water availability and a more efficient water management will need to be put in place. Such measures need to be developed in the broader context of sustainable development, including climate change considerations.

In addition, the quality of both surface and underground water has deteriorated, and restoring the good chemical and environmental status of water resources must be urgently addressed. Poor water quality has direct negative impacts on human health, on the environment and on the ability to produce potable water at an affordable cost.

2.2.1. Regional context

2.2.1.1. Economic and social situation and poverty analysis

The recent deterioration of the macro-economic situation in the region was caused by the economic crisis, soaring food and energy products prices and political and social instability related to the Arab Spring. Overall, ENI South countries are characterized by (i) growth rates relatively lower compared to other developing and emerging regions, with a growth rate of Gross Domestic Product (GDP) per capita which has never exceeded 2.7% on ten-year average, (ii) very high unemployment rates and a low level of participation (about 48% for all countries in the region), particularly for women and (iii) a large informal sector, estimated in some countries at 40% of GDP.

Conversely, in a longer perspective, living conditions have improved considerably over the last 30 years: life expectancy has increased from 62.6 years in 1980 to 74.4 years in 2011; the infant mortality rate has decreased significantly (from 65.6 (per 1000 births) in 1980 to 15.7 in 2011 for the whole region); there have been strong progress in enrolment rates in both the primary school (in average, almost all children in the region are now in school), high school education (where enrolment increased from 56.5% in the years 80-85 to 87.5% on average from 2000 to 2012) and post-graduate (from 16% to 40.5% over the same period) and increased literacy rates, which rose from 56.3% in the mid-80s to 81% on average over the years 2000-2012. However, literacy rates of all Southern Mediterranean countries are still lower in comparison to other regions.

Among the developing and emerging countries, ENI South countries have, on average, the lowest percentages of the population below the international poverty line poverty (only 1.8% of people live with less than USD 1.25 per day). Similarly, the Gini index shows that Mediterranean societies are relatively more egalitarian than other regions at a comparable stage of development. However, a significant proportion of the population (10%) is in a vulnerable situation (i.e. living with less than USD 2 per day).

2.2.1.2. Regional development policy

Regional co-operation:

In spite of political difficulties, the Mediterranean region has enjoyed 40 years of uninterrupted co-operation for a healthier Mediterranean Sea. Co-operation started in 1975 with the Mediterranean Action Plan (MAP), the first-ever Regional Seas Programme of the United Nations Environment Programme (UNEP) adopted by 16 Mediterranean countries and the European Community. Among its achievement was the adoption of the Barcelona Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean, and its seven legal protocols. All countries with a Mediterranean shoreline (ie all ENI South partners except Jordan) are parties to the Convention. As the EU is also a party, the Convention is part of the EU acquis.

In 2006 the Euro-Mediterranean Ministerial Conference on Environment endorsed the so-called "Horizon 2020 Initiative for the De-pollution of the Mediterranean Sea" (H2020), which set out to reduce the three largest sources of pollution of the Mediterranean Sea: Municipal waste (solid waste), Urban waste water and Industrial emissions. The 2008 Joint Declaration of the Paris Summit for the Mediterranean included depollution of the Mediterranean as one of the six priority flagships of the Union for the Mediterranean, of which the Horizon 2020 initiative is the most substantial element. EU support to the implementation of H2020 has mainly materialised through three EU financed projects: the 'Mediterranean Hot Spot Investment Programme – Project Preparation and Implementation Facility' (MeHSIP-PPIF), the 'Horizon 2020 Capacity Building/Mediterranean Environment Programme' (H2020 CB-MEP), and 'Towards a Shared Environmental Information System (SEIS) in the European Neighbourhood' (ENPI-SEIS) (see below).

The 2008 ministerial conference on Water that took place in Jordan agreed to develop a Strategy for Water in the Mediterranean (SWM). The draft Strategy was developed over 2008-2010. Although Ministers failed to adopt the SWM, its guiding principles are widely accepted and the SWM remains a de facto policy tool for the region and have guided the activities of the EU financed Sustainable water Integrated Management Programme (SWIM) project.

In 2013, a new initiative under the so-called 5+5 framework¹¹ was launched by Spain and Algeria with the objective to develop a Western Mediterranean Water Strategy, to be adopted by 5+5 water Ministers by the end of 2014. Subsequently, this strategy may be adopted by other Mediterranean countries.

On 13th May 2014, the UfM Ministerial Meeting on Environment and Climate Change was a success. The final declaration was unanimously approved. It calls for reinforced regional cooperation on reducing marine pollution – launching the 2nd phase of the H2020 initiative -, sustainable consumption and production, climate change, and some other issues of regional interest, such as better protecting marine biodiversity.

Biodiversity: The Barcelona Convention calls on parties to protect and manage areas of particular natural or cultural value, notably by establishing Specially Protected Areas (SPAs). UNEPs Regional Activity Centre for specially protected areas (RAC-SPA) plays a central coordinating role. In addition, under the Convention on Biological Diversity, Mediterranean countries have subscribed to the objective of having, by 2020, at least 10% of coastal and marine areas, especially areas of

¹¹ Mauritania, Algeria, Morocco, Tunisia, Libya, Portugal, Spain, France, Italy, Malta.

particular importance for biodiversity and ecosystem services, protected through effectively and equitably managed, ecologically representative and well-connected systems of protected areas and other effective area-based conservation measures (Aichi target no 11). This commitment has been formally endorsed by the parties to the Barcelona Convention. This regional policy framework is in line with the EU “acquis” in that field (the Habitats and Birds Directives in particular).

EU regional programming: The ENI Regional Southern Mediterranean Strategy and its multiannual indicative programme present the strategy for the regional multi-country co-operation and identify priorities. In this context, protection of the marine and coastal environment, integrated water management and implementation of the H2020 roadmap are clearly referred to under the objective 2 (Building a partnership for inclusive and sustainable economic development).

A regional approach to the issues addressed by the present action is justified for several reasons, as either it tackles shared resources (the Mediterranean Sea; shared water resources) for which collaborative responses are necessary or it tackles common challenges (water scarcity and water quality degradation) and there is important value in regional co-learning, regional peer pressure...etc...

After a long break, the Union for the Mediterranean (UfM) resumed holding of Ministerial meetings, first on the role of Women (September 2013), and then on Transport (November 2013), Energy (December 2013), Industry (February 2014) and Environment and Climate Change (May 2014). This is a positive signal expressing a shared objective in establishing deeper regional co-operation both between the EU and Southern countries and South –South co-operation.

2.2.2. Sector context: policies and challenges

EU level:

The EU has developed an extensive policy and regulatory framework on water and marine resources, whose principles and experience gained are relevant to ENI South countries, in particular the Water Framework Directive and the Marine Strategy Framework Directive.

In the context of the EU development policy, improved human access to safe drinking water and basic sanitation services is a key goal, but water management is also an essential element for sustainable economic growth¹², including in its interactions with energy, food security and adaptation to climate change, and manufacturing.

In 2012, the EU furthermore took the initiative to develop a more active water diplomacy, acting as a broker to foster water co-operation on trans-boundary resources. This led in July 2013 to EU Council’s conclusions identifying the Middle East and the Nile basin as priority areas.

Last, the EU Water Initiative was launched in 2002 as a political initiative to create the conditions for mobilising all available EU resources, and to coordinate them to achieve the water-related Millennium Development Goals (MDGs) in partner countries. Its Mediterranean component (MEDEUWI) may have lost some momentum, but it is not excluded that it becomes again an umbrella for EU support on water issues in the Mediterranean.

¹² Agenda for Change, 2011.

Mediterranean level:

Marine pollution reduction:

In 1999 the parties to the Barcelona Convention adopted a Strategic Action Programme to Address Pollution from Land-Based Activities (SAP-MED). SAP-MED identifies categories of pollutants and activities to be eliminated or controlled by the Mediterranean countries by 2025. In this context, countries have prepared inventories of all pollution sources on their coasts called the *National Baseline Budget of emissions and releases* (NBBs), as well as *National Action Plans* (NAPs) describing the policies and investments that each country intends to undertake to reduce pollution from identified “pollution hot spots”. NAPs were formally endorsed in 2005 and will be revised in 2014-2015, under the responsibility of UNEP/MAP.

Since 2005, the relevant regulatory frameworks in ENI South countries are increasingly in place, but their enforcement remains a challenge. Pollution command and control tools tend to predominate, whilst use of market instruments and application of the polluter pays principle are less widespread¹³. Many waste water treatment plants have been constructed, but their impact is challenged by population growth and new pollutants. Progress in investments faces numerous constraints, relating in particular to financial sustainability, often due to difficulties in setting up effective Public Private Partnerships based on an optimal combination of transfers, water tariffs, and taxes. There is a need to create more conducive conditions for the private sector to invest in reducing pollution. In addition, major efforts are still needed to tackle the information gaps on pollution loads or project cost estimates, especially for industrial activities and for some countries.

To monitor the implementation of the Barcelona convention and its Protocols, UNEP/MAP has established a two-year reporting cycle, recently updated with the establishment of an on-line information system.

With regards to the Land Based Sources (LBS) and Activities, the most important reporting obligations for the contracting parties relate to:

- a) Inventory of pollutants entering directly and indirectly the Mediterranean sea,
- b) Marine pollution monitoring data,
- c) NAP implementation and its effectiveness,
- d) Legal/ regulatory aspects of the implementation of the LBS protocol.

Even so, data on the state of the Mediterranean marine environment remain patchy, are usually not made publicly available, and action can often only be taken on the basis of anecdotal evidence. The least is known about industrial emissions, but the gradual adoption of national Pollutant Release and Transfer Registers (PRTR), also strongly promoted under the Barcelona Convention¹⁴ is expected to improve knowledge on these.

¹³ Source: MEDPOL (the marine pollution assessment and control component of MAP) study and the midterm review of the Horizon 2020 Initiative which were carried out in 2013 and 2014. Findings and recommendations were presented to environment Ministers at the UFM ministerial meeting that took place in May 2014.

¹⁴ The Pollutant Release and Transfer Register (PRTR) is a national or regional environmental database or inventory of potentially hazardous chemical substances and/or pollutants released to air, water and soil and transferred off-site for treatment or disposal.

In the EU, the European Environment Agency (EEA) plays a central role in collecting and providing environmental information. With the help of its European environment information and observation network¹⁵, it is a leading proponent of the principles of SEIS, according to which, environmental information should be:

- Managed as close as possible to its source;
- Collected once, and shared with others for many purposes;
- Readily available to easily fulfil reporting obligations;
- Easily accessible to all users;
- Accessible to enable comparisons at the appropriate geographical scale, and citizen participation;
- Fully available to the general public, and at the national level in the relevant national language(s);
- Supported through common, free open software standards.

EEA manages data and information flows through its ‘*Reportnet*’ infrastructure. Initially used for EU Member States to report environment data to the EEA, ‘*Reportnet*’ is currently hosting many, if not most, of the European Union and international environmental reporting requirements.

In the Southern Neighbourhood countries, compliance of environmental data and information with international standards, effective information exchange mechanisms, and adequate professional and technical capacities for maintaining monitoring and information systems remain largely a challenge. Dialogue and co-operation between the national authorities collecting and managing different types of environmental information have to be further improved.

In this context, application of the SEIS principles and use of ‘*Reportnet*’ can be an effective solution to decrease the reporting burden of ENI South countries. ‘*Reportnet*’ is already freely open to them, and no additional IT development will be needed for these countries to use the system in the same way as EU Member States do. Therefore, initial steps to introduce SEIS in the Southern Neighbourhood countries were taken under the ENPI-SEIS project, and are further discussed below.

It should be noted that in 2013, when parties to the Barcelona Convention adopted the decision on the “Ecosystems Approach”¹⁶ (EcAp), they committed to apply the Shared Environmental Information Systems principles. As a follow up to this Decision, UNEP/MAP will refine its list of indicators and targets, in order to better monitor the state of the marine environment, as part of a future integrated monitoring and assessment programme.

Water: Most ENI South countries have adopted integrated water management strategies or plans, but their implementation is lagging behind and structured monitoring is largely missing. Likewise, water legislation has been adopted but enforcement and prosecution of non-compliance and violations are inadequate. As

¹⁵ “Eionet” is a partnership network of the EEA, its member states and cooperating countries. It consists of the EEA itself, a number of European Topic Centres (ETCs) and a network of around 1500 experts from 39 countries and 400 national bodies dealing with environmental information. (for more details see on www.eionet.europa.eu/reportnet).

¹⁶ The ecosystem approach is a strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way. The Decision commits partners to achieve over time a certain defined *Good Environmental Status* (GES) of the marine environment.

mentioned earlier, the level of water prices constitutes a disincentive for improving water efficiency¹⁷ and hinders the financial sustainability of water utilities, particularly in the sanitation sector. The prioritised response to water scarcity has been generally to increase water supply, often in an unsustainable manner when aquifers are tapped above their recharging rates, or with likely negative environmental impacts like in the case of desalination plants whose number has been increasing sharply in recent years in the Mediterranean region.

Biodiversity: In accordance with the agreed Aichi target, some but not all countries have made efforts to set aside marine and coastal areas for special protection measures. However, in 2014, MPAs were representing a mere 1% of the Mediterranean Sea (4% with the high seas Pelagos sanctuary)¹⁸, many not effectively managed. Hence, more efforts are needed to converge with the 2020 target.

2.3. Lessons learnt

Specific lessons have been learnt from ongoing initiatives in all the areas of this action:

Pollution reduction: The H2020 Initiative has been a key EU effort to support countries in the implementation of their commitments under the Barcelona convention as regards land based sources of pollution. H2020 has been implemented mainly through three EU-funded projects, all of which were assessed in the context of the Horizon 2020 mid-term review, an in-depth and consultative process, concluded at the UfM Ministerial on Environment and Climate Change in May 2014.

The Horizon 2020 Capacity Building/Mediterranean Environment Programme, H2020 CB-MEP (EUR 9.25 million; 2009-2014) supports the implementation of the Horizon 2020 Initiative Road Map and Work Plan through capacity building and awareness raising activities, and promotes integration/mainstreaming of environment issues into other sector policies. Stakeholders have expressed strong support for its activities. Based on the findings of an external evaluation carried out in 2013, and the EC's own assessment, some important lessons can be drawn:

- CB-MEP has been highly relevant, in line with existing policies and responding to countries' demands. Overall, CB-MEP has been efficiently managed and has delivered high quality trainings;
- Whilst training programmes need to clearly respond to partner countries' demands they also need to be devised strategically, addressing a limited number of regional priorities;
- Trainings have to be embedded in a coherent and logical sequence comprising a needs assessment, proper selection of trainees and ex-post monitoring;
- Peer-to-peer exchanges on concrete experiences bring the highest added value;
- Co-operation with UNEP/MAP must be reinforced, in particular in relation to the revision and implementation of the each country's National Action Plan for pollution reduction from land-based sources.

The project "Towards a Shared Environmental Information System (SEIS) in the European Neighbourhood" ENPI-SEIS (EUR 5.7 million, 2010-2014) is implemented by the EEA in collaboration with UNEP/MAP. It supports the

¹⁷ Losses, leaks and waste are estimated at 40% of total water demand (particularly in the farming sector), Plan Bleu, 2009.

¹⁸ More details on <http://www.mapamed.org/>

environmental and statistical authorities in 16 partner countries both in the East and South European Neighbourhood regions in improving their environmental reporting capacity in line with SEIS principles.

In the Southern Neighbourhood, efforts focussed on agreeing and delivering data for a limited number of indicators, but with the long term vision that the national networking and governance system that was being set up would be able to serve multiple monitoring and reporting processes in many different themes/sectors, beyond the H2020 priorities.

Six H2020 indicators were identified and agreed with all countries on which basis initial data flows are being progressively established. The EEA '*Reportnet*' reporting tool offered to partner countries via the project is gradually being used. The establishment and maintenance of a strong inter-institutional co-operation and co-ordination at national level among data producers, data owners and data users has been a challenging process and is still in progress, but has started to show results.

The H2020 mid-term review concludes that work under ENPI-SEIS was an important start, but that more efforts are now required to consolidate and expand the indicators, ensure their operationalisation, also taking into account the recent Barcelona Convention COP decision on EcAp. Strong continued partnership between the EEA and UNEP/MAP will be essential, in particular in the context of UNEP/MAPs responsibility to revise its reporting system to include the Ecosystems Approach.

Reinforced in-country activities will be another crucial aspect of the future co-operation. Engaging the statistical offices in this is of key importance, as they hold many of the relevant data sets.

Aligning with existing reporting systems and avoiding the creation of new parallel reporting systems is also essential, but a challenge at the moment.

The MeHSIP-PPIF (EUR 7.2 million, 2010-2014) was led by the EIB, financed by the European Neighbourhood Policy Instrument (ENPI) (Facility for Euro-Mediterranean Investment and Partnership – FEMIP – support fund), with the prime aim to develop bankable projects. Four priority investment projects have been fully prepared and a project pipeline established and maintained. In addition, MeHSIP-PPIF screened the status of about 50 investment projects with secured funding and drew useful lessons on challenges hindering the effectiveness of investment projects, pointing in particular to the importance of a solid preparation phase.

Water: The SWIM programme (EUR 20.6 million; 2010-2014), has promoted sustainable water management policies and practices in the areas that were to be targeted by the Mediterranean Water Strategy, i.e. water governance, water and climate change, water financing and water demand management and efficiency, as well as non-conventional resources. SWIM has supported institutional building, policy dialogue, capacity building, as well as awareness-raising on water scarcity and environment-related challenges, complemented by a set of five demonstration projects. According to the latest Results oriented monitoring (ROM) report (2013), SWIM is highly relevant and demand-driven, but should be more focused, prioritizing its activities on a more limited number of themes. The next regional programme should more strongly address water efficiency and effective water demand management, promoting the principles of the EU Water Framework

Directive and the new orientations of the EU's development policy (water co-operation and the water/energy/food security nexus).

Biodiversity: The project "Development of a Mediterranean Marine and Coastal Protected Areas Network" (EUR 3.6 million; 2009-2014) is the EU-financed biodiversity component of the UNEP-Global Environment Facility (GEF) Med Partnership Initiative¹⁹, assisting countries to strengthen the management of Mediterranean Marine Protected Areas Network and to identify components. The project is implemented through a joint management agreement with UNEP-MAP, with World Wide Fund for nature (WWF) and RAC-SPA as implementing partners. All the specific sites involved in the ongoing project have been recently established as MPAs or are in the process of being protected. Most of these areas have just adopted and elaborated a management plan but are at the very early stages of their implementation. Further resources and better governance mechanisms are necessary to ensure that these areas become self-sufficient and fully integrated in the local socio-economic context.

Making MPAs effective and sustainable is a challenge, largely but not only due to the lack of dedicated financial resources. The recommendation is to involve more actively local stakeholders in planning and managing MPAs and to move towards a cross-sectorial approach that aims at the sustainable use of maritime resources, of which biodiversity conservation will be one aspect.

2.4. Complementary actions

GreenMed II will form the backbone of the ENI regional environmental programme portfolio for 2014–2017, together with the EU funded regional programmes on Sustainable consumption and production and climate action.

The present Action thus complements other important EU-funded regional programmes, namely the EUR 22 million SWITCH-Med²⁰ programme on sustainable consumption and production, approved in 2012; and ClimaSouth on climate change adaptation and mitigation. Further complementarity will be sought with the activities of the Union for the Mediterranean, namely within the framework of the climate change expert group.

Close links will be ensured with actions under EU bilateral programming for the period 2014–2017, where environment and water are identified as priority sectors for the EU co-operation, as is the case for Palestine²¹ (water), Lebanon (natural resources), Tunisia (rural development), Jordan (green economy) or Morocco (access to basic services). Where possible, efforts will be made to make use of the twinning instrument, in order to advance on specific regulatory issues relating to the areas targeted by the programme.

Very close links will also be ensured with relevant project preparation facilities supported under the Neighbourhood Investment Facility (NIF) or FEMIP, in particular MESHIP-PPIF II (approval pending).

¹⁹ The MedPartnership" is a collective effort of organisations and concerned countries towards the protection of the marine and coastal environment of the Mediterranean. The MedPartnership is led by UNEP/MAP and the World Bank and is financially supported by the GEF, and other donors, including the EU and all participating countries. The MedPartnership works through technical and policy support led by UNEP/MAP (Regional Project) and project financing led by the World Bank.

²⁰ "Switching towards more sustainable consumption and production (SCP) patterns in the Mediterranean".

²¹ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

The action is coherent with the substantial financial and technical support that the EU, as a Party and largest donor, provides to the Barcelona Convention and with the implementation of EU acquis for the marine environment and water management in the Mediterranean.

Strong linkages will be made with relevant EU support to Balkan countries. The actions will furthermore be closely coordinated with relevant policy dialogues to be carried out under the new ENI regional Dialogue Facility, in particular as concerns integrated maritime policy and environmental statistics (complementarities with ENPI-SEIS II), as well as agriculture (complementarities with SWIM II).

2.5. Donor co-ordination

Donor co-ordination will be ensured through full involvement of EU member states and key international donors in the steering committees for each of the projects under this action (H2020 steering group and sub-groups on capacity building, pollution reduction and review/monitoring, SWIM steering committee, Medpartnership steering committee). Special attention will be given to links with international financing institutions, directly and through close co-ordination with the Union for the Mediterranean Secretariat.

3. DETAILED DESCRIPTION

3.1. Objectives:

The overall objective of this action is to contribute to reduced marine pollution, sustainable use of scarce water resources, and protection of marine biodiversity in ENI South countries.

The specific objectives are:

-H2020+: Marine Pollution Reduction and Prevention (Pillar 1)

- Stronger and better enforced national regulatory and policy framework for reducing and preventing pollution of the Mediterranean Sea, in particular municipal waste, urban waste water and industrial pollution. A special focus on commitments under the Barcelona Convention and on addressing issues undermining investment and business opportunities (such as negative financial returns).
- Improved availability and access to relevant environmental information to the benefit of effective and knowledge-based policy-making in the region, through improvement of national and regional environmental information systems, with a specific focus on the application of the SEIS principles.

-SWIM II: Integrated Water Management (Pillar 2)

- Strengthened integrated water resource management, with a special focus on water co-operation (including specific actions for shared water resources in the Maghreb), river basin management, water demand management, the water / energy / food security nexus, broad stakeholder participation and open access to data.

-Common bridging project H2020 and SWIM I (Pillar 3)

- Sustainable water management policies and practices in the context of increasing water scarcity, combined pressure on water resources from a wide range of users, and desertification processes, in connection with climate change are further promoted and disseminated in the region.

- The implementation of the Horizon 2020 Initiative Road Map and Work Plan is further supported, through capacity building and awareness raising activities.

-Marine Protected Areas (Pillar 4)

- The Mediterranean network of ecologically representative, inter-connected and effectively managed MPAs is strengthened and further developed.

3.2. Expected results and Activities:

3.2.1. Pillar 1: Marine pollution reduction and prevention (Horizon 2020+)

3.2.1.1. Expected results:

- The regulatory framework relating to the implementation of Barcelona Convention protocols and NAPs of Mediterranean partner countries is strengthened and the capacity to enforce its implementation is enhanced, including through stronger links between research results and policy formulation;
- Partner's capacity to promote investment and business opportunities for addressing municipal waste, industrial emissions and waste water is enhanced;
- Regional coherence in approaches to pollution prevention and control is reinforced;
- The H2020 indicator set is stabilised and extended and able to serve multiple purposes: to assess the progress of H2020, while contributing to assessing compliance with commitments under the Barcelona Convention;
- The in-country processes for organising sharing of the data sets underlying the H2020 indicators are stabilised;
- The infrastructure for reporting offered by the EEA ('Reportnet') and UNEP (UNEP/MAP Reporting Network) is widely used;
- Indicator-based H2020 reports and assessments are produced;
- Results of monitoring and assessment are fed back into policy formulation.

3.2.1.2. Main activities:

Pillar 1A: Policy/regulatory frameworks

- Assessments / further detailing of the state of the relevant national regulatory and institutional frameworks and in particular their enforcement, based on reviewed NAPs;
- Design and provision of tailor-made support to countries demonstrating a strong commitment to progress in this area, building on existing initiatives (from the government, the EU or any other donor), and linked to concrete indicators drawn from the Barcelona Convention protocols/NAPs;
- Design and implementation of a programme of regional trainings, policy exchanges and study tours on the relevant themes (study tours only linked to concrete national work programmes) building on the experience gained and feedbacks received from the partner countries on the previous H2020 capacity building programme;
- Regional seminars between the scientific and the policy communities, preparation of policy briefs and various publications developing the science – policy interface; Developing feedback loops from H2020 review and monitoring to policy making;

- Communication and visibility, using in particular state-of-the-art on-line collaborative tools;
- Organisation of the H2020 Steering Group meetings, and support to overall H2020 co-ordination, and Capacity Building sub-group meetings.

Pillar 1B: Operationalisation of the SEIS principles, based on a balanced partnership between the EEA and UNEP/MAP

- Stabilising/updating of the six existing H2020 indicators, taking also into consideration evolving reporting requirements. In particular, further efforts to detail/disaggregate the indicator for industrial emissions;
- Support for stabilising the in-country processes for completing the data sets underlying the regional set of H2020 indicators by:
 - Revising and further developing the corresponding data flows (including monitoring protocols), and processes for indicator production (covering existing and new/additional ones), using as far as possible existing sources of information within UNEP/MAP and ENPI-SEIS.
 - Supporting operation of a sustainable network of representatives of all H2020 major sectors, data generators and data processors, including statistical offices. The network should meet regularly, including in thematic groups, to address sharing, data analysis and assessment in an inclusive process.
 - As needed, supporting a SEIS project coordinator at country level to ensure coherence of activities related to content, infrastructure and governance.
 - Continue and extend in-country PRTR pilots where already carried out, and start pilots in other countries.
 - Technical assistance, with limited software building activities, to support use of the infrastructure/tools for reporting offered by the EEA and UNEP/MAP – ‘Reportnet’ and UNEP/MAP Reporting platform.
- Regular updating of the H2020 Indicator Fact sheets;
- Production of regular and relevant H2020 assessments and reports, including country reports on the basis of work undertaken;
- Organisation of the H2020 Monitoring and Reporting Sub-Group meetings.

3.2.2. Pillar 2: Integrated Water Resources Management (SWIM II)

3.2.2.1. Expected results:

- The capacity to enforce implementation of the regulatory framework relating to water demand management is strengthened, in particular through efficient water finance;
- If needed, new or revised complementary regulations are put in place by partner countries;
- Integrated Water Resources Management (IWRM) implementation is regionally monitored in ENI South countries (through a unified system for all countries or an adjustable one according to individual country needs within a shared regional framework);
- The science - policy interface is improved, including climate change considerations and linkages to adaptation strategies;
- Regional co-operation on shared/transboundary water resources is enhanced;
- Best practices and success stories are identified, tested and shared.

3.2.2.2. Main activities:

Pillar 2A: SWIM II Support Mechanism

- Development of an IWRM implementation monitoring system according to international knowledge and ENI South country needs, test the system in selected countries;
- On a voluntary basis, and based on country assessments, design and provision of one national activity in each partner country, to support one of the stated results / objectives, and building on existing initiatives (of the government, the EU or any other donor);
- Study tours in Mediterranean EU countries, based on peer-to-peer dialogue;
- Identification of water “solutions” and showcase them at regional level;
- Development of water accounts (economic valuation of water resources and their uses) in selected countries;
- Peer-to-peer experience sharing (sub)regional seminars and high-level meetings;
- Communication and visibility, using in particular state-of-the-art on-line collaborative tools;
- Regional seminars between the scientific and the policy community, preparation of policy briefs and various publications developing the science – policy interface;
- External monitoring and support to SWIM II demonstration projects (see below).

Pillar 2B: SWIM II Demonstration Projects

Financial support to a set of Demonstration Projects, following a call for proposals, to test innovative approaches or replicate successful ones on water co-operation (including the Northern Sahara aquifer system), river basin management, water demand management, the water/energy/food security nexus, broad stakeholder participation and open access to data. Emphasis will be placed on internal and external project monitoring so that lessons learnt can feed into the regional level.

3.2.3. Pillar 3: Common bridging project H2020 and SWIM

3.2.3.1. Expected results:

- SWIM I demos supported;
- SWIM I policy lessons consolidated and communicated;
- 5+5 Water Strategy supported;
- Continuity of basic SWIM and H2020 support until new programmes launched;
- National Action Plans under the Land Based Sources protocol of the Barcelona Convention revised.

3.2.3.2. Main activities:

- Support to SWIM demos: final monitoring and documenting results;
- Consolidation of SWIM policy lessons;
- Support, as required, to the 5+5 Water Strategy;
- Continuity of basic SWIM and H2020 support until new programmes launched;
- Support to the revision of the NAPs under the LBS Protocol.

3.2.4. *Pillar 4: Marine Protected Areas*

3.2.4.1. Expected results:

- In close collaboration with RAC-SPA, the relevant regional activity centre of the Barcelona Convention, a co-ordination mechanism and a network monitoring capacity for regional MPA management are in place and functional;
- New MPAs are identified, planned and created to extend the regional network and enhance its ecological representativeness;
- Management of marine protected areas is improved, including the development and implementation of management plans, zoning plans, fisheries management plans etc.;
- Innovative approaches to ensure the financial sustainability of regional and national MPA networks are identified and tested;
- Stakeholders are engaged in the governance and management of MPAs, through co-management or participatory management approaches.

3.2.4.2. Main activities:

- Technical assistance, exchange programmes and training activities (including mentor training and on-job training associated to field activities); setting up of an online capacity building platform for remote tutoring and information sharing;
- Support to the implementation of MPAs' management plans in the pilot countries, including tourism and fisheries management, through the specific engagement of local and national stakeholders. Development of financial and institutional sustainability (including governance) for MPAs;
- Continuation of the ongoing work on the characterisation of marine sites suitable to become new protected areas (including ecological surveys, ecological characterization reports, and the collection of geo-referenced data), and the identification of related actions (the identification of stakeholders group, partnerships, etc) needed to promote their creation. Development of GIS habitat data maps for MPAs, assessment of management effectiveness and assessment of socio-economic benefits of MPAs;
- Communication efforts on improving the perception of stakeholders and governments on the benefits of MPAs, on securing stakeholder and government commitment to the goals of the Convention on Biodiversity and of the Barcelona Convention and on reducing user conflicts at the national and local level.

3.3. **Risks and assumptions**

The main risks, which may have an impact on the successful implementation of the project, are:

- Regional political instability;
- Inability of the public authorities and entities concerned (i.e. those in charge of e.g. agriculture, water, tourism, energy) to give priority to the areas of the action and to develop inter-sector co-operation.

The risks linked to political instability in the region and to possible changes of government or regimes will be mitigated through continuous monitoring. The project is flexibly formulated, and takes account each country's specific circumstances as

well as the regional dimension. Implementation does not depend on participation of all countries in all activities.

The projects will try to mitigate difficulties by supporting the dialogue between the technical and political levels and reinforcing co-ordination between line ministries and competent authorities. If difficult diplomatic relations create impediments to the smooth running of the projects, activities will be carried out at technical level only.

Assumptions encompass:

- Willingness and commitment of the stakeholders in the ENI South partner countries throughout project implementation;
- Synergies and complementarities with other regional initiatives;
- Good project management;
- Enabling environment in the ENI South partner countries for stakeholder participation.

3.4. Cross-cutting issues

The activities will contribute directly to improved environmental management. Where possible, the programme activities will prioritise gender equality and the participation of women. Activities where women are involved will be encouraged. Good environmental management is an element of good governance, which should hence improve as a result of the project. Access to environment information is expected to improve, in line with the Aarhus convention.

3.5. Stakeholders

H2020+: officials of the ministries/agencies/departments responsible for: Environment, Water, Agriculture, Tourism, Industry, International Affairs and Finance, sub-national authorities (governorates, regions, municipalities, etc.), non-governmental organisations (from sub-regional, national to local), research institutes, associations of various professionals (organic agriculture, cultural and environmental tourism, etc.), media professionals, private sector (this latter category at their own costs).

Water: water utilities, relevant ministries, such as for water, agriculture, environment and climate change, industry, tourism, trade, energy and planning; River Basin or Groundwater Organisations, municipalities, water users associations and other civil society organisations, universities, regional and national research centres.

Marine Protected Areas: The action's main target groups are civil society organisations (CSO), coastal and marine resource managers, representatives of the tourism sector and public local administrations in developing an integrated management framework for priority marine and coastal areas.

If relevant, partner countries other than ENI countries (Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, Albania, and former Yugoslav Republic of Macedonia, Turkey and Mauritania) shall be associated to the activities foreseen by this action, in accordance with Article 16(1) of Regulation (EU) No 232/2014.

At the time of writing this action document, EU co-operation with Syrian governmental authorities is still suspended. In case this decision is reversed, the Commission will assess the opportunity to involve Syrian authorities in the implementation. The political instability and/or security situation in Syria will be

assessed prior to that in order to confirm the feasibility/opportunity to: a) engage the stakeholders and b) implement the activities.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

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

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 48 months, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The European Parliament and the relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

4.3. Implementation components and modules

The above activities will be implemented through a combination of modalities:

Action	Modality and EUR million in budget year		Total EUR million
	2014	2015	
H2020 phase II support programme (policy/ regulatory issues and SEIS data/reporting support).	4 (service contract, pillar 1A)	4 (grant, pillar 1B)	8
Water programme including specific action for Maghreb Water Strategy: SWIM II	3 (service contract, pillar 2A)	12 (Grants following a call for proposals for Demonstration activities, pillar 2B)	15
Bridging of CB/MEP and SWIM I	2 (service contract, extension of SWIM I, pillar 3)		2
Support to Marine Protected Areas		3 (Indirect Management Delegation Agreement, Pillar 4)	3
Audit, evaluation	0.3	0.3	0.6
Total	9.3	19.3	28.6

4.3.1. Grants: call for proposals (direct management)

Pillar 2B: SWIM demonstration projects

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

Under SWIM II, a single call for proposals will be launched to finance a set of Demonstration Projects that will test innovative approaches or replicate successful ones on water co-operation (including the Northern Sahara aquifer system), river basin management, water demand management, the water/energy/food security nexus, broad stakeholder participation and open access to data. Emphasis will be placed on internal and external project monitoring so that lessons learnt can feed into the regional level. Indicatively, it is expected to have up to 10 grant contracts.

- b) Eligibility conditions

Eligible applicants have their place of establishment in EU members states, ENI countries or in countries having traditional economic, trade or geographical links

with neighbouring partner countries. Eligible applicants are non-profit entities (local authorities, public bodies, international organisations, NGOs, academia).

c) Essential selection and award criteria

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

d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 80% of the eligible costs of the action. The rate may be higher if the auto-financing capacity of the targeted beneficiaries is weak.

The maximum possible rate of co-financing may be up to 100% in accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

e) Indicative trimester to launch the call

1st trimester 2015.

4.3.2. Grant: direct award (direct management)

Pillar 1B: ENPI-SEIS II

a) Objectives:

Improved availability and access to relevant environmental information to the benefit of effective and knowledge-based policy-making in the region, through improvement of national and regional environmental information systems, with a specific focus on the application of the SEIS principles

Justification of a direct grant:

Under the responsibility of the authorising officer by delegation, the grant may be awarded without a call for proposals to the EEA.

Under the responsibility of the authorising officer by delegation, the recourse to an award of a grant without a call for proposals is justified, in accordance with Art 190(1) (f) RAP, because of the exclusive responsibilities entrusted to the beneficiary, the EEA, in the implementation of the SEIS principles and practices in the European Union and extending them to the neighbourhood countries. The proposed project activities directly correspond to the core EEA competencies, networking practices and expertise.

The results and main activities are described above.

b) Eligibility conditions

The EEA will partner with UNEP-MAP, a UNEP entity acting as co-ordination office of the Barcelona Convention established in Athens.

c) Essential selection and award criteria

The essential selection criteria are the mandate and expertise of the grantee, which are key assets to promote and develop environmental monitoring in ENI countries based on the SEIS principles.

d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 80% of the eligible costs of the action.

The maximum possible rate of co-financing may be up to 100% in accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

e) Indicative trimester to contact the potential direct grant beneficiary

1st trimester 2015

4.3.3. Procurement (direct management)

	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Pillar 1A: H2020 +	Services	1	Q4 2014
Pillar 2A: SWIM II – Supporting mechanism	Services	1	Q4 2014
Pillar 3: SWIM I – Supporting mechanism (extension and topping-up of existing contract)	Services	1	Q4 2014

4.3.4. Indirect management with an international organisation

Pillar 4: Marine Protected Areas

This pillar with the objective of enhancing the network of Marine Protected Areas may be implemented in indirect management with the United Nation's Environment programme (UNEP) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation is justified because:

- UNEP-MAP serves as the secretariat of MAP and the Barcelona convention, including its biodiversity protocol;
- UNEP-MAP will be implementing activities through a strong partnership of recognized regional organisations, such as (indicatively) the WWF, and the RAC-SPA of the Barcelona convention, which have a key presence and a unique experience on these matters;
- Funding is provided as a follow up to a similar multi-donor project with UNEP-MAP;
- Easier leveraging of additional funding (such as from the GEF).

The entrusted entity would undertake the activities as described above for this pillar. The entrusted entity intends to subdelegate the activities leading to the creation of new MPAs and demonstration activities to improve the management of existing MPAs to RAC-SPA and WWF respectively. Appropriate provisions will be included in the delegation agreement.

The entrusted entity is currently undergoing the ex ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the responsible authorising officer deems that, based on a preliminary evaluation and on the long-standing and problem-free co-operation with this entity, it can be entrusted with budget-implementation tasks under indirect management.

4.4. Scope of geographical eligibility for procurement and grants

Subject to the following, 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 shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

4.5. Indicative budget

Module	Amount in EUR thousands	Third party contribution (indicative, where known)
4.3.1. – Pillar 2B: Call for proposals SWIM II – Demonstration projects (direct management)	12,000	3,000
4.3.2. – Pillar 1B : Direct grant ENPI-SEIS II (direct management)	4,000	1,000
4.3.3. – Pillars 1A, 2A and 3: Procurement (direct management)	9,000	N.A.
4.3.4. – Pillar 4: Indirect management with UNEP	3,000	0
4.7. – Evaluation and audit	300	N.A.
4.8. – Communication and visibility	300	N.A.
Contingencies	0	N.A.
Totals	28,600	4,000

4.6. Performance monitoring

A permanent internal, technical and financial monitoring system, to be used to draw up progress reports, will be set up under each contract to implement the programme. Independent consultants recruited directly by the EU will carry out annual external monitoring missions. Indicators will be defined in the contracting phase, and refined in the inception phase for each contract.

4.7. Evaluation and audit

Independent consultants recruited directly by the EU will carry out external mid-term (optional) and final evaluation. An ex-post evaluation may be carried out.

Audits or expenditure verifications will depend on the type of contract.

If necessary, the EU may conduct *ad hoc* audits or expenditure verification assignments.

4.8. 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 before the start of implementation and supported with the budget indicated in section 4.5 above.

The measures shall be implemented either (a) by the Commission, and/or (b) by the partner country, contractors, grant beneficiaries and entrusted entities. Appropriate contractual obligations shall be included in, respectively, financing agreements, procurement and grant contracts, and delegation agreements.

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