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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX X

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of the NDICI Neighbourhood East Region for 2023-2024

Action Document for

Recovery through a Circular Economy and Pollution Reduction in the Eastern Partnership countries (EU4Green Recovery East)

ANNUAL ACTION PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan/measure in the sense of Article 23(2) of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

<p>1. Title OPSYS Basic Act</p>	<p>Recovery through Circular Economy and Pollution Reduction in the Eastern Partnership countries (EU4Green Recovery East) Commission Implementing Decision on the financing of the annual action plan in favour of the NDICI Neighbourhood East Region for 2023 OPSYS business reference: ACT-61826 ABAC Commitment level 1 number: JAD.1167643 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).</p>
<p>2. Economic and Investment Plan (EIP)</p>	<p>Yes Thematic priority iii “Environment and climate resilience”</p>
<p>EIP Flagship</p>	<p>Armenia - Flagship 1: “Supporting an innovative and competitive economy: direct support to 30 000 SMEs” Azerbaijan - Flagship 3: “Supporting an innovative and competitive economy – direct support to 25 000 SMEs” and Flagship 5: “Smarter and greener cities” Georgia - Flagship 3: “Economic Recovery – Supporting 80,000 SMEs to reap the full benefits of the DCFTA” and Flagship 5: “Improved Air Quality” Moldova - Flagship 1: “Supporting an innovative and competitive economy – direct support to 50,000 SMEs” Ukraine - Flagship 1: “Supporting an innovative and competitive economy – direct support to 100 000 SMEs” and Flagship 2: “Economic transition for rural areas – assistance to more than 10 000 small farms”</p>

3. Team Europe Initiative	Yes, multi-country TEI “Water and Zero Pollution”			
4. Beneficiar(y)/(ies) of the action	The action shall be carried out for the benefit of the Eastern Partnership countries (Armenia, Azerbaijan, Belarus ¹ , Georgia, Republic of Moldova ² , and Ukraine).			
5. Programming document	Multi-annual Indicative Programme for the Neighbourhood East Region for the period 2021-2027 ³			
6. Link with relevant MIP(s) objectives/expected results	Specific objectives: – Preserve human health, biodiversity and natural assets; – Support circular economy, decarbonisation, climate neutrality and green growth.			
PRIORITY AREAS AND SECTOR INFORMATION				
7. Priority Area(s), sectors	Priority area 3: Environmental and climate resilience Sector 41010 – Environmental policy and administrative management			
8. Sustainable Development Goals (SDGs)	Main SDG: SDG15: Life on Land Other significant SDGs (up to 9) and where appropriate, targets: Goal 5: Gender equality; Goal 8: Decent work and economic growth; Goal 9: Industry, innovation and infrastructure; Goal 11: Sustainable cities and communities; Goal 12: responsible consumption and production; Goal 13: Climate action; Goal 14: Life Below Water, Goal 17: Partnerships for the goals			
9. DAC code(s)	41010 – Environmental policy and administrative management – 100%			
10. Main Delivery Channel @	11000 – Donor Government 40000 – Multilateral organisations 50000 – Other (EU Agency)			
11. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
12. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

¹ In line with the Council Conclusions of 12 October 2020 and in light of Belarus’s involvement in the Russian military aggression against Ukraine, recognised in the European Council Conclusions of February 2022, the EU has stopped engaging with representatives of Belarus public bodies and state-owned enterprises. Should there be a change of the context this may be reconsidered. In the meantime, the EU continues to engage with and, where possible, has stepped up support to non-state, local and regional actors, including within the framework of this action as appropriate.

² Hereinafter referred to as “Moldova”.

³ C(2021)9370 adopted on 15/12/2021.

13. Internal markers and Tags

Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disaster Risk Reduction @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RIO Convention markers @	Not targeted	Significant objective	Principal objective
Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Policy objectives	Not targeted	Significant objective	Principal objective
EIP	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
EIP Flagship	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	
Tags	YES	NO	
transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
environment, climate resilience	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
economic development (incl. private sector, trade and macroeconomic support)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
human development (incl. human capital and youth)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
health resilience	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
migration and mobility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tags	YES	NO	
digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>
digital skills/literacy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Connectivity @</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tags	YES	NO
digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
energy	<input type="checkbox"/>	<input type="checkbox"/>
transport	<input type="checkbox"/>	<input type="checkbox"/>
health	<input checked="" type="checkbox"/>	<input type="checkbox"/>
education and research	<input type="checkbox"/>	<input type="checkbox"/>
<u>Migration @</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Reduction of Inequalities @</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COVID-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>

BUDGET INFORMATION

14. Amounts concerned	<p>Budget line(s) (article, item): BGUE-B2023-14.020111-C1 NEAR</p> <p>Total amount of EU budget contribution: EUR 20 million</p> <p>The commitment of the EU's contribution to this action will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the Team Europe Initiatives (TEI) and/or these contributions do not materialise, the EU action may continue outside a TEI framework.</p>
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MANAGEMENT AND IMPLEMENTATION

15. Implementation modalities (management mode and delivery methods)	<p>Project Modality</p> <p>Indirect management with pillar assessed entity/entities to be selected in accordance with the criteria set out in section 4.3.1</p>
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1.2. Summary of the Action

The dual green and digital transformations are at the heart of the EU cooperation with the Eastern partner countries. In this context, the action will support the partner countries' recovery by promoting green, circular economy and pollution reduction. With a contribution of EUR 20 million, the action will focus on measures necessary for the Eastern Partnership Economic and Investment Plan (EIP) to deliver. Primarily, such measures will concern the effective use of materials (circular economy) and water as key inputs for economic activity. The EIP foresees to mobilise up to EUR 850 million of investments in these two areas. The programme's aim is to accelerate such investments and make them climate-smart and nature-positive, as well as to boost competitiveness based on higher material and water productivity of economies. Support for legislative and institutional alignment with the European Green Deal will be provided with a focus on

candidate and potential candidate countries. In addition, a level playing field for businesses and investors will be further promoted through measures that transpose and ensure the implementation of international environmental commitments. This will be done in the context of the Global Gateway and the newly adopted Water Action Agenda. Both public and private actors will benefit from the action.

The Action will include five components as follows: (i) circular economy promotion; (ii) pollution reduction with a focus on water as a critical resource for the economy; (iii) legislative alignment with the European Green Deal, including, where relevant, with Chapter 27 of enlargement negotiations and facilitation of the accession process; (iv) institutional integration into EU-wide cooperation, and (v) promotion of compliance with international commitments relevant for the Global Gateway Strategy.

Principally, the Action will contribute to SDG 15 due to its significant focus on water management. Based on the achievements of previous EU-funded work, the action will help to complete river basin planning and help ensure that water management be aligned with the EU Water Framework Directive and commitments under the global Water Action Agenda. Per total, at the end of implementation, 30 river basins will be managed based on modern approaches. The latter has a high potential to reduce pollution thus its costs for human health, ecosystems, and the economy. The Action will also contribute to SDGs 5 (Gender equality), 8 (Decent work and economic growth), 9 (Industry, innovation and infrastructure), 11 (Sustainable cities and communities), 12 (Sustainable consumption and production); 13 (Climate action), 14 (Life below water) and 17 (Partnership for the goals). It will be based on the outcomes of a gender analysis under the EU4Environment initiative and will ensure that the identified gender gaps be addressed.

The action was designed to be complementary to bilateral and other regional activities funded by the EU, its Member States and other donors. It will build on the achievements of the EU4Environment initiative. Synergies with EU global portfolios were also taken into account. The action will contribute to the implementation of the regional Team Europe Initiative on Water and Zero Pollution.

1.3. Beneficiar(y)/(ies) of the action

The action shall be carried out in the Eastern Partnership countries (Armenia, Azerbaijan, Belarus⁴, Georgia, Republic of Moldova, and Ukraine). Their citizens are the ultimate beneficiaries of the action.

⁴ See footnote no 1.

2. RATIONALE

2.1. Context

The green transition is an enabling factor of both sustainability and growth. Greening the economy means, first of all, reducing its negative impact on the environment and climate. At the same time, it means making the economy more resilient to external shocks. Improving human health and well-being is another benefit. The transition to a green economy requires a package of measures across many policy areas. The European Green Deal⁵ (EGD) identifies such measures so that the EU becomes “*a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use*”. The EGD policy package covers policies related to the climate, the environment, energy, transport, industry, agriculture, oceans and blue economy, as well as sustainable finance – all of which are strongly interlinked. Through its external pillar, the EGD makes it clear that environmental and climate challenges require urgent action by the EU and the partner countries.

Since the launch of the Green Deal in late 2019, the geopolitical and economic context has drastically changed in the EU and beyond. The COVID-19 pandemic severely disrupted global supply chains, reinforcing the need for higher resource productivity and circularity and highlighting the economic and health significance of water. More recently, Russia’s war of aggression against Ukraine further increased the risks of disruptions in the global supply chains and raised the price of food, energy, and other commodities. The invasion resulted in significant civilian casualties in Ukraine and the displacement of millions of people. Besides, Russian aggressors have severely damaged the country’s economic activity, natural capital, and energy and municipal infrastructure. A first assessment⁶ estimated that, as of June 2022, the cost of reconstruction and recovery in Ukraine would amount to EUR 349 billion. A new joint assessment released in March 2023 by the Government of Ukraine, the World Bank Group, the European Commission, and the United Nations, estimates that the cost of reconstruction and recovery in Ukraine has grown to EUR 383 billion⁷.

Russia’s war of aggression against Ukraine had profound impacts on other countries of the region and the Eastern Partnership (EaP) agenda. The EaP countries have been affected by trade disruptions⁸, a refugee and other crises. Under these circumstances, the EU confirmed its commitment to the EaP⁹, and willingness to make it more flexible and tailored to the needs of partners. Complementarity is being ensured with the enlargement process, given that Ukraine and Moldova were granted EU candidate status and Georgia received a European perspective in June 2022¹⁰. The European Council is ready to grant the status of candidate country to Georgia once the priorities specified in the Commission’s opinion¹¹ on Georgia’s membership application have been addressed.

⁵ COM/2019/640 final

⁶ World Bank (2022), *Ukraine Rapid Damage and Needs Assessment (English)*. Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/099445209072239810/P17884304837910630b9c6040ac12428d5c>

⁷ This estimate covers the one-year period from Russia’s invasion of Ukraine on February 24, 2022. See <https://www.worldbank.org/en/news/press-release/2023/03/23/updated-ukraine-recovery-and-reconstruction-needs-assessment>

⁸ OECD (2023), *Assessing the Impact of Russia’s War against Ukraine on Eastern Partner Countries*, OECD Publishing, Paris, <https://doi.org/10.1787/946a936c-en>.

⁹ [Eastern Partnership Foreign Ministers meeting - Consilium \(europa.eu\)](https://www.consilium.europa.eu/en/press/press-releases/2022/06/23/european-council-conclusions-on-ukraine-the-membership-applications-of-ukraine-the-republic-of-moldova-and-georgia-western-balkans-and-external-relations-23-june-2022/)

¹⁰ <https://www.consilium.europa.eu/en/press/press-releases/2022/06/23/european-council-conclusions-on-ukraine-the-membership-applications-of-ukraine-the-republic-of-moldova-and-georgia-western-balkans-and-external-relations-23-june-2022/>

¹¹ https://neighbourhood-enlargement.ec.europa.eu/opinion-georgias-application-membership-european-union_en

The EU provided a strong response to these and other changes in the overall context, including by reinforcing the focus on the green transition. The 2022 REPowerEU plan¹² aimed to decrease EU's reliance on Russian fossil fuels through energy savings, diversification of energy supplies, and an accelerated roll-out of renewable energy, including off-shore wind energy. Many of the recent EU circular economy initiatives have the potential to contribute to the EU moving faster towards resource security¹³.

The EU support within the EaP framework has been adapted in such a way as for the EU to be able to respond more rapidly to the needs of socio-economic recovery in the partner countries and Ukraine in particular. To the extent feasible, this support has been aligned with the European Green Deal¹⁴. Climate and environmental resilience are among the five priority goals identified for the post-2020 EaP agenda¹⁵. The Multi-annual Indicative Programme (MIP) for the Neighbourhood East Region for the period 2021-2027 translated these goals into specific objectives, including circular economy promotion and preservation of natural assets. An Economic and Investment Plan (EIP), principally based on flagship initiatives for each partner country, supports the process of recovery. In line with the EU gender action plan (GAP) III, gender equality will be mainstreamed throughout all programmes and actions, together with a focus on youth. The twin green and digital transitions will also be mainstreamed in all programmes and actions with the aim of building back better. To implement this plan more effectively, the EU has stepped up its collaboration with International Financial Institutions (IFIs). The plan aims to mobilise EUR 2.3 billion, leveraging up to EUR 17 billion to stimulate jobs and growth, connectivity, and the green and digital transition, thus directly contributing to the objectives of the Global Gateway Strategy¹⁶. The EIP foresees to leverage at least EUR 750 million to upgrade water supply and sanitation and to implement measures identified in the river basin management plans and at least EUR 100 million to speed up circular economy uptake and support decarbonisation efforts. Improving waste management, including prevention, re-use and recycling, will help create new decent jobs and reduce imports of raw materials. The plan will focus on plastic, construction, and electronic waste¹⁷.

Past efforts to green the policy agenda and investments in the Eastern partner countries have resulted in noticeable progress¹⁸. This includes gains in energy efficiency, cleaner and more resource and energy efficient production, and water management modernisation. Several EaP countries improved their environmental assessment procedures and started using green public procurement, eco-labelling, and extended producer responsibility. Private sector actors received expert advice and training to green their production. Access to finance for SMEs has improved due to cooperation with IFIs. The legal basis has been aligned with the Water Framework Directive in Moldova and Ukraine. Armenia has a modern water law and Georgia will soon adopt such a law, while Azerbaijan is finalising its National Water Strategy. River Basin Management Plans for eleven pilot river basins have been refined or newly developed with EU support. Their official approval is advancing. Improved water management in these basins will benefit some 30 million people. Water monitoring improved in line with EU practices and nine laboratories were modernised. Transboundary cooperation is improving in several river basins: Kura and its sub-basins Araz and Khrami-Debeda, Neman, Dniester/Nistru, Western Dvina/Daugava, and Danube. Also measures for the protection and monitoring of marine environment in the Black Sea have received EU support.

¹² COM/2022/230 final

¹³ Watkins, E. and Meysner, A., (2022) 'European Circular Economy policy overview', Institute for European Environmental Policy

¹⁴ COM(2019) 640 final

¹⁵ JOIN(2020) 7 final

¹⁶ JOIN(2021) 30 final

¹⁷ SWD(2021) 186 final

¹⁸ eu4environment.org/towards-a-green-economy-in-the-eastern-partner-countries-with-eu4environment-mid-term-achievements/

EU-funded regional initiatives, twinning, TAIEX, and bilateral portfolios have played a key role in enabling such progress. Both the EU4Environment “Green Economy” and the EU4Environment “Water and Data” initiatives are instrumental for policy reform and implementation in the region. Among other things, these programmes provide technical assistance for alignment with the European Green Deal, the EU water legislation, and the Shared Environmental Information System, as well as for the implementation of countries’ international commitments, e.g., the Sustainable Development Goals and the Paris Agreement. Their activities are closely coordinated with other regional programmes, such as EU4Climate, EU4EMBLAS, EU4Energy, and EU4Business.

Also, the bilateral portfolios increasingly include measures related to environmental and climate resilience. Projects are either on-going or planned in Armenia, Georgia, and Moldova. In Armenia, the EU4Sevan project (2020-2024) aims at enhancing the environmental protection of the largest freshwater lake in the Caucasus. The “EU4Moldova: Clean Water for Cahul” and a project to support the construction of water supply and sanitation infrastructure as well as energy efficiency in public buildings” is under implementation in Moldova. There are plans to enhance bilateral support for promoting alignment with the European Green Deal in these three countries, as well as in Azerbaijan.

In Ukraine, the new Phoenix initiative¹⁹ is boosting the New European Bauhaus work on the reconstruction of Ukrainian cities. As a first step, it will connect them with like-minded EU cities to exchange experiences on their way to climate neutrality, energy efficiency and low environmental impact. It will combine funding from the Horizon Europe Mission for Climate-Neutral and Smart Cities and from the LIFE Programme, with immediate mobilisation of at least EUR 7 million for preparatory actions. Furthermore, in early March 2023, a Nature-based Solutions Hub²⁰ was launched in Ukraine under a Horizon 2020-funded action.

Through the Neighbourhood Investment Platform, the Eastern Europe Energy Efficiency and Environment Partnership (E5P) and other blending and guarantee instruments, the EU is leveraging funding for green investments. Examples of investment projects facilitated by the EU in the water sector include:

- “Yerevan Water supply” and “The Communal Investment Programme” in Armenia;
- “Kutaisi Wastewater Project”, “Water Supply and Sanitation in Rural and Semi Urban Communities of Adjara” and “Khashuri Water Supply and Sanitation” projects in Georgia;
- “Chisinau Water Development Programme” in Moldova;
- “Ukraine Water System Modernisation and Repair of critical infrastructure”, “Programme for modernization and rehabilitation of municipal infrastructure in Chernivtsi and Municipal Infrastructure Development”, and “Mykolayiv Vodokanal Project” in Ukraine.

Synergies exist with global-level initiatives supported by the EU²¹, for example the Partnership for Action on the Green Economy, the Global Green Growth Knowledge Partnership, and the Green Economy Coalition. The European Union and its Member States as Team Europe are strongly engaged in water cooperation and committed to the Water Action Agenda. At the UN Water Conference (March 2023), the EU shared its vision for water resilience by 2050 which includes water security for all; global resilience to water stress; protected and restored aquatic ecosystems and a fair balance between water supply and demand.

¹⁹ https://environment.ec.europa.eu/news/rebuilding-ukraine-2023-02-02_en

²⁰ https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/new-eu-supported-nature-based-solutions-hub-launched-ukraine-2023-03-09_en

²¹ <https://europa.eu/capacity4dev/public-environment-climate/wiki/green-economy-programmes>

Several EU Member States are present in the Eastern partner countries with both country-specific and regional programmes. For example, Austria, Germany, and Sweden have a strong presence in the water sector. Several other Member States, such as the Czech Republic, Slovakia, Poland, and Romania have provided bilateral support for the development and implementation of environmental and climate policies. In early 2023, Sweden has launched a new regional programme to facilitate the implementation of the European Green Deal in Armenia, Georgia, Moldova, and Ukraine. Germany is envisaging to launch in 2023 a new “Promoting Green Deal Readiness in the EU’s Eastern Partnership Countries” (ProGRess) programme. Also, France is increasing support to the EaP countries, often with a focus on their green transformation. Cooperation is also on-going with non-EU development partners (Norway, Switzerland, the UK, and the US) and within regional and global Multilateral Environmental Agreements (MEAs), such as, for example, the Danube, Espoo, Aarhus, or the Water conventions. Some of these MEAs require cooperation in variable formats, for example around specific transboundary river basins.

Political support has been growing in the partner countries to further align national policies and legislation with the European Green Deal and enhance cooperation with EU institutions and informal networks. Ukraine, Moldova, and Georgia have special needs related to the transposition of EU law. The fact that three of the Eastern partner countries recently got potential candidate and candidate status is a major step forward. This also implies faster and further alignment with the European Green Deal and chapter 27 – Environment and climate change – of enlargement negotiations, in the interest of both partner countries and the EU. Synergies thus exist with the work to promote a green agenda in the Western Balkans.

2.2. Problem Analysis

Short problem analysis

The EaP countries are among Europe's most resource- and energy-intensive economies, with pollution taking a heavy toll on public health²², ecosystems, and the environment and climate more generally. Although the critical role of natural assets, especially water, for economies and human well-being is becoming more visible and better acknowledged, there are many policy and institutional challenges that undermine the green transformation²³ in the region. Russia’s war of aggression against Ukraine provides additional reasons for speeding up the countries’ green transformation.

Slow progress on circular economy

Work with SMEs in the EaP countries resulted in thousands of enterprises becoming aware of circular economy benefits. As a result, hundreds of them have acted to grasp those benefits by improving production processes and management practices. SMEs received training for increasing resource efficiency and tailored expert assessments and advice helped pilot enterprises to achieve significant savings of raw materials, water, and energy. Clubs of green-minded SMEs were established in several municipalities across the region and eco-innovation possibilities were demonstrated at selected enterprises. While clear progress has been made, the scale of action is still modest. Lately, the use of digital tools, such as an internet-based tool for SMEs to perform self-assessments, helped to diffuse more widely knowledge about resources efficiency and cleaner production. At the same time, the scale of the current outreach is clearly insufficient and additional efforts are needed for making the private sector more engaged in the countries’ green transformation. Also, policy dialogue involving public and private actors and continued knowledge transfer are important²⁴. The latter

²² ECE/NICOSIA.CONF/2022/9, Summary of key findings and policy messages of the pan-European environmental assessment, https://unece.org/sites/default/files/2022-08/ECE_NICOSIA.CONF_2022_9_E.pdf

²³ ECE/NICOSIA.CONF/2022/INF/8, Green Economy Transition in Eastern Europe, the Caucasus and Central Asia: Progress and ways forward, https://unece.org/sites/default/files/2022-09/ece.nicosia.conf_2022.inf_8.pdf

²⁴ ECE/NICOSIA.CONF/2022/6, Progress report on the implementation of the Batumi Initiative on Green Economy (2016–2021); https://unece.org/sites/default/files/2022-08/ECE_NICOSIA.CONF_2022_6_E.pdf

would need to include business-to-business exchange to demonstrate the feasibility and economic case of greening the economy and diffuse innovations. The awareness about the EU Circular Economy Action Plan and the EU legal basis related to sustainable products remains limited and needs to be enhanced. Overall, a “green disruption” is needed in relation to policy, organisational and technological frameworks. This should result in a reduced domestic material consumption and thus higher resource productivity, sustainable consumption and production, and resilience of economies.

Need to continue water sector reforms

Effective water resource management is critical across the entire economy. With support from the EU, its Member States and other donors, water management in the partner countries has increasingly integrated climatic, environmental, economic, and social considerations. Several EaP countries are in the process of aligning their water sector policies and practices with the general principles and more specific requirements of the EU Water Framework Directive (WFD), as well as other water-related directives and Multilateral Environmental Agreements (MEAs). Georgia, Moldova, and Ukraine have assumed commitments to reform water policies as part of the Association Agreements and Armenia as part of the Comprehensive and Enhanced Partnership Agreement (CEPA) signed with the EU. In line with these commitments, Moldova and Ukraine aligned their legal basis the WFD. Armenia has a modern water law and Georgia will soon adopt such law, while Azerbaijan is finalizing its National Water Strategy. River Basin Management Plans for eleven pilot river basins have been refined or newly developed with EU support. Their official approval is advancing. Data management platforms developed in all EaP countries increase the transparency of, and access to, water information. Water monitoring improved in line with EU practices and nine laboratories were modernised. COVID-19 monitoring in urban wastewater has been successfully tested in several EaP countries. Transboundary cooperation is improving in several river basins. Despite progress in the legal and planning frameworks, water infrastructure in the partner countries remains in a poor state and is chronically lacking capital investment, maintenance, and repair. River basin planning is progressing with uneven results across the region. The plans of measures identified as part of already developed river basin management plans often remain on paper. The EU candidate status granted in June 2022 to Ukraine and Moldova and Georgia’s European perspective stress the need for these countries to accelerate water policy reforms and action in accordance with EU norms and standards. Regional cooperation under the EU Common Maritime Agenda for the Black Sea involves Georgia, Moldova, and Ukraine, spanning from coordination on environmental issues to capacity building and project support for the development of a sustainable blue economy in the Black Sea basin.

At regional, national, and local level, it is important to further improve cross-sectoral cooperation, ensure water availability, increase water productivity, and support a transparent and inclusive decision-making process. This requires a continuous strengthening of the capacities of actors at all levels and civil society. Efficient regulation and the application of water economics principles can help extend access to safe drinking water and sanitation, promote an equitable use of water, and the protection and restoration of ecosystems. The strengthening of water governance at all levels is a prerequisite for fulfilling the water-related goals of the 2030 Agenda and the implementation of the Water Action Agenda. Overall, as a horizontal issue touching all areas of the economy, water resources need continuous efforts for being managed effectively and efficiently.

Lack of capacity for environmental approximation

The candidate countries and the potential candidate country will be challenged by the technical complexity of the ever-evolving EU *acquis* in the field of environment, which is expanding and deepening with the European Green Deal. They remain at an early stage of preparation in this field²⁵ and lack human and institutional capacity that would make the process of approximation most effective in relation to the European Green Deal and Chapter 27. This is even more valid for the water and waste sectors, which are heavy investments sectors, where a variety of private and public stakeholders are involved. While the partner countries cannot be expected

²⁵ https://ec.europa.eu/commission/presscorner/detail/en/ip_22_3790

to significantly enhance resource allocation in the current context of Russia's war of aggression against Ukraine, they can further develop staff knowledge. Ongoing work in the Western Balkans can be a source of reference and learning. In general, challenges remain concerning capacities for mainstreaming the environmental acquis and the European Green Deal in all policy areas, as well as for effective implementation and enforcement of legislation, as highlighted by recent reviews of environmental enforcement systems in Armenia²⁶, Georgia²⁷, and Moldova²⁸. Environmental protection and green transition would benefit from increased political attention and a whole-of-government and whole-of-the-economy approach.

Limited resources for cooperation with relevant EU agencies and networks

The European Environment Agency (EEA) has a long-standing cooperation with the EaP countries, dating back to early 1990-ies, under the pan-European "Environment for Europe" process²⁹. A main feature of this cooperation was the keen interest of countries in the pan-European area in working with EEA as part of EU approximation process and/or in learning and sharing experience on environmental topics, standards, methodologies, and processes. Under dedicated funding from the European Union in the period 2010-2020 EEA has been implementing a series of projects with the EaP countries in conjunction with the Shared Environmental Information System (SEIS) concept. This work supported knowledge-based decision-making, strengthened environmental governance, and resulted in a more effective sharing of environmental information across the region³⁰. The actions aimed at promoting and sharing EEA and the European Environment Information and Observation Network³¹ (Eionet) good practices and experience in regular state-of-the-environment reporting and preparation of indicator-based assessments, as well as in improving national capacities to manage, analyse and use environmental statistics, data, and information in line with common tools and methodologies. The implementation of these actions was in close collaboration with various partners from within Eionet as well as relevant international bodies and programmes (UNECE, UNEP, OECD, etc.). The cooperation with the European neighbourhood remains a key priority for EEA in the context of the current EEA-Eionet Strategy 2021-2030 implementation. Unfortunately, the partner countries have limited resources to take part in this cooperation, which is critical for further advancing on the implementation of SEIS³² and evidence-based decision making.

Insufficient implementation of international and European environmental commitments

Putting the Global Gateway Strategy into motion requires a strengthened focus on environmental implications of investments. Through the implementation of the Economic and Investment Plans for the Eastern Partnership, the European Union supports crucial infrastructure investments needed to foster connections, trade, and growth. These infrastructure investments need careful consideration of their environmental impacts and fitness in the context of a changing climate. According to OECD analysis in the EaP countries³³, mainstreaming climate and development considerations in infrastructure investment decisions and strategies is needed and requires action on multiple fronts; from upstream sustainable infrastructure planning to project prioritisation, financing and delivery. In particular, the systematic use of Environmental Impact Assessment and Strategic Environmental Assessment, and the adoption and implementation of international standards for sustainable infrastructure needs to be integrated into the evaluation of both pipelines and other individual infrastructure projects.

²⁶ <https://www.eu4environment.org/the-environmental-compliance-assurance-system-in-armenia/>

²⁷ www.eu4environment.org/events/regional-seminar-on-better-environmental-inspections-for-stronger-environmental-resilience/

²⁸ <https://www.eu4environment.org/the-environmental-compliance-assurance-system-in-the-republic-of-moldova/>

²⁹ <https://unece.org/environment-policy/environment-europe>

³⁰ https://eni-seis.eionet.europa.eu/east/EEA_SEIS_Eastbrochure2020EN.pdf

³¹ <https://www.eionet.europa.eu/>

³² ECE/NICOSIA.CONF/2022/8, "Final review report on the establishment of the Shared Environmental Information System", https://unece.org/sites/default/files/2022-08/ECE_NICOSIA.CONF_2022_8_E.pdf

³³ OECD (2021), Sustainable Infrastructure for Low-carbon Development in the EU Eastern Partnership: Hotspot Analysis and Needs Assessment, Green Finance and Investment, OECD Publishing, Paris, <https://doi.org/10.1787/c1b2b68d-en>

For over a decade, the EU has provided support to enhance the application of Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) in cooperation with the UNECE Espoo Convention. This support resulted in improved legal bases, development of guidance documents, strengthened organisational and staff capacity, and pilot application of SEA and enhanced existing EIA practice. Further support for monitoring compliance and ensuring SEA and EIA effective application is needed.

Also, transboundary water cooperation is central to the implementation of the Global Gateway Strategy. It helps to adequately respond to the diverse water-related development needs and the needs of the environment, and to promote peace, security, conflict prevention and stability – all in the context of global climate change, water scarcity and rising demands. In that context, the EU and its Member States advocate for enhanced accession and implementation of the UNECE (and now global) Water Convention (Helsinki 1992, New York 1997).

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action

Multi-stakeholder engagement across the public and private sectors is key for integrating environmental considerations into policies and corporate action. The following core stakeholders will be involved in all programme activities and become the main partners in the implementation of the programme:

- **Relevant government agencies at the central, sub-national and local level:** the primary stakeholders will be competent authorities within the national governments tasked to promote and enable the green transition. The Action will work with ministries of environment, energy, finance and economy, as well as ministries of infrastructure, regional development and agriculture, water management agencies and, where relevant, maritime affairs and investment support agencies. They will receive support in policy design and implementation and will be assisted to further develop staff knowledge and skills. Also, interaction among relevant authorities will be facilitated with a focus on addressing the green transition through a whole-of-the-government approach. The authorities in charge of European integration will receive help as part of the approximation process. Local authorities will also be supported;
- **Private sector actors**, in particular Small and Medium-sized Enterprises and their associations, will benefit from capacity development related to circular economy;
- **Environmental practitioners and experts** will also be involved in capacity development activities;
- **Civil society organisations (including women's rights organisations)** will be involved in activities to ensure transparency and accountability;
- **IFIs and other donors** will be involved in implementation based on a Team Europe approach;
- **Other relevant stakeholders**, if needed, will be involved.

The ultimate beneficiaries of the action are the *citizens of the Eastern partner countries*.

2.3. Lessons Learned

Since 2019, the regional programmes implemented under the Eastern Partnership umbrella, for example the EU4Environment programme, offered a platform for supporting environmental cooperation regionally and policy analysis, design and implementation at the country level. Due to EU support, Eastern partner countries made progress with environmental policy reform: legislation was aligned with the EU *acquis* in areas such as green procurement, waste and water management, environmental impact assessment and strategic environmental assessment. By applying an extended and improved set of indicators, the EaP countries improved the evidence base of environmental policymaking. Enterprises, especially SMEs, received expert support for greening their production. The EU support has also helped to identify policy measures for unlocking green investments. The on-going reforms need continuation and closer alignment with the European Green Deal.

Repeatedly, during regional and country-specific events, the partner countries expressed satisfaction with the results of regional environmental cooperation and demand for its continuation. At the Third Eastern Partnership (EaP) Ministerial Meeting³⁴ on Environment and Climate (22 June 2021), Ministers acknowledged the effectiveness of EU support and agreed that parties will further work towards taking over the objectives of the European Green Deal. Ministers pointed to the importance of institutional reform and capacity building measures in EaP countries. They also underlined that a transboundary and integrated approach is required to address climate change, biodiversity loss and degradation of natural resources, including in the marine and aquatic domains, and impacts on water bodies and their ecosystems.

A discussion about EU4Environment sustainability and follow-up took place during the 2022 Regional Assembly of the programme where representatives of the ministries of environment and economy and other state and non-state actors from the partner countries were present. There was clear consensus about the importance and urgency to scale up the programme's achievements³⁵. The participants highlighted the need for continuous EU support in areas such as, for example, mainstreaming of green policies and finance, including through closer cooperation with ministries of finance and infrastructure, promotion of circularity with a focus on local level authorities and enterprises, further developing knowledge and skills needed for a faster uptake of green economy, and fostering the interface between digital and green transitions. Special cooperation needs of Ukraine, Moldova, and Georgia were highlighted in conjunction with the transposition of the EU environmental legislation.

At the same time, programme implementation revealed weaknesses in making optimum use of EU support. This includes insufficiently proactive behaviour of counterparts from the partner countries, possibly reflecting impacts of the pandemic, economic crises, ongoing conflict, as well as frequent fluctuation of the staff in the governmental agencies. Countries are considered to be relying too much on projects and donors – further work should strengthen ownership and embrace the “more for more” philosophy.

During the lifetime of the programme, important lessons have been learned due to result-oriented monitoring and a sector-wide evaluation. These principally include the need to:

- Further enable system change towards a fair green transition in the partner countries by focusing on demand and ownership, strong public and corporate commitment being equally important for a successful green transition;
- Step up collaborative efforts involving all stakeholders and improve knowledge sharing, especially the diffusion of innovation and best practices;

³⁴ <https://www.2021portugal.eu/en/news/third-eastern-partnership-formal-ministerial-meeting-on-environment-and-climate-change-takes-place-under-the-portuguese-presidency-of-the-council-of-the-european-union/>

³⁵ <https://www.eu4environment.org/app/uploads/2022/09/Summary-record-EU4Environment-Regional-Assembly-2022-1.pdf>

- Increase funding and long-term capacity building;
- Strengthen coherence between different levels of policy dialogue (national, regional, global, and cross-sectoral);
- Use implementation arrangements that match the urgency of action, including as concerns the capacity of implementing entities to mobilise in-house expertise in a short term;
- Enhance co-ordination in the spirit of Team Europe approach thus avoiding overlaps.

More generally, it was stated that regional programmes involving different actors represent a good mechanism to ensure local, national, and regional coordination, monitoring of progress and identification of best practices.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The **Overall Objective** of this **EU4Green Recovery East** action is to promote an environment and climate resilient economic recovery and development of the Eastern Partnership countries. The action was designed to be complementary to regional programmes recently launched or to be launched by Germany and Sweden. It will build on the achievements of the EU4Environment umbrella programme, including its green economy pillar and its water and data pillar. Synergies with EU bilateral and global portfolios were also taken into account.

The **Specific Outcomes** of this action are as follows:

1. Circular economy promotion: Domestic material consumption is reduced or at least stabilised and businesses, in particular Small and Medium-sized Enterprises are supported to move towards circular economy;
2. Pollution reduction with a focus on water as a critical resource for the economy: EU-compliant, nature-positive and climate adapted river basin management planning is fully deployed in Georgia, Moldova, and Ukraine while other EaP countries' alignment with EU water law and practices is ensured;
3. Alignment with the European Green Deal, including where relevant, with Chapter 27 of enlargement negotiations and EU accession process facilitation: Knowledge about the European Green Deal/Chapter 27 is improved and environment-related support in the accession process is received in candidate countries;
4. The institutional integration in the EU-wide environmental cooperation is increased, including through participation of at least three EaP countries in EEA activities and open sharing of environmental data;
5. Promotion of compliance with international commitments relevant for the Global Gateway: Compliance with international environmental commitments, in particular within the UNECE framework is increased and cooperation on transboundary issues is strengthened with a focus on issues relevant for the EU Global Gateway strategy.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are as follows:

Outcome 1: Circular economy promotion

- 1.1 Decision-making tools, including digital ones, in support of green recovery and circular economy are identified and promoted at sectoral and enterprise level;
- 1.2 Knowledge and good practice transfer related to the EU Circular Economy Action Plan enabled, companies empowered to make their production greener, and the net of green SMEs clubs is extended;

1.3 Policy dialogue and business-to-business links in priority green economy sectors are enhanced.

Outcome 2: Pollution reduction with a focus on water as a critical resource for the economy

- 2.1 Additional River Basin Management Plans are prepared, adopted, and their implementation is strengthened, including by using nature-based solutions;
- 2.2 Additional river basin councils are established and supported to be fully operational;
- 2.3 Measures for ensuring climate neutrality of wastewater treatment are identified;
- 2.4 Economic aspects of water management are further addressed;
- 2.5 Measures for addressing pollution from priority sectors/sources are identified;
- 2.6 Water monitoring is expanded and a wastewater-based epidemiological surveillance system is established, including further capacity building for COVID-19 monitoring.

Outcome 3: Alignment with the European Green Deal/Chapter 27 and EU accession process facilitation:

- 3.1 Officials and other stakeholders are acquainted with the European Green Deal/chapter 27;
- 3.2 Compliance checks of draft legal acts is performed and their feasibility and enforceability is assessed;
- 3.3 Implementation plans are defined and compliance and enforcement mechanisms are promoted.
- 3.4 Cooperation under the regional Team Europe Initiative is facilitated.

Outcome 4: Institutional integration in EU-wide environmental cooperation:

- 4.1 Regular participation of at least 3 partner countries in Eionet is ensured;
- 4.2 Portals ensuring the transparency of data and decision-making are fully operational;
- 4.3 Relevant environmental data are regularly submitted to EEA and Eurostat by at least 3 countries;
- 4.4 Regular use of European Air Quality Index and comparable platforms is facilitated.

Outcome 5: Promotion of compliance with international commitments relevant for the Global Gateway

- 5.1 The establishment/functioning of 2-3 international river basin commissions is facilitated;
- 5.2 Governments and communities are assisted to address the water, climate, and security nexus;
- 5.3 Compliance with UNECE conventions relevant for the Global Gateway is monitored and enabled, also in line with the European Green Deal.

The objectives and intended outcomes of the Action contribute to the implementation of the EaP Economic and Investment Plan and the regional Team Europe Initiative on Water and Zero Pollution.

The Economic and Investment Plan (EIP) puts a clear emphasis on green investments. The Plan foresees the mobilisation of some EUR 750 million for upgrading water supply and sanitation and implementing measures identified in river basin management plans. Investments of EUR 485 million are foreseen to improve municipal services, air quality, green urban development and better forest management. At least EUR 100 million will be invested to boost the circular economy and support decarbonisation efforts, including improved waste management. Green investments are also crucial in other areas: the expected EUR 1.5 billion investment for SMEs in the region may contribute to sustainable, resource and energy efficient production models. In addition, potential investments of up to EUR 1.4 billion in the green economy are expected to be mobilised by issuing green bonds. Overall, around half of the planned EIP investments are green investments. This means that its implementation will be instrumental to make the green transition in our partner countries a reality.

Ensuring a healthy environment for all citizens is a goal not only with a strong interest from partner countries, but also a clear added value and expertise of several EU Member States and EU (Member States) Development Finance Institutions. It has a strong potential to bring together different initiatives and concrete results under one single Team Europe heading, therefore adding EU impact and visibility. Therefore, the Multiannual

Indicative Programme proposed a Team Europe Initiative on Water and Zero Pollution. The initiative will serve for making this action and synergetic programmes by EU Member States more impactful.

3.2. Indicative Activities

The following indicative activities are envisaged:

Outcome 1: Circular economy promotion

Activities related to Output 1.1:

- Identification, development, testing and deployment of tools in support of green, circular economy, with a focus on digital decision-making tools;

Activities related to Output 1.2:

- Development of policy briefs, organisation of events and training workshops, design and implementation of information campaigns, interaction with local authorities and enterprises to establish and facilitate the activities on green-minded enterprises, with a focus on SMEs;

Activities related to Output 1.3:

- Stakeholder analysis, identification of priority issues, development of analytical and other inputs for policy and business-to-business dialogue, organisation of events and follow up activities.

Outcome 2: Pollution reduction with a focus on water as a critical resource for the economy

Activities related to Output 2.1:

- Support for the development of new nature-positive river basin management plans (RBMPs) and update of the existing ones; integration of measures resulting from the impact of Russia's war of aggression against Ukraine; support for the adoption of RBMPs; development and pilot application of dashboards to monitor RBMPs implementation; the knowledge about, and use of, nature-based solutions further promoted; quantitative water management tools developed and wastewater effluent re-use promoted; facilitation of regional exchange and coordination with initiatives aiming to protect the marine environment in the Black Sea basin;

Activities related to Output 2.2:

- Support for the organisation and functioning of Basin Councils;

Activities related to Output 2.3:

- Energy efficiency of wastewater treatment surveyed and tools for benchmarking and improvement designed and adopted by the largest plants;

Activities related to Output 2.4:

- Countries assisted with the development and implementation of roadmaps on water subsidies, tariffs and financing;

Activities related to Output 2.5:

- Pollution from mining surveyed and roadmaps for pollution reduction prepared;
- Measures for addressing pollution with pharmaceuticals, plastics and micro-plastics identified;
- The situation in other relevant sectors assessed, including as regards soil protection.

Activities related to Output 2.6:

- The water monitoring systems in the EaP countries are further improved through staff training, methodological support and other relevant activities.

Outcome 3: Alignment with the European Green Deal/Chapter 27 and EU accession process facilitation

Activities related to Output 3.1:

- Development of training materials and organisation of capacity building support (including on inter-ministerial cooperation), events and communication campaigns at local and national levels.

Activities related to Output 3.2:

- Identification of priority laws and by-laws to be legally “checked” to be compliant with EU standards, required support, and provision of expert advice needed.

Activities related to Output 3.3:

- Support for cooperation with the EU Impel Network and other relevant enforcement and implementation mechanisms, including participation in meetings and projects.

Activities related to Output 3.4:

- Organisation of coordination meetings and identification and implementation of other activities in support of the Team Europe approach.

Outcome 4: Institutional integration in EU-wide environmental cooperation

Activities related to Output 4.1:

- Addressing institutional aspects of participation in Eionet and support for participation in meetings and their follow up at the national level.

Activities related to Output 4.2:

- Technical support for further improvement and functioning of data portals.

Activities related to Output 4.3:

- Technical support for further improvement and functioning of a system of data reporting to EEA and Eurostat.

Activities related to Output 4.4:

- Support for the identification and integration of additional air monitoring points and additional countries.

Outcome 5: Promotion of compliance with international commitments relevant for the Global Gateway

Activities related to Output 5.1:

- Agreement with countries on priority basins to be covered and provision of organisational and analytical support for cooperation in conjunction with the river basin commissions.

Activities related to Output 5.2:

- Identification of priority issues and provision of technical support.

Activities related to Output 5.3:

- Development of necessary tools (e.g. dashboards) and quarterly/biannual monitoring of progress.

The commitment of the EU's contribution to the Team Europe Initiative (TEI) to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the Team Europe Initiatives and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

The entirety of the Action is focused on enabling a green transition in line with the external dimension of the European Green Deal ³⁶. The outcomes of mandatory screenings are as follows:

- *Strategic Environmental Assessment (SEA) screening*: The SEA screening concluded that no further action was required.
- *Environmental Impact Assessment (EIA) screening*: The EIA screening classified the action as Category C (no need for further assessment).
- *Climate Risk Assessment (CRA) screening*: The CRA screening concluded that this action is no or low risk (no need for further assessment).

The above SEA/EIA/CRA processes will integrate the general assessment of a substantial contribution and no significant harm to any of the six environmental objectives formulated in Articles 10-15 and 17 of Regulation (EU) 2020/852 of the Council and the Parliament on the establishment of a framework to facilitate sustainable investment.

Biodiversity will be streamlined through nature-based solutions related to water management (Outcome 2).

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1. This implies that gender equality will be mainstreamed across this programme also defining specific actions aiming at gender equality mostly at the activity level. Gender disaggregated indicators will be proposed for national policy instruments/plans, and the Action will contribute to reinforcing gender equality and empowerment of women and girls also through facilitating broad stakeholder engagement in activities.

Taking gender differences into consideration promotes environmental and climate resilience. Women's and men's equitable participation and influence, including of representatives of marginalised groups, in environmental and climate related decision-making builds capacities and creates the conditions for effective, inclusive implementation. Limited access to natural resources often affects women more than men. However, the gender-related considerations of environmental and climate resilience in Eastern partner countries go beyond access to natural resources and more efforts are needed to identify gender gaps in this area.

In the context of gender mainstreaming and within the EU4Environment programme, the United Nations Industrial Development Organization (UNIDO) has provided technical assistance to promote green growth within the industries of the EaP countries. To help kick-start the gender-related activities, in 2020-21, an overview of gender equality issues was prepared for each EaP country by focusing on industry sectors and including an analysis of the current legislation, access to education and training, as well as the existing working conditions in each country. Training dedicated to gender sensitization of EU4Environment project staff and key stakeholders was conducted in all EaP countries. The total number of trained experts in the EaP countries was over 120 (65% being women), and it included representatives of key stakeholders (Government agencies,

³⁶ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

NGOs, think tanks, industrial associations, private companies), national experts, and other entities which were critical in the successful greening of the industry sector in each country. Based on the identified gaps and recommendations provided during the training sessions, the national partners in five countries were provided with gender mainstreaming action plans. A report on assessing and identifying potential gender-differentiated impacts in the EaP region is being finalised. Challenges towards women's participation in the circular economy include women's often limited knowledge of business management, as well as, overall, their limited access to new technologies, equipment, and machinery for green production. At the same time, UNIDO suggests that women demonstrate greater interest in environmentally friendly products, both as consumers and as producers/sellers.

Human Rights

The Action will contribute to protecting economic and social rights. Activities included in the Action are focused on promoting circular economy and better water resources management, which will bring positive effects to peoples' health and well-being. The Action further seeks to create a balanced and sustainable economic growth model and consequently more decent job opportunities for citizens. In addition, the Action's focus on improving environmental governance will facilitate access to environmental information, in line with the Aarhus Convention. To recall, on 28 July 2010, through Resolution 64/292, the United Nations General Assembly (UNGA) recognized the human right to water and sanitation and acknowledged that clean drinking water and sanitation are essential to the realisation of all human rights. Furthermore, on 28 July 2022, UNGA passed a resolution recognising the right to a clean, healthy, and sustainable environment as a human right. The action will contribute towards applying these rights in practice.

Disability

As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D0. This implies that the Action does not specifically target the inclusion of persons with disabilities.

Democracy

The Action will aim to reinforce democratic standards by strengthening good governance and engaging citizens and civil society in the preparation and implementation of relevant environmental policies and planning documents. Through its Outcome areas 2 and 4, the Action will offer multiple opportunities to increase the level of dialogue between citizens and public administration, in promoting inclusiveness and assuring equal access to information.

Conflict sensitivity, peace and resilience

Climate change and environmental degradation, including biodiversity and forest loss, are a threat to international stability and security.³⁷ Climate change will have serious consequences for the Eastern Partnership countries, including as concerns the water resources management.³⁸ As part of its Outcome 5, the Action will directly address water security challenges. In order to ensure that measures are well-designed and bring clear benefits for citizens, strong links with the sub-national levels are foreseen.

³⁷ <https://www.consilium.europa.eu/media/48057/st05263-en21.pdf>

³⁸ <https://climateknowledgeportal.worldbank.org/>

Disaster Risk Reduction

By developing and supporting the implementation of river basin management plans, the action will contribute to climate adaptation and disaster risk reduction strategies. It will thus increase the climate and environmental resilience of the Eastern Partner countries, and contribute to the countries' work under the United Nations Office for Disaster Risk Reduction (UNDRR) Sendai Framework for Disaster Reduction.

3.4. Risks and Assumptions

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
1.1 Macro-Environment	Russia's war of aggression against Ukraine and its consequences for investment and project implementation risks in the EaP region.	H	H	A detailed assessment needs to be made of the situation on the ground as regards the needs and possibilities for restoring infrastructure, mitigating security risks and ensuring the sustainability of activities and investments.
1.1 Macro-environment and political priorities	Lack of coordinated and consistent political will towards achieving the objectives of the action.	M	H	Continuous dialogue including at political level with national level authorities on climate and energy policy, explaining the costs of inaction and benefits of action related to the green transition. Flexibility will be kept in reallocating resources to other countries if concerned activities are at the country level.
1.2 Working with the actors outside the Commission and beneficiaries	Lack of full support and cooperation by the beneficiaries during the implementation.	M	M	Alignment with beneficiaries' needs, regular political dialogue with the countries of the region with support from the EU Delegations.
2.2 Operational processes	Delays due to heavy bureaucratic procedures within the beneficiary governments.	H	H	Systematic involvement of the EU Delegations and provision of support to project implementers, blended with careful planning of activities and good knowledge of procedural requirements by the beneficiary governments.
2.2 Operational processes	Institutional tensions or lack of cooperation among various stakeholders, including governmental authorities.	M	M	Involvement of influential stakeholders able to facilitate the achievement of compromise. Coordination with and full use of the Commission's climate policy tools at highest political levels and at technical level across sectors. The project will seek synergies with the work of the EU High Level Advisers in the region.

3.1 Human resources	Significant staff turnover and erosion of institutional memory.	M	M	Ensuring the retention of staff and/or institutional memory through the documentation of files and guidance notes, as well as the promotion of retention policies.
3.1 Human resources	Lack of absorption capacity in beneficiary countries.	L	M	Ensure appropriate sequencing of activities and donor coordination to avoid training fatigue among staff. Ensure tailored capacity building to help offset workload increase on beneficiaries.
3.1 Human resources	Problems in recruiting national experts.	L	M	Transparency of recruitment procedures, including the broadest possible publication of vacancies and active promotion of the positions
5.1 Communication methods and channels	EU visibility and policy dialogue is diluted in favour of implementing partners.	M	M	Strategic communication will be an essential element of the programme. Sufficient resources will be dedicated to this element. Compliance with EU visibility requirements will be regularly monitored and EU representatives will be present in key events.

Assumptions:

- Factors outside the project's control, which might impact the outcome-impact linkage, such as continued political, social, and economic stability in the region, are favourable for implementation;
- There is at least no further degradation of the situation in Ukraine;
- Demand for support outlined in the Action document remains high;
- Understanding of stakeholder needs and legislative processes by the implementing partners;
- Availability of implementing partners and service providers with the necessary technical and legal expertise;
- Regulatory proposals developed with EU support are adopted timely and without being altered;
- Availability of co-financing.

3.5. Intervention Logic

The underlying intervention logic for this action is that the economic recovery and competitiveness of the partner countries can significantly benefit if measures to reduce the costs of pollution and natural capital degradation are implemented. Key areas for continuing and, where possible, upscaling EU support include circular economy, water resources management, and various aspects of environmental law and governance. These areas are also relevant in light of the Global Gateway Strategy implementation. They are also important contributors to peace and stability.

As concerns circular economy promotion, if EU support for resource efficiency and cleaner production in EaP countries continues to be provided, then the impact of volatile energy and commodity prices and increasing water scarcity could be better managed. There is a strong business case for greening economies and thus

helping SMEs to recover and grow. Extensive work has been done for SMEs greening³⁹, including training and on-site advice on resource efficiency and cleaner production measures. If outreach on circular economy adoption is scaled up, then the partner countries will be able to reduce, or at least stabilise, their domestic material consumption.

In the water sector, if comprehensive reforms started already a decade ago are further promoted and completed, where feasible, then the citizens' well-being will increase, and the water sector will become better adapted to the new realities of climate change. If improvements in the water sector management become reality, then investments into cleaner water for people and ecosystems could be increased.

If environmental governance, as a flanking measure that corresponds to the governance pillar of the post-2020 EaP agenda is improved, then the future investments will be nature-positive and contribute to climate objectives. Access to high-quality information is essential for effective policy making.

In the candidate countries, if support for Chapter 27 is provided in the process of approximation, then accession progress is not going to be hold back by an area that is technical complex and very demanding in terms of administrative resources and investment.

If various stakeholder groups are addressed during implementation, the action will increase ownership, impact, and sustainability.

The action assumes that demand for support outlined in the action document remains high and the overall conditions are sufficiently supportive for activities to be carried out in an effective and efficient manner.

³⁹ <https://www.eu4environment.org/news/earth-day-2022-the-eastern-partnership-region-reaffirms-its-commitment-to-investing-in-our-planet-by-greening-the-industrial-sector/>

3.6. Indicative Logical Framework Matrix

Results	Results chain: Main expected results	Indicators	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact 1 Impact 2	The environment and climate resilient economic recovery and development of Eastern Partnership countries is promoted.	Gross Domestic Product Investment flows related to EIP Adjusted Net Savings	To be defined at the country level	Positive trends	World Bank database	<i>Not applicable</i>
Outcome 1	Domestic material consumption reduced or at least stabilised and businesses, in particular Small and Medium-sized Enterprises supported to move towards circular economy	1.1 Domestic material consumption per GDP	1.1 to be defined at the country level	1.1 positive trends	1.1 UNEP reports	Supportive economic context
Outcome 2	EU-compliant, nature-positive and climate-adapted river basin management planning is fully deployed in Georgia, Moldova, and Ukraine while other EaP countries' alignment with EU water law and practices is ensured	2.1 Areas of terrestrial and freshwater ecosystems under sustainable management (ha) 2.2 Number of countries that fully deployed EU-compliant river basin management planning 2.3 Trends in water pollution	2.1 tbd 2.2 1 2.3 decreasing degree of pollution	2.1 tbd 2.2 3 2.3 decreasing degree of pollution	Progress reports	Engagement and capacity of central and local authorities
Outcome 3	Knowledge about the European Green Deal/Chapter 27 is improved and environment-related support in the accession process is received in candidate countries	3.1 Number of additional compliance checks performed	0	30	Progress reports	Timely availability of legal experts
Outcomes 4	The institutional integration in the EU-wide environmental cooperation is increased, including through participation of at least three EaP	4.1.Number of EaP countries taking part regularly in activities facilitated by the EEA	0	3	Progress reports	Adequate EEA engagement

	countries in EEA activities and open sharing of environmental data					
Outcome 5	Compliance with international environmental commitments, in particular within the UNECE framework, is increased and cooperation on transboundary issues is strengthened with a focus on issues relevant for the EU Global Gateway strategy.	5.1 Share of development projects (%) designed and implemented in line with international environmental commitments	Data not available	80%	Data portals, specific reporting	Adequate compliance control and enforcement mechanisms
Output 1 related to Outcome 1	Decision-making tools, including digital ones, in support of green recovery and circular economy are identified and promoted at sectoral and enterprise level	1.1.1 Number of enterprises receiving support by an EU-funded intervention that have adopted Sustainable Consumption and Production (SCP) practices (resource efficient practices, green procurement, green product design, etc.) in their operations.	To be defined at the start of the project	At least additional 600 enterprises per country	Progress reports	Trustful partners able to reach SMEs rapidly and effectively
Output 2 related to Outcome 1	Knowledge and good practice transfer related to the EU Circular Economy Action Plan enabled, companies empowered to make their production greener, and the net of green SMEs clubs is extended	1.1.2 Number of individuals trained by the EU-funded intervention with increased knowledge and/or skills on Sustainable Consumption and Production (SCP) practices, disaggregated by sex, age group and sector	To be defined	At least additional 200 people per country	Idem	Adequate access to finance among SMEs
Output 3 related to Outcome 1	Policy dialogue and business-to-business links in priority green economy sectors are enhanced	1.1.3 Number of enterprises that benefited from business-to-business links	To be defined	To be fine-tuned, at least 100 enterprises	Idem	Functioning governance systems allowing

				per country		for dialogue
Output 1 related to Outcome 2	Additional River Basin Management Plans are prepared, adopted, and their implementation is strengthened, including by using nature-based solutions	2.1.2 Number of river basin plans developed with EU support	11 (2022)	30	Government decisions	Adequate administrative capacity with manageable staff turnover
Output 2 related to Outcome 2	Additional river basin councils are established and supported to be fully operational	2.2.1 Number of river basin councils established and functioning with EU support	To be defined	18	Project reporting	Stakeholder interest
Output 3 related to Outcome 2	Measures for ensuring climate neutrality of wastewater treatment are identified	Number of wastewater facilities reached to promote energy efficiency	0	At least 5 per country	Idem	Adequate price signals and available low-cost solutions and technical capacity
Output 4 related to Outcome 2	Economic aspects of water management are further addressed	Number of additional harmful subsidy schemes analysed	Not available	At least 3 per country	Idem	Solutions for affordability constrains
Output 5 related to Outcome 2	Measures for addressing pollution from priority sectors/sources are identified.	Number of measures identified	Not available	At least 3 per country	Idem	Availability of technical capacity
Output 6 related to Outcome 2	Water monitoring is expanded and a wastewater-based epidemiological surveillance system is established, including further capacity building for COVID-19 monitoring	Number of countries with a fully fledged wastewater epidemiological surveillance system in place	0	At least 3	Project reporting	Effective cooperation between sectors
Output 1 related to Outcome 3	Officials and other stakeholders are acquainted with the European Green Deal/chapter 27	Number of people who acquired new knowledge and skills (gender-disaggregated data)	0	At least 300 people	Project reporting	Manageable staff turnover
Output 2 related to	Compliance checks of draft legal acts performed and their feasibility and	Number of compliance checks performed	0	30	Project reporting	Timely requests and follow up by

Outcome 3	enforceability assessed.					authorities
Output 3 related to Outcome 3	Implementation plans are defined and compliance and enforcement mechanisms promoted.	Number of joint inspection actions conducted	0	At least one per year	Project reporting	Functional public administration and judicial systems
Output 3 related to Outcome 4	Cooperation under the regional Team Europe Initiative facilitated	Quarterly exchange of information organised with the involvement of at least nine Member States	No	Yes	Project reporting	Interest from a sufficient number of EU Member States
Output 1 related to Outcome 4	Regular participation of at least 3 partner countries in Eionet ensured	Number of participants supported to take part in Eionet activities	No	Yes	Project reporting	Manageable staff turnover
Output 2 related to Outcome 4	Portals ensuring the transparency of data and decision-making fully operational	Number of citizens that accessed portals with environmental data	Partly	Fully	Project reporting	Availability of resources for operation and maintenance
Output 3 related to Outcome 4	Air, water, and waste data are regularly submitted to EEA and Eurostat by at least 3 countries	Number of data sets submitted	To be defined	At least 3 per country per year by project end	Project reporting	Idem
Output 4 related to Outcome 4	Regular use of European Air Quality Index and comparable platforms facilitated	Daily submission by three countries	No	Yes	Project reporting	Idem
Output 1 related to Outcome 5	The establishment/functioning of 2-3 international river basin commissions facilitated	No. of commissions established with the support of EU funds Extent to which international river basin commissions are implementing decisions in line with EU/international obligations (0.not implementing; 1. Partially implementing; 2. Fully implementing)	To be defined	At least two commissions At least 30% fully implemented and 50% partially implemented	Project reporting	Will to cooperate effectively
Output 2	Governments and communities assisted	Number of communities reached	Data not	At least 30% of	Project	Effective and

related to Outcome 5	to start addressing the water, climate, and security nexus	and assisted	available	relevant communities	reporting	engaged local authorities
Output 3 related to Outcome 5	Compliance with conventions relevant for the Global Gateway monitored and enabled also in line with the European Green Deal	Number of infrastructure projects with demonstrated compliance checked by the project	Data not available	At least 80%	Project reporting	Existence of mature projects

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3.1 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer in duly justified cases.

4.3. 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 measures⁴⁰.

4.3.1. Indirect Management with a pillar assessed entity/pillar-assessed entities⁴¹

This action may be implemented in indirect management with a pillar-assessed entity, a consortium of pillar assessed entities, or several pillar assessed entities working individually, each responsible for one or several areas of the Action. The pillar-assessed entity/entities will be selected by the Commission's services using the following criteria:

- Practical experience of working in the thematic areas of the action document, including the implementation of the European Green Deal, and capacity to carry out peer-to-peer knowledge transfer as concerns EU regulatory design and implementation;
- Capacity to provide co-funding for action implementation;
- Capacity to implement activities with own personnel or with a minimal degree of outsourcing;
- Excellent logistical and management capacity (human resources, organisational set-up, etc.), including capacity (human resources, organisational set-up, etc.) to collect data, analyse it and report on results;
- Proven long-term and diverse experience, established procedures and tools for channelling assistance in a sustainable manner as evidenced by achievements within previous similar actions/projects;
- Sound knowledge of the Eastern Partnership countries and the regional context and a demonstrated capacity to establish effective working relations with relevant stakeholders in the region and implement impactful projects;
- Proven thematic expertise and experience of working with specific stakeholder groups, including public and private sector actors;

⁴⁰ [EU Sanctions Map](#). 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.

⁴¹ The signature of a contribution agreement with the chosen entity is subject to the completion of the necessary pillar assessment.

- Solid knowledge of specific EU and international legal requirements and standards;
- Prior experience of supporting legal approximation; experience from working in the Western Balkans would be an asset;
- Positive track record of promoting EU visibility when working with the EU and/or its Member States in the Eastern Partnership countries context and capacity to coordinate a consortium, if applicable.

The implementation by this entity/these entities entails carrying out activities and achieving outputs and outcomes identified in section 3. The selection criteria identified above will be common across all areas.

4.3.2. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances

Due to circumstances outside of the Commission's control or in case no compliant pillar assessed entity/entities can be identified, the alternative preferred implementation modality to indirect management will be direct management as follows:

(a) Purpose of the grant(s)

The objective of the grant is to achieve one or several of the outputs/components under outcomes 1-5 of the action.

(b) Type of applicants targeted

The type of applicants targeted are entities corresponding, in general terms, to the criteria listed in Section 4.3.1. The following selection criteria will apply:

- Excellent logistical and management capacity (human resources, organisational set-up, etc.), including capacity (human resources, organisational set-up, etc.) to collect data, analyse it and report on results;
- Proven long-term and diverse experience, established procedures and tools for channelling assistance in a sustainable manner as evidenced by achievements within previous similar actions/projects;
- Sound knowledge of the Eastern Partnership countries and the regional context and a demonstrated capacity to establish effective working relations with relevant stakeholders in the region and implement impactful projects;
- Proven thematic expertise and experience of working with specific stakeholder groups, including public and private sector actors;
- Solid knowledge of specific EU and international legal requirements and standards;
- Prior experience of supporting legal approximation;
- Positive record of accomplishment of promoting EU visibility when working with the EU and/or its Member States in the Eastern Partnership countries context and capacity to coordinate a consortium, if applicable.

A direct award will be used given that advanced and highly specialised technical and administrative competences are necessary for the implementation of this Action.

4.4. 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.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Indirect management with pillar assessed entities	
Indirect management with a pillar assessed entity or several pillar assessed entities – cf. section 4.3.13.1.	20 000 000.00
Evaluation – cf. section 5.2 Audit – cf. section 5.3	will be covered by another decision
Totals	20 000 000.00

4.6. Organisational Set-up and Responsibilities

An oversight mechanism shall be established to ensure coordination and complementarity of the different activity streams within the Action. It may comprise representatives of the European Commissions to ensure strategic guidance of the actions, as well as implementing partners and other stakeholders as appropriate. A steering committee will meet at least twice a year and additionally on a case-by-case basis if such a necessity arises. Performance monitoring and reporting, including in terms of visibility obligations, of the Action will be undertaken in accordance with the signed agreement.

Overall, the implementing partners will also manage the Action in close cooperation with the main stakeholders, counterpart institutions, national regulatory institutions, and administrations. They shall closely coordinate with the relevant EU Delegations in consultation with the European Commission.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

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. To this aim, the implementing partner(s) shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The 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). Performance measurement will be based on the intervention logic and the logframe matrix, including its indicators.

Internal monitoring:

Each of the project activities is related to specific outcomes/outputs and equipped with quantified indicators and deliverables. Throughout the implementation, the achieved results will be checked against original activity plans and project deliverables set as milestones. Indicator-based reporting will be performed based on the logframe. Relevant indicators will have to be disaggregated by country, geographic unit, age group, and gender. Where feasible, data specific for most vulnerable groups should be included.

The implementing partners will be responsible for the day-to-day execution and monitoring of the activities. In case of discrepancies, the project team will propose and introduce corrective measures. The normal procedure for eliminating discrepancies will be (a) recognition of discrepancy, (b) estimation of the level of discrepancy and potential impact (time, quantity and quality wise), (c) definition of reasons (internal and external), (d) preparation of a contingency plan (responsibilities, activities), (e) implementation of a contingency plan and (f) review.

The European Commission will be regularly updated on progress made and any issues encountered. EU Delegations in beneficiary countries will be systematically consulted and informed of annual project work plans and on the progress of any bilateral activity within the project.

Regular internal reporting will be established at the onset of the project with all project stakeholders and will contribute to the overall project evaluation reporting. While the monitoring will be a constant process, at the key milestones of the project, internal evaluation will be implemented.

The project will be subject to the internal monitoring procedures of the implementing partners. The project might be object of result-oriented monitoring (ROM) by the European Commission.

5.2. Evaluation

Having regard to the importance of the action, a final evaluation may be carried out for this action or its components via independent consultants.

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 the action is supposed to complete over a decade of support in some of its areas.

The Commission shall form a Reference Group (RG) composed by representatives from the main stakeholders at both EU and national (representatives from the government, from civil society organisations (private sector, NGOs, etc.), etc.) levels. If deemed necessary, other donors will be invited to join. The Commission shall inform the implementing partner at least 3 months in advance of the dates envisaged for the evaluation exercise and 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 following the best practice of evaluation dissemination⁴². The implementing partner and the Commission shall analyse the

⁴² See best [practice of evaluation dissemination](#)

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

5.3. Audit and Verifications

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 audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document [*Communicating and raising EU visibility: Guidance for external actions*](#) (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds. Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and the EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before the implementation. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

For communication on Team Europe Initiatives, the EU and its Member States can rely on the specific guidance on the Team Europe visual identity.

Appendix 1: IDENTIFICATION OF THE PRIMARY INTERVENTION LEVEL FOR REPORTING IN OPSYS

A Primary intervention⁴³ (project/programme) is a coherent set of results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

- ✓ Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);
- ✓ Articulating Actions and/or Contracts according to an expected common chain of results and therefore allowing them to ensure a more efficient and aggregated monitoring and reporting of performance;
- ✓ Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

The present Action identifies as single action;

Action level (i.e. Budget support, Blending)		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action

⁴³ For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including 'Action' and 'Intervention' where an 'Action' is the content (or part of the content) of a Commission financing Decision and 'Intervention' is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the [concept of intervention](#). *[to access the link an EU Login is needed]*