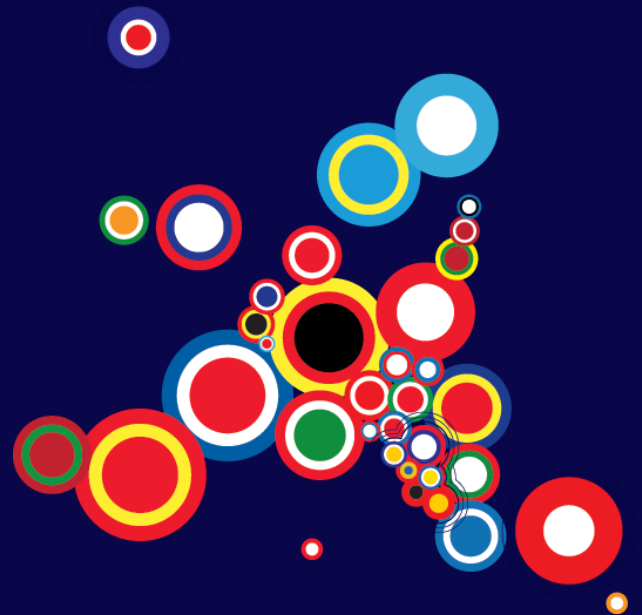




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

MULTI-COUNTRY

Technical assistance
towards implementation of
the new Paris Climate
Agreement



Action summary

The Action is to support the implementation of the 2015 Paris climate agreement in the Western Balkans and Turkey. Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey have formally submitted their contributions to the new climate agreement as a first step towards a resource efficient, low emissions and climate-resilient economy.

In this perspective, the Action will support efforts from IPA II beneficiaries through a project with a limited scope of activities designed to bridge the period between the current multi-annual Environment and Climate Regional Accession Network (ECRAN) and the next IPA II Multi-country Programme 2017.

This technical assistance will be instrumental in keeping the momentum created by the ECRAN programme and supporting IPA II beneficiaries in their climate and energy policy reforms.

Action Identification			
Action Programme Title	IPA II Annual Multi-Country Action Programme 2016		
Action Title	Technical assistance towards the implementation of the new Paris Climate Agreement		
Action ID	IPA 2016/039-320.11/MC/CLIMA		
Sector Information			
IPA II Sector	9. Regional and territorial cooperation		
DAC Sector	43010 – multi-sector aid		
Budget			
Total cost	EUR 0.5 million		
EU contribution	EUR 0.5 million		
Budget line(s)	22.020401		
Management and Implementation			
Management mode	Direct management		
<i>Direct management:</i> European Commission	DG CLIMA/A1		
Implementation responsibilities	DG CLIMA/A1		
Location			
Zone benefiting from the action	Western Balkans and Turkey		
Specific implementation area(s)	N/A		
Timeline			
Final date for contracting including the conclusion of delegation agreements	31/12/2017		
Final date for operational implementation	31/12/2020		
Policy objectives / Markers (DAC form)			
General policy objective	Not targeted	Significant objective	Main objective
Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RIO Convention markers	Not targeted	Significant objective	Main objective
Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Combat desertification	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

Providing support for the implementation of the 2015 Paris climate agreement in the Western Balkans and Turkey is a key factor in IPA beneficiaries' transition towards a resource efficient, low-emissions and climate-resilient economy. The beneficiaries will have to further introduce and implement climate and energy policies, ensure that climate consideration are well integrated into other policy areas and that they have sufficient administrative, institutional and financial capacity to carry out required reforms in relevant sectors.

The action has been designed to bridge a period between the current Environment and Climate Regional Accession Network (ECRAN) programme and the next multi-annual regional project that will be financed under the IPA II 2017 programming. The action will provide support to implementation of climate activities in line with the beneficiaries' commitments or Intended Nationally Determined Contributions (INDCs) and the provisions under the 2015 Paris climate agreement. This will be done through a few selected activities that will enable keeping the momentum created under the ECRAN.

Since 2014, the beneficiaries have mobilised significant resources and a wide spectrum of stakeholders to develop and adopt their INDCs to the 2015 Paris climate agreement under the United Nations Framework Convention for Climate Change (UNFCCC). As the INDCs are profound politically binding commitments, they will mean significant economic and other reforms in all IPA beneficiaries, and this with the 2030 perspective. Coherence of these commitments with energy, transport, agriculture, environment and other policies is a key in the years to come. For beneficiaries to implement their climate commitments, robust climate policies and strategies will need to be in place together with national systems for greenhouse gases monitoring and reporting.

Climate change poses a challenge of large scale decarbonisation of the economy in the coming decades. This challenge will however also bring opportunities for economic growth and green jobs and contribute to improvement of air quality and citizens' health. The European Union has committed to reduce greenhouse gas emissions by at least 50% by 2050 compared to 1990 and be near zero or below by 2100. In order to reach this goal two intermediate milestones were set for 2020 and 2030 respectively. Legal implementation packages were adopted for 2020 (currently being implemented) and are in the process of being prepared and adopted for the 2030 framework for climate and energy policies.

In order to fully align with EU climate policy and acquis, beneficiaries need to continue working towards greenhouse gases emissions reduction targets consistent with the EU 2030 framework for climate and energy policies and the foreseen outcomes of the Paris 2015 climate agreement. In addition, efforts to promote convergence with EU climate legislation will need to continue and be stepped up. This particularly refers to the legislation on the EU Emission Trading System (ETS) a cornerstone of the European Union's policy to combat climate change and its key tool for reducing industrial greenhouse gas emissions cost-effectively, as well as the Monitoring Mechanism Regulation (MMR). The MMR is one of the key climate pieces of legislation, which promotes transparency, accountability and compliance in reporting on greenhouse gases (GHG) reductions as per EU legislation and the international obligations under the UN Framework Convention on Climate Change (UNFCCC).

OUTLINE OF IPA II ASSISTANCE

The regional cooperation already established under RENA and strengthened and consolidated by ECRAN has been promoting win-win solutions and seizing synergies at the regional level. In the beginning this has focused on alignment with EU acquis, but now that beneficiaries are implementing their national IPA climate projects, focus has been shifting towards exchange of information, best practices, experience and awareness-raising between and among the IPA beneficiaries. The beneficiaries also have the possibility to learn from the experience of the EU Member States and to prepare themselves better for the accession process.

The current ECRAN programme has been supporting the strengthening of the regulatory cycle for aligning with climate policies and legislation.

The Action is to support the implementation of the 2015 Paris climate agreement in the Western Balkans and Turkey. It will support efforts from the beneficiaries in this process through a short-term project with a limited scope of activities to bridge the period between the current multi-annual ECRAN and the next multi-annual project to be financed from IPA II 2017 programming. The action would enable beneficiaries to focus on specific elements in the implementation of their climate commitments thus keeping the momentum created by ECRAN.

Kosovo*, although not a party to the UNFCCC, has prepared a Low Emission Development Strategy and a Strategy for Adaptation to Climate Change. This Action should support also their efforts in transformation towards a resource efficient, low emissions and climate-resilient economy.

In addition, the action could provide support to alignment with EU climate acquis, in particular to the EU ETS and MMR. However, due to limited funds, the action should focus on some climate awareness actions on climate policy and on provisions of the 2015 Paris climate agreement and some further support to convergence with EU ETS and MMR legislation. The action should simultaneously address both the high-level raising awareness and work on technical level. The main direct beneficiaries will be ministries in charge of environment and climate policy issues, as well as other ministries in so far as their work is relevant for the scope of the project (such as in the fields of energy, transport, economy, agriculture, etc.), environment agencies and other relevant central, regional and local public authorities working on climate, environment and energy issues in the beneficiaries.

RELEVANCE WITH THE IPA II MULTI-COUNTRY STRATEGY PAPER AND OTHER KEY REFERENCES

The **Multi-country Indicative Strategy Paper 2014-2020**¹ (hereinafter referred to as the Strategy Paper) establishes environment and climate action as one of the priorities under the regional structures and networks axe where it is clearly stated that "the Environment and Climate Regional Accession Network (ECRAN) provides an interface between the regional aspects of environmental protection and climate action and the respective national priorities, helping the beneficiaries to exchange information and experience related to the preparation for accession and to assist their progress in the transposition and implementation of EU environmental and climate acquis."

Regional investment support should be directed towards projects having a clear regional dimension which contribute to the socio-economic development of more than one IPA II beneficiary and address in particular investment needs related to the development of the competitiveness of businesses, the connectivity between the IPA II beneficiaries and the EU Member States, protection of the environment and mitigation of and adaptation to climate change.

Investing in the area of **environment and climate action** to promote protection of the environment, quality of life particularly in the areas of water, waste management and air pollution, climate change adaptation and mitigation including disaster risk reduction, and the development towards a resource-efficient, low-carbon and climate-resilient economy.

It will be shaped to be consistent with other EU policies in the same area, in particular with the Europe 2020 strategy and applicable EU macro-regional strategies, the flagship initiatives of the EU to boost growth and jobs and the climate policy objectives of the EU.

Other references in the Strategy Paper that establish the expected role of ECRAN are the following: "Regional structures and networks are expected to make a major contribution to the development of the beneficiaries in particular in the following sectors, including Environment and Climate Change – through initiatives such as ECRAN. IPA beneficiaries will continue to be assisted in developing their strategic thinking and planning the transposition and implementation of the Environment and C [sic] [Climate] acquis,

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

¹ C(2014) 4293, 30.06.2014.

including their investments needs and their prioritisation by the Environment and Climate Regional Accession Network (ECRAN)".

The action will be implemented in line with the priorities identified in the Strategy paper but also in line with the relevant EU policies, such as the EU 2030 framework for climate and energy policies, which encourages Member States to develop their own climate policy and legislative frameworks and set emission reduction targets to enable implementation of intended nationally determined contributions to the 2015 Paris Climate Agreement.

This is further supported by the **2015 Enlargement Strategy** and the beneficiaries **Annual Reports** which confirm the need to support for significant reforms consistent with the EU 2030 framework for climate and energy policies and to the implementation of beneficiaries INDCs to the 2015 Paris Climate Agreement.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Regional co-operation in the environment and climate area has been supported by the European Commission for almost a decade, starting in 2005 with the Regional Environmental Reconstruction Program for South-East Europe (REReP), continuing with the Regional Environmental Network for Accession (RENA) covering the period 2010 -2013 and followed by the ECRAN programme as from October 2013 until October 2016.

The earliest initiatives aimed at providing to the beneficiaries a framework to establish, strengthen and improve their capacity to deal with the implementation challenges. These projects have been very successful in fostering and facilitating the dialogue at regional level but also between the region and the EU Member States.

Following the establishment of DG Climate Action in 2012, a dedicated Climate Component was set up under ECRAN in 2013. Its overall objective was to enable the beneficiaries to continue setting up their administrative and institutional structures, developing strategies and implementing actions in the field of national climate policies aligning with EU Acquis.

RENA started a process of awareness-raising and promotion of environment and climate issues at national and regional level that is being continued by ECRAN. Due to RENA activities, several ministries, authorities, industry, NGOs and other relevant stakeholders had become more actively involved and had taken steps to consider environmental and climate impacts of their activities.

The ECRAN programme (2013-2016) has been strengthening regional cooperation between the IPA beneficiaries in the fields of environment and climate action. The project has been assisting their progress in transposition and implementation of EU environment and climate acquis through targeted trainings with and exchange of experience and best practices with EU Member States' public administration experts.

So far, activities under ECRAN Climate Component focused not only on developing climate policies and legislation to align with EU climate acquis, but also on actual implementation modalities. The work is being carried out in four Working Groups (WG) on:

- 1) Climate Policy Development with focus on high-level raising awareness events, trainings on specific pieces of legislation and technical work on developing INDCs.

In the first WG, activities have been implemented that target the development of concrete climate policies, setting GHG emission reduction targets in the context of the EU 2030 framework for climate and energy policies and the need to feed into the 2015 international climate agreement. As such ECRAN has provided concrete technical assistance for the development of INDCs. The initiative has succeeded to promote and ensure that all ECRAN beneficiaries² tabled their INDCs in time to the UNFCCC Secretariat. This was done through high level dialogues between the beneficiaries and the European Commission and the fielding of a

² All ECRAN beneficiaries that are also parties to the UN Framework Convention on Climate Change: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey.

mix of international and local expert teams to assist with the actual drafting of the INDCs for and together with some of the beneficiaries.

- 2) EU Monitoring Mechanism Regulation (MMR) – enables transparency, accountability and compliance in reporting on the greenhouse gases (GHG) reductions. Trainings have focused on development and improvement of national GHG inventories.

In the second WG, special attention has particularly been paid to the development of national GHG inventory systems and reporting in line with the UNFCCC requirements and the EU Monitoring Mechanism Regulation. Practical and technical training has been provided in preparing the beneficiaries' GHG inventories, while the focus in 2016 will be aimed at supporting the set-up of the national systems that will allow the reporting on GHG inventories on a continuous basis.

- 3) EU Emission Trading System (ETS) – a key tool for reducing industrial greenhouse gas emissions cost-effectively.

Within its third WG, ECRAN has also been providing assistance on the development of roadmaps and practical training on the EU Emission Trading System (ETS), as one of the main tools of the EU to achieve concrete GHG emission reductions in the context of the EU 2030 framework for climate and energy policies. The main focus so far has been on the setup and training on monitoring, reporting and verification requirements of the ETS with public administration, industry and businesses as target groups.

- 4) Adaptation – trainings and workshops have focused on adaptation activities to supplement mitigation action.

Furthermore, in the field of adaptation, ECRAN has been providing capacity building on the use of existing adaptation-related tools and on the risk and vulnerability assessments.

In the above context, the key results of the ECRAN activities will enable beneficiaries to advance considerably in their approximation to EU climate acquis and to prepare their economies and societies for the threats and opportunities that climate change brings. Once the ECRAN is finalised, its results will be taken into consideration in the implementation of this action so as to ensure complementarity of actions.

It will be crucial to maintain the beneficiary commitment also on the ministerial level and enable involvement of all relevant stakeholders, given the challenges in implementation of the Paris Agreement and its provisions. Furthermore, it will require alignment with the EU legislative packages under the 2030 Framework for Climate and Energy Policies, including legislation on monitoring and reporting as well as EU ETS, among others.

During the inception of ECRAN, it was decided that the TAIEX facility would complement the implementation of the project, by making available the MS experts and providing for logistical set up.

ECRAN has brought the environment and climate change more strongly on the agenda of the national decision makers and has been promoting stronger working relations and cooperation between relevant stakeholders, including the strengthened networks of experts.

One of the positive outcomes of the ECRAN programme activities and the climate diplomacy action plan, as implemented by DG CLIMA and EEAS in 2015, is an increased visibility of climate change issues, which contributed to strengthened administrative capacity, greater climate change awareness and improved inter-institutional coordination. ECRAN supported it through the regional cooperation, exchange of information and good practices and providing technical and policy expertise. These efforts culminated in beneficiaries submitting their INDCs to the UNFCCC Secretariat, providing for the first time for a coherent climate and energy narrative.

IPA beneficiaries have in numerous occasions expressed their commitment to ECRAN and its follow-up programme. Given the high number of trainings and workshops provided in the region and given the limited administrative capacity of the beneficiaries, ECRAN has been organising more hand-on assistance, study trips to Member States and more homework for participants, providing for very active involvement. These all seem as a good way forward.

For all IPA beneficiaries, the Annual Reports for 2015 emphasise again the need for strengthening the administrative capacity at local and national level and inter-institutional cooperation. They also stress the

need for strategic planning in legislative alignment, implementation and enforcement of climate change legislation, with particular emphasis on the implementation of the commitments of the INDCs under the Paris climate agreement. The ECRAN has been implementing series of activities to address these issues, and the action will need to continue addressing these.

A Results Oriented Monitoring (ROM) mission was carried out in autumn 2014, roughly a year after the start of the project. Key observations were that:

- the project is using IPA funds to support a closer engagement of ENV and CLIMA and the IPA beneficiaries;
- the objectives of the project are jeopardised by an insufficient commitment of the beneficiary;
- the NEAR programme manager does not have sufficient input into management decisions and is not informed about the progress of the project.

The ROM recommendations are the following: "The Contracting Authority and Contractor should: 1) establish a better link between resources allocated, activities and target results to provide a better results oriented focus; 2) include the TAIEX costs and activities in the progress reporting (financial and narrative); 3) consult with the DG NEAR programme manager on all aspects of the strategic assessment activities and the development of the assessment and compliance tools."

Besides implementing the ROM recommendations, more focus should be given to the visibility issues and dissemination of results. As this action will be sub-delegated to DG CLIMA, the issue of involvement of DG NEAR programme management in strategic assessment activities will pose no problem. The ROM also did not distinguish between the different components, as there is a clear link between the activities and targeted results under the Climate component.

DG NEAR is considering another evaluation of the ECRAN programme, which may affect the activities under the Environment and Climate components. It is at this point impossible to say what impact this may have on the activities proposed under this action. This will be revisited at a later stage.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	
To contribute to climate change mitigation and adaptation and the development towards a resource-efficient, low-emissions and climate-resilient economy	GHG emissions gt CO2 equivalent/year GDP emissions per capita Energy balance Energy intensity of industry Share of renewables in energy mix Climate and Energy strategies, consistent with the EU 2030 Framework for Climate and Energy policies	European Commission Progress Reports UNFCCC National Communications and Biennial Reports International Energy Agency GHG inventory reports National Statistics Institutes OECD Statistics WB Statistics	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	ASSUMPTIONS
To support the beneficiaries to build their capacity towards the implementation of the 2015 Paris Climate Agreement and to provide further support to low emissions development To support regional cooperation through the exchange of information, best practices, experience and awareness-raising between and among IPA beneficiaries.	Plans for implementation of the 2015 Paris Climate Agreement Formal and informal cooperation networks/platforms for exchange of information, best practices, experience and awareness-raising	European Commission Progress Reports Official Gazette	Paris Climate Agreement is adopted. Political commitment from beneficiaries Sufficient administrative capacity of the beneficiaries Local ownership of Action outputs Continued government commitment towards the climate and energy reforms Continued government commitment towards EU integration process
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	ASSUMPTIONS
Result 1: Awareness on the outcomes and provisions of Paris climate agreement improved. Result 2: Upgrades of national GHG monitoring and reporting practices supported. Result 3: Strengthening the monitoring, reporting, accreditation and verification (MRV) requirements targeted at: - operators, - authorities and - verifiers under the EU ETS.	Number of workshops and/or high-level dialogues held. Number of civil servants trained at the workshops/high-level dialogues held with the support of this Action. Number of institutions involved in areas of climate action, energy, climate resilience. Greenhouse gas (GHG) Inventory Reports for EEA submitted. GHG Inventory Reports for UNFCCC submitted. National Communications, Biennial Reports for UNFCCC submitted. Number of civil servants able to assess/approve Management Plans. Number of industrial installations involved in training/number of staff trained on how to prepare Management Plans.	European Commission Progress Reports EU Delegations press releases. International Energy Agency European Environment Agency UNFCCC Project Reports. EU Delegations press releases.	Political commitment from beneficiaries Sufficient administrative capacity in the beneficiaries Concrete steps are taken towards preparing Strategies and legislation. GHG Inventory Reports improved to ensure that commitments under the 2015 Paris Climate Agreement can be monitored and reported on. Guidelines on monitoring and reporting and accreditation and verification are drafted and used towards implementation of the EU ETS, as a key policy in emissions reduction.

	Number of verifier companies involved in trained/number of staff trained on verifying Management Plans. Number of guidelines for operators/authorities/verifiers on monitoring and reporting and accreditation and verification drafted.		
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DESCRIPTION OF ACTIVITIES

Although ideally the work currently carried out by ECRAN would be continued through the existing working groups, the action due to financial and time constraints will only be able to provide a regional platform for some specific activities. Their primary purpose would be to support the implementation of beneficiaries' INDCs under the 2015 Paris climate agreement.

The specific objective of the project is to:

- Support the beneficiaries to build their capacity for the implementation of the 2015 Paris climate agreement. The beneficiaries have formally submitted their contributions (INDCs) under the new climate agreement as a first step towards a resource efficient, low emissions and climate-resilient economy. In order to be able to move forward they would need to implement ambitious climate and energy policy reforms. However, the action will focus only on a limited set of activities due to time and financial constraints.
- The regional character of the cooperation under action will help the exchange of information, best practices, experience and awareness-raising between and among IPA beneficiaries. The regional cooperation already established under RENA and strengthened and consolidated by ECRAN will be promoting win-win solutions and seizing synergies at the regional level. The beneficiaries will have the possibility to learn from the experience of the Member States and to prepare themselves better for the accession process.

The following results will be achieved through the implementation of the action:

1. Climate policies and strategies to support implementation of IPA beneficiaries' commitments under the Paris climate agreement identified.

- *Enhanced awareness on the outcomes and provisions of the Paris climate agreement*
- *If funds available: development and implementation of some policies and strategies to align with low emissions pathways*

The action will support capacity building actions for preparing of concrete climate policies with GHG emissions reduction targets in the context of EU 2020 Climate and Energy Package, the EU 2030 framework for climate and energy policies and the outcome of the 2015 Paris climate agreement.

It will also address regional and/or national raising-awareness events on the outcomes and provisions of the Paris climate agreement.

Activities could include:

- A regional exercise, with a special focus on the application of modelling, scenario development as well as tools for the preparation and implementation of low emission strategies. Further training on analytical tools (low emissions scenario modelling and pathways using various modelling platforms);
- Modelling studies of low emissions pathways (implications for energy mixes) of beneficiaries;
- Regional and/or national high level EU/Beneficiary dialogues: This activity is designed as a demand driven mechanism, where project could also provide hands on assistance on specific requests (e.g. practical assistance and short missions to support the drafting, fine-tuning and implementation of key policy documents and legislation on low carbon development, mitigation and adaptation as well as related assessments of social and economic impacts).

2. Plans for capacity building on national GHG inventories prepared

- *Upgrading of some (in view of the limited funds available) national GHG monitoring, reporting and verification practices towards compliance with Paris agreement and its subsequent developments as well as with the EU Monitoring Mechanism Regulation – National systems, data management and QA/Q*
- *Regional NIR Development Exercise – depending on the state of play of national GHG inventories*

The beneficiaries need to start developing robust national inventory systems that are capable of preparing complete, accurate and transparent annual greenhouse gas inventories, inventory related chapters of the biennial reports as well as national communications in line with the UNFCCC requirements and the EU Monitoring Mechanism Regulation (MMR). The long term goals for each IPA II beneficiary will be to be self-sufficient in producing regular high quality GHG inventories suitable for NC, BUR, INDC and MMR reporting.

The following activities are proposed to be implemented:

- Legal and institutional gaps analysis for national systems capable of implementing MMR requirements: this includes development of simple and extendible GHG inventory database systems and template documents for beneficiaries;
- Developing implementation plans for national systems implementation including tasks for Single National Entities, sectoral GHG inventory work using CRF software tools, QA/QCs plans;
- Sector training on CRF filling for the energy sector, Industry, AFOLU and Waste;
- Targeted assistance to ECRAN beneficiaries on selected priority themes for national systems.

Regarding the Regional NIR Development Exercise, activities are targeted at ensuring the timeliness, transparency, accuracy, consistency, comparability and completeness of GHG reporting by the ECRAN beneficiaries, including progress in the emission reduction commitments of ECRAN beneficiaries following the Paris Climate Agreement.

Work is proposed to be a **shadow National Inventory Report exercise** following the MMR requirements for the structure, format, submission process and review of the information reported by Member States and potentially establishing the substantive requirements for a Union inventory system and transposing relevant international developments (e.g. regarding the global warming potentials) into this system. The purpose is to gradually improve skills and structures and quality of data to allow recurring GHG inventory reporting.

The following activities are proposed to be implemented on a **voluntary basis**.

- Regional exercise on annual and targeted at complete National Inventory Reporting for the IPA beneficiaries. This exercise is proposed to be implemented in line with the procedures and deadlines as specified by the on voluntary basis, with peer review mechanisms by MS experts and EEA and with proposed deadlines in parallel with the ongoing annual activities related to the development of the EU NIR.
- Peer review of submissions by Member States experts: Engaging in a peer/bilateral review with inventory.
- Improvement planning and QA/QC mechanisms.

3. Monitoring and reporting, and accreditation and verification requirements targeted at operators, authorities and verifiers, CSOs under the EU ETS strengthened.

- *Some ETS implementation steps achieved such as support for further development of road maps*
- *Some capacity building on ETS implementation such as on monitoring, reporting and verification procedures*

Work will focus on the legal and institutional requirements related to EU ETS implementation. It will be based on best practices and experiences from Member States.

The following activities will be considered.

- IPA beneficiaries will be assisted, as far as possible, with the approximation of any existing procedures and methodologies to those established under the ETS Directive.
- The feasibility to coordinate/consolidate national registries with that of another Member State can be investigated, including the assessment of the technical requirements for establishing and operating the national registry, paying close attention to the Union Registry. IPA beneficiaries should also phase in their provisions and procedures to the allowance scheme, comprising a certain amount of allowances provided for free to installations belonging to the listed sectors and sub-sectors set out in Decision 2010/2, which are considered at particular risk for carbon leakage. Installations which meet certain efficiency benchmarks are eligible for certain or all allowances for free (provided it is not power stations).

- IPA beneficiaries could also start guiding operators regarding permitting requirements and requisites for monitoring and reporting and for the verification of annual emission reports and should provide for the necessary procedures in respect of the accreditation of verifiers. As a first step MMR and AVR aspects could be developed for a future ETS system.
- The necessary capacity building will be determined, both logistically and in terms of human resources. Considerable time is needed to ensure that stakeholders are well aware of the legal implications of the directive, and the authorities involved should agree on a plan to ensure that the time-frames for the implementation of the obligations stipulated in the directive will be respected, while at the same time guaranteeing the accuracy, transparency and comparability of the information submitted.
- The option of developing a regional ETS, modelled along the EU ETS will be explored as well. Linking the EU ETS with these other cap-and-trade systems offers several potential benefits, including reducing the cost of cutting emissions, increasing market liquidity, making the carbon price more stable, levelling the international playing field and supporting global cooperation on climate change.
- The option to participate in the compliance forum or other EU Member States networking activities as observer parties will be considered as well for this Sub-Working Group

Regarding capacity building on ETS implementation, the activity will be focused on stakeholders' training (competent authorities, operators, verifier, accreditation bodies, etc.) on the requirements under the directive. Following the training programme under ECRAN, further training topics will be established, including Monitoring, Reporting, Accreditation and Verification (MRAV) but also other aspects like Permitting, Allocation and issuing of allowances through auctioning, Benchmarking, Carbon leakage, Auctioning, Preparation of National Implementing Measures (NIMs), Registries, Kyoto protocol project mechanism credits, Aviation inclusion into the EU ETS, Public participation, Reporting.

The following activities could be considered.

- Continued regional training programme on the EU Monitoring and Reporting, and Accreditation and Verification Regulations targeted at operators, authorities and verifiers, CSOs.
- Training on other ETS related topics on the basis of a training needs assessment and in line with the ETS implementation planning processes in the ECRAN beneficiaries.
- Training missions from Member States experts to the ECRAN beneficiaries

4. Adaptation options explored

In view of the limited funds, no continuation of work on adaptation to climate change is included.

RISKS

The identified assumptions/risks for the project are:

- Short duration and limited funds allocated to a regional project;
- Institutional support of relevant authorities to engage in regional cooperation and exchange of best practices;
- Resources made available by the beneficiaries for participation in activities;
- High level of institutional stability without major shifts in responsibilities of ministries, other institutes and /or agencies, or shifts of key staff involved in the project implementation;
- Willingness of other sectors within the public administrations of beneficiaries to cooperate with their colleagues in the environment and climate sectors.

CONDITIONS FOR IMPLEMENTATION

The 2015 Paris climate agreement is adopted and provides for implementing decisions which govern parties' responsibilities under the new agreement as well as necessary follow-up work. The information about the agreement can be obtained at the UNFCCC website at www.unfccc.int.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

- ***European Commission/DG CLIMA***

The action will be directly managed by DG CLIMA/A.1, which will be responsible for the coordination of the action inside DG CLIMA, with DG NEAR, the EU Delegations (EUDs), but also with other Directorates-General (DGs) and external partners. DG CLIMA/A.1, in consultation with all partners, will decide on the direction to give to the action.

- ***European Commission/DG NEAR***

DG NEAR will be associated to the implementation of the Action for activities related to the alignment with EU acquis.

- ***National authorities***

The national authorities will be the key actors of the action. The main interlocutors will be ministries in charge of environment and climate policy issues, as well as other ministries in so far as their work is relevant for the scope of project (such as in the fields of energy, transport, economy, etc.), environment agencies, statistical institutions, and other relevant central, regional and local public authorities working on environment and climate issues in the beneficiaries.

IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

The action will be managed directly by DG CLIMA/A.1. It will be implemented through a service contract which should be signed during 2016. The tender procedure, and subsequently the action, will follow the rules set by the Practical Guide for Procurement and Grants for European Union external actions (PRAG).

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

The action will be run according to the PRAG which set the general standards for monitoring and reporting.

The day-to-day monitoring of the action will be carried out by the Task Manager in DG CLIMA. In the perspective of this exercise, s/he will use the reports produced by the Consultant. S/he will also have regular contacts with DG NEAR Regional Cooperation and Programmes unit as well as DG NEAR geographical desks and EUDs and, when relevant, with the national authorities in order to monitor the action as closely as possible to its implementation.

DG NEAR will be closely involved in particular in the monitoring of the action for all activities related to the alignment with the EU *acquis*.

The European Commission may carry out a mid-term, a final or an ex-post evaluation for this action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the action might be subject to external monitoring in line with the European Commission rules and procedures.

The Result Oriented Monitoring (ROM) mechanism will thus be used to support the monitoring of the action.

INDICATOR MEASUREMENT

Indicator	Baseline (value + year) (2)	Target 2018 (3)	Final Target (year) (4)	Source of information
MCSP indicator (impact/outcome)....(1)				
<p>Number of workshops and/or high-level dialogues raising awareness on the 2015 Paris Climate Agreement held.</p> <p>Number of civil servants in the workshops/high-level dialogues.</p> <p>Number of institutions involved.</p>	<p>Climate/low emissions/climate resilience/energy strategies and legislation in place</p>	<p>New and updated climate/low emissions/climate resilience/energy strategies and legislation in place</p>	<p>The Paris Climate Agreement ratified in the national parliaments.</p>	<p>European Commission Progress Reports EU Delegations press releases. Project reports Project website</p>
<p>Plans for implementation of the 2015 Paris Climate Agreement</p> <p>Formal and informal cooperation networks/platforms for exchange of information, best practices, experience and awareness-raising</p>				<p>International Energy Agency European Environment Agency United Nations Framework Convention on Climate Change Project reports, Guidance documents and manuals Project website</p>
<p>Number of workshops and/or high-level dialogues held.</p> <p>Number of civil servants trained at the workshops/high-level dialogues held with the support of this Action.</p> <p>Number of institutions involved in areas of climate action, energy, climate resilience.</p> <p>Greenhouse gas (GHG) Inventory Reports for EEA submitted.</p> <p>GHG Inventory Reports for UNFCCC submitted.</p> <p>National Communications, Biennial Reports for UNFCCC submitted.</p> <p>Number of civil servants able to assess/approve Management Plans.</p> <p>Number of industrial installations involved in</p>				<p>Project Reports EU Delegations press releases Guidance documents and manuals Project website Workshop evaluations</p>

<p>training/number of staff trained on how to prepare Management Plans.</p> <p>Number of verifier companies involved in trained/number of staff trained on verifying Management Plans.</p> <p>Number of guidelines for operators/authorities/verifiers on monitoring and reporting and accreditation and verification drafted.</p>				
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- (1) This is the related indicator as included in the Indicative Strategy Paper (for reference only)
- (2) The agreed baseline year is 2010 (to be inserted in brackets in the top row). If for the chosen indicator, there are no available data for 2010, it is advisable to refer to the following years – 2011, 2012. The year of reference may not be the same either for all indicators selected due to a lack of data availability; in this case, the year should then be inserted in each cell in brackets. The baseline value may be "0" (i.e. no reference values are available as the Action represents a novelty for the beneficiary) but cannot be left empty or include references such as "N/A" or "will be determined later".
- (3) The target year CANNOT be modified.
- (4) This will be a useful reference to continue measuring the outcome of IPA II support beyond the 2014-2020 multi-annual financial period. If the Action is completed before 2020 (year for the performance reward), this value and that in the 2020 target column must be the same.

5. CROSS-CUTTING ISSUES

GENDER MAINSTREAMING

The Action which targets legislative and institutional aspects will not have immediate effects on gender equality and may therefore not be marked as gender significant.

The development of the action will nevertheless ensure equal opportunities for women and men to participate in its implementation and in the selection of experts.

EQUAL OPPORTUNITIES

Equal opportunities will be mainstreamed in all the relevant activities of the action. The development of the action will require professional qualifications and competences guaranteeing equal opportunities for its implementation and selection of experts.

MINORITIES AND VULNERABLE GROUPS

The poorest being most vulnerable to the impacts of climate change, the Action is of particular importance to minorities and vulnerable groups, as well as to refugees.

Participation in the implementation of the action will be guaranteed on the basis of equal access regardless racial issues or ethnic origin, religion and beliefs, age or sexual orientations.

ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)

The current ECRAN programme has as objective to build and strengthen civil society organisations working in environment and climate change areas. This has been carried out through the Environment and Climate Forum, a network of 21 environmental and climate change non-governmental organisations. The NGOs Dialogue was established in 1999 with the European Commission's support and has enabled over the last 15 years the creation of a network of selected NGOs from IPA beneficiaries while providing them an opportunity to become an active and constructive partner for national public administrations. Building on the previous achievements ([NGOs Forum of 2004 - 2008](#) and the [NGOs Environment Forum of 2009 – 2012](#)) the NGOs Environment and Climate Forum was incorporated under the ECRAN as a horizontal element, covering environment and climate components.

As such, the overall objective of the Environment and Climate Forum (ECF) has been to strengthen the role of public participation in the approximation and accession process. In doing so, the ECF has been providing wide ranging opportunities for the civil society and its active involvement in the approximation process, assisting in capacity development of the NGO sector and providing opportunities for improving the stakeholders' dialogue.

Given the restrictions on the funding and timing, the action would be able to provide for only limited involvement of climate NGOs to mainly focus on the awareness-raising activities.

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

The action has a direct link to EU climate acquis, and due to limited funding and timing it will primarily focus on the EU Emissions Trading System and the Monitoring and Reporting Regulation (MMR). The action will provide support to implementation of climate activities in line with IPA beneficiaries' commitments or Intended Nationally Determined Contributions (INDCs) and the provisions under the 2015 Paris climate agreement, and will be focused on support to climate action on mitigation and adaptation to climate change.

6. SUSTAINABILITY

To ensure sustainability of the action, beneficiary must not only have administrative and institutional capacity in place to transpose EU climate acquis and align with the EU climate policies, they should also ensure implementation of those policies and laws.

7. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the European Commission (DG NEAR) will have to be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

The Consultant and the European Commission will have the responsibility of the communication and visibility activities during the implementation of the action. The European Commission (DG CLIMA and DG NEAR) shall be fully informed of their planning and implementation. It is their responsibility to keep the EU Delegation and the European Commission fully informed of the planning and implementation of the specific visibility and communication activities.

In line with the recommendations from the ROM report, particular attention will be given to visibility and dissemination of the results of the Action.