

## Action Fiche for ENPI Regional South Action Programme 2011 Part 3

### 1. IDENTIFICATION

Title/Number	Clima South: Support for Climate Change Mitigation and Adaptation in the ENPI South region, ENPI/2011/23082		
Total cost	EU contribution: EUR 5 million		
Aid method / Method of implementation	Project approach, centralised management		
DAC-code	41010	Sector	Environmental policy and administrative management

### 2. RATIONALE

#### 2.1. Sector context

The proposed project *Support for Climate Change Mitigation and Adaptation in the European Neighbourhood Policy (ENP) South region* (short: *Clima South*) has been developed to strengthen climate change policy formulation and implementation in the ENP South Mediterranean Partner Countries through regional cooperation. In line with the priorities set down in the Joint Communication of 8 March 2011 of the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy, entitled "*A partnership for democracy and shared prosperity with the Southern Mediterranean*"<sup>3</sup>, the project will contribute to the implementation of the European Neighborhood and Partnership Instrument (ENPI) South Regional Strategic Paper and the ENPI Regional Indicative Programme 2011-2013 with regard to climate change mitigation and adaptation.

The Mediterranean has been identified by the Intergovernmental Panel on Climate Change (IPCC) as being especially vulnerable to climate change. Many of the impacts (increased risk of drought/floods, longer fire season, reduction in crop productivity, and others) are common across the region, yet only few ENP South countries have produced robust mitigation and adaptation plans. If the ratio of per capita emissions is still rather low, their populations are growing fast and projections under a business as usual scenario show a significant increase in energy demand and greenhouse gas emissions in the coming years. All ENP South countries have potential to voluntarily contribute to mitigation efforts through energy efficiency, renewable energy, or carbon capture and storage. They have invested in the clean-development mechanism (CDM) with relative success and are all interested in maximizing synergies between low carbon activities and sustainable development. At this historic moment of the "Arab Spring", it is crucial that ENP South countries address their economic problems and future challenges by taking into consideration climate change related issues. In this context, opportunities for low carbon

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<sup>3</sup> COM(2011)200

development strategies together with sustainable production and consumption approaches should be pursued in the Mediterranean region.

The EU and most of the ENP South countries are contracting parties to the United Nations Framework Convention on Climate Change (UNFCCC) and to the Kyoto Protocol. Apart from the oPt, all ENP South countries are listed as non “Annex I Parties” under the UNFCCC, and are thus regarded as developing countries in this context. The EU should cooperate with ENP South countries on both adaptation and mitigation, in view of consolidating and strengthening the international framework as last expressed in the Cancun Agreements of December 2010 (commitment to limit global warming to 2 degrees Celsius).

In its relations on climate change with other countries, the EU is committed to lead by example. Indeed the Union is on track to meet its Kyoto target by the end of 2012 and has unilaterally committed to reduce its greenhouse gas (GHG) emissions by 20% in 2020 as compared to 1990 levels. In order to achieve this target and to prepare the development of a low carbon society by 2050, the EU has taken other important commitments to significantly develop renewable energy and improve energy efficiency by 2020 with the adoption of the Climate and Energy Package, through ambitious climate policies and laws, sustainable consumption and production policies, and other relevant initiatives. The EU is willing to increase its 2020 GHG-reduction target to 30%<sup>4</sup> as part of a genuine global effort to combat climate change and is already looking ahead to 2050 by planning to reduce its emissions by 80-95% as compared to their 1990 levels. The EU therefore has important experience to share, and it is vital that EU leadership to fight against climate change remains visible, including by showing the way for cooperation on climate change on a bilateral and regional basis.<sup>5</sup>

## 2.2. Lessons learnt

ENP South countries are quite different in terms of their natural resources and energy consumption, even when belonging to the same sub-region (Maghreb or Mashreq). In none of them is climate change per se a priority, despite the fact that the population is becoming increasingly vulnerable. There have been efforts to tackle climate change, but these have generally been focused on isolated, distinct, and often competing goals and actions on mitigation and/or adaptation (reducing vulnerability). Mitigation and adaptation measures are usually included in sectoral policies and measures (water management, energy efficiency, renewable energy, etc.), but often they are not explicitly connected to a national or sub-national climate policy or strategy. However, some ENP South countries (Israel, Morocco, Egypt and Tunisia) are currently trying to develop a more integrated climate change policy through national climate plans or strategies.

ENP South countries have different expectations on the scope and focus of regional cooperation on climate change. The difficult relationship between Arab countries and Israel also complicates the picture. However, all ENP South countries recognise the

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<sup>4</sup> See Communication COM(2007)2 final, Limiting Global Climate Change to 2 degrees Celsius. The way ahead for 2020 and beyond

<sup>5</sup> See Communication COM(2010)86 final, International climate policy post-Copenhagen: Acting now to reinvigorate global action on climate change

challenges linked to climate change and seem to agree that it is possible to design a regional programme to support activities bringing mutual benefits which can be implemented in different ways at national level to respond to individual country needs.

A team of framework-consultants has supported the European Commission in the identification and preparation of the proposed new regional project. The consultants have visited all ENP South countries except Syria and Libya in April and May 2011, in order to collect data on climate change activities, and to hold interviews with government and non-government stakeholders. In addition, literature research and consultations with European Commission services were conducted in March and April 2011. The Framework Contract team identified a series of problems with regard to climate policy design and implementation that apply to many of the ENP South partner countries: difficulties to position themselves in international climate negotiations; weaknesses of the institutional framework; lack of information; insufficient awareness of the public and decision makers; lack of capacity and resources of competent authorities; lack of private and civil societies' expertise; and, most importantly, lack of integrated and strategic approaches to climate change, low connections between science, climate science and decision making processes. Low political attention is also an issue, as climate change issues compete with other priorities. These findings are in line with the assessment of Arab countries' needs being currently undertaken through the Arab Climate Resilience Initiative (supported by the United Nations Development Programme (UNDP) Regional Bureau for Arab States).

### **2.3. Complementary actions**

Various activities are underway in the region that has linkages to climate change efforts.

*EU-funded projects:* The 'Horizon 2020 Initiative' aims to de-pollute the Mediterranean by the year 2020 by tackling the sources of pollution that account for around 80% of the overall pollution of the Mediterranean Sea, namely municipal and urban waste, and industrial pollution. To implement the initiative, three main projects are currently being run to address these environmental problems and their climate change implications, namely capacity building and environmental mainstreaming, investment (via European Investment Bank (EIB)) as well as monitoring, review and research (via the European Environment Agency). The Multi-donor World Bank Trust Fund for addressing climate change in the Middle East and North Africa-region aims to strengthen countries to make their development more climate-resilient and less carbon-intensive. Adaptation needs are currently subject to an in-depth assessment through a "Regional Flagship Study on Changing Climate Change in Arab countries", which should be completed until 2012. The EU-UNDP climate change capacity building regional project (EUR 8 million, includes only Egypt among the ENP South states) strengthens the capacity of developing countries to monitor, report and verify greenhouse gas emissions and to identify opportunities for Nationally Appropriate Mitigation Actions (NAMAs) in the context of national development, and to support the design of low-emission development strategies (LEDS). A new project through the International Union for Conservation of Nature fosters social, ecological, and agricultural resilience in the face of climate change in

Egypt, Jordan, Lebanon, oPt and Morocco. Other projects mainly focus on energy policy dialogue, energy efficiency, renewable energy and energy regulatory framework development (Energy Efficiency in the Construction Sector, Mediterranean Energy Integration, Energy Market Integration, Euro-Mediterranean Energy Regulators, Paving the Way for the Mediterranean Solar Plan. The Sustainable Water Integrated Management Project (EUR 22 million, of which EUR 7 million for a support mechanism and EUR 15 million for demonstration projects) also covers aspects related to water and climate change. The Sustainable Urban Development programme CIUDAD and the regional Programme for the Prevention, Preparedness and Response to natural and man-made Disasters (PPRD South) are also relevant. The project on Mediterranean statistics MEDSTAT III covers environmental statistics, potentially relevant for measuring reporting and verification requirements. Finally, a so-called Climate Change Window within the EU Neighbourhood Investment Facility has been created in the end of 2010.

*Barcelona Convention (Convention for the Protection of the Mediterranean Sea Against Pollution) and the United Nations Environment Programme (UNEP) - Mediterranean Action Plan (MAP):* UNEP, in particular UNEP/MAP and two of its regional activity centres Priority Actions Programme/Regional Activity Centre and Plan Bleu, and Global Water Partnership (GWP) have been designated as executing partners for the implementation of the Global Environment Facility (GEF) regional project “Mediterranean Integration of Climatic Variability and Change into National Strategies“ to implement the Integrated Coastal Zone Management Protocol to the Barcelona Convention” (approved by the GEF Council in November 2009). This project will be run under the GEF-sponsored Mediterranean Sustainable Development Programme (Sustainable Med) carried out by the WB. UNEP/MAP is currently coordinating the preparation of the 'Regional Framework for Climate Change Adaptation', presented within the work of the Mediterranean Commission on Sustainable Development (MCSD). Coordination will therefore be sought with the MCSD and the Mediterranean Strategy for Sustainable Development (MSSD). Plan Bleu is also involved in “Clim-Run”, a three-year project financed by the Commission Seventh Framework Programme that started in March 2011, particularly in the work-package that will elaborate the concept of climate information for stakeholder use.

The *Union for the Mediterranean (UfM)* has a number of relevant initiatives such as the de-pollution of the Mediterranean Sea, including coastal and protected marine areas, and the Mediterranean Solar Plan which explores opportunities for developing alternative energy sources in the region. The *Mediterranean Climate Change Initiative*, supported especially by Greece, with a ministerial meeting scheduled later this year in Turkey, is designed to be an autonomous political initiative at ministerial level as well as a projects-based initiative under UfM. It aims to accelerate the region’s responses to the impacts of climate change and lead by example the transition to a low carbon development.

Numerous relevant funding activities of other donors and member states (*World Bank (WB), EIB, UNEP/UNDP, Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) Agence Francaise de Developpement (AFD), Italian cooperation,...*) are shortly described in the Recommendation Paper of the

framework-consultants. As political response to the 'Arab Spring', funding levels from the EU and other donors are likely to rise in the next years.

Despite all these efforts, there is not yet a dedicated regional EU project on climate change in and with the ENPI South countries, designed on the basis of a thorough needs analysis.

## **2.4. Donor coordination**

In the last years, coordination among the main donors (EU, UNEP/MAP, WB, Food and Agriculture Organisation, United Nations Development Programme) for regional projects that address directly or indirectly climate change in the Mediterranean region has been much improving. Close cooperation between the EU and other donors operating in the ENP South region, especially WB and UNEP/MAP, will be established within this regional project. The UNEP/MAP framework and the MedPartnership might offer an opportunity in this respect.

## **3. DESCRIPTION**

### **3.1. Objectives**

The *overall objective* of the future Clima South project is to support the ENP South region so that it is better equipped to contribute to greenhouse-gas emission reductions and better prepared to deal with climate change impacts.

The *specific objective* is to contribute to improved climate change policies, strategies and market mechanisms in the ENP South region by (i) increasing exchanges between all regional stakeholders on climate change challenges and policy options, including through targeted regional co-operation activities on priority climate change topics with our partners; and (ii) ensuring better information access, in particular to EU climate policies and acquis. Thereby Clima South is expected to contribute to an intensification of EU-ENP South climate relations within the EU Neighborhood Policy and other fora.

### **3.2. Expected results and main activities**

Clima South is planned to have two sets of *results*, based on the above-mentioned specific objectives. At the end of its implementation period (2016), the project will have helped formulation and implementation of mitigation and adaptation policies on a number of concrete issues; and the project will have improved the access of decision-makers, officials, experts and the civil society in ENP South countries to the rapidly expanding wealth of EU climate change policies, laws<sup>6</sup> and expertise.

Clima South will have supported the improvement of climate change policy formulation and implementation in ENP South on a number of concrete issues. The following priority topics have been identified and prepared until now: National climate change policy formulation, sectoral adaptation strategies greenhouse-gas

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<sup>6</sup> For an overview on the climate change acquis see the section Climate Law on the Internet-site of the European Commission's Directorate-General Climate Action.

inventories, Low Emission Development Strategies, National Appropriate Mitigation Measures/NAMAs, new carbon mechanisms, Measurement, Reporting and Verification (MRV). Clima South will have enhances regional co-operation on these issues (and others that might be added during implementation) that will have supported relevant and visible improvement on the national level.

Although knowledge and the use of information is hard to measure in this context, useful *indicators* can be quantified while drafting of the Terms of Reference and during the inception period of the service contract: Satisfaction of project participation, survey on the knowledge of EU climate policy among experts in the ENP South countries, number of further concrete EU-member state-ENP South projects that originated in Clima South, etc. This can be assessed through surveys and interviews in the framework of the service contract and through external monitoring, evaluation and audit.

The following *main activities* shall achieve these objectives and results. They are structured into two components, one on regional co-operation activities and one on information access to EU climate policies, *acquis* and expertise:

*Component 1*, Activities to foster regional exchanges and cooperation on climate change in and with the ENP South region:

On mitigation, a number of regional co-operation and training workshops will be organised on priority issues of partner countries' stakeholders which have been identified during the FWC-missions. These are:

- LEDS, low-emission developments strategies, including greenhouse-gas-scenarios analysis and emissions projection, mitigations options identification and prioritization, LEDS formulation, implementation and monitoring approaches;
- New market-based mechanisms, such as the sectoral crediting mechanism proposed by the EU in international negotiations;
- MRV, monitoring, reporting and verification, at global, sector and activity level, including the establishment of national GHG inventories;
- Identification, formulation and cost assessment of NAMAs. Technical assistance will be provided to ENP South countries in the field of design of NAMA's, and, where appropriate, MRV national systems. Pilot NAMA's will be identified, to help formulate them in the required format. Technical Assistance (TA) will also include the development of MRV-systems specific to the identified NAMA's in each country. Finally, this activity could also include specific studies and/or ad hoc TA for quantifying NAMA's GHG-potential and costs.
- The internet-site of the project (see below) will be used to stimulate EU-South and South-South peer-cooperation between experts, including academia and civil society, on these and other technical issues of climate change mitigation and adaptation.

On adaption regional co-operation under this project is expected to include the issues of water- and forest resources, and desertification. Main stakeholders involved in

climate change policy development and implementation will be strengthened through workshops, trainings and study visits. Sub-issues include the theory of modelling, climatic data management, assessment of regional climate models (RCM) and linkages with domestic policies, information sharing and experience exchange among ENP South countries for utilization of modelling inputs and outcomes.

- Regional seminars will be organized on issues of water management and climate change, relevant for most of the partner countries. The exact list of topics will be fixed in the inception period of the service contract, but the formulation phase has shown special stakeholder interest in the use of non-conventional waters, e.g. through small-sized pilot projects for the reuse of wastewater in agriculture.
- Different communication activities and conferences will promote the importance of forest adaptation to climate change effects in the Mediterranean region. Sub-activities may include the modelling of CC-vulnerability of major South Mediterranean forests and pastures formed by specific species such as Aleppo pine, cork oak, cedar, argan, alfa, etc.; historical analysis of the vulnerability of some pilot forests in the region by using new technology such as remote sensing, paleontology, etc.; identification of adaptation measures including socio-economic, technological, and ecological measures, capacity building to get access to adaptation financing (e.g. international adaptation dedicated funds and innovative financial mechanisms, such as payment of environmental services, PES).

*Component 2, Activities to improve information and awareness on climate change negotiations, policies and law, including relevant EU aspects:*

- Internet-site: A high-quality internet-site 'Climate change in the Mediterranean Region' (working title) will present EU and other relevant international climate policies and law in Arabic, English and French. This will be based on available material of the European Commission.
- Written material: Targeted written climate change-material in these three languages will be produced. This will be co-ordinated with existing initiatives like the ENPI South Info-Centre and the Global Climate Change Alliance (GCCA).
- Experts facility: A flexible expert facility will be set-up to respond to information and training needs expressed by partner countries' authorities. It will aim to satisfy well-argued TA and institution building needs of partner countries by quickly mobilising expertise from the EU and the region. Coordination with the Technical Assistance and Information Exchange Instrument (TAIEX) and other existing instruments will be sought. For relevant climate change events in ENPI-South, speakers will be selected and financed.
- Study visits: Study visits to EU Member States will be organised, with focus on EU countries that share similar thematic climate change issues.
- Project office in the EU: To ensure the best possible access of the project (and, more importantly, its ENPI-stakeholders) to the rapidly evolving EU climate change policies and acquis, one option would be to place the main project office in or near to Brussels. Possibilities of co-operation or sharing of infrastructure

and/or information and materials with other projects and initiatives (e.g. GCCA) will be further explored.

### **3.3. Risks and assumptions**

A major risk lies with the current political situation, which is not yet stable in all ENP South countries, and the political context in which a regional cooperation is set (Israel/Arab countries). There is no clear visibility about future political priorities, and one can reasonable assume that it will take some time for some of our partners to establish their new legal and institutional frameworks. In any case measures against climate change seems absolutely necessary, and the sooner the ENP South countries mainstream climate change into their planning and implementation of policies, the lesser the costs will be. This requires mid- and long-term strategies, and appropriate institutional arrangements. Hence, the project activities should build upon existing capacity of the public and private sector and the civil society, in view of making the proposed action sustainable.

In order to control the risks associated with the instable political situation in the region, it is important to identify some activities which can be managed at both the political and the technical levels while looking for win-win benefits. The proposed results and activities are based on a needs assessment with key stakeholders in all ENP South countries and formulated in a way that ensures that the project is flexible, takes account each country's specific circumstances as well as the regional dimension and history, and does not depend on a participation of all countries in all foreseen activities. The project allows for country-driven activities while linking them around common features, for instance natural resources (water and forests).

Regarding climate policy in a stricter sense, the project needs to be clear that it does not intend to impose EU mitigation and/or adaptation models to ENP South countries, but to increase information on available options. As other developing countries, the ENP South are very sensitive on mitigation related issues in the international negotiations, objecting to attempts from industrialized countries to impose an obligation to reduce GHG emissions. The Terms of Reference will clearly acknowledge that ENP South countries do not have the same obligations than the EU under the UNFCCC, but that the EU wishes to support them to contribute to global mitigation efforts, in particular by identifying and acting on available opportunities.

### **3.4. Crosscutting Issues**

Climate change is the topic of the project. Environmental sustainability is also an aim of the package. No direct gender effects are expected although this dimension will also be incorporated into activities by ensuring that analytical work includes this issue. Good governance should be a positive side effect of the project, as modern government and administration has to include medium- and long-term environment planning on issues such as climate change adaptation. Human rights should not be directly affected, but access to environment information shall improve, e.g. by high-quality Arabic language material on the project website, with possible positive effects under the Aarhus Convention.



### **3.5. Stakeholders**

The following core stakeholders will be involved in all project activities and become the main partners in implementation of the project:

- Competent authorities within national governments to coordinate climate change mitigation and adaptation policy. This often coincides with the UNFCCC Focal Point and the Designated National Authority for the CDM. In most cases this is the Ministry responsible for environmental issues, but the project could also help establish new horizontal or coordinating structures, wherever desirable (Lebanon, Tunisia);
- Technical departments of competent ministries (i.e. environment, water/irrigation, energy, natural resources, agriculture economy, industry, finance) and other relevant government agencies (i.e. forestry, coastal zone management);
- Other stakeholders such as regional and local governments, civil society organizations (i.e. NGOs, academia) and the private sector shall be involved in/benefit from specific activities;
- Cooperation with EU Member States and international organizations (e.g. UNEP/MAP, FAO, UNDP, World Bank) will also be sought as appropriate.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Method of implementation**

The project will be implemented through centralised management. It is foreseen to launch a call for tender for a service contract. A steering committee with key stakeholders is planned, should it not be possible to link the project to a possible new regional climate change working-group that could give guidance on project implementation.

The situation in Syria will be continuously monitored, and its participation in the activities adjusted in line with the developments..

### **4.2. Procurement and grant award procedures**

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the European Commission for the implementation of external operations, in force at the time of the launch of the procedure in question. Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the ENPI Regulation. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in article 21(7) ENPI.

### **4.3. Indicative budget and calendar**

The indicative breakdown of the budget is as follows:

Component 1: Regional cooperation activities on priority climate change topics:  
EUR 4.5 million

Component 2: Better access to EU climate policies, laws and expertise:  
EUR 0.5 million

Total: EUR 5 million

The foreseen operational duration of the project is 48 months, from 2012 to 2016.

#### **4.4. Performance monitoring**

From the list of (former) EuropeAid standard indicators, the one on the reduction of CO2 emissions is relevant for the Clima South project. In practice it will be difficult to attribute any possible reduction of CO2 emissions, or delay in the growth of such emissions, in the partner countries directly to a EUR 5 million project. Among the Millennium Development Goals (MDG), MDG 7 refers to Environmental Sustainability. MDG target 7a is called “Integrating the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources” and linked to an Indicator “CO2 emissions, total, per capita and per 1 USD GDP (PPP)”. This indicator can also be taken into account as a possible baseline for Clima South, although the same limitations apply. While developing the Terms of Reference of the service contract, the framework-contract experts will develop a set of indicators that will be later used during the implementation of the Clima South activities. These will be monitored through the project progress reports as well as independently through the Results-oriented Monitoring (ROM).

#### **4.5. Evaluation and audit**

Each invoice in the framework of the planned service contract will be accompanied by an Expenditure Verification Report. Independent mid-term and final project evaluations shall be carried out, as well as an independent audit which will be financed on the basis of another decision.

#### **4.6. Communication and visibility**

The EU visibility guidelines will be followed. The project will prepare a communication strategy, including a high-quality internet page on climate change for the ENP South countries in English, French and Arabic.