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ANNEX V

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of Asia-Pacific for 2024-2025 covering ASEAN, and migration, forced displacement and mobility

Action Document for “Biodiversity financing in ASEAN”

MULTIANNUAL PLAN

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Biodiversity financing in ASEAN OPSYS number: ACT-62706 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes Green Team Europe Initiative in Partnership with ASEAN/Southeast Asia
3. Zone benefiting from the action	The action shall be carried out in ASEAN ¹ Member States.
4. Programming document	Regional Multiannual Indicative Programme (MIP) Asia and Pacific 2021-2027 ²
5. Link with relevant MIP(s) objectives / expected results	The Action supports directly the objectives and related results of the Regional MIP Asia and the Pacific 2021-2027 - Priority Area 1 – Regional Integration and Cooperation - South-East Asia/ASEAN - Sector 2: Green and Inclusive Sustainable Development SO 1 / ER 1: Sustainable development, and a green, zero pollution and inclusive growth model is promoted SO 3 / ER 3: Action to protect the region’s exceptionally rich biodiversity and ecosystems on land and in the ocean is strengthened SO 6 / ER 6: Gender equality and the full and effective participation of women and indigenous peoples, on an equal footing, in the field of environmental protection and the management of natural resources is promoted
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority Area 1 – Regional Integration and Cooperation - South-East Asia/ASEAN - Sector 2: Green and Inclusive Sustainable Development

¹ Considering ASEAN Leaders’ in-principle decision in November 2022 to admit Timor-Leste to be the 11th member of ASEAN, selected activities as appropriate may be carried out in Timor-Leste in consultation with ASEAN and with the agreement of the competent Timorese authorities.

² https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9251-asia-pacific-annex_en.pdf

7. Sustainable Development Goals (SDGs)	Main SDG: 15 (Life on land) Other significant SDGs (up to 9) and where appropriate, targets: 1 (No poverty), 5 (Gender equality), 8 (Decent work and economic growth), 12 (Responsible consumption and production), 13 (Climate action), 14 (Life below water), 17 (Partnerships for the goals).			
8 a) DAC code(s)	41030 – Biodiversity; including natural reserves and actions in the surrounding areas; other measures to protect endangered or vulnerable species and their habitats (e.g. wetlands preservation) – 60 % 31120 - Agricultural development; integrated projects; farm development – 20 % 31220 - Forestry development; afforestation for industrial and rural consumption; exploitation and utilisation; erosion control, desertification control; integrated forestry projects – 20 %			
8 b) Main Delivery Channel	Other public entities in donor country – 11000			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. 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"/>
	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 checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020131 Total estimated cost: EUR 15 000 000 Total amount of EU budget contribution EUR: 15 000 000 TEI partners: Austria, Denmark, Finland, France, Germany, Italy, Romania (alphabetical order), European Investment Bank Potentially more than EUR 2 billion (in grants and loans), including contributions to the ASEAN Catalytic Green Finance Facility from EU, EIB, KfW, AFD, CDP			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1.			

1.2 Summary of the Action

The action will cover key areas of the European Green Deal. It is aligned with the EU's and ASEAN's respective commitments to implement the Kunming – Montreal Global Biodiversity Framework (GBF), the Paris Agreement on Climate Change, and several Sustainable Development Goals (SDGs), particularly 15 (Life on Land), and 14 (Life below Water), as well as SDG 13 (Climate Action), and 12 (Responsible Consumption and Production). In line with the Asia-Pacific Multiannual Indicative Programme 2021-2027, it will support the EU's objectives relating to the conservation and sustainable management of South-East Asia's rich ecosystems and forests, which contribute to the livelihoods of millions in the region through jobs, food and ecosystem services, and which play a key role in global efforts to tackle the triple planetary crisis of biodiversity loss, climate change, and pollution.

The action capitalises on the outcomes and insights gained from previous actions, notably the EU's support for the ASEAN Centre for Biodiversity (ACB) through the Biodiversity Conservation and Management of Protected Areas (BCAMP) project. Its design also takes into account strategic recommendations for EU biodiversity cooperation in Asia and on successful conservation models promoted by the EU such as NaturAfrica and initiatives such as the Eco Business Fund to promote business and consumption practices that contribute to biodiversity

conservation, the sustainable use of natural resources and climate action by providing dedicated financing and technical assistance to financial institutions and businesses³.

Specifically, the action will build alternative livelihoods for local communities in and around protected areas or highly biodiverse areas to keep them from relying on the unsustainable exploitation of natural resources. This will be achieved through the financing of sustainable practices and support for green business activities in sectors such as agriculture, forestry, agroforestry, aquaculture, fisheries and tourism. Support will include practices and enterprises that involve or are led by women, youth and persons with disabilities when possible. The action will also seek to improve regional cooperation on transboundary issues, notably the management of key landscapes and protected areas (e.g. ASEAN Heritage Parks). By contributing to biodiversity and to a more sustainable management and use of natural resources, this action will also foster the resilience of ecosystems to climate impacts and promote opportunities for reducing greenhouse gas emissions, including through carbon sequestration.

The action will provide a significant new contribution to the Green ASEAN TEI (a Global Gateway flagship TEI) and will complement previous and ongoing regional cooperation on biodiversity conservation and forests in the region such as the SAFE project supporting compliance with the EU Deforestation Regulation and the Marine Biodiversity and Support of Coastal Fisheries in the Coral Triangle (CTI-CFF) project, as well as actions funded by EU Member States in the region. Through a partnership with the ASEAN Centre for Biodiversity, the project will be central to EU's engagement with ASEAN institutions on biodiversity.

The action should also be seen in the context of EU efforts to mobilise investments in biodiversity protection and management, including through engagement with the private sector. Synergies with other Team Europe projects (incl. potential new projects supported by EFSD+ guarantees and/or blending operations contributing to sustainable agriculture, biodiversity, and forests in the ASEAN region) will be encouraged.

1.3 Zone benefitting from the Action

The action shall be carried out in ASEAN⁴ Member States, out of which Brunei Darussalam and Singapore are not included in the list of ODA recipients.

2 RATIONALE

2.1 Context

The EU and ASEAN became strategic partners in 2020. The current relationship is generally positive, building on the EU-ASEAN Commemorative Summit held in Brussels in December 2022. The Summit demonstrated the strong political momentum behind the strategic partnership. It also highlighted concrete developments on the implementation of the EU Indo-Pacific Strategy and Global Gateway. Some examples are the rehabilitation of Lao National Road 2, connecting Lao PDR with Vietnam and Thailand and the launch of the Copernicus mirror site to improve digital connectivity in the Philippines and its potential expansion to other ASEAN Member States.

Among others, the Summit was the opportunity to announce key commitments and initiatives which contribute to guiding EU cooperation in the region. The Summit also acknowledged the Green Team Europe Initiative in Partnership with ASEAN/Southeast Asia (Green ASEAN TEI), launched in November 2021, which is a Global Gateway flagship project. The Plan of Action to Implement the ASEAN-EU Strategic Partnership (2023-2027) confirmed the broad alignment between EU and ASEAN cooperation priorities in the region. Strengthening cooperation on biodiversity conservation, finance and management is an important part of the plan, covering both marine and terrestrial ecosystems. The green transition is a political priority for the EU in the ASEAN region, which is a biodiversity hotspot. Correspondingly, green and inclusive sustainable development is also one of the three EU priorities for cooperation with ASEAN in the 2021-2027 Asia Pacific regional MIP.

The protection of biodiversity and natural capital also remains an important ASEAN political priority. The chairman's statement of the 42nd ASEAN Summit held in May 2023 underlines the importance of promoting the

³ <https://www.ecobusiness.fund/en/>

⁴ Considering ASEAN Leaders' in-principle decision in November 2022 to admit Timor-Leste to be the 11th member of ASEAN, selected activities as appropriate may be carried out in Timor-Leste in consultation with ASEAN and with the agreement of the competent Timorese authorities.

Similarly, the EU Biodiversity Strategy for 2030 emphasises the need for greater cooperation with external partners, increased support and financing, in line with EU commitments in international fora. This aligns with the commitment made by the President of the Commission at the UN General Assembly in 2022 to double external funds for biodiversity (up to EUR 7 billion until 2027). The EU publication “Larger than Tigers” promotes a landscape approach supporting conservation, economic development and governance in a series of identified Key Landscapes for Conservation and Development in South East Asia.

The EU should also work with youth on biodiversity in the context of the Youth Action Plan⁵ and as a follow-up to the ASEAN-EU Youth Summit, held in Brussels in December 2022 in the margins of the EU-ASEAN Summit.

The action will be fully in line with the EU's policies and restrictive measures pertaining to Myanmar.

2.2 Problem Analysis

The Regional Assessment Report on Biodiversity and Ecosystem Services for Asia and the Pacific⁷ from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) attributes this decline to “direct drivers, such as unsustainable use, illegal trade in wildlife, conversion of habitats, invasive alien species, pollution and climate change (...) combining with indirect drivers such as socioeconomic and demographic changes to create stress and risks to ecosystems, threatening livelihoods and food security for millions of people.” Sustaining the viability of and access to ecosystem services also contributes to poverty alleviation, resilience to climate change and disaster risk reduction, which are important concerns in the region.

⁶ The ASEAN Centre for Biodiversity was recognised in May 2024 as one of the regional centres selected to bolster the implementation of the Kunming-Montreal Global Biodiversity Framework also known as the [Biodiversity Plan](#).

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especially in the LDCs among ASEAN Member States (Lao PDR, Cambodia, Myanmar). These challenges are not limited to individual ASEAN Member States and many are regional or global. Habitats reach across borders, and conserving the long-distance movements of migratory species and protecting macro-regions such as the Mekong area and the coral triangle requires regional action.

Currently, insufficient funds are dedicated to stopping ecosystem degradation and biodiversity loss. While financing mechanisms that have climate action as their primary objective are now relatively well established and have attracted significant public and private investments, biodiversity financing is still in its infancy and requires more public support. A report⁸ from 2020 estimated the global biodiversity financing gap at USD 598-824 billion annually and a recent OECD paper⁹ on annual development finance with biodiversity-related objectives finds that while total development finance for biodiversity has been increasing during the 2015 to 2021 period, there remains a sizeable gap. Mobilising private finance is key for closing the gap, the report concludes.

According to the IPBES, five pressures are primarily responsible for biodiversity loss (in order of importance):

- Land-use and sea-use change;
- Direct overexploitation of natural resources;
- Climate change;
- Pollution of soil, water and air;
- Spread of invasive species.

Unsustainable economic activities, notably by the private sector but also by local communities, are a dominant force behind these pressures. This comes from consuming natural resources, using energy, emitting greenhouse gases, releasing substances, converting natural habitats, etc. Support for alternative and sustainable livelihoods for the communities dependent on the natural resources in and around protected areas is therefore vital for addressing the intertwined crises of nature and climate. Food production, forestry and non-timber forest products are among the key sectors exerting pressures on biodiversity in the ASEAN region. Members of ethnic minorities participate in forestry, non-timber forest products, and food production. Despite being important players, they are so far not sufficiently represented in decision-making bodies¹⁰.

On the side of the private sector, key reasons for insufficient engagement on biodiversity include:

- Businesses frequently perceive the return on investment in activities that contribute to biodiversity conservation as unclear or too low. Part of this is that they are often unable to capture the full environmental and social benefits of such efforts, limiting the incentive to invest and to proactively develop scalable and bankable projects.
- There is a lack of standardised processes and methods for biodiversity-linked financing. Lenders and equity providers face high workload in assessing projects and applications. This increases the cost of capital or makes financing unavailable.
- Businesses are also often unaware of their biodiversity impact and how they can contribute to conservation. There is also uncertainty about financing opportunities.

The project will not be able to tackle all these challenges in parallel, but it will contribute to address unsustainable economic activities by supporting inclusive green business practices and livelihoods around key landscapes and protected areas, and by reinforcing public response capacities at ASEAN level through cooperation with the ASEAN Centre for Biodiversity.

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

⁸ Deutz, A., Heal, G. M., Niu, R., Swanson, E., Townshend, T., Zhu, L., Delmar, A., Meghji, A., Sethi, S. A., and Tobin-de la Puente, J. (2020), Financing Nature: Closing the global biodiversity financing gap. The Paulson Institute, The Nature Conservancy, and the Cornell Atkinson Center for Sustainability.

⁹ OECD (2023), "Biodiversity and Development Finance 2015-2021: Progress towards Target 19 of the Kunming-Montreal Global Biodiversity Framework", OECD Publishing, Paris.

¹⁰ <https://asean.org/book/strengthening-womens-entrepreneurship-in-agriculture-in-asean-countries/>

The action will have a regional dimension and will engage with ASEAN bodies (in particular the ASEAN Centre for Biodiversity – ACB) and Member States –through ASEAN Working Groups, (e.g. ASEAN Working Group on Nature Conservation and Biodiversity).

Local communities dependent on the natural resources in and around protected areas will play a key role in the action. This includes private sector entities, such as cooperatives and SMEs.

National/sub-national-level authorities of ASEAN Member States will also be associated to the action, with a view to supporting the implementation of regional frameworks and initiatives at country level. Building on the experience with past programmes, the action will mobilise these stakeholders, including for monitoring and inputs into policy-making.

Other relevant stakeholders, including civil society, indigenous peoples’ representative organisations, youth networks and leaders, research institutes/academics as well as women’s CSOs and networks and CSOs representing persons with disabilities, will also be involved in the action, as appropriate.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is to promote a green and inclusive growth model while protecting the region’s biodiversity.

The **Specific Objective** of this action is to support biodiversity protection and livelihoods through the sustainable management of natural resources and inclusive green business models in selected areas and economic sectors.

The **Outputs** to be delivered by this action contributing to the Specific Objective are:

1. Increased financing of projects at the level of landscapes and protected areas for biodiversity protection and sustainable practices in critical sectors (e.g. agriculture, forestry, agroforestry, aquaculture, fisheries and tourism).
2. Reinforcement of ASEAN capacities and coordination for the management of protected areas.

3.2 Indicative Activities

Main activities relating to **Output 1** will include the following:

- Support to the design and selection of community-led conservation projects linked to protected areas, such as the ASEAN Heritage Parks (AHPs), landscapes and / or other highly biodiverse areas;
- Flexible grants delivery and monitoring;
- Technical assistance for the application of sustainable practices and value chains in critical sectors (e.g. agriculture, forestry, agroforestry, aquaculture, fisheries and tourism), including through women and youth-led entrepreneurship, as well as stakeholders mobilisation.

Main activities relating to **Output 2** will include the following:

- Support to increased participation of communities in the targeted locations (including SMEs, women, young people and indigenous communities) in relevant decision making processes (related to biodiversity, land and natural resource use) as well as access to information / awareness raising;
- Support to improved policies and strengthened regional coordination, management and knowledge exchange involving relevant ASEAN bodies, such as the ASEAN Centre for Biodiversity (ACB).

The scope for the above activities is broad and includes addressing all the drivers of biodiversity loss listed in the problem analysis. Individual activities under this action can be at regional, sub-regional, national and subnational levels, in sectors and locations deemed strategic under this action.

Output 1 will focus on selected areas in a few ASEAN Member States with high biodiversity, where needs for support are greatest, and where opportunities for sustainable practices in critical sectors exist. While the focus will be on ASEAN Heritage Parks, other protected areas, landscape and “highly biodiverse areas” will be considered. The selection process will be done with support from the implementing partner according to objective criteria, in close coordination with EU and ASEAN counterparts. Detailed work plans will be elaborated at contract level.

Under output 2, support to relevant bodies, such as the ACB, in the view of strengthening regional coordination and knowledge exchange for the implementation of the Kunming-Montreal Global Biodiversity Framework, will include support to organise events to review progress, discuss challenges, exchange lessons learned, and promote scaling up through finance instruments and investments. The Action contributes to the Green Team Europe Initiative in Partnership with ASEAN/Southeast Asia which gathers 7 EU Member States and the Union.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment)

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality is a significant cross cutting objective and mainstreamed across project outputs and indicators. The action will be consistent with EU Gender Action Plan-GAP III and CLIP. Ensuring that both women and men have equal access to and control over resources, job opportunities, and decision-making processes, by providing women with access to resources, as well as promoting their leadership and participation will be addressed by the action.

Human Rights

Human rights are relevant to this action and specific measures will be identified accordingly during the design of the action. The action will apply the working principles of the human rights based approach (HRBA): applying all human rights for all, meaningful and inclusive participation and access to decision-making, non-discrimination and equality, accountability and rule of law for all, and transparency and access to information supported by disaggregated data. Regular review and evaluations should screen this aspect (and gender) and may lead, if needed, to readjustments.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that persons with disabilities are not the main target of the action. Nevertheless, it is acknowledged that persons with disabilities are more likely to experience adverse socioeconomic outcomes such as less education, poorer health

outcomes, lower levels of employment, and higher poverty rates. The project will take into account the needs and will integrate them when applicable as target persons. Disaggregated data by disability status will also be privileged to give visibility to the situation of persons with disabilities in the ASEAN region.

Reduction of inequalities

Climate change, biodiversity loss and pollution are inequality driver as they disproportionately affect people in situation of vulnerability. A UNDP report¹¹ from 2022 shows increasing income inequalities, both across and within ASEAN member states. Geographic inequalities are especially stark along the urban-rural divide. The action targets economic sectors and locations that are particularly exposed to inequalities. Especially the green transformation of agri-food systems represents an opportunity for reducing inequalities in ASEAN.

The action also seeks to sustainably improve productivity, income and employment opportunities. The activities of the project are aiming to support community based initiatives and promoting participation from SMEs, cooperatives, indigenous groups, youth, women and persons with disabilities. The EC/INTPA Guidelines for mainstreaming the reduction of inequality in interventions will guide the further design and implementation of the action.

Democracy

Strengthening democracy and enhancing good governance and the rule of law are purposes stated in the ASEAN charter. These principles are also fundamental to tackling environmental degradation and biodiversity loss. Their relevance to the topics covered by the action (e.g. biodiversity-based value chains and the mobilisation of businesses and sustainable finance for biodiversity etc.) is directly reflected in the design of the action which supports inclusive dialogues, participatory processes, transparency and better access to information. The action also seeks to support participatory models of sector governance involving private sector representation and will work towards involving civil society and community representatives...

Conflict sensitivity, peace and resilience

Preventing potential conflicts, maintaining peaceful relations and building resilience are directly relevant to the action. Emphasis will be on preventing possible conflicts linked to the governance of natural resources and land ownership. This will include addressing possible land tenure issues including indigenous peoples' rights in line with the UN Declaration on these rights. The various positions and interests of concerned stakeholders and the factors determining them (e.g. distribution and access to natural and economic resources) will be thoroughly analysed. The result will inform the implementation of the action and a conflict sensitive approach will be ensured.

Disaster Risk Reduction

In line with the Global Gateway strategy, the action will take into account the need to reduce disaster risk and strengthen resilience in the ASEAN region. Many of the economic activities in the project's scope are prone to disaster risks (e.g. forestry, fisheries and aquaculture), which requires risk assessment and awareness building. Where available, this will take into account the existing data on project sites and landscapes.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1-external environment	Climate change and extreme weather events	Low	Medium	All interventions will take into account climate and disaster risks and, where

¹¹ UNDP (2022). 'Reducing Inequality in the Decade of Action to Achieve the SDGs and Accelerate Post-Pandemic Recovery'.

				appropriate, take management and protection measures to build resilience.
	Degradation of the economic situation may undermine business models and value chains promoted by the action	Low	Medium	Flexibly adjust project activities to macroeconomic developments. Adapt sectors, commodities and specific activities covered, where necessary.
	Downgrading of environmental sustainability and climate change in the relations between ASEAN, and the EU	Low	Low	<p>The political attention to biodiversity, forests etc. will remain subject to possible developments in ASEAN, its Member States and the EU, for example due to the annual rotation of the ASEAN chair.</p> <p>The EU will use its means (diplomacy, political and policy dialogue, cooperation) to keep the focus on the green transition, and emphasise the action's contribution to growth and employment.</p>
	Green Deal related irritants may hamper the development of constructive cooperation with some ASEAN Member States	Medium	Low	<p>Specific new programmes will be developed soon in several concerned countries (Indonesia, Vietnam, Lao PDR), to address the situation in each country, and actions are ongoing to raise awareness on the EU Deforestation Regulation (managed by FPI).</p> <p>Adequate engagement with ASEAN counterparts at all levels will help mitigate risks and ensure, insofar as possible, strong ownership by relevant authorities and public and private stakeholders.</p> <p>The action does not foresee formal ASEAN secretariat cooperation project approval and does not depend on unanimous agreement.</p>
2-planning, processes and systems	Lack of effective coordination across public agencies/ institutions and overlaps/ duplications of donor efforts	Low	Low	Extensive consultations with other donors and DFIs were carried out to avoid overlaps/duplications. Nevertheless coordination has to be continuous, as new programmes from other development partners and governments are under formulation. The EU will continue to play an active role in sector coordination, including through the ASEAN Green TEI.

3-people and organisation	Resistance to new approaches of local communities	Low	Medium	Some nature-positive approaches are already practiced and align with traditional land use and fishing practices. The approaches promoted will take into account local knowledge, customs and circumstances through a participative approach.
	Conflict over natural resources and land/fishing rights	Medium	Medium	Property rights over natural resources are key for sustainable use. However, the nature, documentation and enforceability of such rights may differ across and within ASEAN Member States. Customary law may be practiced in some locations. Customary law in some cases discriminates against women and youth. Any organisation involved in implementing the action will have to carefully assess the situation, carry out appropriate due diligence and adopt a conflict-sensitive approach.

Lessons Learnt:

This action is based on the lessons learnt from the EU's engagement with ASEAN and its Member States, and its involvement in biodiversity protection, restoration and financing actions in ASEAN and globally.

The action will capitalise on the outcomes and insights gained from previous actions, notably EU's support for the ASEAN Centre for Biodiversity (ACB) through the Biodiversity Conservation and Management of Protected Areas (BCAMP) project. This support was instrumental to the establishment and various activities of the ACB. In the light of the biodiversity financing gap and the goals formulated in the EU's Biodiversity Strategy and the GBF, it now appears necessary to complement EU support to ASEAN structures, with financing direct 'on the ground' biodiversity action of regional importance.

One of the key project follow-up recommendations from the final evaluation of BCAMP is to support the development of innovative financing mechanisms to encourage and leverage private and public sector investment to scale-up bankable initiatives across the ASEAN Heritage Parks (AHP) Network. The evaluation also recommended facilitating environmental entrepreneurship linked to biodiversity for the youth. These recommendations are important input to the new action.

The design takes into account strategic recommendations for EU biodiversity cooperation in Asia and is modelled on successful conservation models promoted by the EU such as NaturAfrica and initiatives such as the Eco Business Fund, which aims to promote business and consumption practices that contribute to biodiversity conservation, to the sustainable use of natural resources and to mitigate climate change and adapt to its impacts, by providing dedicated financing and technical assistance to financial institutions and businesses committed to environmental practices in unique ecological landscapes. The action will seek to improve regional cooperation on transboundary issues, notably the management of key landscapes and protected areas (e.g. ASEAN Heritage Parks), and, possibly other issues such as peatland fires and haze, building on the EU support already provided in these areas but where local needs for support remain.

3.5 The Intervention Logic

The underlying intervention logic for this action is as follows: if sustainable practices and value chains are supported, while economic opportunities, participation and resilience of communities in the targeted locations are improved, then biodiversity protection in line with the interest of the population in the targeted locations, with more equitable and gender-balanced involvement, can be achieved. This would, then, be a potential driver of the green transition and improved livelihoods on a wider scale and beyond the duration of the action. This is assuming that the economic, political and environmental framework conditions do not deteriorate significantly, impeding the contribution of the action to reaching the overall objective (see section on risks).

Past EU interventions aimed at biodiversity protection focussed on institutional support to ASEAN structures and bodies, notably to the ASEAN Centre for Biodiversity which provides an opportunity for EU strategic engagement with ASEAN. The present intervention prioritises financing for concrete interventions to step up implementation on the ground, while maintaining cooperation with ASEAN structures. This prioritisation acknowledges that meeting the key Aichi and Kunming-Montreal Global Biodiversity Framework (GBF) targets on protected areas (protecting 30 per cent of the world's land and ocean by 2030) is a key challenge for the region, not least due to the large biodiversity financing gap. If current trends continue, most ASEAN Member States are likely to miss these targets.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest.

New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Promoted green and inclusive growth model while protecting the region's biodiversity	1 Progress on environmental and social SDGs in ASEAN countries	1 2022 score by country	1 SDG Index Score	1 UNEP / SDGindex.org	<i>Not applicable</i>
Outcome 1	1. Improved biodiversity protection and livelihoods through the sustainable management of natural resources and green business models in selected areas and economic sectors	<p>1.1 (GERF 2.2) Areas of agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha)</p> <p>1.2 (GERF 1.1 SDG 2.3.2) Average income of small-scale food producers supported by the EU, by sex and indigenous status</p> <p>1.3 Number of supported small-scale food producers and enterprises in critical sectors (i.e. agriculture, forestry, fishery, and ecotourism).</p> <p>1.4 Integrity of the natural habitats, assessed through the loss of natural habitat in the landscape</p>	1.1 - 1.4 to be determined at the inception of the project	1.1 - 1.4 to be defined at the end of the implementation period.	Project reports /documentation	- Continuous interest in biodiversity protection from governments, private sector, civil society and beneficiaries.
Output 1 relating to Outcome 1	1.1 Increased financing of projects at the level of landscapes and protected areas for biodiversity protection and sustainable practices in critical sectors (e.g. agriculture, forestry, agroforestry, aquaculture, fisheries and tourism)	1.1.1 Number and financial volume of projects financed with the support of the EU-funded intervention	1.1.1 - 0	1.1.1 To be determined	Project reports Beneficiary list and profile (at the end of the project)	<p>- Local communities do not oppose biodiversity protection and sustainable practices</p> <p>- Economic situation remains stable.</p>
Output 2	1.2 Reinforced ASEAN capacities and coordination for the management of protected areas	1.2.1 Number of jurisdictions that have strengthened their human and	1.2.1-2 - 0	1.2.1-1.2.2 To be determined	Project reports /documentation	- Continuous interest in biodiversity

relating to Outcome 1		<p>institutional capacities for the management of protected areas</p> <p>1.2.2 : Number of capacity-building events and knowledge tools delivered on biodiversity management and sustainable practices provided by the implementing entities</p>				<p>protection from governments</p>
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

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

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 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 by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹².

4.3.1 Indirect Management with an entrusted entity

Output 1 and Output 2 may be implemented in indirect management with one or more entities, which will be selected by the Commission's services using the following criteria:

- Specific expertise in biodiversity financing;
- Previous experience and operational presence in the ASEAN region / South-East Asia;
- Operational capacity to work in various countries in the ASEAN region / South-East Asia;
- Capacity and track record in collaborating with ASEAN bodies, ASEAN Member State governments and agencies, EU Member State agencies, and EU Delegations;
- Robust operational capacity (significant volume of loans, grants or equity investments made in a given year);
- Absence of (potential) conflicts of interest.

The implementation by this entity or these entities may cover the entire action.

4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

This initiative is planned to be implemented under indirect management. If the implementation modalities originally foreseen under indirect management cannot be implemented due to circumstances outside of the Commission's control, the Commission reserves then the possibility to consider identifying an alternative implementation modality in direct management through grant(s), and notably to entities which offer similar technical competences and/or capacities and/or experience to those entities originally foreseen for indirect management.

¹² www.sanctionsmap.eu. 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.

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).

For this multi-country action, natural persons who are nationals of, and legal persons who are effectively established in the following countries and territories covered by this action, are also eligible: all EU/EEA countries and ASEAN countries.

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Indirect management with an entrusted entity – cf. section 4.3.1	15 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	Covered by another Decision
Totals	15 000 000

4.6. Organisational Set-up and Responsibilities

A Project Steering Committee (PSC) will be established to provide with an appropriate steering and governance structure to guide the overall implementation of the action.

The purpose of the PSC will be to (i) provide strategic and policy guidance on project implementation, (ii) review and endorse annual work plans, including the whole process of selection of grants beneficiaries (iii) monitor project outputs and achievements, (iv) address obstacles and challenges related to project implementation.

It will indicatively be comprised of representatives of:

- The EU Delegation to ASEAN;
- Relevant EU Delegations as appropriate to ensure linkages with country-level programmes, MIPs and TEIs
- The entrusted entity/entities in charge of the implementation;
- ASEAN Member States covered by the project activities;
- Relevant ASEAN bodies.

The entrusted entity/entities in charge of the implementation will provide inputs and prepare the work of the PSC and other management structures, as appropriate. Representatives from relevant EU-funded programmes at regional and national levels will be invited for technical level meetings and lessons learned will be shared with them as appropriate. Sub-groups may be set-up for specific parts of the action. Other stakeholders may be invited as relevant.

The EU-ASEAN Dialogues relevant to the action (e.g. the annual high-level dialogue on environment and climate change) will also provide guidance where relevant.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the European Commission will participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

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 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 (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

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).

Roles and responsibilities for data collection, analysis and monitoring:

The entrusted entity or entities will be responsible for setting up the internal project performance monitoring system against the logical framework performance indicators. Regular monitoring will be carried out in collaboration with the implementing partners.

Meaningful, accessible and inclusive participation of stakeholders will be ensured at the relevant levels. Where appropriate, landscape level monitoring meetings will be arranged to track the performance with community-level stakeholders including e.g., village committees, and civil society organisations. Monitoring and reporting shall assess how the action is considering gender equality, human rights-based approach, and rights of persons with disabilities, including inclusion and diversity.

5.2 Evaluation

Having regard to the importance of the action, mid-term and/or final evaluations may be carried out for this action or its components via independent consultants contracted by the Commission.

A mid-term evaluation may be carried out for problem solving and learning purposes, in particular with respect to the effectiveness of the action.

A final evaluation may be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the impact of the action might have to be measured and might influence the design and/or implementation of possible future actions in the same or related fields.

The Commission shall inform the implementing partner at least one month in advance of the dates envisaged for the evaluation 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 may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner(s) and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may 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

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions 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. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention¹³ (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

Action level (i.e. Budget Support, blending)		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level (i.e. top-up cases, different phases of a single programme)		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Contribution agreement with an entrusted entity
<input type="checkbox"/>	Single Contract 2	
	(...)	
Group of contracts level (i.e. series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)		
<input type="checkbox"/>	Group of contracts 1	

¹³ 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](#).