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ANNEX 24

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of Sub-Saharan Africa for 2023-2025

Action Document for ‘SWITCH to Circular Economy in East and Southern Africa (SWITCH-2-CE in ESA)’

MULTIANNUAL PLAN

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

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	SWITCH to Circular Economy in East and Southern Africa (SWITCH-2-CE in ESA) OPSYS number: ACT-61822 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The Action shall be carried out in East and Southern Africa
4. Programming document	Sub Saharan Multiannual Indicative Programme 2021-2027
5. Link with relevant MIP(s) objectives / expected results	This action contributes to the following priority areas of the Sub-Saharan Africa Multi-Annual Indicative Programme <ul style="list-style-type: none"> • Priority Area 1 – Human Development <ul style="list-style-type: none"> - Specific Objective 1.2 – Results 2.2 and 2.3 • Priority Area 3 – Green Transition <ul style="list-style-type: none"> - Specific Objective 3.4 – Result 4.3 and 4.4 • Priority Area 5 – Sustainable Growth and Decent Jobs <ul style="list-style-type: none"> - Specific Objective 5.1 – Result 1.1 - Specific Objective 5.3 – Results 3.1, 3.2, 3.3 and 3.4
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	114 Post-secondary education; 250 Business and other services; 321 Industry; 410 Environmental protection
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): Responsible Consumption and Production (SDG 12); Other significant SDGs: Gender Equality and Women Empowerment (SDG 5), Decent Work and Economic Growth (SDG 8); Industry, Innovation and Infrastructure (SDG 9), Reducing Inequalities (SDG 10), Climate Action (SDG 13); Life below water (SDG 14); Life of Land (SDG 15); Partnerships to achieve the Goal (SDG 17).
8 a) DAC code(s)	41010 - Environmental policy and administrative management (6.25%) 25010 - Business Policy and Administration (6.25%) 11330 - Vocational Training (12.5%) 32130 - SME development (62.5%) 41030 - Biodiversity (12.5%)

8 b) Main Delivery Channel	6000 Private sector institutions 10000 Public Sector institutions 2000 Non-governmental organisations and civil society				
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 checked="" type="checkbox"/> Education <input 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 checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		YES <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
Connectivity @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital connectivity energy transport health education and research		YES <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	NO <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input 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): 14.020121: EUR 20 000 000 14.020122: EUR 20 000 000			

	<p>Total estimated cost: EUR 40 000 000</p> <p>Total amount of EU budget contribution EUR 40 000 000</p>
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 4.4.1

1.2 Summary of the Action

Climate change and environmental degradation are threats to Europe, Africa and the world. The COVID-19 pandemic exposed the shortcomings of the linear economy, as well as the fragility of global value chains (VCs). There is a growing awareness that sustainability strategies and global climate goals (e.g. the 1.5 degrees target) need to be underpinned by the transition towards a circular economy (CE). CE also provides an alternative towards a more resilient and inclusive economic model that can help to deliver on broader environmental, social, economic, and job creation objectives alongside meeting a wide range of the Sustainable Development Goals (SDGs), particularly SDG 12.

The EU is a natural partner to support Africa's efforts to overcome challenges arising from linear business models. We lead through the European Green Deal¹, Europe's new agenda for sustainable growth, which aims to transform the EU into a modern, resource-efficient and greenhouse gas (GHG) emission free economy by 2050. As a main building block, the European Commission adopted in March 2020 the new CE Action Plan (CEAP)².

Keeping this mid- to longer-term perspective in mind, the EU needs to invest in this regional partnership in a phased approach, which is the reason why the proposed Action constitutes the 'SWITCH-2-CE in ESA' programme.

In this context, the **overall objective** of the Action is to foster an inclusive transition to circular economy in East and Southern Africa. The activities will contribute to mitigation of climate change by promoting green and circular business models. The foreseen capacity development and strengthening of the regulatory and policy framework aim to contribute to the East and Southern Africa (ESA) countries efforts to meet their obligations under the United Nations Framework Convention on Climate Change (UNFCCC).

The Action is structured around three main outcomes, with a cross cutting focus on; a) packaging/plastics waste and; b) on electronics/e-waste. Both are priority sectors identified by the insight report 'Five Big Bets for the Circular Economy in Africa'³ of the Africa Circular Economy Alliance (ACEA), presented to the World Economic Forum's (WEF) in 2021. The Action has the following three **Specific Objectives (SO) / Outcomes**:

SO 1: To establish an enabling policy framework for circular economy across the ESA region;

SO 2: To enhance the participation of formal and informal workers and SMEs, including women and youth, in circular economy models;

SO 3: To improve access to and use of financing by circular economy businesses.

On Outcome 1: A positive and inclusive enabling environment for the Circular Economy (CE) transition. The Action will support regional collaboration, knowledge sharing and best practice learning in the development of the inclusive enabling environment for CE for local and national governments and city administrations. It will work alongside institutions such as the African Circular Economy Alliance (ACEA) to widen and deepen existing knowledge sharing platforms, particularly related to high priority target sectors, and provide grants for public and public-private dialogue on priority reforms, and mainstream gender, women and social inclusion into CE agenda.

On Outcome 2: Workers and SMEs, particularly women and youth, develop the skills to participate in the CE productively. The Action will facilitate human and skills development through higher education and technical vocational education and training (TVET), by catalysing the integration of CE into curricula reforms, focusing on targeted circular value chains. The Action will support the emergence of CE business support services for SMEs,

¹ Communication from the Commission to the European Parliament, the European Council, the European Economic and Social Committee of the Regions, the European Green Deal and its Annex.

² Communication from the Commission to the European Parliament, the European Council, the European Economic and Social Committee of the Regions, A new Circular Economy Action Plan for a cleaner and more competitive Europe and its Annex.

³ Five Big Bets for the Circular Economy in Africa African Circular Economy Alliance, Insight Report, April 2021.

information platforms, training providers, advisory services, incubators, accelerators and innovation hubs. It will strengthen existing knowledge sharing and learning platforms focused on the private sector e.g. ACEN, and facilitate mentoring relationships with best practice specialised providers such as the African Leadership University (ALU), as well as Fetola, Womhub, and Matchmaker Associates. The Action will foster mentoring and peer-learning collaborations as a way to ‘lift all ships’ and create local inclusive and sustainable ecosystems with global reach.

On Outcome 3: Access to finance for CE investments: The Action will establish a regional matching grant scheme for promising socially inclusive, scalable and replicable opportunities to buy down the risks of investing in early-stage CE firms or business models. The matching grant scheme will operate a series of windows/lots, targeting pre-commercial and commercial investments in CE technologies, products and services, for start-ups, small and medium-sized enterprises (SME) and for ESA regional CE firms, seeking to partner with companies within the ESA region and/or European ones. The Action will also facilitate access to complimentary advisory services for grant beneficiaries in order to ensure that grant funds are used effectively. An Information and Communication Technology (ICT) based operational and financial monitoring platform will be established to mitigate fiduciary risk and minimise grant administration costs.

Note that south-south cooperation/twinning, peer-to-peer learning across and joint ventures across the ESA region will be mainstreamed throughout all three outcomes.

Environmental, social and governance (ESG) frameworks will be promoted and supported towards the promotion of sustainable impact investments and shared value generation in the targeted VCs.

The Action will contribute to the fulfilment of the EU Gender Action Plan 2021-2025 GAP III^{4 5}, in particular to its thematic area of engagement ‘Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation, digitalisation, climate change and environment’ and ‘Promoting economic and social rights and empowering girls and women.’

2 RATIONALE

2.1 Context

The EU launched the European Green Deal, a concerted strategy for a climate-neutral, resource-efficient and competitive economy. This was done in response to the fact that half of total greenhouse gas emissions and more than 90 % of biodiversity loss and water stress come from the extraction, processing, and manufacturing and consumption of materials/natural resources. Besides, measures to phase out fossil fuels and decarbonise the economy, scaling up the circular economy and reducing material consumption in high income countries will make a decisive contribution to delivering on global climate (both mitigation and adaptation) and biodiversity commitments and decoupling economic growth from resource use.

The transition to a CE becomes increasingly essential to long-term sustainable development in ESA countries. Finding new and creative ways to manage natural resources, diversify economy and reduce waste, are needed, because the area already sees the harmful effects of climate change. A CE can assist in tackling these issues, establishing circular systems that maximises resource consumption and reduces waste. Countries in ESA may advance sustainable development, provide inclusive employment opportunities for women in all their diversity, and support international efforts to combat climate change by making the shift to a CE.

The mismanagement of waste, including packaging/plastic and electronic waste (e-waste), is another significant issue that ESA nations must deal with. Due to poor waste management infrastructure in many of the region's nations, much waste is dumped in the environment or landfills. This problem is particularly acute in small island countries, like Mauritius and Seychelles, with limited land space and high population density. This not only poses severe hazards to the environment and public health, with women, youth and informal workers being particularly affected, but it also represents a lost chance to reclaim priceless resources and create decent and green jobs. The

⁴ Joint Communication to the European Parliament and the Council EU Gender Action Plan (GAP) III- An ambitious Agenda for Gender Equality and Women’s empowerment in EU External Action.

⁵ “The [Gender Action Plan III](#) is a Joint communication by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy which was welcomed through [EU Presidency Conclusions](#) of 16 December 2020. Drafting was led by European Commission in close consultation with EU Member States, EEAS, civil society organisations, partner governments, and international organisations (UN entities, International Finance Institutions among others). The different parties contributed to the drafting of the document through meetings and through responses to a survey conducted during the process.”

shift to a CE presents an opportunity to address this problem by developing circular systems and business models that maximises resource consumption and reduces waste. A CE cannot function without sustainable packaging since it reduces waste production and encourages material reuse and recycling.

Governments and national organisations have made significant pledges in ESA to combat climate change and promote sustainable development. The African Union's Agenda 2063 lays out a vision for a thriving and sustainable Africa. Meeting these promises will mostly depend on moving toward a CE, which can aid in lowering greenhouse gas emissions and promoting resource sustainability. ESA countries can show their dedication to sustainable development and fulfil their international duties by implementing CE methods.

The agenda strongly emphasises the necessity of promoting sustainable consumption and production, increasing resource efficiency, encouraging re-use and lowering waste. It also asks for the creation of policies and regulations to promote CE projects and acknowledges the significance of innovation and technology in developing the CE.

According to research by the Ellen MacArthur Foundation, 45% of the carbon emission reductions will need to come from the linear to circular economy transition, in order to reach the 2050 targets. In this context, it is important to recognise that the extraction, processing, and manufacturing (including final consumption and recycling and/or disposal) of goods and services accounts for close to 50% of the world's carbon emission, which highlights the importance of supporting MSMEs (being the backbone of production) in greening their businesses. Furthermore, companies adopting a greener business concept are likely to also invest in renewable energy solutions or apply measures for better energy efficiency. Overall, 70% of all global greenhouse gas emissions are related to material handling and use. So, unless we radically transform how we use materials to satisfy our needs, we cannot meaningfully cut emissions'.

The transition to a CE is currently taking place in ESA, e.g. in Rwanda, which co-founded the ACEA in 2017. Rwanda has also placed policy frameworks (e.g., the Rwanda National Environment and Climate Change Policy of 2019 and CEAP of 2022) to promote CE activities. This promotion was done by encouraging sustainable modes of production and consumption and banning the production, importation, usage, and sale of plastic carry bags and single-use plastic in the nation, while ensuring inclusion of women, youth, and informal workers in the CE transition. The shift presents significant prospects for sustainable development in the area to a CE, including creating decent green jobs and promoting resource efficiency. Although CE ideas are spreading throughout the region, considerable effort needs to be made to incorporate circularity inclusively into practice and policy in every country.

2.2 Problem Analysis

In ESA, the CE is an emerging idea that promises to address climate emergency, diversify economy, cut waste, conserve resources, and generate new business opportunities and qualified employment. Many environmental and socioeconomic issues, including poor resource accessibility, extreme pollution, inhuman working conditions and inadequate waste management infrastructure, are present in the region. The transition to more CE can make a significant contribution to addressing these problems.

Economic growth in ESA has been steadily declining since 2010, and in fact, in 2016, 2018 and 2019, growth was actually negative on a per capita basis. In 2020, regional GDP is estimated to have declined by between 4.4 and 5.4 percent (6.8 and 7.8 percent on a per capita basis). In addition to declining growth, East and Southern Africa continues to face gaping wealth inequalities. Large swathes of the population in ESA countries have seen their incomes evaporate as their work in the informal sector or lower skilled jobs has been severely impacted by COVID pandemic. This is particularly true for women, with gender inequalities widening even further as women have had to trade income generating activities for household responsibilities or attempt to juggle both unsustainably.

Declining economic growth in the ESA region indicate that it is not just a question of ensuring an economic recovery from the impact of the COVID 19 pandemic. It is also critical to ensure that structural growth rates increase. This will require support to diversify economies away from commodities, access to renewable energy and access to internet to compete in the global economy. Considerable challenges still need to be resolved despite the region's strongly increasing interest in and attempts to provide an enabling environment for the transition to a CE. These difficulties include the following:

Weak business-enabling environment: The absence of legislative tools, incentives and enforcement strategies in the ESA region, like EPR schemes, can obstruct the growth of a CE. Another important factor is the lack of public-private partnerships, which is another significant barrier. The public sector provides the necessary policy and regulatory framework and incentives, while the private sector is critical in fostering innovation, investment,

job creation and social inclusion. Without solid partnerships between the two, it is challenging to develop an environment that supports inclusive CE activities and scales up successful programs.

Lack of funding: Due to excessive loan rates, a lack of credit history, and ineffective credit guarantee programs, ESA struggle to fund inclusive CE programs and initiatives, particularly for MSMEs. Because of collateral requirements and cultural considerations, this barrier is typically considerably more a barrier for women- and youth-owned businesses. This makes it difficult to invest in the infrastructure, innovative technology, and human capital needed to drive the CE. The lack of financial resources makes it difficult to adopt circular business models that demand large upfront investments, such as building recycling facilities or developing circular supply chains that are socially responsible. Large-scale CE projects that need major capital expenditure could be implemented with the help of international funding, to achieve its goals for sustainable development.

Lack of awareness: The CE concept is still relatively new in many ESA countries. Governments, corporations, and the general public often have little knowledge of CE concepts or understanding of inclusivity requirements making it more challenging to create policies and regulations that support a CE that benefit all. The absence of awareness also reduces the adoption and incentives for circular business models. In addition standards on CE are evolving quickly, notably on more demanding markets like the EU with its Green Deal policies, which makes awareness and information dissemination even more challenging.

Limited market demand: Many ESA countries have limited demand for circular goods and services, making it challenging for businesses to adopt circular business models. There is often a lack of awareness and understanding of the benefits of circular products, which contributes to the low demand. Another attribute could be the lack of innovation when it comes to circular goods and services, making it more difficult with existing market products.

Lack of fiscal and incentive regimes: The absence of fiscal and incentive regimes to promote the CE is another issue in ESA countries. Governments can play a crucial role in creating incentives that encourage the adoption of circular business models and the development of circular supply chains. Fiscal policies and taxation regimes can be critical in developing markets for circular business models. Also, they can produce public funding to pay for the shift to a CE. A country's tax policies can entice businesses to open offices there, and it can design tax incentives in accordance with its priorities for its national resources. Economic benefits may result from this, especially for nations lacking essential resources for their national growth. Examples would be taxes on virgin plastics, on the extraction of raw materials (in line with the EU regulation on Critical Raw Materials) and shifting the tax burden from labour or education purposes to material inputs.

Lack of gender, youth and social inclusion in the National CE policies: While there are national documents within the sub-region that allude to the gender dimension they do so at the theoretical level, given that no concrete strategies or action plans are articulated for the achievement of greater equality and inclusion of women, youth, people with disabilities and marginalised communities. Rwanda is the only country within the ESA region, which has the CE action plan that properly mainstreams gender, youth and social inclusion lens into its design. There is no 'one size fits all' template available for mainstreaming of cross-cutting themes into a national policy, each would have to be individually tailored to reflect local context to develop appropriate localised gender, youth, and social inclusion models ensuring CE transition for all.

Lack of focus on upstream elements of the value chain: Technologies are key enablers of the CE across sectors and waste streams, as they lead to higher efficiencies in existing material loops and unlock new opportunities for circularity, ultimately reducing waste and emissions, creating new economic activities and jobs, and benefiting human and ecosystem health. A multitude of CE technologies is already in use in countries like Kenya, South Africa and Tanzania, and other technology options are emerging with a high potential for being scaled across the continent. Overall, in the ESA region, there is already a significant focus on downstream elements of CE VCs, such as waste collection and disposal. There is an opportunity to give more attention to the development of scalable and replicable upstream products, services and technologies and to invest in knowledge and expertise of implementing and scaling up upstream solutions. Additionally, there is a need to create a set of attractive incentives for companies to invest in circular solutions.

Key beneficiaries and partners for this action are as follows:

Partners and beneficiaries: International and local NGOs: Stakeholders such as ACEN Foundation, CE Club CEC, Ellen MacArthur Foundation, CSOs, women and youth play a crucial role in advocating for the adoption of CE principles and promoting sustainable practices in the ESA region. These organisations often work with local communities, governments, and businesses to raise awareness about the benefits of a CE and provide training and

capacity-building support to help implement circular solutions. They also help to identify and address social and environmental challenges that may arise during the transition to a CE, particularly for vulnerable communities.

Partners: International organisations (IO) and bilateral development agencies: IOs and bilateral development agencies such as the International Council for Local Environmental Initiatives Africa (ICLEI) and United Nations Educational, Scientific and Cultural Organisation (UNESCO) Korea significantly promote sustainable development in the region. They provide technical and financial support to governments and other stakeholders to help implement CE policies and initiatives. These organisations often collaborate with local and regional governments to develop CE strategies, provide training and capacity-building support, and share best practices from around the world. For UNESCO Korea, the (BEAR) programme aims to strengthen the education and skills development systems in Africa in order to support sustainable development and socio-economic transformation. The project focuses on improving access to quality education and training, developing relevant skills and competencies for the labour market, promoting lifelong learning opportunities, and enhancing the governance and management of education systems. The BEAR project is implemented in 12 African countries and is aligned with UNESCO's Education 2030 agenda and the African Union's Agenda 2063.

Partners and beneficiaries: Regional Economic Communities (RECs): RECs such as COMESA, EAC, SADC and the African Union Commission (AUC) can play a critical role in promoting sustainable development in the ESA region. They can facilitate regional cooperation and coordination in areas such as trade, infrastructure development, and resource management, which can help to create economies of scale and enhance regional competitiveness. Additionally, RECs can help to promote policy harmonisation and alignment across member states, which can lead to more efficient and effective policies and programs. By supporting sustainable development in the region, RECs can also benefit from increased regional integration and stability, improved economic growth and development, and enhanced political cooperation and dialogue.

Partners and beneficiaries: Government Ministries, local municipalities: Government and local municipalities have a crucial role in promoting a CE in the ESA region. They are responsible for creating policies and regulations that promote sustainable and inclusive practices and support the transition to a CE. These stakeholders can also help to create the necessary infrastructure and provide incentives to encourage businesses and individuals to adopt circular practices. Additionally, local municipalities can help to promote circularity at the community level by implementing circular waste management systems and supporting inclusive circular business models.

Partners and beneficiaries: Research and advocacy organisations: Research and advocacy organisations such as prevent-waste.net, CE and Council for Scientific and Industrial Research (CSIR) play an important role in promoting an inclusive CE in the region. They research to identify the most effective circular solutions and advocate adopting CE policies and initiatives, which are mindful of women, youth, people with disabilities and groups living in vulnerable situations. These organisations also provide training and capacity-building support to help stakeholders implement socially impactful circular practices and share best practices worldwide.

Partners and beneficiaries: Financial Intermediaries: Financial intermediaries such as commercial banks, asset financiers, VCs, impact investors, scholarship grant receptors and regional development banks are crucial in facilitating the transition to an inclusive CE in the ESA region. They provide funding to businesses and organisations that are implementing circular solutions and can help unlock new financing sources for circular projects and create decent jobs. Financial intermediaries can also provide training and technical assistance to help businesses develop the necessary financial models and support the development of new circular business models.

Beneficiaries: Business service providers and SMEs in the ESA region, particularly those producing circular products and services or transitioning to circular business models, will be major beneficiaries of the Action. This includes new and fast-growing SMEs, as well as high-potential SMEs expanding their business models across the region and those partnering with European and international firms to foster social inclusion. Attention should be paid to people living in most vulnerable situations, such as women in all their diversity, youth, and informal workers, who may be positively or negatively affected by the action.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is to foster an inclusive transition to circular economy in East and Southern Africa

The Specific Objectives of this Action are to:

1. establish an enabling policy framework for circular economy across the ESA region;
2. enhance the participation of formal and informal workers and SMEs, including women and youth, in circular economy models;
3. improve access to and use of financing by circular economy businesses.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives are that will contribute to Outcomes are:

- 1.1. contributing to Outcome 1 (or Specific Objective 1) Improved access to information and learning materials on best practice policies, strategies and legislation for governments in the ESA region;
- 1.2. contributing to Outcome 1 (or Specific Objective 1) Increased awareness and knowledge of circular economy principles, characteristics and benefits among educators, students, consumers, the private sector, financing institutions, formal and informal workers and wider population, with particular attention to gender sensitive approach;
- 1.3. contributing to Outcome 1 (or Specific Objective 1) Public capacities strengthened for supporting circular economy models through extended producer responsibility (EPR) schemes across the region;
- 2.1. contributing to Outcome 1 (or Specific Objective 2) Topics related to circular economy are piloted, refined and integrated into the regional Higher Education and TVET system, with gender sensitive approach;
- 2.2. contributing to Outcome 1 (or Specific Objective 2) Improved availability of inclusive circular economy training modalities in suitable format to wide range of participants including women, youth and informal workers;
- 2.3. contributing to Outcome 1 (or Specific Objective 2) Knowledge sharing, best practice learning materials and support services related to the circular economy are available via on-line platform(s) and accessible by firms in the region;
- 3.1 contributing to Outcome 1 (or Specific Objective 3) Increased availability of financial services to circular economy start-ups and SMEs with regional scalability, replicability and social inclusion potential, particularly those owned by youth and women are able to access risk sharing finance;
- 3.2 contributing to Outcome 1 (or Specific Objective 3) Increased availability of essential incubation and advisory services related to financial readiness, business planning and business model development, technology and management systems;

3.2 Indicative Activities

For Outcome 1: An enabling policy framework for circular economy across the ESA region is established.

Activities related to Output 1.1: Governments in the ESA region have access to information and learning materials on best practice policies, strategies and legislation to facilitate the transition to an inclusive circular economy.

1.1.1. TA will strengthen existing ICT-based platforms to facilitate learning and sharing between regional governments on a range of enabling environment policies and strategies. The entities listed (ACEN Foundation, ACEA, CE Club (CEC), ICLEI Africa, Ellen MacArthur Foundation), RECs and their business councils could be invited to contribute to the platform as well. They could share best practices and experiences from their member states, as well as offer insights into the unique challenges and opportunities within their respective regions.

1.1.2. TA and small grants will be provided to implement physical and virtual workshops for regional policymakers. The purpose of these workshops is to facilitate dialogue and learning on specific CE issues, including the integration of women, youth, and vulnerable communities into CE building, and building on Rwanda's Inclusive CE Action Plan. The workshops will provide a platform for public-private sector dialogue to ensure that policies and strategies address regional constraints to private investment in CE and support the growth of high-potential businesses across the region. The workshops will also aim to improve the policy dialogue platform between ESA countries by fostering exchange of best practices and experiences, identifying common challenges, and promoting regional cooperation. RECs and their business councils could be invited to co-host or participate in these workshops. Their presence could help to enhance the policy dialogue platform between ESA

countries and promote regional cooperation. They could also help to identify common challenges and opportunities for private investment in CE, and support the growth of high-potential businesses across the region.

1.1.3. TA will facilitate a comprehensive review of existing certifications and standards for packaging and electronics in the region and globally recognised standards to identify gaps and areas for improvement. The scope of this activity is to identify the existing alliance of cities and explore possibilities of allying with cities in the region to share best practices and collaborate on CE initiatives, including harmonising certification and standards. This activity will engage with relevant and diverse stakeholders, including industry associations, civil society groups (informal worker associations, women and youth), and government agencies, to ensure their input and buy-in for the harmonisation process. The intention of this activity is to facilitate opportunities for multilateral cooperation and alignment with other regions and international organisations working on CE certification and standards. The harmonisation process will focus on identifying areas where harmonisation is most needed and developing a plan for harmonisation that considers the different capacities of standardisation organisations across the region. RECs and their business councils could be consulted during this process to ensure that their input and buy-in are included in the harmonisation process.

Activities related to Output 1.2: Increased awareness and knowledge of circular economy principles, characteristics and benefits among educators, students, consumers, the private sector, financing institutions, formal and informal workers and wider population, with particular attention to gender sensitive approach.

1.2.1 TA undertakes a detailed regional assessment on how producers and consumers access information on CE and factors that influence their decision to transition to CE products, services, and business models. Partner institutions will be identified through specific calls for proposals, ensuring geographic representation across the region. Support will also be provided for organisation of annual school competitions for a CE prize on issues promoting behavioural change and awareness among women, youth and their families, with participation from schools across the region.

1.2.2 TA will catalyse the adoption of a sustainability label among ESA producers, with a focus on packaging/plastic waste, and electronics/e-waste. The TA will also include a detailed assessment of existing sustainability labels to avoid overlap and ensure uniqueness. EU labelling obligations and schemes will be taken into account, to ensure that these labels are an asset to trade also with the EU, and would not require businesses to multiply certification processes. The label will inform consumers about the environmental impact of their purchases and the lifespan of products and services provided, such as repair options. The TA will be provided to a selected group of producers, chosen based on their willingness to participate and their capacity to meet the requirements of the sustainability label. The selection process will also consider the potential impact of the producers' participation on the CE in the region.

1.2.3 Starting this year, and then every five years, governments will take stock of the implementation of the NDCs to assess the collective progress towards achieving the purpose of the Paris Agreement and its long-term goals. The outcome of the global stocktake (GST) will inform the preparation of subsequent NDCs, in order to allow for increased ambition and climate action to achieve the purpose of the Paris Agreement and its long-term goals. The action will provide TA to governments in ESA countries, on a demand-driven basis, to ensure the implementation of their commitments. Support will be provided to ensure circular economy initiatives and Green growth strategy are included in their national planning.

Activities related to Output 1.3: Public capacities strengthened for supporting Circular Economy models through Extended Producer Responsibility (EPR) across the region schemes

1.3.1 The Action will provide TA to analyse current extended producer responsibility (EPR) status and regulations in the selected value chains (i.e. packaging/plastic waste and electronics/e-waste) in the ESA region, including voluntary producer responsibility organisations and how they operate, identify gaps and opportunities for implementation, inclusive of gender sensitive approach, youth and social inclusion components. The analysis will identify areas where producer responsibility organisation(s) (PROs) can play a more significant role, the most promising sectors for EPR implementation, and potential challenges and risks associated with implementing EPR schemes. Guidelines and toolkits will be developed for countries in the region to adopt inclusive EPR schemes, taking into consideration their unique contexts and challenges, including informality. The guidelines and toolkits will include best practices for designing and implementing effective EPR schemes, guidance on the roles and responsibilities of different stakeholders, and recommendations for monitoring and evaluation.

1.3.2 TA will be provided to facilitate collaboration and knowledge sharing among countries and regional organisations to promote the adoption of inclusive EPR schemes and PROs in the region. The aim is to create a

platform for sharing experiences, knowledge, and best practices to promote the adoption of inclusive EPR schemes and build regional capacity. The TA will be provided to relevant stakeholders in the region, including government agencies responsible for waste management, private sector actors, civil society organisations, women's associations and informal worker associations. The platform will also support countries in implementing and monitoring their EPR schemes, including capacity building for all relevant stakeholders, with a specific focus on ensuring the inclusion of women in all their diversity, youth, and informal workers. Coordination will be ensured with other ongoing sub-regional initiatives, such as the CBC and the SADC Business Council CE/EPR stakeholder platform, to avoid overlaps and ensure effective collaboration.

1.3.3 The Action will test a PRO model (voluntary or mandatory) in the specific value chains in an ESA country as a pilot. The aim is to demonstrate the feasibility and effectiveness of EPR schemes in the region and their inclusive potential, identify potential challenges and opportunities, and assess the economic and social impacts of EPR implementation. The pilot project will be designed based on the guidelines and toolkits developed above, and will involve collaboration with relevant stakeholders and PROs in the country.

For Outcome 2: Participation of formal and informal workers and SMEs, including women and youth, in circular economy models is enhanced.

Activities related to Output 2.1: Topics related to circular economy are piloted, refined and integrated into the regional Higher Education and TVET system, with gender sensitive approach.

2.1.1 TA will review the demand side needs of the labour market in transition to CE, with an emphasis on packaging/plastics and electronics/e-waste. The review will identify how changes in production, design and business models are transforming existing jobs and creating new roles, and how these roles in turn require different and / or additional skill-sets. The skill sets and competencies required for different occupations will be identified and documented, including unskilled, low, medium-skilled to highly skilled occupations.

2.1.2 In partnership with institutions that implement CE training modules (e.g. Ellen MacArthur Foundation, ALU, SADC TVET Strategy and regional framework for cooperation, ESA Better Education for Africa's Rise / UNESCO Korea (BEAR) and Circle Economy (CirE)), the TA will build modular, replicable and scalable pilot Higher Education and TVET curricula adapted to the identified needs of the CE and target sectors that could form the basis of regionally harmonised curricula. Curricula will be tested in pilots in a number of countries (e.g. Rwanda, South Africa, Kenya), and refined, prior to rolling out across the ESA region through apex HE and TVET bodies, TVET Authorities and leading TVET. The Action will complement bilateral EU funded Action on Skills and TVET. The Action will work along these initiatives to incorporate CE themes into their capacity building and curricula development activities.

2.1.3 Additional support for CE curricula development and training of trainers will be facilitated through linkages and twinning to Europe based Higher Education TVET Associations including the European Vocational Training Association and the European Forum for TVET.

Activities related to Output 2.2: Inclusive circular economy training modalities are available and accessible in suitable format to wide range of participants, including women, youth and informal workers.

2.2.1 Pilot a range of interventions to increase demand and access to CE related training: (i) Grants for scholarships. The scholarships will contribute to skills development in CE and provide a wider demonstration of the employability of CE trainees. The pilot will undertake an assessment of existing short- and long-term courses that address CE topics in the ESA region, and establish a shortlist of validated courses based on a series of assessment criteria. A number of scholarship grants to attend validated courses will be provided annually to participants meeting defined eligibility criteria, including those currently in unemployment and employment. The activity will develop a range of funding modalities for different categories of students ranging from full grants to funding contributions matched by employers: (ii) Catalyse the development of privately provided CE training through the value chains of priority sectors. The pilot intervention will carry out a detailed mapping of the value chains in packaging and plastic, electronics and e-waste and map the training needs in each VC required to achieve VC competitiveness and efficiency. Lead companies that drive each VC will then receive TA to develop training curricula and deliver training for small upstream and downstream supply chain participants. The pilot will demonstrate the commercial returns to private training provision within priority VCs, leading to scaling up and replication of these training programs in the private sector. The Action will liaise closely with EUDs that have TVET under their Multi-annual Indicative Programmes (MIP) 2021-2027, to avoid duplication and identify tasks that could be covered under their budget.

2.2.2 The Action will establish an annual prize for supplier development in the CE to incentivise supplier development training, replicating successful examples of prizes already in operation in South Africa such as the Business Day Supplier Development Awards (www.sdawards.co.za) managed by Fetola.

Activities related to Output 2.3: Knowledge sharing, best practice learning materials and support services related to the circular economy are available via on-line platform(s) and accessible by firms in the region.

2.3.1 TA will be provided to facilitate private sector access to learning and knowledge sharing materials related to CE through ICT based platforms: (i) for private companies, related to investment opportunities in CE, licensing and franchising, sources of finance, inclusive CE business models, available technologies, innovation and potential partners. In this case the Action will support existing e-platforms e.g. <https://prevent-waste.net/en/>, <https://www.acen.africa/> and <https://circulareconomycoalition.org/> to widen and deepen their coverage of CE, particularly in the target sectors (ii) providers of CE related business services, including advisory services, trainers, incubators, accelerators and innovation hubs. Service providers will be able to access training curricula and training course materials, diagnostic toolkits, best practice business models, tools for accessing women and youth and funding modalities. Where possible the Action will work with emerging knowledge sharing and learning platforms for business service providers e.g. BIC Africa, funded by the EU, which is a regional network supporting selected business incubators (BIs) to incorporate CE into their activities.

Links will be established to best practice CE platforms in Europe to facilitate North South peer-to-peer knowledge sharing, e.g. <https://circulareconomy.europa.eu/platform/en> or <https://vlaanderen-circulair.be/en>. Information will be shared on EU's CE policies and standards, to facilitate positioning of ESA products on EU markets.

Knowledge sharing platforms will facilitate demand driven South-South mentoring for providers seeking to develop CE related service offerings through access to leading regional providers such as Fetola, Womhub and ICLEI in South Africa, the Circular Innovation Hub, the Kenya Investment Mechanism advisory network in Kenya, Impact Hub in Rwanda and Matchmaker Associates in Tanzania. This activity will also partner with Circular Start for North South peer learning. The CircularStart into Business project is an ERASMUS+ Strategic Partnership composed of 9 partners from four European countries to address the need for knowledge and competences of start-ups and entrepreneurs in the field of CE, to move towards more sustainable and circular Business Models in Europe. Small grants will be made available to facilitate physical workshops bringing together support service providers to share knowledge and best practice learning on specific issues e.g. advisory service product development.

For Outcome 3: Access to and use of financing by circular economy businesses is improved.

Activities related to Output 3.1: Early stage circular economy start-ups and SMEs with regional scalability, replicability and social inclusion potential, particularly those owned by youth and women are able to access risk sharing finance.

1.1.1. The Action will establish a matching grant facility (MGF) to invest in and share the risk of investments in CE and transitioning businesses. The MGF will be managed by a single entity across all participating ESA countries. The Africa Enterprise Challenge Fund (AECF) <https://www.aecfafrica.org/> has expressed keen interest and seems to be well qualified to take up this role.

Grants will be allocated through a competitive process to eligible firms on the basis of a series of pre-defined appraisal criteria which will include clear alignment with CE principles, potential for scale, potential to generate more and better jobs, inclusion and additionally. The MGF will operate three funding lots/windows, each of which will address specific objectives of the programme:

Lot/Window 1 for start-ups, with an MGF contribution for eligible expenditures of 80% and maximum grant of € 30 000 per grant contract;

Lot/Window 2 for early stage SMEs and transitioning firms, with and MGF contribution to eligible expenditures of 50% and maximum grant of € 250 000 per grant contract;

Lot/Window 3 for SMEs with an identified regional or joint venture partner from EU MSs. For joint ventures between SMEs and larger regional firms, the MGF contribution to eligible expenditure will be 50%, and the maximum grant amount of € 250 000 per grant contract. For joint ventures between SMEs and European firms, the MGF contribution will be 30 %, and the maximum grant € 250 000 per grant contract.

For each window, a specific percentage of available funding will be allocated to firms owned or employing women and youth or CE products and services targeting women and youth. Matching grants will be allocated in tranches, with disbursements based on the achievement of key milestones by beneficiaries, which will be continuously monitored and evaluated. As part of this activity, an online operational and financial monitoring system will be

implemented in order to integrate digital approaches in CE. To facilitate low cost management of performance and fiduciary risks, a detailed operational manual will be developed and made accessible on-line to ensure appropriate risk management practices are followed and a management information system (MIS) developed to monitor and evaluate the grants.

Strong relationships with a network of commercial banks, asset financiers, venture capital and impact investors will be developed in order to support beneficiaries of the MGF to transition to commercial sources of finance, ensuring that the MGF leverages additional finance to facilitate enterprise growth. In addition, connectivity will be created for high performing grant beneficiaries to EFSD+ funding under the Europe-Africa Global Gateway Investment Package, i.e. the European Fund for Sustainable Development (EFSD+), which will be particularly relevant for EU/ESA firm partnerships.

3.1.2 The action will support annual award events to convene successful grantees with RECs, governments, think tanks and the private sectors and strategic partners and established to raise awareness of new awards, new product and service developments in CE, and share progress and lesson learning from existing grantees. This will be an integral part of peer-to-peer learning and policy dialogues accompanying the action. These annual gatherings could ideally be combined with events organised under components 1, e.g. be the COMESA Business Council (CBC) and/or the SADC Business Council in different countries, thus facilitating and providing public private dialogue fora.

Activities related to output 3.2: Financing products and technical and business advisory support are available for regional innovation and commercialisation of emerging circular economy technologies, products and services that support the growth of circular businesses and show social inclusion, replicability and scalability potential.

Activities are distinct from those activities under output 2.3 and is specifically designed to provide incubation and advisory support for MGF beneficiaries in line with best practice.

The Action will identify networks of business development service providers and business incubators through calls for proposals that can be partnered with beneficiaries of the MGF to support the effectively utilisation of funds through well-structured business plans and models, and the adoptions of robust management systems. Examples of existing advisory networks include those developed through the Investment Management Project in Kenya, and those operated by Matchmaker Associates in Tanzania. Existing incubators include Fetola and Womhub in South Africa, Impact Hub Kigali, CE Catalyst and those supported through the EU's Regional Incubator Network Project and BIC Africa. Selected business service providers and incubators will receive TA support to upgrade their service offerings in line with the specific needs of CE firms benefitting from the MGF, and further TA to develop and implement online and ICT based service delivery mechanisms that reduce the costs of service provision to MGF beneficiaries. The selected advisory service providers and incubators will benefit from opportunities for peer to peer learning through CE business advisory service providers and CE dedicated incubators operating in Europe including CEC, Circulab, Circular Advisers, Inogen Alliance, CirE and Nuva Sustainability.

3.3 Mainstreaming

Environmental Protection & Climate Change

The Action contributes significantly to climate change mitigation by promoting and investing in transition from linear to circular economic models. This will be achieved by introducing greener and circular production and consumption models, which reduce the pressure on natural resources and the extraction through mining, as well as through improved waste management.

Outcomes of the SEA screening

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

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the Action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design).

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this Action is no or low risk (no need for further assessment). This project aims to reduce carbon emissions and mitigate climate change, in line with regional NDCs through policy reforms, and private sector development with a focus on transition to CE.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1. This implies that Gender Equality is a significant objective within the Action.

This is reflected in the acknowledgement of the potential role women can play to in contributing to economic growth and job creation in circular SMEs, if they have access to the business services and to finance. The Action has introduced specific capacity building by specialised service providers oriented to women owned firms and female entrepreneurs, including empowerment, and development of financial products specifically addressing the characteristics of women entrepreneurs. The focus on CE SMEs, particularly those led by youth and women, will promote inclusion, gender equality and women empowerment.

Awareness campaigns [under output 1.2] will target children (drivers of behaviour change) in schools as well as women (in charge of household chores) to change behaviour to limit waste production and improve circularity.

Human Rights

The programme focuses on promoting the creation of decent jobs and sustainable development through the transition to a CE. Furthermore, the Action will apply a human rights-based approach by respecting the five working principles: respect to all human rights, participation, non-discrimination, transparency and accountability in every step of the Action. In addition, the Action addresses the women's human right for a clean environment and aims to do no harm.

Analyses and assessments will be conducted to incorporate specific work on Business and Human Rights and mainstream the human rights-based approach and responsible business conduct.

Disability

As per OECD Disability DAC codes identified in section 1.1, the Action is labelled as G1 as significant objective. The Action will build on good practices demonstrated by disability-inclusive CE training and employment projects in South Africa and Rwanda Circular and those developed by the CirculAbility an ERASMUS+ project. The project sees committed partners involved in the development of a training for the staff of structures employing people with disabilities in the development of sustainable economic activities based on CE and on the reduction of food waste

Reduction of inequalities

The Action is labelled as G1 as significant objective within the action. The Action has the potential to make contribution to reducing inequality in the ESA region by providing training opportunities to the informal sector, women and youth and assisting the SMEs to scale up and by creating and inclusive decent jobs

Democracy

The Action promotes institutional coordination, cooperation and consultation with all relevant stakeholders.

Conflict sensitivity, peace and resilience

Through promoting decent jobs and CE, the Action will positively contribute to the resilience of the people and of enterprises to climate shocks and a more sustainable use of natural resources.

Disaster Risk Reduction

Promoting greener business models and CE has positive impact on mitigating environmental disaster risks. Targeted VCs, such as in waste management, may reduce the risk of health diseases linked to air or water pollution.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/Med/Low)	Impact (High/Med/Low)	Mitigating measures
Structural	Risk 1 Macroeconomic situation does not improve. ESA remains high risk for financing & investment	Medium	High	The EU is a key development partner in PFM (Public Finance Management)/Accountability and engages, as PFM in dialogues with the Ministries of Finance, relevant Development Partners and the IMF.
Political	Risk 2 Low buy-in by the political class and vested interest groups	Medium	High	Action supports regional agenda. It recognises different degrees of CE transition in ESA. It will create knowledge sharing platforms to accelerate buy-in in CE. Focus on growth sectors that are not influenced by vested interest or politicised.
Financial	Risk 3 Cost of circular transition reduces SMEs willingness to adopt circular practices	Medium	High	Action promotes access to finance, awareness raising around benefits of CE and access to BDSPs for SMEs on viable CE technologies, investments and business models. Costs of circular technology will steadily decrease, as pace accelerates on climate action.
Operational	Risk 4 Delays in development of policy frameworks e.g. CE road maps, lack of technical & financial capacity for development of strategies and implementation	Low - Medium	High	Support policy dialogue and collaboration through the South South and North South peer-to-peer learning, intergovernmental and public private dialogue.
Operational	Risk 5 Local commercial banks remain critical on SME financing, as they move beyond grants.	High	High	Action makes provision to develop strong links with commercial banks, asset financiers, impact investors, angel investors and support transition to commercial finance for grant beneficiaries. Awareness programmes will target commercial banks and others related to opportunities and benefits of CE firms.

Lessons learnt indicate the need to operate with an integrated and systemic approach, covering both, the business-enabling environment, and access to skills and finance. Work in a systemic way, e.g. combining access to finance with training, business advisory services, market linkages and supporting reforms in the enabling environment, is more effective in terms of SME development and private sector growth than addressing singular issues and creates higher impact. There are already several EU initiatives and those of other donors and international organisations, which could be taken up and further expanded/consolidated. Building on existing program complementarities across the region while focusing on systemic and behaviour change in the market systems, rather than only giving grants to SME, is more effective to achieve sustainable results, given the important market failures.

3.5 The Intervention Logic

The underlying intervention logic is that environmentally sound, gender/youth/vulnerable communities sensitive and economically viable transition to a CE is dependent on; (i) the establishment of a supportive and inclusive enabling business regulatory environment and investment climate, that creates the right positive and negative incentives for the transition to circularity, and on; (ii) and firm level support for increased number of new start-ups, and growth in SMEs producing scalable and replicable CE products and services, and the adoption of more circular and socially responsible business models in transitioning SMEs, particularly those created and managed by young entrepreneurs.

The Action will support the development of the enabling environment and firm level support for circularity across specific high potential VCs. Drawing on 'The Five Big Bets for CE in Africa' report and further preparatory diagnostics, the selected priority sectors are packaging/plastic waste and electronics/e-waste.

In order to establish a conducive and inclusive business enabling environment for the transition, the Action will focus on promoting South-South (and South-North) cooperation/twinning & peer-to-peer learning, rather than the direct provision of TA to policy makers. The Action utilises these modalities based on (i) the wide variation in progress in developing a positive enabling environment made across countries in the ESA region. Lead countries include Kenya, Rwanda, and South Africa and there is significant scope for lagging countries to learn directly from these lead countries regarding best practice approaches to developing socially inclusive and gender sensitive CE strategies and roadmaps, legislation, regulation and incentive structures.

Furthermore, there is significant opportunities for lesson learning and knowledge sharing with European institutions. The European Commission adopted the new Circular Economy Action Plan (CEAP) in March 2020, which is one of the main building blocks of the European Green Deal, Europe's new agenda for sustainable growth (ii) recognition of the wide range of existing institutions that focus on promoting best practice learning and knowledge sharing in CE, both within the region and in Europe. There are several existing and upcoming programs developed through a Team Europe approach this Action can partner with to amplify its impact. In the region, these include ACEA, ACEN and ACEF, ALU, ICLEI, Footprints Africa, UN organisations e.g. ITC and UNIDO. In Europe, existing players in the CE space include CirE, Holland Circular Hotspot, Trinomics, TNO (all NL), Sitra (FL), Circular Innovation Lab (DK), and the Ellen MacArthur Foundation, just to mention some of the entities that have expressed interest as strategic and/or implementing partners during the design phase. There is significant scope for the Action to widen and deepen the activities of these organisations and to utilise existing ICT based knowledge sharing and learning platforms that they have developed. There is additional scope to partner existing EU initiatives that are establishing knowledge sharing platforms for advisory service providers, incubators and accelerators to incorporate CE into their activities. More widely, through calls for proposals and school prizes the Action will establish greater awareness among key stakeholders of climate change and the critical importance of transition to CE.

The capacity of enterprises to respond to a positive enabling environment is currently constrained by access to information regarding available circular business opportunities, circular technologies and business models, a shortage of appropriate labour market skills, access to specialised advisory services, and finance. To address these constraints the Action will increase access to information, skills, finance and affordable advisory services for circular and transitioning SMEs, including those managed by women and youth, as well as informal workers. Firms in the ESA region note there is a shortage of CE skills in the labour market, both in terms of mainstreaming CE across their business, and technical skills related to CE technology and modalities in specific sectors, including the target priority VCs. Accordingly, the Action will facilitate sustainable changes in the skills market system. It will build on HE and TVET CE training curricula already being developed, e.g. by CirE and ALU, to build cross cutting, sector specific and gender inclusive HE and TVET modules which will be distributed and mainstreamed by leading TVET institutions, initially on a pilot basis in selected countries. In addition, the Action will provide grants for student scholarships on a gender parity base in order to demonstrate the employability of CE HE and TVET graduates, and support private firms to develop and deliver inclusive CE training to smaller firms in their supply chain, demonstrating the commercial returns to training, leading to further replication and scaling up.

The Action will strengthen emerging regional platforms, particularly to build modules for business service providers to expand their service offering in CE and increase their understanding of inclusive and gender sensitive CE solutions. This is to address weaknesses in access to information for firms and business service providers. In Europe, information platforms are well developed and the Action therefore provides for learning from best practice platforms. Further provision is made for these platforms to facilitate mentoring relationships between best practice service providers, including advisory services, incubators, accelerators and innovation hubs, including those specifically servicing women and youth, and their peers seeking to develop these services.

Investment in start-ups and early stage SMEs, particularly those owned by women and youth, is constrained by the perception of high levels of risk on behalf of entrepreneurs and commercial lenders, and also marginal viability for

some transitioning firms and early stage technologies. The Action will therefore establish a matching grant scheme to decrease the investment risks for early stage and transitioning firms, with provision for alternative funding windows depending on the firms' stage of growth. The grant manager will develop strong links to other commercial financial institutions so that high potential grant beneficiaries can be supported to transition to more appropriate sources of commercial finance as their business grows. A window will be established to fund firms at the pre commercial stage of development of CE products and services e.g. for product prototyping to catalyse the pipeline of social inclusive, scalable and replicable CE products and services coming onto the market which is currently constrained by lack of innovation funding in the region.

The main underlying assumptions are:

- (i) That diversification and transition to a more CE in inclusive way remain key political priorities for the medium term as stated in NDPs, and are mainstreamed in policy implementation and public procurement in order to promote efforts to reduce or limit GHG emissions.
- (ii) That governments will be able to progressively shift public investments in support of circular business
- (iii) That the ESA countries will deliver on their Nationally Determined Contributions especially on their pledge to cut their GHG emissions by 43% by 2030.
- (iv) That financial institutions will establish appropriate ESG frameworks to inform and influence their investment and lending decisions, and
- (v) That, by creating appropriate incentives, and building greater awareness of the socially responsive circular agenda among key stakeholders including consumers and financial institutions, SMEs will adopt inclusive circular business models.
- (vi) Producers, consumers and other stakeholders change their production and consumption habits in response to increased awareness.

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.

Results	Results chain	Indicators:	Baselines (values & years)	Targets (values & years)	Sources of data	Assumptions
Impact	Inclusive transition to circular economy in East and Southern Africa is fostered.	<ol style="list-style-type: none"> Carbon dioxide emissions per unit of manufacturing value added in in Eastern and Southern Africa Percentage contribution to the GDP of targeted sectors / sub-sectors where circularity was promoted with EU support, disaggregated by country Amount of waste generated and treated per Micro, Small and Medium Enterprise (MSME) per year, disaggregated by type of waste, treatment type and International Standard Industrial Classification (ISIC) sector (Kg) and country Amount of waste generated and treated per capita per year, disaggregated by type of waste and treatment type (Kg) and country 	<ol style="list-style-type: none"> To be determined (2024) To be determined (2024) To be determined (2024) To be determined (2024) 	<ol style="list-style-type: none"> 0 To be determined at the inception phase (2024) 0 To be determined at the inception phase (2024) 0 To be determined at the inception phase (2024) 0 To be determined at the inception phase (2024) 	1 -4 Beneficiary reporting	Not applicable
Outcome 1	An enabling policy framework for circular economy across the ESA region is established	1.1 Number of proposed for adoption climate change adaptation and mitigation policies (including nationally determined contributions), and environment protection strategies and plans (including energy policies/ strategies) that include gender equality objectives, in line with the United Nations framework convention on climate	<ol style="list-style-type: none"> 0 To be determined (2024) 0 To be determined (2024) 	<ol style="list-style-type: none"> To be determined at the inception phase (2024) To be determined 	1.1- 1.4 Progress reports of the EU-funded intervention	Governments in the ESA region are prioritising establishment and enforcement of an enabling environment for the

		<p>change (UNFCCC) gender action plan (GAP III key outcome indicators).</p> <p>1.2 Number of countries in the ESA region with CE policy instruments adopted / implemented with support of the EU funded intervention</p> <p>1.3 Number of public-private dialogues or partnerships established to support the transition to the CE in the ESA region with the support of the EU-funded intervention.</p> <p>1.4 Number of inclusive EPR schemes adopted by countries in the ESA region with support of the project.</p>	<p>1.3. 0 To be determined (2024)</p> <p>1.4. 0 To be determined (2024)</p>	<p>at the inception phase (2024)</p> <p>1.3 To be determined at the inception phase (2024)</p> <p>1.4 To be determined at the inception phase (2024)</p>		<p>inclusive transition to a CE</p>
Outcome 2	<p>Participation of formal and informal workers and SMEs, including women and youth, in circular economy models is enhanced.</p>	<p>2.1 Number of jobs, created in circular economy sectors in the ESA region with the support of the EU-funded intervention disaggregated by sex, disability status and country (matching GEF 2.13)</p> <p>2.2 Number of EU supported Micro, Small and Medium Enterprises (MSMEs) applying circular economy models disaggregated by sex and youth, people with disabilities</p> <p>2.3 Number of Micro, Small and Medium Enterprises applying Sustainable Consumption and Production practices with EU support (GEF 2.6)</p> <p>2.4 % of women in managerial positions in enterprises in the green economy and the CE (GAP III key outcome indicators)</p> <p>2.5 Number of businesses created in circular economy after business development services provided by the EU-funded intervention,</p>	<p>2.1- 2.5 0 To be determined at inception phase (2024)</p>	<p>2.1 Endline surveys conducted and budgeted by the EU-funded intervention</p> <p>2.2 Endline surveys conducted and budgeted by the EU-funded intervention</p> <p>2.3 Endline surveys conducted and budgeted by</p>		<p>TVET and other trainees are successful in finding employment;</p> <p>SMEs integrate best practice into their business models;</p> <p>Service providers are able to implement viable business models.</p>

		disaggregated by registration status (not registered, in process, fully registered), economic sector, age and sex of the owners (OPSYS core indicator)		the EU-funded intervention 2.4 Baseline surveys conducted and budgeted by the EU-funded intervention 2.5 Endline surveys conducted and budgeted by the EU-funded intervention		
Outcome 3	Access to and use of financing by circular economy businesses is improved.	3.1 Percentage of Matching Grant beneficiaries achieving target milestones, disaggregated by sex, youth 3.2 Number of SMEs transitioning from Matching Grants to other sources of finance (% of women owned/managed, % of youth owned/managed) 3.3 Number of % of women entrepreneurs in the CE				
Output 1 Related to Outcome 1	Governments in the ESA region have access to information and learning materials on best practice policies, strategies and legislation to facilitate the transition to an inclusive CE.	1.1.1 Number of CE policy briefs, guides and other learning materials developed with gender, youth and marginalised communities mainstreamed throughout, and made available to governments in the ESA region. 1.1.2 Number of registered users or support requests received for the CE information and learning platform among governments in the ESA region disaggregated by sex.	1.1.1 1.1.2 1.1.3 1.1.4	1.1.1 1.1.2 1.1.3 1.1.4	1.1.1 1.1.2 1.1.3 1.1.4	There is demand from governments in the ESA region for access to information and learning materials on CE best practices, policies, and strategies.

		<p>1.1.3 Level of satisfaction of government officials with the quality and usefulness of CE information and learning materials.</p> <p>1.1.4 Number of reviewed existing certifications and standards for packaging/plastics, and electronics/E-waste in the region and globally recognized standards to identify gaps.</p>				
<p>Output 2 Related to Outcome 1</p>	<p>Increased awareness and knowledge of CE principles, characteristics and benefits among educators, students, consumers, the private sector, financing institutions, formal and informal workers and wider population, with particular attention to gender sensitive approach.</p>	<p>1.2.1 Percentage of policy makers, consumers, business, and civil society representatives reporting increased knowledge on the Circular Economy gained from studies / tools produced with EU support, disaggregated by sex and sector (public, private, civil society)</p> <p>1.2.2 Number of policy makers, consumers, business and civil society representatives reached through Circular Economy awareness activities (events, campaigns, etc.) organised with EU support, disaggregated by sex and sector (public, private, civil society).</p>	<p>1.2.1 0 Baseline to be determined at inception phase (2024)</p> <p>1.2.2 0 Baseline to be determined at inception phase (2024)</p>	<p>1.2.1 Endline surveys conducted and budgeted by the EU-funded intervention</p> <p>1.2.2 Endline surveys conducted and budgeted by the EU-funded intervention</p>	<p>1.2.1 Progress reports of the EU-funded intervention</p> <p>1.2.2 Progress reports of the EU-funded intervention</p>	<p>There is a demand to increase awareness and knowledge of CE principles, characteristics, and inclusive benefits among relevant institutions and their members in the ESA region to support the transition to a CE.</p>
<p>Output 3 Related to Outcome 1</p>	<p>Public capacities strengthened for supporting CE models through EPR schemes across the region</p>	<p>1.3.1 Number of waste policies, regulations or pieces of legislation supporting the Circular Economy that have been developed, revised and/or implemented with EU support</p> <p>1.3.1 1.3.2 Extent to which the EU-funded intervention contributed to the development/revision or implementation of waste policies or legislation supporting the Circular Economy.</p>	<p>1.3.1 0 Baseline to be determined at inception phase (2024)</p> <p>1.3.2 0 Baseline to be determined at inception phase (2024)</p>	<p>1.3.1 Endline surveys conducted and budgeted by the EU-funded intervention</p> <p>1.3.2 Endline surveys</p>	<p>1.3.1 Progress reports of the EU-funded intervention</p> <p>1.3.2 Progress reports of the EU-funded intervention</p>	<p>Sufficient enforcement and management capacities for effective implementation of inclusive EPR schemes.</p>

				conducted and budgeted by the EU-funded intervention		
Output 1 Related to Outcome 2	Topics related to CE are piloted, refined and integrated into the regional Higher Education and TVET system, with gender sensitive approach.	<p>2.1.1 Number of higher education and training institutions integrating CE into curricula with support of the EU-funded intervention with gender sensitive approach disaggregated by country.</p> <p>2.1.2 Number of higher education and training institutions integrating CE modules for women, girls and youth into their training programmes with support of the EU-funded intervention disaggregated by country</p> <p>2.1.3 Number of trainers qualified to deliver CE TVET programs with the support of the EU-funded intervention, disaggregated by sex and country</p> <p>2.1.4 Number of training programs developed by the action for differently abled people disaggregated by country.</p> <p>2.1.5 Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU: (a) all VET/skills development (GERF 2.14a)</p>	2.1.1- 2.1.5: 0 To be determined at inception phase (2024)	2.1.1-2.1.5: To be determined (2029)	<p>2.1.1- 2.1.2: Progress reports of the EU-funded intervention</p> <p>2.1.3: Pre- and post-training tests/questionnaires</p> <p>2.1.4-2.1.5: Progress reports of the EU-funded intervention</p>	Increasing demand to participate to the CE TVET programmes
Output 2 Related to Outcome 2	Inclusive CE training modalities are available and accessible in suitable format to wide range of participants including women, youth and informal workers.	<p>2.2.1 Number of scholarships disaggregated by sex and age to validated higher education, TVET and other CE training programmes provided by the action, disaggregated sex, age group, status of disability and country.</p> <p>2.2.2 Number of firms, facilitating training in CE in their supply chain with the support of the EU-funded intervention, disaggregated by country</p> <p>2.2.3 Number of people trained from selected supply chains with increased knowledge on</p>	2.2.1- 2.2.3: 0 To be determined at inception phase (2024)	2.2.1-2.2.3: To be determined (2029)	<p>2.2.1 – 2.2.2 Progress reports of the EU-funded intervention</p> <p>2.2.3 pre- and post-training tests/questionnaires</p>	<p>Students, especially girls, receiving scholarships find gainful employment</p> <p>Firms scale up and roll out inclusive CE training</p>

		circular economy, disaggregated by sex and age group				
Output 3 Related to Outcome 2	Knowledge sharing, best practice learning materials and support services related to the CE are available via on-line platform(s) and accessible by firms in the region.	2.3.1 Number of firms involved in EU-funded Circular Economy knowledge sharing platforms and/or mechanisms, disaggregated by sex of the owner, sector and country	2.3.1: 0 To be determined at inception phase (2024)	2.3.1: To be determined (2029)	2.3.1 Progress reports of the EU-funded intervention	Service providers are able to implement viable business models
Output 1 Related to Outcome 3	Increased availability of financial services to circular economy start-ups and SMEs with regional scalability, replicability and social inclusion potential, particularly those owned by youth and women	3.1.1 Number of firms accessing Matching Grant Fund, disaggregated by Fund Window and gender of owner/manager and country 3.1.2 Number of Matching Grants disbursed by country disaggregated by sex, age group and country 3.1.3 Value of Matching Grants disbursed, disaggregated by sex, age group and country 3.1.4 Number of regional and EU joint ventures(JV) catalyzed through the MGF (No of JVs, value of leveraged JV funds Euros) with the support of the action 3.1.5 Value of leveraged JV funds with the support of the action (EURO). 3.1.6 Number of beneficiaries with access to financial services with EU support: (a) firms (GERF 2.17a) 3.1.7 Number of beneficiaries with access to financial services with EU support: (b) people (all financial services) (GERF 2.17b)	3.1.1-3.1.7: To be determined at inception phase (2024)	3.1.1-3.1.7: To be determined (2024)	3.1.1-3.1.7: Progress reports of the EU-funded intervention	Financial services are adequate to scalability and replicability at regional level.
Output 2 Related to Outcome 3	Increased availability of essential incubation and advisory services related to financial readiness, business planning and business model development, technology and management systems.	3. 2.1 Number of Matching Grant beneficiaries reporting an increased knowledge on business planning, business model development and technology management disaggregated by sex and age disability status and country. 3.2.2 Number of targeted business service providers reporting increased expertise on circular economy disaggregated , by country (%)	3.2.1- 3.2.3: 0 To be determined at inception phase (2024)	3.2.1- 3.2.3: To be determined at inception phase (2024)	3.2.1-3.2.3: Progress reports of the EU-funded intervention	Viable low cost mechanisms for delivery advisory services are developed

		women owned/managed, % youth owned/managed), 3.2.3 Number of targeted incubators reporting increased expertise on circular economy to support start up MGF beneficiaries disaggregated by country.				
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this Action, it is envisaged to conclude a financing agreement with COMESA.

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 60 months from the date of entry into force of the Financing Agreement.

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 of the Budget Support Component

Not applicable

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the Action with EU restrictive measures⁶.

4.4.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: i)) strong physical and ICT based presence in the ESA region, ii) extensive experience in establishing knowledge sharing and learning platforms, iii) strong convening and advocacy power for regional governments, financial institutions and the private sector, iv) specialised in CE in Africa and/or Europe.

This implementation entails implementation of the 3 specific objectives.

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

If the preferred modality cannot be implemented due to circumstances outside of the Commission's control, the action may be implemented under direct management -- procurement to achieve the 3 specific objectives of the Action.

4.5 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

⁶ 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.

duly substantiated cases where application of the eligibility rules would make the carrying out of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.4	
Objective 1: A positive and inclusive enabling environment is established, and aligned across the ESA region, in support of the transition to the circular economy	
<i>Indirect management with an entrusted entity - cf. section 4.4.1</i>	4 825 000
Objective 2: Formal and informal workers and SMEs, including women and youth, develop the skills to participate in the circular economy productively	
<i>Indirect management with an entrusted entity- cf. section 4.4.1</i>	4 825 000
Objective 3: Circular economy businesses are able to access, and productively (Sustainably) utilise, finance required to start up, grow, diversify and expand, particularly businesses owned, staffed by or benefiting women and youth and informal workers	
<i>Indirect management with an entrusted entity- cf. section 4.4.1</i>	30 000 000
Evaluation – cf. section 5.2	350 000
Audit – cf. section 5.3	
Contingencies	NA
Totals	40 000 000

4.7 Organisational Set-up and Responsibilities

A Programme Steering Committee (PSC), comprising key stakeholders, shall be established to oversee the implementation of the Action, which shall indicatively meet at least once a year. Members of the PSC will be (indicative list): European commission, representatives of the private sector (e.g. selected Chambers of Commerce of EU Member States) and the implementing partners.

In addition to the PSC, three Technical Committees (TC), one for each component, shall be established to provide technical guidance, monitoring the implementation and ensure that timely and appropriate decisions are made relating to challenges or issues emerging during programme implementation. The TCs shall meet quarterly at component level and twice annually together, as to ensure technical and operational coordination between the three components. The TC will make recommendations to the annual PSC. The TC for component 1 will also involve representatives of advocacy organisations. The TC for component 2 will involve HE and TVET apex organisations from ESA and Europe, and the TC for component 3 will involve selected financial institutions and representative of advisory organisations. The EDFI will participate as relevant.

For the MGF, the implementing entity will establish an independent Grant Awards Committee comprised of members drawn from the public sector, private sector and civil society organisations. The implementing entity will be responsible for initial assessment of MGF applications and will present a shortlist of high potential application to the Grant Assessment Committee for non-objection. The contracting authority will have an objection/non-objection role in terms of the awards under the MGF.

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

During the first six months of implementation of each component, the implementing partners will verify if any relevant research institution has carried out any data collection and mapping relevant to define the baselines. Otherwise, the implementing partner will identify the needed baseline studies, the costing and possible financing sources, including the Action budget and the fund for Supporting Measures. This may include a gender mainstreaming analysis and a strategic risk assessment. As much as possible the baseline studies should also serve the data needs of the relevant ministries.

The monitoring system of each component will reflect the action plans developed by participating stakeholders and revise indicators and targets accordingly. This is to ensure that the monitoring systems set up by stakeholders and those set up under the Action will mutually benefit and complement each other.

Responsibilities for data collection, analysis and monitoring will be defined at the beginning of the contract implementation by the three main implementing partners taking into account data collected by regional national entities, such as the RECs, NSOs, Chambers of Commerce, knowledge sharing platforms as well as data collected to the grants beneficiaries

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex and age, and disability if possible.

5.2 Evaluation

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

A mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to appropriateness of the intervention logic and the potential need to adapt activities.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision).

In addition, all evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

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 and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

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 Intervention (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 checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action