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ANNEX I

of the Commission Implementing Decision on the financing of the Annual Action Plan for Planet (Global Challenges) for 2021

Action Document for International Climate Governance - Part II

ANNUAL PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans in the sense of Article 23(2) of the Neighbourhood, Development and International Cooperation Instrument – Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	International Climate Governance - part II [OPSYS/CRIS] number: Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out worldwide (NDICI – Global Europe geographical coverage)
4. Programming document	N/A
5. Link with relevant MIP(s) objectives / expected results	Multi-annual indicative Programme Global Challenges - Planet
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Environmental sustainability / Climate change (DAC sector: General Environment Protection – 410)
7. Sustainable Development Goals (SDGs)	Main SDG: 13 Other significant SDGs: SDG 7: Affordable, reliable, sustainable and modern energy for all SDG Target 7.3: By 2030, double the global rate of improvement in energy efficiency SDG Target 16.8: Broaden and strengthen the participation of developing countries in the institutions of global governance SDG 5: Achieve gender equality and empower all women and girls SDG target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
8 a) DAC code(s)	41010 – Environmental policy and administrative management (100%)

8 b) Main Delivery Channel	Main Delivery Channel: 10000 Public Sector Institutions			
9. Involvement of multilateral partners	Yes Entities to be selected in accordance with the criteria set out in section 4.3.1.			
10. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
11. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	12. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective
Digitalisation @ digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Connectivity @ transport people2people		<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

	energy		<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity		<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
13. Amounts concerned	Budget line(s) (article, item): 14.020241 Total estimated cost: EUR 8 050 000 Total amount of EU budget contribution: EUR 8 050 000			
MANAGEMENT AND IMPLEMENTATION				
14. Type of financing¹	Indirect management with the entities to be selected in accordance with the criteria set out in section 4.3.1. Direct management through procurement.			

1.2 Summary of the Action

Climate change remains an existential threat to humanity. While its catastrophic effects on developing countries – especially Least Developed Countries (LDCs) and Small Islands Developing States (SIDS) - are known for a long time², the 2021 northern hemisphere summer drastically illustrated with floods, heatwaves and fires in Europe, North America and Russia that few regions, if any, will be spared³. The COVID-19 pandemic puts additional pressure on countries' capacities to tackle climate change, both in terms of mitigation and adaptation.

The EU reacts to climate change with decisive domestic action, as recently presented in the 'Fit for 55' package of 14 July 2021⁴, as well as with climate cooperation with partner countries.

The 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP26) to be held in Glasgow in November 2021 will, in the words of UN Secretary General Antonio Guterres, be 'a critical milestone in our efforts to avert climate catastrophe'⁵. A UN High-level Dialogue on Energy was held in New York in September 2021 to build up momentum to the COP. In 2022, COP27 will be hosted by an African country⁶, an excellent opportunity to ramp up climate action in and with this highly affected continent.

A first package of urgent EU measures in relation to COP26 has been presented to the NDICI Committee in August 2021. It comprises support to the participation of developing countries in COP26 and related meetings, cooperation with developing and emerging market countries on decarbonisation of their energy systems, in relation with the UN High-Level Event on Energy in September 2021, support to the International Programme for Action on Climate and a new initiative by European think tanks, 'Adaptation without Borders'.

¹ Art. 27 NDICI

² See e.g. <https://www.worldbank.org/en/news/feature/2015/11/08/rapid-climate-informed-development-needed-to-keep-climate-change-from-pushing-more-than-100-million-people>

³ <https://www.nytimes.com/2021/07/17/climate/heatwave-weather-hot.html>

⁴ https://ec.europa.eu/commission/presscorner/detail/en/IP_21_3541

⁵ <https://www.un.org/sg/en/content/sg/speeches/2021-02-08/remarks-briefing-member-states-incoming-cop26-president%C2%A0>

⁶ Egypt has expressed interest to host COP27.

The second package, presented in this Action Document, complements the above-mentioned fast track package and puts an emphasis on implementation of ambitious and fair climate action including through support to progressive platforms and alliances in the UNFCCC, cooperation on emissions modelling with Asian countries, and carbon pricing initiatives. The Montreal Protocol in its relevance for climate change and maritime (shipping-related) greenhouse gas (GHG) emissions are also being tackled.

The Overall Objective (impact) of the presented action is to ensure that developing countries are in a position to both agree to ambitious international commitments on climate change and implement them. This includes ensuring that COP26 and associated events lead to agreements which are both ambitious and have the contribution and support of all countries, in particular LDCs and SIDS. The Specific Objective (outcome) of this action is that developing countries contribute to successful UNFCCC processes, including COP26 and its follow-up, and translating commitments made internationally into domestic climate action.

The following actions are proposed for financing through this document:

- Support to 'progressive platforms' in COP26, COP27 and related UN processes;
- Support to international carbon pricing initiatives;
- Support to emissions modelling by Asian countries;
- Support to Montreal Protocol technical and economic assessment panel⁷;
- Support to developing countries on curbing maritime greenhouse gas emissions.

The implementing entities of the actions above will be chosen on the basis of their mandate, technical and managerial competence, and track record in the respective policy field.

The Action will fully contribute to SDG 13.

2 RATIONALE

2.1 Context

Global greenhouse gas (GHG) emissions remain on an unsustainable pathway despite short-term emission reductions due to the impact of the COVID-19 pandemic on the global economic activity. Climate action by most Parties to the UNFCCC still falls short of what is required to achieve the long-term goals of the 2015 Paris Agreement (PA) and the 2030 Agenda for Sustainable Development.⁸

The EU is showing leadership and is setting an example.

On 12 December 2019, EU leaders agreed upon the objective of Europe becoming the world's first climate-neutral continent by 2050. The EU will implement its ambitious goals through the European Green Deal (EGD)⁹, both inside the EU and outside its borders.

The resulting Climate Law was adopted in June 2021, including a reinforced EU greenhouse gas emissions reduction target of at least 55% by 2030 compared to 1990 levels and well as a 2050 climate neutrality goal.¹⁰

On 25 January 2021, the Foreign Affairs Council adopted conclusions on climate and energy diplomacy, in which ministers called upon 'all parties to enhance the ambition of the nationally determined contributions and to present long-term low emissions development strategies well ahead of COP26'.¹¹ For the first time, the Council stipulated that the 'EU's energy diplomacy will discourage further investments into fossil-fuel-based infrastructure projects in third countries, unless they are aligned with an ambitious climate neutrality pathway, and will support international efforts to reduce the environmental and greenhouse gas impact of existing fossil fuel infrastructure.' The Council

⁷ <https://adaptationwithoutborders.org/>

⁸ <https://www.consilium.europa.eu/media/48057/st05263-en21.pdf>

⁹ https://ec.europa.eu/info/sites/default/files/european-green-deal-communication_en.pdf

¹⁰ <https://www.consilium.europa.eu/en/press/press-releases/2020/12/17/council-agrees-on-full-general-approach-on-european-climate-law-proposal/#:~:text=A%20climate%20neutral%20EU%20%2D%20what,on%2010%2D11%20December%202020>

¹¹ <https://www.consilium.europa.eu/en/press/press-releases/2021/01/25/council-adopts-conclusions-on-climate-and-energy-diplomacy/>

also called ‘for a worldwide phase-out of unabated coal in energy production’.

In the February 2021 new Adaptation Strategy, the EU committed to step up its efforts towards climate resilience by 2050¹².

On 14 July 2021, the European Commission presented its most comprehensive package of climate actions so far, labelled ‘Fit for 55’, to reach the -55% target and implement the EGD. The Commission outlined 13 legislative proposals to make the EU's climate, energy, land use, transport and taxation policies fit for reducing net by 55% by the end of this decade. These proposals will be negotiated with Member States and the European Parliament over the next months.

However, since the EU accounts for only 8% of global GHG emissions (a percentage which will further decline in the future), an ambitious internal policy will not be enough to tackle the global climate mitigation challenge. Urgent, collective and decisive global action by all Parties to the UNFCCC is needed to hold the increase in the global average temperature to well below 2°C above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5°C above preindustrial levels in response to the climate emergency, as the PA stipulates.

A strong participation of developing countries – including least developed countries (LDCs) and small island developing states (SIDS) – in UNFCCC and other climate-related UN processes is crucial for the credibility and ambition of the international climate regime. Meaningful participation of women among constituted bodies is also important for their credibility. On average, female members of constituted bodies occupy 33 % of all the positions in a body in 2020¹³. Groups in vulnerable situations are most at risk from climate change, including many women. For them, the impacts are already a daily reality. They can offer valuable insights into better managing the climate and its risks.

In the UNFCCC framework, the UK hosted COP26, in partnership with Italy. Planned for 2020 and delayed due to the COVID-19 pandemic, COP26 is a milestone to further raise global climate ambition and to finalise the Paris rulebook (the set of guidelines for implementing the Paris Agreement) by reaching an agreement on the provisions of Article 6 on international carbon markets. In all scenarios, the participation of delegates from developing countries will pose logistical, technical or financial challenges.

COP26 has been prepared through a number of milestone events such as a high-level dialogue on energy in New York in September 2021 and the pre-COP in Milan from 30 September to 2 October 2021.

In terms of implementing Paris Agreement pledges (NDCs), the world is collectively not on track to reach the level of mitigation ambition expressed in the Paris Agreement. Since both NDCs and their implementation are nationally determined, countries require support in producing model-derived pathways that can demonstrate how national development goals can be achieved while transitioning to a net zero world.

During the COP25, held in December 2019 in Madrid, an enhanced five-year Lima work programme on gender and its gender action plan was adopted. The enhanced gender action aims to “advance knowledge and understanding of gender-responsive climate action and its coherent mainstreaming in the implementation of the UNFCCC and the work of Parties, the secretariat, United Nations entities and all stakeholders at all levels, as well as women’s full, equal and meaningful participation in the UNFCCC process”. Moreover, it was agreed that an intermediate review of the progress of implementation of the activities contained in the gender action plan, will be conducted during the 26th session of the Subsidiary Body for Implementation (June 2022). Climate governance action contributes to the EU Gender Action Plan (GAP) III, particularly to the thematic area of engagement ‘addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation (climate change and environment)’.

Given the threats of environmental degradation and climate change on human rights, it will also help implement the EU Action Plan on Human Rights and Democracy 2020-2024, by mainstreaming human rights approach across the four components.¹⁴

Within the EU/international policy context outlined above, the following five actions have been identified by European Commission services for climate governance support to developing countries, to be managed by Directorate-General Climate Action:

¹² [EU Adaptation Strategy | Climate Action \(europa.eu\)](https://european-council.europa.eu/media/e300042c-3250-4f30-b01d-3bb331216700/en/Policy-Document/EU_Adaptation_Strategy_Climat_Action.pdf)

¹³ https://unfccc.int/sites/default/files/resource/cp2020_03_adv.pdf

¹⁴ [EU Action Plan on Human Rights and Democracy - European External Action Service \(europa.eu\)](https://european-council.europa.eu/media/e300042c-3250-4f30-b01d-3bb331216700/en/Policy-Document/EU_Action_Plan_on_Human_Rights_and_Democracy.pdf)

- Support to ‘progressive platforms’ in COP26, COP27 and related UN processes
- Support to international carbon pricing initiatives
- Support to emissions modelling by Asian countries
- Support to Montreal Protocol technical and economic assessment panel
- Support to developing countries on curbing maritime greenhouse gas emissions

They will be presented in more detail further down in this document.¹⁵

2.2 Problem Analysis

All the actions foreseen under this fiche target the priority area climate change and more specifically the improved participation and implementation by developing countries in international climate policy processes, gender-responsive and human rights-based knowledge building and the improvement in quality in adaptation action.

The activities planned under this action document target related but distinct climate policy fields. Due to the financial and organisational limitations in many developing countries, accentuated by the current COVID-19 pandemic, the participation of experts in UNFCCC conferences and in other relevant policy forums can benefit from support from international donors. In the areas of emissions modelling and carbon pricing, where the urgency of action pre-dates COVID-19, but the response must now be seen in the context of pandemic recovery. Strong involvement of experts and officials from developing countries is in the EU interest, as outlined in the international chapter of the EGD Communication¹⁶. This is also true for issues like the global warming effect of substances regulated under the Montreal Protocol and maritime (shipping) emissions.

The below section presents a short problem analysis for the issues covered in this Action Document.

- Support to ‘progressive platforms’ in COP26, COP27 and related UN processes:

Ambitious (‘progressive’) positions by developing countries are crucial for the implementation of the Paris Agreement. As the EGD Communication states, ‘the COP in Glasgow (...) will be an important milestone before the global stocktake in 2023 (...) The EU will engage more intensely with all partners to increase the collective effort (...)’. So-called ‘progressive platforms’ (or ‘progressive alliances’) are a good way to foster such an increase of effort. Through a predecessor ‘progressive platforms project’¹⁷ managed by UNDP, the EU supports developing countries to (I) achieve the goals of the Paris Agreement and transition to low-carbon resilient economies, and (II) to build their capacity to effectively participate in the UNFCCC meetings and other related bodies outside of the UNFCCC. Support includes diplomatic and legal advice, technical advice & support, capacity building and administrative support. Due to the success of this project, it shall be extended through the proposed action.

So far, the EU has successfully worked with the Least Developed Countries Group, the Alliance of Small Island States (AOSIS), the AILAC (Asociación Independiente de Latinoamérica y el Caribe) group and the African countries ahead of major negotiations rounds using media statements and aligned messages to exert pressure on the laggards in the public arena. This progressive alliance proved to be particularly instrumental at COP17 in Durban 2011 to set the pathway to Paris, and in Paris to ensure universality of action and 1.5°C degrees benchmark.

The EU should continue to seize the right opportunities to re-establish relations with these relevant groups, send a signal of readiness to cooperate at different levels and to work together to secure good COP outcomes, both in ambition arena as well as in the negotiations of the rules that allow Parties to successfully implement the Paris Agreement.

- Support to international carbon pricing initiatives:

Pricing carbon emissions through instruments such as emissions trading systems and carbon taxes is one of the cost-effective means to achieving emissions reduction. This is valid for countries of vastly different income levels. A number of governments are incorporating carbon pricing policies into their mitigation strategies. The EU is

¹⁵ A related sixth action, climate and environment information through the Earth Negotiation Bulletin, will be implemented by DG Environment.

¹⁶ See p.20f. in https://ec.europa.eu/info/sites/default/files/european-green-deal-communication_en.pdf

¹⁷ <https://www.ndcs.undp.org/content/ndc-support-programme/en/home/our-work/focal/progressive-platforms-project.html>

supporting carbon pricing initiatives for developing countries through programmes such as the Partnership for Market Readiness¹⁸, managed by the World Bank. However, given vast financing needs, this support is still insufficient. Together with partners, the European Commission is committed to helping countries design and implement robust carbon pricing instruments, including emissions trading systems carbon taxes, and crediting and offset mechanisms, carbon border adjustment mechanisms, especially in the context of PA so-called article 6 negotiations on carbon markets.

- Support to emissions modelling by Asian countries:

The elaboration of informed and transparent pathways for low-emission development strategies at the national level is key to achieve the Paris Agreement goals and is a recognised aspect of international negotiations on climate. Just as the best available science should ground the goals of climate policies, the best available technological and economic evidence is needed to inform policies in other countries. The European Commission uses a wide range of mathematical models, tools and methods to evaluate the potential economic, social and environmental consequences of its policy proposals (impact assessment).¹⁹ Through a number of international cooperation projects, EU experts share their experience with counterparts from developing countries and emerging economies. Recently, the usefulness of supporting respective capacities in Asia, including China, has been detected, given the substantial contribution of this region to present and projected future emissions.

- Support to Montreal Protocol technical and economic assessment panel:

Substances used to replace ozone-depleting chemicals can trap heat, exacerbating the greenhouse effect.²⁰ The Montreal Protocol's Technical and Economic Assessment Panel (TEAP) was established in 1990 as the technical and economic advisory body to the Montreal Protocol Parties. It provides inter alia technical information related to alternative technologies to the use of Ozone Depleting Substances (ODS, e.g. HCFCs) and hydrofluorocarbons (HFCs, very potent greenhouse-gases used as replacements to ODS). In the UNFCCC and Montreal Protocol contexts, both the EU and developing countries have a strong climate policy interest in phasing down and finding alternatives to HFCs in the most efficient and climate friendly way, both from a domestic view (Regulation (EU) 517/2014) and international angle i.e. the 2016 Kigali Amendment to the Montreal Protocol amendment which entered into force in January 2019.

- Support to developing countries on maritime greenhouse gas emissions:

International shipping is a large and growing source of greenhouse gas emissions. The EU supports global action to tackle shipping emissions.²¹ The International Maritime Organization (IMO) agreed in 2018, after considerable efforts, on an initial greenhouse gas emissions reduction strategy to reduce total annual GHG emissions from shipping by at least 50% by 2050 compared to 2008 levels. This initial strategy is to be revised in 2023. As climate progress in the shipping sector is still too slow at global level, the EU needs to continue to push for ambitious climate actions in IMO and related international forums. Building upon earlier cooperation²² with IMO, there is a need to reinforce developing countries capacities to contribute to managing and mitigating maritime GHG emissions. As particularly affected by the issue, the involvement of Pacific SIDS shall be particularly reflected on the issue.

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

The main stakeholder groups, duty-bearers of the action, are developing countries' government offices and agencies responsible for climate change and energy issues. Specific target groups for the individual activities are expert communities working in their respective fields of expertise. Rights-holders of the action are people. They will be represented by civil society organisations, including women's organisations and organisations representing rights of indigenous peoples and persons with disabilities. Throughout all activities, the strengthening of ownership of developing countries and all people living in them shall be an explicit goal. Representation of women in UNFCCC processes and implementation of their gender action plan is still insufficient. Therefore, gender equality in decision-making and support for gender-responsive climate actions and implementation of the process is a cross-

¹⁸ <https://www.thepmr.org/content/supporting-action-climate-change-mitigation>

¹⁹ https://ec.europa.eu/clima/policies/strategies/analysis_en

²⁰ <https://www.eea.europa.eu/themes/climate/ozone-depleting-substances-and-climate-change>

²¹ https://ec.europa.eu/clima/policies/transport/shipping_en

²² <https://www.imo.org/en/MediaCentre/PressBriefings/Pages/01-2016-MTCC-.aspx>

cutting issue in the project.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The EU and developing countries share strategic interests linked to managing climate risks and the successful implementation of the Paris Agreement and the SDGs. The proposed climate governance programme will contribute to effective international action pursuing the following objectives and results:

The Overall Objective (Impact) of this action is that COP26 and associated events lead to agreements which are both ambitious and have the contribution and support of all countries, in particular Least Developed Countries (LDCs) and Small Island developing States (SIDS).

The Specific Objective (Outcome) of this action is that developing countries contribute to successful COP26 and UNFCCC processes.

The Outputs to be delivered by this action contributing to the corresponding Specific Objective (Outcome) are:

Output 1: Enhanced engagement of developing countries in COP26, COP27 and related UNFCCC processes

Output 2: Enhanced understanding of carbon pricing initiatives

Output 3: Enhanced sharing of good practices on emissions modelling, including access to latest EU knowledge

Output 4: Enhanced international cooperation on climate aspects of the Montreal Protocol

Output 5: Enhanced involvement of developing countries, esp. Pacific SIDS in the International Maritime Organization's climate work.

3.2 Indicative Activities

To achieve its objectives, the programme will support a number of targeted policy interventions within the UNFCCC and/or related policy arenas. In particular, the programme foresees activities in five areas:

Activities related to Output 1:

Activities will support progressive platforms/groups of vulnerable and ambitious developing countries in UNFCCC allowing them to engage and promote robust decisions in the negotiations as well as enhancing and progressing the implementation of the Paris Agreement. It will improve the groups' ability to promote enhanced ambition in line with the goals of the PA. Through this activity, the EU hopes to continue to encourage political leadership within vulnerable countries, foster progressive thinking and discussion, particularly in preparations for the global stocktake of the PA, to take place in 2023.²³ The EU support will contribute to a stronger coordination among the members of the selected groups in preparation for the UNFCCC negotiations, enabling the identification of priorities and engagement strategies. The support is directed towards organizations selected to lead the work with the various groups/platforms such as the LDCs and AOSIS or the High-Ambition Coalition (HAC), based on on-going working relationships with the groups/platforms.

Activities related to Output 2:

Activities will support global climate governance regime by strengthening the participation of developing countries in COP26 and related UN processes, with special reference to article 6 of the Paris Agreement, which deals with international carbon markets. They intend to raise the participation of developing countries, especially LDCs, in UNFCCC negotiations, and the future implementation of decisions taken. Support to the implementation of national carbon markets and carbon finance strategies are also intended, through a multi-country approach (several partner countries in a technical cooperation project). Some activities in support to development and access to sustainable finance may also be considered. The activities aim to contribute to a successful conclusion of art. 6 negotiations, the main missing piece of the Paris Agreement rulebook adopted at COP24 in Katowice in 2018.

²³ The global stocktake of the Paris Agreement (GST) is a process for taking stock of the implementation of the Paris Agreement with the aim to assess the world's collective progress towards achieving the purpose of the agreement and its long-term goals. The first GST will take place from 2021 to 2023 and the process will be repeated every 5 years thereafter. <https://unfccc.int/topics/science/workstreams/global-stocktake>

Activities related to Output 3:

Climate governance requires the ability to plan and implement national pathways consistent with global goals including those of the Paris Agreement. Furthermore, there are no pathways to reaching globally agreed climate targets without major-emitting emerging Asian economies (as well as other G20 economies) taking meaningful steps towards climate neutrality, given the growing importance of regional emissions from both consumption and production for export.

With this in mind, the proposed action intends to reinforce global climate change mitigation action by supporting developing countries' experts working on national and sectoral greenhouse gas emissions modelling. . The ability to prepare and refine model-derived national emissions pathways has multiple benefits such as: informing the formulation of national objectives such as NDCs and Long-term Strategies, and providing an evidence-based starting point for discussions how to implement and achieve just transitions consistent with low greenhouse gas emission development.

Participating partner countries will be strengthened through enhanced participation in emissions modelling experts' cooperation. Domestic climate and energy policymaking will be enhanced through participation of experts and officials in relevant international specialists' communities. Links between EU modellers and counterparts in partner countries will be strengthened by improving the granularity, policy relevance and sustainable development linkages of climate action pathways; ensuring consistency between national and global modelling scenarios; and ensuring high quality modelling analysis available and relevant to the milestones established by the Paris Agreement and IPCC cycle rhythm. Top Asian and Chinese emission modelling teams will be brought together with European and international teams that are running national decarbonisation and sectoral models for Asian partner countries including China in order to better understand possible emissions trends, including interactions between global, national, regional and sectoral levels, and enhancing the use of models and scenarios as a platform for stakeholder dialogue.

Activities related to Output 4:

The proposed activities will strengthen developing countries' ability to limit greenhouse gases regulated by the Montreal Protocol on Substances that Deplete the Ozone Layer, by increasing their participation. Envisaged activities include the assessment and evaluation of technical options available to Montreal Protocol Parties as well as developing countries as regards ozone depleting substances as well as HFCs. It is proposed to allocate a targeted amount to support the Montreal Protocol process (including monitoring activities) and TEAP via the UNE Ozone Secretariat for an indicative three years.

Activities related to Output 5:

The proposed activities intend to strengthen the participation of developing countries, especially member of the Alliance of Small Island States (AOSIS) in IMO meetings on climate change. It will aim at strengthening the representation of ambitious Pacific Island States in the IMO and in other fora such as the Shipping High Ambition Coalition (SHAC)²⁴ or meetings with Member States to coordinate and prepare the development of ambitious climate policies. The aim is also to support the organisation of a high level dialogue or summit on decarbonising international maritime transport. This is a global action that does not apply to a specific country. However, participating partner developing countries will also be supported in domestic climate policymaking on shipping emissions.

The important role of local authorities and their global and regional associations in the fight against climate change will also be addressed wherever possible under the components.

²⁴ SHAC is an informal coalition regrouping a number of pro-active EU MS (Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Mexico, Netherlands), Pacific Island States (Fiji, Kiribati, Marshall Islands, Solomon Islands, Tonga and Tuvalu) and other ambitious states (Mexico, Canada, New Zealand)

3.3 Mainstreaming

Environmental Protection & Climate Change

The activities foreseen under this project will contribute to the 30% climate-related spending target of the NDICI – Global Europe. Additionally, the project is directly targeting climate change mitigation. Aid to environment is a clear implicit goal. Biodiversity and Combatting desertification are not directly targeted, yet they will be supported through the UNFCCC component and the individual NDCs of participating developing countries.

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.

Gender equality is a goal that the EU promotes in its support to developing countries' participation in the UNFCCC process, insofar as the participation of women in UNFCCC bodies and meetings is encouraged through a UNFCCC Gender Action Plan. However, as the selection of delegates to most UNFCCC- and related thematic meetings is the prerogative of partner governments, it is suggested that the EU does not apply a strict conditionality on the conditions for appointments in the context of this action.

The action will involve gender experts and representatives of community in planning, decision-making, identifying barriers, communicating information. The action contributes to the Gender Action Plan III (GAP III, 2021-2025), more specifically objective 1 "Increased participation of women and girls in all their diversity in decision-making processes on environment and climate change issues" and objective 2 "Strategies and agreements on climate mitigation, adaptation, disaster risk reduction and sustainable management of natural resources and biodiversity are more gender-responsive, at local, national, regional and international level".

Human Rights

Human rights-based approach and its key principles (participation, non-discrimination, accountability and transparency) will be integrated throughout the action. Particular focus will be given to inclusive policies targeting women and persons living in vulnerable situations such as indigenous peoples and persons with disabilities.

The action will have a direct impact on the citizens and their fundamental rights to live in a safe environment and to have access to environmental information. Measures proposed to help effect such change include: building alliances and coalitions through the user platform for change, ensuring inclusiveness and gender balance, creating new institutional actors and arrangements, adjusting legal rights and responsibilities to make information public and transparent, and changing ideas and accepted norms and expectations through, training, awareness and outreach communication programmes.

Disability

Not targeted.

Democracy

Not targeted.

Conflict sensitivity, peace and resilience

Not targeted.

Disaster Risk Reduction

Disaster Risk Reduction is not directly targeted by this action. Yet, it will be indirectly supported through the UNFCCC work under the adaptation and loss and damage strands of work and the individual NDCs and National Adaptation Plans of participating developing countries.

Other considerations if relevant

Good governance will be enhanced through the participation of delegates from developing countries and emerging markets in global climate change and related thematic policy events and networks.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Support to 'progressive platforms' in COP26 and related UN processes	Support is funding administrative costs of the implementing organisation rather than content work of the 'progressive alliances'	L	M	Close coordination by European Commission services with the project management of the implementing organisation, as well as with involved representatives of the respective developing countries in the UNFCCC process.
Support to international carbon pricing initiatives	Potential delays in the implementation of activities by the implementing countries. Such delays occurred in a predecessor project on carbon pricing.	M	M	This risk will be taken into account in the formulation of the eligibility criteria by strengthening the requirements on political commitment/technical capacity of countries. Implementation will be followed closely by the EC unit responsible for international carbon markets.
Support to emissions modelling by Asian countries	In-country modelling capacity will not be maintained after project end (e.g. modellers focus on other issues or change jobs)	M	M	The project will enhance partner country institutes' links with the international modelling community. This should lead to further opportunities to develop and maintain this capacity (e.g. supplying expertise to other donors/clients, participating in future multi-country scientific projects).
Support to Montreal Protocol technical and economic assessment panel	Low impact due to small project budget	L	L	Strong involvement by the responsible technical unit of the European Commission.
Support to developing countries on maritime greenhouse gas emissions	Willingness by IMO to raise climate ambition of the nascent global regime on maritime GHG emissions	M	L	Even if the current IMO ambition would not raise beyond the current -50% commitment, the strengthening of developing countries', esp. Pacific nations' capacities on shipping emissions remains a worthwhile goal.
Lessons Learnt: Lessons learnt from climate finance projects are being continuously discussed in the EU and wider international donor community. Peer-to-peer learning – allowing developed and developing country experts and institutes to learn from each other				

e.g. through joint work, capacity-building workshops and modeller exchanges – has already proven effective in all the policy fields tackled under this action document.

For example, on ‘progressive platforms’ in UNFCCC, the adoption of the Paris Agreement would have been hard to imagine without the push by alliances and structures such as HAC, SIDS and AOSIS.

On carbon pricing, the introduction of national systems such as ETS (e.g. in China) and carbon taxes (e.g. in South Africa) would have been even more difficult without a constant stream of international technical assistance, with the EU and its member states often being the main and one of the most reliable donors.

On emissions modelling, there is a need for support for evidence-based analysis of national, regional and global climate and energy policy scenarios. Experience has shown that such support contributes to more methodologically solid climate documents, strategies and policies has become evident.

On the Montreal Protocol and maritime emissions, similar lessons on the importance of sustained long-term technical assistance and technical cooperation apply.

In terms of EU climate policy making, the January 2021 Council Conclusions highlight the importance of effective multilateral structures and governance mechanisms supporting the EU’s climate and energy diplomacies. The 14 July 2021 ‘Fit for 55’ package builds upon previous lessons learned on EU climate policy making, including the importance of global cooperation on climate change.

On international maritime transport, the active involvement of Ambitious Pacific Island States have played an important role in past IMO negotiations to increase the ambition of IMO actions.

3.5 The Intervention Logic

The underlying intervention logic of this action is that in a small number of selected climate policy fields the enhanced participation of developing countries’ representatives and experts can lead to improved outcomes and impacts. The expected change to take place through this project can be summarised as enhanced capacity to prepare and implement climate action in developing countries and qualitative and quantitative enhancement of the participation of developing countries (and in certain policy fields transition countries) in the UNFCCC and related international climate policy processes. There is confidence that positive change is likely to happen due to the plausible assumption that developing countries remain committed in international climate change cooperation forums to ensure a successful and ambitious outcome of the Paris Agreement and the SDGs for concerned populations, including the most vulnerable in LDCs and SIDS, as well as major emerging market emitters.

3.6 Logical Framework Matrix

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

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	COP26, COP27 and associated events lead to agreements which are both ambitious and have the contribution and support of all countries, in particular LDCs and SIDS.	1. Number of new NDCs submitted 2. Successful outcome of COP26 and COP27 according to EU assessment	9 ²⁵ 0	191 2	NDC Synthesis reports by the UNFCCC Secretariat ²⁶ ; UNFCCC COP26 and COP27 official decisions and conclusions. EU press release at the end of the COPs	<i>Not applicable</i>
Outcomes	1. Developing countries contribute to successful COP26, COP27 and UNFCCC processes.	1.1 Effectiveness of participation of main negotiation groups of developing countries, as self-assessed post-COP26 and COP27 ²⁷	0	3	UNFCCC and UNDP reports; Reports by the respective platforms	Successful coordination between developing countries in the respective platforms

²⁵ <https://www4.unfccc.int/sites/ndcstaging/Pages/Home.aspx> consulted on 4.7.2021

²⁶ <https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs/nationally-determined-contributions-ndcs/ndc-synthesis-report>

²⁷ as measured in statements by African Ministerial Conference on the Environment, Alliance of Small Island States and ACP Secretariat

	2. Developing countries have enhanced their understanding of carbon pricing	2.1 Number of carbon price instruments (CBI) in operation worldwide	64 ²⁸	80 ²⁹	World Bank Carbon Pricing report 2024	Developing countries introduce CBIs as part of their climate strategies
	3. Asian countries are fully conversant with good practices on emissions modelling	3.1 Number of Asian countries with an active experts producing national low emission, Paris consistent, development pathways (disaggregated by sex, age, countries).	1	3	Reporting by DG CLIMA C1 ³⁰	Relevant partners in Asian countries are interested in experts-cooperation with the EU on emissions modelling
	4. Developing countries undertake climate-ambitious action under the Montreal Protocol	4.1 MP TEAP continuing its role as efficient advisory body to the Montreal Protocol Parties, with an emphasis on information access for developing countries	1	1	Montreal TEAP reporting ³¹	Continued engagement of developing countries in the Montreal TEAP process

²⁸ See World Bank Carbon Pricing Report 2021, p.21, accessible through <https://pmiclimat.org/pmi-report#>

²⁹ To be confirmed at start of project

³⁰ https://ec.europa.eu/clima/policies/strategies/analysis_en

³¹ <https://ozone.unep.org/science/assessment/teap>

	5. Developing countries undertake ambitious climate action under IMO	5.1. High level dialogue or summit on decarbonisation of 5.2 Successful outcomes at IMO according to EU assessment	0	1	IMO reports and submissions and reporting by DG CLIMA B3	Longer term commitment of participating countries to support the development of ambitious climate policies at IMO
Output 1 related to Outcome 1	1.1: Enhanced engagement of developing countries in COP26, COP27 and related UNFCCC processes	1.1.1: Number of progressive alliances whose participation has been supported by EU funding.	0	3 (tbc)	EU UN funding agreement	Covid sanitary situation allows in person-participation
Output 1 related to Outcome 2	2.1: Enhanced understanding of carbon pricing initiatives	2.1.1: Number of developing countries participating in EU-supported initiatives on carbon pricing	24 ³²	27 tbc	Reporting by DG CLIMA B3	Developing countries work on CBI's in the framework of EU-supported projects

³² Implementing countries and technical partners having benefited from support under the Partnership for Market Readiness.

Output 1 related to Outcome 3	3.1: Enhanced sharing of good practices on emissions modelling, including access to latest EU knowledge	3.1.1: Number of Asian countries participating in international exchange on capacity building for emissions modelling	1	3	Reporting by DG CLIMA C1	A geographically diverse consortium of EU and Asian modellers is found with a solid plan to improve participating countries' capacities in the context of the Paris Agreement goals.
Output 1 related to Outcome 4	4.1: Enhanced international cooperation on climate aspects of the Montreal Protocol	4.1.1: Number of developing countries participating in global warming-mitigating activities under the Montreal Protocol.	tbc	tbc	Reporting by DG CLIMA A2	High quality advice by TEAP geared to developing countries' needs.
Output 1 related to Outcome 5	5.1: Enhanced involvement of developing countries, esp. Pacific SIDS in IMO's climate work.	5.1.1: Number of developing countries actively supporting the development of ambitious climate policies at IMO. 5.1.2: Number of developing countries participating in policy coordination meetings and capacity building activities prior to IMO meetings.	0 0	tbc tbc	Reporting by DG CLIMA B3 Reporting by DG CLIMA B3	Political acceptance by developing countries to undertake maritime climate action and Covid sanitary situation allows in person-participation.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

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

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU 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 measures³³.

4.3.1 Direct Management (Procurement)

Procurement of services is envisaged indicatively for output 3 "Enhanced sharing of good practices on emissions modelling, including access to latest EU knowledge" and output 5 "Enhanced involvement of developing countries, esp. pacific SIDS in IMO's climate work".

4.3.2 Indirect Management with a Member State Organisation or international organisations

The actions "Enhanced engagement of developing countries in the UNFCCC process, COP26 and COP27", "Enhanced understanding of carbon pricing initiatives" and "Enhanced international cooperation on climate aspects of the Montreal Protocol" may be implemented in indirect management with pillar assessed entities which will be selected by the Commission's services using the following criteria: relevant organisational mandate; technical competence in the respective policy field; organisational competence; projects track record. The implementation by these entities entails all the actions foreseen under this Action Document.

4.3.3 Changes from indirect to direct management mode due to exceptional circumstances

If the foreseen implementation modality under indirect management above cannot be implemented due to circumstances outside of the Commission's control, part of the action may be implemented through direct management (grants).

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to relevant entities, selected using the following criteria: technical competence, high degree of specialisation or its administrative powers, de jure or de facto monopoly.

³³ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

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

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Output 1: Enhanced engagement of developing countries in the UNFCCC process, COP26 and COP27	
Indirect management – c.f. section 4.3.1	2 000 000
Output 2: Enhanced understanding of carbon pricing initiatives	
Indirect management – c.f. section 4.3.1	2 500 000
Output 3: Enhanced sharing of good practices on emissions modelling, including access to latest EU knowledge	
Direct management (procurement) – c.f. section 4.3.2	2 350 000
Output 4: Enhanced international cooperation on climate aspects of the Montreal Protocol	
Indirect management - – c.f. section 4.3.1	750 000
Output 5: Enhanced involvement of developing countries, esp. Pacific SIDS in IMO's climate work	
Direct management (procurement) - c.f. section 4.3.2	450 000
Evaluation – cf section 5.2 Audit – cf section 5.3	Will be covered by another decision
Totals	8 050 000

4.6 Organisational Set-up and Responsibilities

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.

The projects will use, wherever possible, existing management structures of the participating institutions. Individual projects generally begin with a 3-month inception phase. Gender equality, human rights and human rights-based approach expertise will be ensured during the implementation of the Action as possible. They will also be integrated in relevant technical assistance and capacity building activities and documents (i.e. ToRs, etc.) as minimum requirements of expertise.

4.7 Pre-conditions

No preconditions are foreseen for this action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner 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).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring are to be established in the individual contracts to be financed under this action document.

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action as follows: data provided by the intended implementing partners, who have to meet international and organisational quality standards, is constantly reviewed by the DG CLIMA project managers responsible for this action.

Monitoring and evaluation will assess gender equality results and implementation of human rights-based approach working principles (participation, non-discrimination, accountability and transparency) in terms of implementation of the project and project outcomes. Monitoring and evaluation will be based on indicators that are disaggregated by sex and age when applicable. Key stakeholders will be involved in the monitoring process.

5.2 Evaluation

Having regard to the nature of the action, an ex-post evaluations will be carried out for this action or its components via an implementing partner. Ex-post evaluations will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that parts of the activities are of a recurrent nature.

The Commission shall inform the implementing partner at least 1 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 shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination³⁴. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

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

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

³⁴ See best [practice of evaluation dissemination](#)

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.

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 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level		
<input checked="" type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Contract level		
<input type="checkbox"/>	Single Contract 1	
<input type="checkbox"/>	Single Contract 2	
	(...)	
<input type="checkbox"/>	Group of Contracts 1	