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ANNEX I

to the Commission Implementing Decision on the financing of the annual action plan in favour of Bolivia for 2023

Action Document for Support to Water, Sanitation and Solid Waste Management sectors

ANNUAL PLAN

This document constitutes the annual 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	Support to Water, Sanitation and Solid Waste Management sectors OPSYS number: ACT- 62155 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).
2. Team Europe Initiative	Yes Team Europe Initiative “Green and Resilient Development” aiming at supporting Bolivia’s green transition towards a low-carbon, resource-efficient and climate-resilient economy. EU Member States would contribute to the national TEI, via this action, with EUR 3 million from an European Financial Institution for the Water and Sanitation blending component and EUR 2.5 million from Germany for the Solid Waste Management component.
3. Zone benefiting from the action	The action shall be carried out in the Plurinational State of Bolivia
4. Programming document	Multi Annual Indicative Programme 2021-2027 – Plurinational State of Bolivia
5. Link with relevant MIP(s) objectives / expected results	<i>Objectives:</i> SO 1.3: Support the Bolivian strategy (2025 Patriotic Agenda) to provide universal and sustainable coverage of drinking water and sanitary sewerage services. SO 1.4: Support the Bolivian strategy (2020 National Wastewater Treatment Strategy – ENTAR) to provide access to a sustainable wastewater treatment to at least 65% of the population by 2030. SO 1.5. Reduce the impact of solid waste not properly managed on basins, drinking water deposits and urban spaces, especially in rural and peri-urban areas. SO 1.7: Support the operationalisation of Bolivian policies (2025 Patriotic Agenda, Nationally Determined Contributions and Urban Policies) aiming at implementing a regenerative/ circular economic model which promotes responsible and sustainable production on rural areas and reduces greenhouse gas emissions and environmental externalities.

	<p>SO 1.8: Promote decent jobs, with particular attention to employment for youth and women, as well as innovation, digitalization and business support services in rural and urban areas.</p> <p><i>Expected results:</i></p> <p>ER 1.3.1: Increased coverage rate for drinking water and sanitary sewerage services.</p> <p>ER 1.4.1: Increased coverage rate for access to wastewater treatment.</p> <p>ER 1.4.2: Increased skilled professionals in water and sanitation sector, at different levels including local communities.</p> <p>ER 1.5.1: Increased policy uptake to progressively close garbage dumps</p> <p>ER 1.5.2: Reduced greenhouse gas emissions resulting from the solid waste sector based on good solid waste management practices and circular economy principles.</p> <p>ER 1.7.1: Increased policy uptake of circular economy approaches at national and sub-national level related to responsible and sustainable production on rural areas, including the promotion of deforestation-free supply chains</p> <p>ER 1.8.1. Improved business performance of Micro, Small & Medium Enterprises (MSMEs), more and better employment for youth and women and entrepreneurship opportunities.</p>
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority area 1 - Environment, Climate Change and Inclusive Economic Development (DAC Code 140)
7. Sustainable Development Goals (SDGs)	<p>Main SDG: 6 Clean Water and Sanitation</p> <p>Other significant SDGs:</p> <p>SDG 1: No Poverty</p> <p>SDG 3: Good Health and Well-being</p> <p>SDG 4: Quality education</p> <p>SDG 5: Gender Equality</p> <p>SDG 8: Decent Work and Economic Growth</p> <p>SDG 10: Reduced Inequality</p> <p>SDG 11: Sustainable Cities and Communities</p> <p>SDG 12: Responsible Consumption and Production</p> <p>SDG 13: Climate Action</p> <p>SDG 15: Life on Land</p>
8 a) DAC code(s)	<p>14020- Water supply and sanitation – 65 %</p> <p>14050 - Waste management/disposal – 35 %</p>
8 b) Main Delivery Channel	<p>Third Country Government (Delegated co-operation) – 13000</p> <p>United Nations Human Settlement Programme - 41120</p>
9. Targets	<p><input type="checkbox"/> Migration</p> <p><input checked="" type="checkbox"/> Climate</p> <p><input checked="" type="checkbox"/> Social inclusion and Human Development</p> <p><input checked="" type="checkbox"/> Gender</p> <p><input type="checkbox"/> Biodiversity</p>

	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant 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 checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
Connectivity @		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
digital connectivity energy transport health education and research		YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
Migration @		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	<p>Budget line: BGUE-B2023-14.020140-C1-INTPA</p> <p>Total estimated cost: EU: (<i>EUR 10 000 000 for the Water and Sanitation blending component and EUR 8 000 000 for the Solid waste management component</i>) + Team Europe: (European Financial Institution EUR 3 000 000 + BMZ-GIZ EUR 2 500 000) + IADB (loan): (<i>USD 79 000 000</i>) = EUR 95 391 580¹</p> <p>Total amount of EU budget contribution: EUR 18 000 000</p> <p><i>The action described in this document is composed of two components:</i></p> <p>Component 1. Water and Sanitation blending component: EUR 10 000 000 in indirect management for blending co-financed in parallel by:</p> <ul style="list-style-type: none">- Inter-American Development Bank (IADB) for an amount of USD 79 000 000 loan;- An European Financial Institution for an amount of EUR 3 000 000 grant. <p>Component 2. Solid Waste management component: EUR 8 000 000 in indirect management in joint co-financing by:</p> <ul style="list-style-type: none">- Germany for an amount of EUR 2 500 000 grant. <p>For a total value of EUR 10 500 000 grant.</p> <p><i>The Action is part of the Green and resilient development TEI Bolivia, mainly supported by (indicative amounts for the 2021-27 period):</i></p> <ul style="list-style-type: none">- France (AFD, loans) – EUR 626 000 000- Germany (GIZ and KfW, grants and loans): EUR 516 000 000- Spain (AECID, grants): EUR 67 000 000- European Investment Bank (loans): EUR 37 000 000- Sweden (grants): EUR 32 000 000- Italy (loans): EUR 28 000 000- Netherlands (grants): EUR 7 000 000- Switzerland (grants): EUR 7 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	<p>Indirect management with:</p> <p>The entity(ies) to be selected in accordance with the criteria set out in section 4.4.4.</p>			

1.2 Summary of the Action

Bolivia is one of the countries with the most pressing water and sanitation needs in Latin America. By 2021 drinking water coverage in urban areas reached 94.6% of the population and drinking water coverage in rural areas reached 68.7%. Regarding sanitation, by 2021, sanitation coverage in the urban area reached 70.6 % of the population and 45% in the rural area². In spite of the fact that progress has been satisfactory in urban areas, Bolivia still faces a great challenge to make the access to safe drinking water and sanitation and universal right effective for its population, particularly challenging in rural areas and in municipalities under 20.000 inhabitants.

According to a recent inventory of Wastewater Treatment Plants carried out in Bolivia in 2022, for the segment of 2,000 to 20,000 inhabitants, only 91 localities have some type of treatment, of which only 50% are functioning properly, which represents only 14% of the population of the segment.

¹ \$/€ exchange rate calculated on the 21/06/2023

² According to Social and Development Plan 21-25

Bolivia remains the country in South America with the largest proportion of population practicing open air defecation, mainly in rural areas, with consequent negative impacts on health, education, environment and the economy, affecting mostly children and women.

The rapid urbanisation in Bolivia (75% expected for 2030) directly contributes to an accelerated solid waste generation and an increase of soil and water pollution and GHG emissions. This unplanned urbanisation process directly contributes to a deterioration in the quality of life and access to public services in urban areas, affecting vulnerable groups in a more intensive manner. Solid waste management is mostly limited to recollection and deposit on illegal or unregulated landfills and circular economy practices are still rudimentary and driven by the informal sector. About 9,000 people work in the waste sector nationwide, a high proportion of whom work informally under often inhumane and unhealthy conditions.

Currently, according to a sectorial analysis carried by the Ministry of Environment and Water (MMAYA) (2023), 8,285 tonnes of municipal waste are generated daily across the country, of which 81% is domestic solid waste and 80% of the waste is generated in cities. Since 2011, the generation has increased by 73%. Approaches to waste separation or recycling in the sense of circular economy hardly exist. There is also a lack of awareness among the population of the need to dispose the waste in an environmentally sound manner or to reduce waste. Currently, only 26 municipalities (out of 339) have a regulated landfill, recycling facility or are in the process of closing their unauthorised waste dumps. The inadequate waste management leads to serious environmental impacts and GHG emissions.

In this context, the Action aims to improve the living conditions of the population living in Bolivia by increasing the coverage of drinking water and sanitation services and to strengthen the framework conditions to transform lineal waste management towards a circular economy model (overall objective). This will be achieved through four specific objectives:

1. Increase access to sustainable drinking water, sanitation and hygiene services in rural communities and in minor and intermediate towns.
2. Strengthen the water and sanitation operators in the communities and beneficiary populations (DESCOM-FI) and the capacities of sectoral actors at different levels (central, departmental, municipal and local - Public Social Water and Sanitation Companies -EPSAs-).
3. Contribute to sustainable urban development through urban planning and integrated waste management with focus on circular economy in selected metropolitan areas in Bolivia.
4. Improve municipal solid waste management through digitalization, innovation and pilot projects in selected intermediate and small cities in the framework of a just transition.

The mentioned objectives will be achieved through a mix of implementation modalities and implementing partners:

- The *Water and Sanitation* component would be implemented in indirect management with an European Financial Institution. This implementation will entail the execution of the EU funds under the blending component (LACIF), through delegated cooperation that accompanies an IADB loan (*Programa de agua y saneamiento para ciudades intermedias y menores*).
- The *Solid Waste Management* component would be implemented in indirect management with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and with UN-Habitat.

The proposed action contributes to MIP Priority Area 1 “Environment, Climate Change and Inclusive Economic Development” in these objectives: 1.3, 1.4, 1.5, 1.7, and 1.8.

It will also contribute to SO1: Green and sustainable development for living in harmony with Mother Earth and SO3: Strengthen inclusive social development “to live in a fair, equitable society, without poverty” of the Joint European Strategy 2022-25. Moreover, building on previous and existing EU and MS activities, it will place Team Europe as the reference partner for a green transition in the country.

The Action is aligned with the Commission’s priorities of the European Green Deal, including the EU Circular Economy Action Plan, and with the Global Gateway. In line with the European Consensus for Development, it is fully aligned with the 2030 Agenda, in particular SDGs: 1 (No Poverty), 3 (Good Health and Well-being), 4 (Quality education), 5 (Gender equality), 6 (Water and Sanitation), 8 (Decent Work and Economic growth), SDG

10 (Reducing inequalities), 11 (Sustainable cities and communities), 12 (Responsible Consumption and Production), 13 (Climate action) and 15 (Life on land).

This Action supports the EU Council Conclusions on EU Human Rights Guidelines on Safe Drinking Water and Sanitation emphasising this precondition for life – plus the Conclusions on Water in the EU’s External Action, which highlight the “strategic importance of water, in particular for sustainable development, poverty reduction, food and nutrition security, human development, climate action, environmental protection, biodiversity and ecosystem preservation, humanitarian action, and peace and stability”.

Finally, this Action will also contribute to the implementation of the EU Gender Action Plan III (2021-2025), specifically: strengthening economic and social rights and the empowerment of girls and women, advancing equal participation and leadership and addressing challenges and harnessing the opportunities offered by the green transition and the digital transformation.

2 RATIONALE

2.1 Context

General context: The Plurinational State of Bolivia is a lower-middle-income country characterized by solid inclusive growth during the last 15 years. According to the World Bank, 25% of Bolivia’s GDP comes from the export of goods and services, of which natural gas represents the main one (68% of export value and 7% of GDP). For its high dependency on natural gas and minerals exports, the Bolivian economy is highly vulnerable to commodities international price fluctuations. The country experienced a major political, institutional, and social crisis following the failed 2019 national elections. After a convulsed period, the Movimiento al Socialismo (MAS) won the October 2020 national elections with an absolute majority. However, the country remains highly polarized, and the risks of conflict due to societal divides, political struggles, and unmet social demands are high. After a sharp GDP contraction in 2020, the economy recovered in 2021 thanks to high public investments, emphasizing the productive sector and imports substitution (main objectives of the Economic and Social Development Plan - PDES 2021-2025).

However, it will be challenging for the government to maintain the current public spending levels to finance the mid-term development plan. In this context, international partnerships and development cooperation will be key to accompany and provide complementary funding.

Water and Sanitation context: Bolivia is one of the countries with the most pressing water and sanitation needs in Latin America, and one of the most vulnerable to climate change, suffering cyclical water crises with recurrent droughts and floods. At the same time, uncontrolled land use activities, unsustainable agricultural practices, lack of planning of human settlements, infrastructure and economic activities, as well as deforestation and wildfires, exacerbate impacts from climate change as well as it reduces the natural resilience to climate change. Bolivia faces a great challenge to make the access to safe drinking water and sanitation and universal right effective for its population.

The 2009 Constitution and the 2012 Law of Mother Earth set out Bolivia’s endorsement of the human right to water and sanitation. According to the 2016 Law n° 777, the long-term planning for the period 2015-2025 is the 2025 Patriotic Agenda. The 2025 Patriotic Agenda defines the objectives and goals to be achieved by 2025, based on 13 fundamental pillars. Pillar 2 established as a goal that 100 % of Bolivian women and men have access to drinking water and sanitary sewerage services. This intervention is fully aligned with the 2021-2025 Economic and Social Development Plan – PDES.

While the water-related United Nations Millennium Development Goal (MDG) was already achieved by Bolivia in 2012 (80,8 % coverage vs a goal of 78,5 % in 2015) and the percentage of population with access to safe water reached 87.1 % in 2021, there is still a slight gap in the access to sanitation, whereby the 2021 coverage was 63.2 %, below the MDG target of 64% by 2015. The progress has been satisfactory in urban areas, but the situation remains particularly challenging in rural areas, where the access to safe water coverage is 68,7 % and the access to sanitation coverage is 45 % (15 % less than the objective forecasted).

According to a recent inventory of Wastewater Treatment Plants carried out in Bolivia, for the segment of 2,000 to 20,000 inhabitants, only 91 localities have some type of treatment, of which only 50% are functioning properly, which represents only 14% of the population of the segment.

To achieve the sustainability of services in the sector, it is an important need to update the sectoral information system and the development of activities to strengthen or generate capacities on a permanent basis.

Solid Waste Management context: the rapid urbanisation in Bolivia directly contributes to an accelerated solid waste generation and an increase of soil and water pollution and GHG emissions. This unplanned urbanisation process directly contributes to a deterioration in the quality of life and access to public services in urban areas, affecting vulnerable groups in a more intensive manner.

Solid waste management is mostly limited to recollection and deposit on illegal or unregulated landfills. Circular economy practices are still rudimentary and driven by the informal sector. The lack of infrastructure for collection, transportation, treatment, recovery/recycling and disposal of solid waste, proper solid waste management planning, insufficient financial resources, technical expertise and public attitude have made the situation extremely challenging. Therefore, environmental and health related problems are increasing.

Solid waste management has a current and important political impact in Bolivia. The overall objective proposed in this Action Document will be in line with the 2025 Patriotic Agenda (pillar 9: environmental sovereignty with integral development), 2021-2025 Economic and Social Development Plan – PDES and the Law 755 - Law of Integrated Solid Waste Management (2015) and the National Policy for Integrated Development of Cities (PNDIC for its acronym in Spanish, 2021), which is yet to be adopted.

Policy Framework

This Action is fully aligned with the sectoral Bolivian policies, the EU MIP 2021- 2027 for Bolivia (*Priority area 1 - Environment, Climate Change and Inclusive Economic Development: Sector 2: Water, Sanitation and Solid Waste Management*) and the Joint European Strategy 2022-25 (*Green and Resilient Development and Good governance and human rights areas*), as well as the Green and resilient development TEI Bolivia.

The Action is also aligned with the Commission's priorities of the European Green Deal, the Global Gateway, the European Consensus for Development, the EU Human Rights Guidelines on Safe Drinking Water and Sanitation and is fully aligned with the 2030 Agenda. It will also contribute to the implementation of the EU Gender Action Plan III (2021-2025). The actions should also be consistent with the effective implementation of Bolivian international commitments including under the GSP+ scheme.

Finally, by making use of blending in the water and sanitation sector, the Action takes on board the principle of the Addis Ababa Agenda on Financing for Development, which advocates for innovative financing instruments aiming to leverage funding from several sources in order to increase impact on final beneficiaries in a coordinated way.

2.2 Problem Analysis

Short problem analysis:

Water and Sanitation: according to the Sector Integrated Development Plan for the development in basic sanitation 2021-2025, by 2021 drinking water coverage in urban areas reached 94.6% of the population and drinking water coverage in rural areas reached 68.7%. Regarding sanitation, by 2021, sanitation coverage in the urban area reached 70.6 % of the population and 45% in the rural area.

These figures show that there is a significant gap between rural and urban areas, especially in access to sanitation services and specifically in municipalities under 20,000 inhabitants with limited capacity to borrow financial resources in order to benefit the most disadvantaged and reduce their poverty.

Bolivia remains the country in South America with the largest proportion of population practicing open air defecation, mainly in rural areas, with consequent negative impacts on health, education, environment and the economy, affecting mostly children and women.

To achieve the sustainability of services in the sector, it is an important need to update the sectoral information system and the development of activities to strengthen or generate capacities on a permanent basis in different institutions of the sector, especially in Water and Sanitation Services Providers (EPSAs) that have no capacity to

provide continuous service and mitigate operational interruptions not only due to lack of infrastructure, but also to their weak planning and management capacity that limit their ability to face climate change events e.g. droughts, floods etc., which proved evident during the water crisis that took place in 2016, showing the sector's poor resilience.

Finally, according to a recent inventory of Wastewater Treatment Plants carried out in Bolivia, for the segment of 2,000 to 20,000 inhabitants, only 91 localities have some type of treatment, of which only 50% are functioning properly, which represents only 14% of the population of the segment.

Solid Waste Management: According to the 2012 census, 7 million Bolivians lived in urban areas. This corresponded to 67% of the population. The census planned for 2024 will show a significant increase in the degree of urbanisation, as population growth in cities is about 5 times higher than in rural areas. According to the National Policy for Integrated Development of Cities (PNDIC for its acronym in Spanish, 2021), which is yet to be adopted, an urbanisation rate of 75% is expected for 2030. The current rapid and unplanned urbanisation process directly contributes to a deterioration in the quality of life and access to public services in urban areas, which affects the vulnerable groups of the population the most. Cities emit above average Green House Gases (GHG) emissions compared to rural areas due to the high concentration of anthropogenic activities, contribute significantly to pollution, they are particularly vulnerable to climate change and have a high energy consumption.

A fundamental problem is to guarantee basic services to the growing cities. This is particularly evident in waste management: low awareness level in decision makers and the population to support the waste and circular economy sector, lack of required regulatory and institutional framework regarding circular economy, lack of infrastructure planning and financing, limited capacities at all government levels to introduce the circular economy approach, limited understanding of waste management, limited sensitivity of the private sector to comply with producer responsibility, unauthorised waste dumping and open burning of waste pose a high health risk for people and result in environmental pollution. Currently, according to a sector analysis, 8,285 tonnes of municipal waste are generated daily across the country, of which 81% is domestic solid waste and 80% of the waste is generated in cities. Since 2011, the generation has increased by 73%. Approaches to waste separation or recycling in the sense of circular economy hardly exist. There is also a lack of awareness among the population of the need to dispose the waste in an environmentally sound manner or to reduce waste. Currently, only 26 municipalities (out of 339) have a regulated landfill, recycling facility or are in the process of closing their unauthorised waste dumps. The inadequate waste management leads to serious environmental impacts and GHG emissions, e.g., floodings cause negative environmental impacts, when untreated waste water spills over or waste from illegal landfills diffuse into nature (typically plastics) or clog sanitation and drainage systems.

Municipalities are mostly responsible for solid waste management, with less than 10% involved in proper disposal and recycling. About 9,000 people work in the waste sector nationwide, a high proportion of whom work informally under often inhumane and unhealthy conditions. The occupation of waste collectors and recyclers, mainly exercised by women, is not formalised and is stigmatised. So far, there are only few further training opportunities in the waste sector.

In summary, due to the uncontrolled growth of cities, the lack of integrated, cross-sectoral and sustainable urban planning, the limited access to technical knowledge and funding and operational capacities for infrastructure, the lack of education and training opportunities and consequently the number of qualified personnel at national and sub-national level, as well as limited urban-territorial policy-making, the basic services, especially in the field of integrated waste management and circular economy, are insufficient.

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

Water and Sanitation:

Main **institutional actors** include the following: The Ministry of Environment and Water (MMAYA) is the EU main counterpart for this Action, specifically through the Vice-Ministry of Drinking Water and Basic Sanitation, that regulates the sector, drafts policies and supervises execution. The Ministry will coordinate closely with the implementing agency in charge of the Blending component that accompanies the IADB loan (*Programa de agua y saneamiento para ciudades intermedias y menores*).

In addition to the MMAYA, other institutions exist to regulate, operate and supervise water and sanitation interventions. The Implementing Entity for Environment and Water (EMAGUA) implements and monitors water

and sanitation investment projects. The Authority for the Supervision and Social Control of Drinking Water and Basic Sanitation (AAPS) oversees, inspects and regulates activities of the services providers, Public and Social Water and Sanitation Companies (EPSAs) – aiming to guarantee supply and access rights to consumers, while ensuring appropriate management of water resources. The National Service for the Sustainability of Sanitation Services (SENASBA) aims to provide institutional strengthening, technical assistance and community development to service providers, EPSAs, which have the closest interaction with direct beneficiaries.

On local level, stakeholders include municipal governments (GAM), departmental governments (GAD) and municipal companies.

Non-state actors include the target group of the planned Action: women, men and children from urban and mainly rural areas living in populations under 2000 inhabitants in the nine departments of Bolivia, allowing eligibility for populations up to 20.000 inhabitants that fulfil these two prior conditions:

- Drinking water and sanitation coverage lower than 80 %, but prioritising those lower than 50%.
- Municipalities having limited capacity to borrow financial resources in order to benefit the most disadvantaged, and reduce their poverty.

Other specific target groups are knowledge generators (e.g. universities and research institutes), communicators (media), Civil Society Organisations (CSOs) and Micro, Small and Medium-sized Enterprises (MSMEs).

Solid Waste Management:

Main **institutional actors** include the responsible implementation partner at national level for activities related to waste management and circular economy: the General Directorate for Integrated Waste Management (DGGIR) within the Vice-Ministry of Potable Water and Basic Sanitation (VAPSB) of the Ministry of Environment and Water (MMAyA). Activities related to urban planning are implemented according to their mandate with the General Directorate of Urban Development (DGOU) within the Vice-Ministry of Housing and Urban Development (VMVU) of the Ministry of Public Works, Services and Housing (MOPSV). The Vice-Ministry of Alternative and Special Education (VEAyE) of the Ministry of Education (MinEdu) is the implementation partner on central level for activities related to technical and vocational education and training (TVET). Activities related to the Extended Producer Responsibility (REP) will be coordinated with the Ministry of Productive Development and Plural Economy (MDPEP). The sector organizations are chosen based on their legal mandate for the implementation areas of the action. On local level, stakeholders include municipal governments (GAM), departmental governments (GAD) and municipal waste management companies.

Non-state actors include the target group of the planned Action: the urban population in selected municipalities. Other specific target groups are women who work informally as waste collectors and recyclers and employees of waste management and recycling companies. In addition, relevant stakeholders include knowledge generators (e.g. universities and research institutes), communicators (media), Civil Society Organisations (CSOs) and Micro, small and medium-sized Enterprises (MSMEs).

Both actions will also engage with other **development actors** (donors and IFIs, UN agencies, with special attention to Team Europe members), since multiple financing strategies are considered critical to upscale the efforts and they will promote a participatory approach, with a balanced engagement of governmental entities and civil society in sector strategic dialogue and action implementation.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is to improve the living conditions of the population living in Bolivia by increasing the coverage of drinking water and sanitation services and to strengthen the framework conditions to transform lineal waste management towards a circular economy model.

The **Specifics Objectives** of this action are to:

1. Increase access to sustainable drinking water, sanitation and hygiene services in rural communities and in minor and intermediate towns.

2. Strengthen the water and sanitation operators in the communities and beneficiary populations (DESCOM-FI) and the capacities of sectoral actors at different levels (central, departmental, municipal and local - Public Social Water and Sanitation Companies (EPSAs)).
3. Contribute to sustainable urban development through urban planning and integrated waste management with focus on circular economy in selected metropolitan areas in Bolivia.
4. Improve municipal solid waste management through digitalization, innovation and pilot projects in selected intermediate and small cities in the framework of a just transition.

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

- 1.1 Increased and/or improved access to drinking water in rural communities of less than 2,000 inhabitants.
- 1.2 Increased and/or improved access to sanitation and hygiene in rural communities of less than 2,000 inhabitants.
- 1.3 Increased and/or improved access to drinking water in minor towns with more than 2,000 inhabitants.
- 1.4 Increased and/or improved access to sanitation and hygiene in minor towns with more than 2,000 inhabitants.
- 2.1 Water and sanitation service providers strengthened in rural communities.
- 2.2 Increased participation of women in entities in charge of the management, operation and maintenance of water and sanitation services in rural communities.
- 2.3 Strengthened digitalisation systems: Sectoral Information System (SIASAR) and the Geo-referencing of Wastewater Treatment Plants (GEOPTAR System).
- 2.4 Quick-impact actions in the sector executed.
- 3.1 Improved public services through the implementation of urban planning instruments and Human Capacity Development, both with focus on waste management.
- 3.2 Improved integrated waste management through the closure of illegal waste dumps and increase of the recycling rate to reduce Green House Gases emissions.
- 4.1. Improved implementation of the National solid waste data management system (SIGIR for its acronym in Spanish) and sustainable municipal waste management models developed.
- 4.2. Improved municipal solid waste management through pilot demonstration projects and inclusion of the waste collectors and recyclers with a gender focus.

3.2 Indicative Activities

Activities relating to Outputs 1.1, 1.2, 1.3 and 1.4:

- *Pre-Investment technical designs studies of drinking water and sanitation and hygiene projects:* these studies include the design of drinking water and sanitation projects that consider technological alternatives according to the characteristics of the communities and beneficiary populations (according to requirements established in the regulations for the development of projects in the drinking water and sanitation sector, minor and medium categories). The pre-investments will include the validation of the demand, the subscription or ratification of commitments by the beneficiaries, the agreement of the beneficiaries on the selection of the technology (context suitable for water use, wastewater reuse, resource recovery of nutrients, energy and soil conditioner), the affordable rate/fee (projected) and a Community Development and Institutional Strengthening Plan (according to the provisions of the sectoral regulations), which will be implemented in the project execution phase.
- *Execution of drinking water, sanitation and hygiene projects:* during the execution of the water and sanitation projects, the participation of women will be actively promoted (applying positive discrimination) in the different activities. The projects may consider including the contribution of the beneficiaries, depending on the case (self-construction). It will also include the execution of actions related to the protection of water sources, among other activities related to the application of solutions based on nature that allow contributing to the recovery of sources.

In order to achieve the universalization of services, communities, minor and intermediate populations with coverage of <40%, 40 to 80% and >80% (ENRAS criteria) will be identified and expansion or rehabilitation projects (MRI) will be defined for both services with the goal of reaching 100% coverage. The projects will be differentiated as follows:

- i) Sanitation and hygiene.
- ii) Water, sanitation and hygiene (new).
- iii) Water, sanitation and hygiene (expansion or rehabilitation).

Activities relating to Outputs 2.1, 2.2, 2.3 and 2.4:

- *Institutional strengthening and/or generation of capacities:* actions related to service management will be developed, through the institutional strengthening of the Public Social Water and Sanitation Companies (EPSAs) and training activities in operation and maintenance. These activities will also include the strengthening of the municipal governments (GAM), departmental governments (GAD) and central institutions in technical assistance and monitoring of the systems built through the Municipal Investment Technical Units (UTIM), the preparation of Inter-governmental agreements, the preparation of Pre-investments for future phases considering appropriate technological alternatives for the type of population in which the projects (infrastructure + DESCOM -FI) will be developed and aimed at the different sectoral actors.
- *Sustainability of services:* through connectivity incentives for minor and intermediate populations that have sanitary sewerage and sewage treatment plants services, whose connection coverage does not reach 80 %. The execution considers: raise awareness actions and support with the necessary materials so that intra-domiciliary connections are made, sanitary fixtures or a complete bathroom (for most vulnerable families), promotion of the participation of women in the management of services and user training services.
- *Strengthening of digitalisation systems:* update of the Sectoral Information System (SIASAR) and/or the Geo-referencing of Wastewater Treatment Plants (GEOPTAR System), sharing the updated information with stakeholders in the sector. It will also be considered the training of project executors and municipal governments (GAM) including their authorities and technicians so that they will be able to comply with the information update.
- *Quick Impact Measures:* identification of problems in the operation of existing water and sanitation services in rural communities, considering the implementation of actions to strengthen the Public Social Water and Sanitation Companies - EPSAs (recovery of arrears, clandestine connections and others) and improvement or rehabilitation of both water and of sanitation thus contributing to the achievement of the universalisation of services.

Activities relating to Output 3.1:

- Support to the General Directorate of Urban Development (DGOU) of the Vice-Ministry of Housing and Urban Development (VMVU), selected regional (GAD) and local (GAM) governments with the elaboration of guidelines, norms, and urban planning and monitoring tools.
- Strengthening of intersectoral and interinstitutional dialogue on urban planning between different levels of government in order to implement the “National Policy for Integrated City Development” in metropolitan areas.
- Development of training needs assessments in local governments and municipal / private companies for staff working in urban planning, waste management and circular economy.
- Development of a Human Capacity Development programme for staff working in the urban planning and waste management sectors, including the implementation of the dual (theoretical-practical) vocational education and training, further training events and competence certification with focus on gender equality and women employability.

Activities relating to Output 3.2:

- Support in the design and implementation of the “National Plan for the Closure of Illegal Waste Dumps” and support of selected regional governments and municipalities with the closure process.
- Development of a digital solution to estimate secondary raw materials generation, its circularity potential and calculation methodology of waste-induced GHG emissions to facilitate the introduction of the circular economy approach in Bolivia and support of selected municipalities in reducing and monitoring GHG emission through mitigation measures.

- Introduction of the Extended Producer Responsibility (EPR) approach for prioritized private sectors / recyclable waste streams in pilot regions.
- Carrying out market studies and potential analysis to introduce the circular economy approach at national and regional level, comparing the generation rate per waste stream and market demand in order to develop policies, norms and guidelines.
- Development of sustainable and gender-sensitive business models within the circular economy approach.
- Development and implementation of a “National Strategy for public awareness regarding avoidance, reduction, separation at origin and re-valuation of used products”.

Activities relating to Output 4.1:

- Review current SIGIR and develop optimal design of the system according to the current needs (e.g. data management and reporting capacities and its user-friendliness, include an off-line mode and introduce a public access).
- Adapt the Waste Cities Tool – WaCT to the Bolivian regulations for the quantification and qualification of municipal solid waste and the measurement of SDG’s indicators 11.6.1, 12.3.1. and 12.5.1., together with the Data Collection Application – DCA and develop its portable device version, including a data quality monitoring methodology.
- Develop a module to facilitate the exchange between offer and demand of reusable and recyclable waste in line with the circular economy and producer extended responsibility policy under preparation.
- Develop guidelines and online courses for SIGIR’s software management and its different modules’ use, Data Collection Application user manual.
- Systematize experiences and develop technical guidelines for a set of viable technical alternatives for dump closure, controlled landfill management, and waste reduction; e.g. Rethink, Refuse, Reduce, Reuse and Recycle, based on the relevant experiences, with the establishment of selection criteria, their technical, financial, regulatory and social implications, and recommendations based on lessons learned.
- Systematize experiences and develop of guidelines for the incorporation of informal waste collectors and recyclers into the local integrated waste management plans.
- Systematize experiences and develop a set of viable and sustainable models of local integrated solid waste management plans based on the evidence generated using the WaCT and the relevant experiences for its scaling at the national level, with the establishment of the selection criteria, their technical, financial, regulatory and social implications, and recommendations based on the lessons learned.

Activities relating to Output 4.2:

- Pilot an alternative and innovative solution for the dump closure and the provision of an proper waste disposal facility for a municipality of less than 15,000 inhabitants.
- Innovative pilot solid waste reduction solutions, e.g. Rethink, Refuse, Reduce, Reuse and Recycle.
- Development and testing of a local integral waste management local plan for a municipality of less than 15.000 inhabitants and its operationalization mechanisms, including the technical, financial, normative, social and capacity reinforcing components.
- Review of current data and develop a methodology to fill the data gap for profiling the informal waste collectors and recyclers working conditions for the monitoring of SDGs 8.3. and 8.5. indicators and identify and implement key interventions for the generation of decent jobs for a just transition framework.
- Identification, mapping and assessment with a gender perspective of informal collectors and recyclers and their associations, support in their recognition and formalization, facilitation of the constitution of associations and affiliation, and organizational and service provision capacities reinforcement in collaboration with municipal government.
- Diagnosis and analysis of the activity’s value chain and promotion of the enabling conditions for its economic viability, including capacity building to improve informal collectors and recyclers’ earnings.
- Development, pilot implementation and systematization of the technical assistance and support programmes for groups of informal collectors and recyclers foreseen in the national Law.
- Strengthening the regional coverage, capacities and sustainability of the national association of collectors and recyclers and facilitating their membership in regional and global networks.

The commitment of the EU’s contribution to the Team Europe Initiatives foreseen under this action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of

each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

Environmental protection and climate change mitigation and adaptation are key aspects of the transition towards a green and circular economy and are the main focus of the Action. Fully in line with the European Green Deal ambitions, the action mainstreams a broader approach aimed at supporting the transition to a circular economy, including reduction of inequality and empowerment of women and youth through formal job creation. The principles of the circular economy - designing out waste and pollution, keeping products and materials in use for as long as possible, and regenerating natural systems - can deliver positive environmental impacts together with financial savings. The action will support environmental sustainability, including climate change mitigation and reduction on environmental destruction issues at policy level.

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

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

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

The EIA (Environment Impact Assessment) screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design, including the selection of hazard-free and risk-free sites for interventions).

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

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

Regarding the blending operation, EUD will review monitoring reports from the perspective of environmental and climate performance, ensure appropriate use of indicators to monitor environmental and climate change impacts and ensure that national systems for environment and climate assessment are made use of. Furthermore, an Environmental and Social Management Framework (ESMF) for the blending operation has been developed, which includes socio-environmental management procedures for Program projects and environmental and social assessment requirements, guidelines for consultation processes, a complaints and claims mechanism, and criteria for social and environmental viability for the approval of the interventions.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality and the rights and empowerment of women and girls will be mainstreamed throughout all interventions of the Action. In line with GAP III, interventions will aim at improving women's access to knowledge, skills, services, technologies, enhance their hygiene practices -and ultimately their health- through community development, the involvement of women in the green growth labour market as well as in providing job opportunities in the circular economy entrepreneur ecosystem.

Similarly, the Action will promote participation of women in decision-making positions, operation and maintenance of water and sanitation services, measured through the indicator 2.2.1 and the inclusion of the waste collectors and recyclers with a gender focus through output 4.2.

Human Rights

A human rights based approach (HRBA) will guide the assessment, planning and monitoring of initiatives within the Action. Human rights considerations are embedded in the Bolivian sector policy, which recognises and internationally promotes the right of all human being to water and sanitation. Access to information and participation of direct beneficiaries, especially women and children will be promoted in line with the EU right-based approach.

The action will also lead in an integrated manner towards inclusive circular economy ecosystem, with no areas and no one left behind, which are directly in line with the Bolivian Government development objectives as well as the EU Green Deal. The protection of human rights will be a cross-cutting theme embedded in all of the action's waste management and circular economy activities.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that the rights of people living with disability will be addressed only when relevant in the implementation of the program. The action will look into construction of inclusive (gender, disability) facilities in schools, clinics and other public spaces (e.g.: adding a ramp, handrails, a wider entrance, or making a path wide enough for a wheelchair to pass). These facilities will have an integrated handwashing facility. Moreover, providing access to water for more households will imply less time and constraints for a person with disability to fetch water.

Reduction of inequalities

According to data from the 2012 Census, Bolivia has a population of 3.2 million in rural areas. Bolivia has a 41% indigenous population, of which more than 40% lives in rural areas, which suffers the largest inequality gap. The rural areas of the country are characterized by their high rates of poverty and lag in development.

Since the Action will include indigenous communities, mainly in rural areas, it is important to have an intercultural approach. In Latin America there is a gap in the level of development between the indigenous and non-indigenous population that has been widely documented and Bolivia is no exception. Several studies document the barriers that indigenous peoples encounter in accessing basic services. These barriers are due to the dispersion of the population in rural areas, the deficiency of the road network, and the lack of cultural relevance in the delivery of social services. Specifically regarding the indicators of coverage and quality of drinking water and sanitation, these are lower for the indigenous population in Bolivia. According to data from the 2012 Household Survey, 85.95% of the non-indigenous population has adequate access to drinking water, while only 57.81% of the indigenous population has this access. Likewise, in relation to the challenges mentioned in this Action document, related to the sustainability of the services, mention is made of a lack of maintenance and the capacity in EPSA to adequately address problems in relation, for example, to the proper use of ecological toilets. In the case of indigenous communities, the involvement of the community and indigenous authorities as oversight and social audit actors throughout the intervention process is central to the sustainability of the services. Likewise, having adequate methodologies for training and education processes, not only in the native language but with adequate materials, will ensure an appropriate use of ecological latrines. To ensure the cultural relevance of the program in the indigenous communities i) the worldview of the communities on the concepts of water and sanitation will be investigated; ii) the involvement and participation of indigenous authorities in all processes will be ensured; iii) appropriate methodology and language will be used for training and education processes for the construction and maintenance of water and sanitation infrastructures; iv) technicians will be trained in intercultural issues; and v) community participation will be sought in the construction of water and sanitation infrastructure.

Meanwhile an intercultural approach is integral part of the water and sanitation part of the Action, gender equality is a key principle in activities related to urban planning and waste management of the Action. Especially in the waste sector women and vulnerable groups suffer from inequalities as the profession of waste collectors and recyclers is not formalised and is highly stigmatised, forcing these groups to perform their services often hidden during nights under dangerous and inhumane conditions. In order to reduce this inequalities and to improve the fair employability of women and vulnerable groups, the employment potentials for these groups will be considered within the development of business models and the formation of associations and networks for these interest groups will be supported in order to better integrate their needs, hence to ensure equal access and just transition.

Democracy

Participation development and good governance, which contribute to an enhanced democracy, are principal objectives of the action. The action will contribute to improving governance in Bolivians green growth, circular economy sectors, e.g. through cross-sector institutional capacities and coordination at policy and implementation levels, sustainable urban planning, enhanced results-oriented budgeting, monitoring and evaluation, as well as the increased involvement of national and local government, NGOs, CSOs and the private sector. Public services managed in a just and sustainable manner are an important way to contribute and strengthen democracy at all government levels.

There will be ad-hoc consultations with civil society during the formulation phase of the Action and it is important to stand out that these sectors (water and sanitation and solid waste management) were chosen after consultation with the civil society.

Conflict sensitivity, peace and resilience

No major risk of conflict has been identified, but a conflict sensitive approach will be applied to all parts and contributions of the Action.

Disaster Risk Reduction

Natural disasters could appear in Bolivia, in particular in the rural areas of the country and could be aggravated by climate change. Accordingly, interventions within the Action, such as including the selection of safe, hazard-free and risk-free sites, will have to be designed in order to minimise exposure in this regard.

Other considerations if relevant

N/A

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Planning, processes and systems / People and the organisation	Low priority and lack of political will to engage and invest in water, sanitation, urban planning and waste management in a structural manner and preference for a short-term perspective	Medium	High	<p>Policy dialogue with the Government to maintain key investments with a long-term perspective in these sectors.</p> <p>Incidence on public opinion with a broad set of actions and activities (generating new evidence, communicating and creating access to data and information, showcasing rentable sustainable production alternatives, demonstration projects and engaging with a broad diversity of stakeholders).</p> <p>Search for alternative financing schemes that can complement the lack of public funds, e.g. through contacts with other donors/IFIs and development of viable and sustainable models.</p>
Planning, processes and systems / People and the organisation	Political differences among levels and within governments hinder the implementation of activities	High	High	<p>Ensure oficialization of commitments</p> <p>Diversify number of partners for alternative implementation</p> <p>Anticipate additional time for delays in implementation</p>
Planning, processes and systems / People and the organisation	Limited institutional capacity within all levels of government institutions	High	High	<p>Build capacity and provide technical assistance to government institutions as a constant component in all projects.</p> <p>Strengthen the capacity of civil society and communities to maintain the drive for sustainable transformation in the society.</p> <p>Regular coordination meetings.</p>

				Linkage with national sector policy development and implementation to ensure sustainability, replicability and escalation.
Economic/ Planning, processes and systems	Reduced public funding available for the sustainability of investments due to fiscal and economic downturn	Medium	High	Alignment of initiatives with national investment priorities. Ensure financial sustainability of individual projects.
Economic/ Planning, processes and systems	Increased costs due to i) delays in the procurement and contract processes; ii) delays in the execution of the works.	Medium	Medium	Strengthening of the Unit in Procurement and Supervision Reduction of the number of processes – grouping of contracts Ensure quality designs and ToR for contracts.
People and the organisation	Unequal power dynamics in rights disputes and risks for conflicts and confrontation, e.g., between local stakeholders, and existing recycling actors	Medium	Medium	Apply conflict sensitivity assessments. Strengthen poor and vulnerable populations (mainly women) and other key actors' abilities and voice to claim human rights, e.g. by providing access to legal aid. Provide technical assistance to national and local authorities to implement relevant policy and regulation frameworks.
External environment	Human-induced or natural disasters such as pandemics, extreme weather events, political and civil conflict	Medium	Medium	Incorporation of climate/ disaster risk analysis and mitigation measures in project design. Improvement of national and local capacities to identify and prevent natural risking landfill sites and transfer stations. Continuous monitoring of the impact on projects and if required adapting activities in order to minimise negative impact/delay of implementation.
People	Already existent waste pickers and recyclers hinder project activities	Medium	High	Include existing individual waste pickers and recyclers or such networks at the earliest stage within the project conception, planning and implementation. Determine roles, obligations and rights of all involved actors in the economy circle.

Lessons Learnt:

- Crucial to work in a coordinated and harmonized manner at different levels (national – local – community) with the most appropriate implementing partners.
- Previous actions show that it is necessary to take into account not only creation and maintenance of infrastructure facilities (water and sanitation, sewerage systems, wastewater treatment plants, etc.) but also

“soft” activities related to creation of demand for sanitation, behaviour change (health, hygiene), institutional, operational and financial management strengthening and project design, to ensure impact and sustainability.

- It has been observed that actions with a strong and early involvement of beneficiaries from the conceptual design achieved better results when it came to adoption of improved hygiene behaviour and waste separation in households.
- Community development programmes that accompany sanitation interventions with a special focus on children have better results in changing health and hygiene habits, but also waste separation in households.
- Increased policy dialogue effectiveness when the same is conducted together in a coordinated way with EU Member States.
- Engage local communities to ensure sustainability, e.g. indigenous and rural communities. In rural communities, when the programming of activities is carried out without considering the agricultural cycle or the festive calendar, there are difficulties for the participation.
- Apply a multi-dimensional poverty assessment to create connections between “well-being, poverty reduction and gender equality” and “environment, natural resource use and biodiversity”.
- Generate evidence for advocacy on public policy and towards public opinion.

3.5 The Intervention Logic

The underlying intervention logic for this action is that:

Water and Sanitation:

IF access to drinking water and sanitation in rural communities is increased and/or improved (output 1.1, 1.2, 1.3 and 1.4) AND national, departmental and local stakeholders have the willingness to effect change (assumption) THEN the coverage to sustainable drinking water, sanitation and hygiene services in rural communities and in minor and intermediate towns will be improved (Specific Objective 1), BECAUSE in the long-term the living conditions of the Bolivian population have to be improved based on shortcomings of the water and sanitation sectors identified in the problem analysis (Overall Objective).

IF water and sanitation service providers are strengthened (output 2.1), the participation of women in entities in charge of the management of water and sanitation services in rural communities increased (output 2.2), the digitalisation systems strengthened (output 2.3) and quick-impact actions in the sector executed (output 2.4) AND all the stakeholders have the willingness to effect change (assumption) THEN the water and sanitation operators in the communities and beneficiary populations (DESCOM-FI) and the capacities of sectoral actors at different levels (central, departmental, municipal and local - Public Social Water and Sanitation Companies (EPSAs)) will be strengthened (Specific Objective 2), BECAUSE in the long-term the water and sanitation systems in the communities in Bolivia have to be improved based on shortcomings of the water and sanitation sectors identified in the problem analysis (Overall Objective).

Solid Waste Management:

IF public services are improved through the implementation of urban planning instruments and Human Capacity Development with focus on waste management (output 3.1) and integrated waste management is improved through the closure of illegal waste dumps and increase of the recycling rate to reduce Green House Gases emissions (output 3.2) AND national and local stakeholders have the willingness to effect change (assumption) THEN sustainable urban development through urban planning and integrated waste management with focus on circular economy is improved in selected metropolitan areas in Bolivia (Specific Objective 3), BECAUSE in the long-term the living conditions of the Bolivian population have to be improved based on shortcomings of the waste and urban planning sectors identified in the problem analysis (Overall Objective).

IF data production and analysis is improved and innovative municipal waste management and waste reduction solutions are piloted and modeled with an inclusion perspective (outputs 4.1. and 4.2.) AND adopted and disseminated among municipal governments THEN municipal solid waste management will be improved within the framework of a just transition (Specific Objective 4) BECAUSE in the long-term the living conditions of the Bolivian population have to be improved based on shortcomings of the waste and urban planning sectors identified in the problem analysis (Overall Objective).

3.6 Logical Framework Matrix

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

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

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

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

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

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

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To improve the living conditions of the population living in Bolivia by increasing the coverage of drinking water and sanitation services and to strengthen the framework conditions to transform lineal waste management towards a circular economy model.	TBD in the Blending Application Form expected to be delivered in August 2023				<i>Not applicable</i>
Outcome 1	Increase access to sustainable drinking water, sanitation and hygiene services in rural communities and in minor and intermediate towns.	TBD in the Blending Application Form expected to be delivered in August 2023				
Outcome 2	Strengthen the water and sanitation operators in the communities and beneficiary populations (DESCOM-FI) and the capacities of sectoral actors at different levels (central, departmental, municipal and local - Public Social	TBD in the Blending Application Form expected to be delivered in August 2023				

	Water and Sanitation Companies (EPSAs)).					
Outcome 3	Sustainable urban development through urban planning and integrated waste management with focus on circular economy in selected metropolitan areas in Bolivia is strengthened	<p>3.1 Number of people benefiting from waste management systems designed/upgraded by the EU-funded intervention</p> <p>3.2 Number of relevant public policies A) developed/revised, and/or B) under implementation with EU support (of which number of those that include gender equality objectives)</p>	<p>3.1 0 people (2024)</p> <p>3.2 0 public policies developed/revised (2024)</p>	<p>3.1 N (*) people (2027)</p> <p>3.2 N public policies developed/revised (2027)</p> <p><u>(*) all the targets that are not specified in this matrix will be aligned with the public policies of the sector and defined in any case before the start of the project implementation.</u></p>	<p>3.1 Census / information from municipalities and public service providers, National Institute for Statistics (INE)</p> <p>3.2 Approval document from the MOPSV or MMayA</p>	
Outcome 4	Improve municipal solid waste management through digitalization, innovation and pilot projects in selected intermediate and small cities in the framework of a just transition	<p>4.1 Number of specialised agencies supported</p> <p>4.2 Number of people benefitting from an improved urban waste collection and disposal service supported by the investment disaggregated by sex and age where relevant</p>	<p>4.1 0 specialised agencies supported (2024)</p> <p>4.2 0 people benefitting from an improved urban waste collection and disposal service supported by the investment (2024)</p>	<p>4.1 MMAYA supported (2027)</p> <p>4.2 15.000 (TBC) people benefitting from an improved urban waste collection and disposal service supported by the investment (2027)</p>	<p>4.1 Project report accepted by MMAYA</p> <p>4.2 Project report accepted by MMAYA</p>	
Output 1.1 relating to Outcome 1	Increased and/or improved access to drinking water in rural communities of less than 2,000 inhabitants.	<p>1.1.1 Households in rural communities of less than 2,000 inhabitants with new or improved access to drinking water</p> <p>1.1.2 Community facilities (schools, health centres, churches, etc.) with new or improved access to drinking water</p>	<p>1.1.1 0 Households (2024)</p> <p>1.1.2 0 Community facilities (2024)</p>	<p>1.1.1 TBD (2027)</p> <p>1.1.2 TBD (2027)</p>	<p>1.1.1 and 1.1.2 Final Programme report</p>	

Output 1.2 relating to Outcome 1	<p>Increased and/or improved access to sanitation and hygiene in rural communities of less than 2,000 inhabitants</p>	<p>1.2.1 Households connected to a new or improved sanitation system in rural communities of less than 2,000 inhabitants.</p> <p>1.2.2 Households whose wastewater is treated in rural communities of less than 2,000 inhabitants.</p> <p>1.2.3 Households in rural communities of less than 2,000 inhabitants with access to individual sanitation solutions</p> <p>1.2.4 Community facilities (schools, health centres, churches, etc.) with new or improved access to sanitation</p>	<p>1.2.1 0 Households connected (2024)</p> <p>1.2.2 0 Households whose wastewater is treated (2024)</p> <p>1.2.3 0 Households with access to individual sanitation solutions (2024)</p> <p>1.2.4 0 Community facilities with new or improved access to sanitation (2024)</p>	<p>1.2.1 TBD (2027)</p> <p>1.2.2 TBD (2027)</p> <p>1.2.3 TBD (2027)</p> <p>1.2.4 TBD (2027)</p>	<p>1.2.1, 1.2.2, 1.2.3 and 1.2.4 Final Programme report</p>	
Output 1.3 relating to Outcome 1	<p>Increased and/or improved access to drinking water in minor towns with more than 2,000 inhabitants</p>	<p>1.3.1 Households in minor towns with more than 2,000 inhabitants with new or improved access to drinking water</p> <p>1.3.2 Community facilities (schools, health centres, churches, etc.) with new or improved access to drinking water</p>	<p>1.3.1 0 Households (2024)</p> <p>1.3.2 0 Community facilities (2024)</p>	<p>1.3.1 TBD (2027)</p> <p>1.3.2 TBD (2027)</p>	<p>1.3.1 and 1.3.2 Final Programme report</p>	
Output 1.4 relating to Outcome 1	<p>Increased and/or improved access to sanitation and hygiene in minor towns with more than 2,000 inhabitants.</p>	<p>1.4.1 Households connected to a new or improved sanitation system in minor towns with more than 2,000 inhabitants.</p> <p>1.4.2 Households whose wastewater is treated in minor towns with more than 2,000 inhabitants.</p> <p>1.4.3 Community facilities (schools, health centres, churches, etc.) with new or improved access to sanitation</p>	<p>1.4.1 0 Households connected (2024)</p> <p>1.4.2 0 Households whose wastewater is treated (2024)</p> <p>1.4.3 0 Community facilities with new or improved</p>	<p>1.4.1 TBD (2027)</p> <p>1.4.2 TBD (2027)</p> <p>1.4.3 TBD (2027)</p>	<p>1.4.1, 1.4.2, and 1.4.3 Final Programme report</p>	

			access to sanitation (2024)			
Output 2.1 relating to Outcome 2	Water and sanitation service providers strengthened in rural communities.	<p>2.1.1 Water systems operating according to design specifications in rural communities intervened by the program.</p> <p>2.1.2 Wastewater Treatment Plants (PTAR) operating according to design specifications in rural communities intervened by the program</p> <p>2.1.3 Public Social Water and Sanitation Companies (EPSAs) in rural communities intervened by the program that cover administration, operation, and maintenance costs.</p> <p>2.1.4 No. wastewater treatment plants applying land-natural rather than energy intensive treatment processes – to maintain low energy use and costs affordable to the community.</p>	<p>2.1.1 0 Water systems operating (2024)</p> <p>2.1.2 0 Wastewater Treatment Plants (PTAR) operating (2024)</p> <p>2.1.3 0 Public Social Water and Sanitation Companies (EPSAs) intervened (2024)</p> <p>2.1.4 0 wastewater treatment plants applying land-natural (2024)</p>	<p>2.1.1 TBD (2027)</p> <p>2.1.2 TBD (2027)</p> <p>2.1.3 TBD (2027)</p> <p>2.1.4 TBD (2027)</p>	2.1.1, 2.1.2, 2.1.3 and 2.1.4 Final Programme and Evaluation report	
Output 2.2 relating to Outcome 2	Increased participation of women in entities in charge of the management, operation and maintenance of water and sanitation services in rural communities.	2.2.1 Increase in the participation of women in the entities in charge of the management, operation and maintenance of water and sanitation services in rural communities intervened by the program.	2.2.1 10 % (2024)	2.2.1 25 % (2027)	2.2.1 Registries and Records of Conformation of the entities that provide water and sanitation services	
Output 2.3 relating to Outcome 2	Strengthened digitalisation systems: Sectoral Information System (SIASAR) and the Geo-referencing of Wastewater Treatment Plants (GEOPTAR System).	2.3.1 SIASAR and/or GeoPTAR systems updated in rural communities intervened by the program.	2.3.1 0 (2024)	2.3.1 1/2 (2027)	2.3.1 Final Programme and Evaluation report	
Output 2.4 relating to Outcome 2	Quick-impact actions in the sector executed.	2.4.1 Identified problems in the operation of existing water and sanitation services (within the framework of the SAS-PC Program) in	2.4.1 0 (2024)	2.4.1 50% (2027)	2.4.1 Final Programme and Evaluation report	

		rural communities and implementing rectification actions				
Output 3.1 relating to Outcome 3	Public services are improved through the implementation of urban planning instruments and Human Capacity Development, both with focus on waste management	3.1.1 Number of improved tools and products developed and/or adopted by sector institutions and operators (of which number of those gender-responsive) developed with EU support 3.1.2 Number of professionals/staff trained or coached disaggregated, whenever possible and relevant, by sex and age and by type of organisation with EU support	3.1.1 0 tools and products(2024) 3.1.2 0 people (2024)	3.1.1 N tools and products (2027) 3.1.2 N people (2027)	3.1.1 Approval document from the MOPSV 3.1.2 Certificates, participant lists	
Output 3.2 relating to Outcome 3	Integrated waste management is improved through the closure of illegal waste dumps and increase of the recycling rate to reduce Green House Gases emissions	3.2.1 Proportion of municipal solid waste collected and managed in controlled facilities out of total municipal waste generated in the target city. 3.2.2 Number of Circular Economy policy instruments A) developed/revised, and/or B) under implementation with EU support (of which share that are gender-responsive)	3.2.1 X% (2024) 3.2.2 0 policy instruments developed/revised (2024)	3.2.1 Y% (2027) 3.2.2 N policy instruments developed/revised (2027)	3.2.1 Local governments / municipalities 3.2.2 Approval document from the MMAyA	
Output 4.1 relating to Outcome 4	Improved implementation of the National solid waste data management system (SIGIR for its acronym in Spanish) and sustainable municipal waste management models developed	4.1.1 Number of improved tools and products developed and/or adopted by sector institutions and operators (of which number of those gender-responsive)	4.1.1.1. Existing national data management system - SIGIR (2024) 4.1.1.2. Number of models for dump closure, controlled landfill management, and waste reduction (2024) 4.1.1.3. 0 guidelines for the incorporation of informal waste collectors and	4.1.1.1. Improved national data management system (2027) 4.1.1.2. 5 (TBC) models for dump closure, controlled landfill management, and waste reduction (2027) 4.1.1.3. 1 guideline for the incorporation of informal waste collectors and recyclers into the	4.1.1.1. Acceptance memo from the MMAYA 4.1.1.2. Acceptance memo from the MMAYA 4.1.1.3. Acceptance memo from the MMAYA 4.1.1.4. Acceptance memo from the MMAYA	

			recyclers into the local integrated waste management plans (2024) 4.1.1.4. 0 models of local integrated solid waste management plans (2024)	local integrated waste management plans (2027) 4.1.1.4. 3 (TBC) models of local integrated solid waste management plans (2027)		
Output 4.2 relating to Outcome 4	Improved municipal solid waste management through pilot demonstration projects and the inclusion of the waste collectors and recyclers with a gender focus	4.2.1. Proportion of municipal solid waste collected and managed in controlled facilities out of total municipal waste generated in the target city 4.2.2. Number of organisations supported, disaggregated whenever possible and relevant by type of organisation, type of strengthening, by served area / sector /target group	4.2.1.1. X % municipal solid waste collected and managed in controlled facilities out of total generated in A city (2024) (TBC) 4.2.2.1. 0 informal waste collectors and recyclers organizations formalized and included in integrated waste management plans (2024)	4.2.1.1. Y % municipal solid waste collected and managed in controlled facilities out of total generated in A city (2027) (TBC) 4.2.2.1. 5 (TBC) informal waste collectors and recyclers organizations formalized and included in integrated waste management plans (2027)	4.2.1.1. Data from SIGIR / municipalities 4.2.2.1. Acceptance letter of beneficiary organisation	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Plurinational State of Bolivia.

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 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 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 measures³.

4.3.1 Indirect Management with an entrusted entity

4.3.1.1

A part of this action (Blending in Water and Sanitation) may be implemented in indirect management with an European Financial Institution (European development banks and institutions, which have been certified under the financial regulation - pillar-assessed - to manage EU funds). The European Financial Institution will be selected using following criteria: experience with investment programmes in Bolivia, experience regarding water and sanitation sector in Bolivia and experience working with public Bolivian institutions.

This implementation entails the execution of the EU funds under the blending component, through indirect management.

The implementation by this entity entails contributing to the achievement of the Specific Objectives 1 and 2 of the Action. This blending operation will be subject to the EFSD+ Technical Assessment Meeting (TAM) and the EFSD+ Board approval.

4.3.1.2

A part of this action (Waste management, urban planning, circular economy and TVET) may be implemented in indirect management with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The envisaged entity has been selected using the following criteria: experience implementing sustainable urban development and solid waste management cooperation programmes in Bolivia, availability of resources provided by the Federal Ministry for Economic Cooperation and Development (BMZ) to complement the action under a Team Europe approach (EUR 2.5 M), experience implementing cooperation programmes in Bolivia and experience working with public Bolivian institutions at central, departmental and local levels.

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in indirect management with an alternative entity using the same selection criteria.

The implementation by this entity entails contributing to the achievement of the Specific Objective 3 of the Action.

³ 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.

4.3.1.3

A part of this action (Waste management) may be implemented in indirect management with UN-Habitat.

The envisaged entity has been selected using the following criteria: experience supporting local authorities in tackling the growing challenge of municipal solid waste management and contributing to a circular economy, experience implementing cooperation programmes in Bolivia and experience working with public Bolivian institutions at central, departmental and local levels.

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in indirect management with an alternative entity using the same selection criteria.

The implementation by this entity entails contributing to the achievement of the Specific Objective 4 of the Action.

4.3.2 Indirect Management with the Partner Country – Not Applicable

4.3.3 Contribution to <name of the relevant Regional Investment Platform>

4.3.4 EFSD+ operations covered by budgetary guarantees - Not Applicable

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

In case the mentioned support contributing to the Specific Objective 1 and 2 of the action could not be implemented in the proposed indirect management due to circumstances outside of the Commission's control, the component could be implemented in direct management entities (Grants) with implementing partners that will be selected using the following criteria: experience with investment programmes in Bolivia, experience regarding water and sanitation sector in Bolivia and experience working with public Bolivian institutions.

In case the mentioned support contributing to the Specific Objective 3 of the action could not be implemented in the proposed indirect management, due to circumstances outside of the Commission's control, the component could be implemented in direct management (Grants), with implementing partners that will be selected using the following criteria: experience implementing sustainable urban development and solid waste management cooperation programmes in Bolivia, experience implementing cooperation programmes in Bolivia and experience working with public Bolivian institutions at central, departmental and local levels.

In case the mentioned support contributing to the Specific Objective 4 of the action could not be implemented in the proposed indirect management, due to circumstances outside of the Commission's control, the component could be implemented in direct management (Grants), with implementing partners that will be selected using the following criteria: experience implementing sustainable urban development and solid waste management cooperation programmes in Bolivia, experience implementing cooperation programmes in Bolivia and experience working with public Bolivian institutions at central, departmental and local levels.

4.3.6 Other actions or expenditure

4.4 Scope of geographical eligibility for procurement and grants

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution, in currency identified
Implementation modalities – cf. section 4.3		
Specific Objectives 1 and 2 composed of		
Indirect management with an European Financial Institution - cf. section 4.3.1.1	10 000 000	EUR 3 000 000
Contribution of IADB		\$ 79 000 000

Specific Objective 3 composed of		
Indirect management with BMZ-GIZ - cf. section 4.3.1.2	5 800 000	EUR 2 500 000
Specific Objective 4 composed of		
Indirect management with UN-Habitat - cf. section 4.3.1.3	2 200 000	
Evaluation – cf. section 5.2 Audit – cf. section 5.3	May be covered by another Decision	N.A.
Contingencies	N.A.	N.A.
Totals	18 000 000	EUR 77 139 175 ⁴

4.6 Organisational Set-up and Responsibilities

For the intervention contributing to the Specific Objectives 1 and 2, an European Financial Institution will be responsible for the technical and financial monitoring of the execution of the LACIF resources, as well as the evaluation of the Action, in accordance with its internal policies, regulations and procedures.

The monitoring of the Action will be carried out periodically, evaluating the technical and economic progress of the execution of activities, as well as the progress in the achievement of the planned results.

Annual Monitoring Reports will be presented by the implementing partner, both narrative and financial, including progress in the goals and difficulties encountered.

A steering committee will be set up, in order to give guidance and monitor the programme implemented. The steering committee will be composed of members of the implementing partner, the EU Delegation, IADB, the Ministry of Environment and Water. In addition, and upon proposal by members of the steering committee, relevant stakeholders and/or counterparts may be invited to the steering committee meetings.

This steering committee will meet every six months to review implementation as well as the programme relevance and effectiveness.

In addition to the steering committee, a technical committee, composed of programme officers from the European Financial Institution, IADB and the EU, will meet every three months to review implementation and address specific questions relevant to the programme.

Within the framework of the Action, both the EUD and the European Financial Institution will carry out on-site visits to monitor progress in execution when they deem it necessary.

For the purpose of guiding and monitoring the Specific Objective 3 with GIZ, a joint EU-GIZ steering committee will be set up. The steering committee will be composed of members of the implementing partner, the EU Delegation, the Ministry of Environment and Water. In addition, and upon proposal by members of the steering committee, relevant stakeholders and/or counterparts may be invited to the steering committee meetings.

This steering committee will meet every six months to review implementation as well as the programme relevance and effectiveness.

The monitoring of the Action will be carried out periodically, evaluating the technical and economic progress of the execution of activities, as well as the progress in the achievement of the planned results, GIZ will present Annual Monitoring Reports, both narrative and financial, including progress in the goals and difficulties encountered.

In addition to the steering committee, a technical committee, composed of programme officers from GIZ and the EU, will meet every three months to review implementation and address specific questions relevant to the programme.

Within the framework of the Action, both the EUD and GIZ will carry out on-site visits to monitor progress in execution when they deem it necessary.

⁴ \$/€ exchange rate calculated on the 15/05/2023

For the intervention contributing to the Specific Objective 4, UN-Habitat will be responsible for the technical and financial monitoring of the execution of the EU resources, as well as the evaluation of the Action, in accordance with its internal policies, regulations and procedures.

The monitoring of the Action will be carried out periodically, evaluating the technical and economic progress of the execution of activities, as well as the progress in the achievement of the planned results.

UN-Habitat will present Annual Monitoring Reports, both narrative and financial, including progress in the goals and difficulties encountered.

A steering committee will be set up, in order to give guidance and monitor the programme implemented. The steering committee will be composed of members of the implementing partner, the EU Delegation, the Ministry of Environment and Water. In addition, and upon proposal by members of the steering committee, relevant stakeholders and/or counterparts may be invited to the steering committee meetings.

This steering committee will meet every six months to review implementation as well as the programme relevance and effectiveness.

In addition to the steering committee, a technical committee, composed of programme officers from UN-Habitat and the EU, will meet every three months to review implementation and address specific questions relevant to the programme.

Within the framework of the Action, both the EUD and UN-Habitat will carry out on-site visits to monitor progress in execution when they deem it necessary.

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.

4.7 Pre-conditions [Only for project modality]

All the third-party financial contributions mentioned in this Action Document are subjected to internal approval processes of each cofinancing institution.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

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

Roles and responsibilities for data collection, analysis and monitoring:

Regarding the intervention contributing to the Specific Objectives 1 and 2, the European Financial Institution will be in charge of data collection, analysis and monitoring of the projects, including responsibilities, timing and source of funding. The European Financial Institution will be in charge of the monitoring and yearly reporting on indicators of the project logframe matrix, including the collection of baselines and data collection too.

The European Financial Institution will present Annual Monitoring Reports as it will be established in the mechanisms that will regulate the agreement EU- European Financial Institution. These Annual Monitoring Reports will include:

- A narrative report on the Action, including progress in the goals and difficulties encountered.
- A financial report on the activities financed by the Program. These reports will be presented to the Steering Committee and, once known, will be sent to the EUD for its comments, considerations and approval.

Concerning the intervention contributing to the Specific Objective 3, GIZ will be in charge of data collection, analysis and monitoring of the projects, including responsibilities, timing and source of funding. GIZ will be in charge of the monitoring and yearly reporting on indicators of the project logframe matrix, including the collection of baselines and data collection too.

GIZ will present Annual Monitoring Reports as it will be established in the mechanisms that will regulate the agreement EU-GIZ. These Annual Monitoring Reports will include:

- A narrative report on the Action, including progress in the goals and difficulties encountered.
- A financial report on the activities financed by the Program. These reports will be presented to the Steering Committee and, once known, will be sent to the EUD for its comments, considerations and approval.

Regarding the intervention contributing to the Specific Objective 4, UN-Habitat will be in charge of data collection, analysis and monitoring of the projects, including responsibilities, timing and source of funding. UN-Habitat will be in charge of the monitoring and yearly reporting on indicators of the project logframe matrix, including the collection of baselines and data collection too.

UN-Habitat will present Annual Monitoring Reports as it will be established in the mechanisms that will regulate the agreement EU- UN-Habitat. These Annual Monitoring Reports will include:

- A narrative report on the Action, including progress in the goals and difficulties encountered.
- A financial report on the activities financed by the Program. These reports will be presented to the Steering Committee and, once known, will be sent to the EUD for its comments, considerations and approval.

5.2 Evaluation

Having regard to the nature of the action, a mid-term and a final evaluation may be carried out for this action or its components via independent consultants contracted by the Commission or through a joint mission via an implementing partner. The evaluations shall assess to what extent the action is considering the human rights based approach as well as how it contributes to gender equality and women's empowerment.

The mid-term evaluation expected for the first semester of 2026, is envisaged for problem solving and learning purposes, in particular with respect to the complementarities between the different Action components.

The final evaluation is envisaged for accountability and learning purposes at various levels (including for policy revision), and for the possibility to fund a second phase under 2025-27 MIP financial allocations.

The Commission shall inform, and coordinate with, 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 financing of the 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:

Action level (i.e. Budget Support, blending)		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action

Appendix 2 COMMISSION DECISION & TECHNICAL and ADMINISTRATIVE PROVISIONS

	Project modality (Incl. thematic and regional programmes, as well as calls for proposals)		Budget support		No activities to be implemented by, and no funds to be transferred to, the Partner country, with signature of a Financing Agreement based of the 'simplified' template	
Action Document	Annex Commission Decision	Technical and Administrative Provisions (TAPs)	Annex Commission Decision	Technical and Administrative Provisions (TAPs)	Annex Commission Decision	Technical and Administrative Provisions (TAPs)
1. SYNOPSIS						
1.1. Action Summary Table	Yes	Yes	Yes	Yes	Yes	N/A
1.2. Summary of the Action	Yes	Yes	Yes	Yes	Yes	Yes
2. RATIONALE						
2.1. Context	Yes	N/A	Yes	N/A	Yes	N/A
2.2. Problem Analysis	Yes	N/A	Yes	N/A	Yes	N/A
2.3. Additional Areas of Assessment [For Budget Support Actions only]	N/A	N/A	Yes	N/A	N/A	N/A
2.3.1. Pre-condition on Fundamental values (for a SDG contracts only)	N/A	N/A	Yes	N/A	N/A	N/A
2.3.2. Public Policy	N/A	N/A	Yes	N/A	N/A	N/A
2.3.3. Macroeconomic Policy	N/A	N/A	Yes	N/A	N/A	N/A
2.3.4. Public Financial Management	N/A	N/A	Yes	N/A	N/A	N/A
2.3.5. Transparency and Oversight of the Budget	N/A	N/A	Yes	N/A	N/A	N/A
3. DESCRIPTION OF THE ACTION						
3.1. Objectives and Expected Outputs	Yes	Yes	Yes	Yes	Yes	N/A
3.2. Indicative Activities	Yes	Yes	Yes	Yes	Yes	N/A
3.3. Mainstreaming	Yes	Yes	Yes	Yes	Yes	N/A
3.4. Risks and Lessons Learnt	Yes	N/A	Yes	N/A	Yes	N/A
3.5. The Intervention Logic	Yes	Yes	Yes	Yes	Yes	N/A
3.6. Logical Framework Matrix	Yes	Yes	Yes	Yes	Yes	N/A
4. IMPLEMENTATION ARRANGEMENTS						
4.1. Financing Agreement	Yes	N/A	Yes	N/A	Yes	N/A
4.2. Indicative Implementation Period	Yes	N/A	Yes	N/A	Yes	N/A

	Project modality (Incl. thematic and regional programmes, as well as calls for proposals)		Budget support		No activities to be implemented by, and no funds to be transferred to, the Partner country, with signature of a Financing Agreement based of the 'simplified' template	
Action Document	Annex Commission Decision	Technical and Administrative Provisions (TAPs)	Annex Commission Decision	Technical and Administrative Provisions (TAPs)	Annex Commission Decision	Technical and Administrative Provisions (TAPs)
4.3. Implementation of the Budget Support Component (and subsections)	N/A	N/A	Yes	Yes	N/A	N/A
4.4. Implementation Modalities (and subsections)	Yes	Yes	Yes	Yes	Yes	N/A
4.5. Scope of geographical eligibility for procurement and grants	Yes	Yes	Yes	Yes	Yes	N/A
4.6. Indicative Budget	Yes	Yes	Yes	Yes	Yes	N/A
4.7. Organisational Set-up and Responsibilities	Yes	Yes	Yes	Yes	If applicable and relevant	If applicable and relevant
4.8. Pre-conditions [only for project modality]	Yes	Yes	Yes	N/A	Yes	If relevant and applicable
5. PERFORMANCE MEASUREMENT						
5.1. Monitoring and Reporting	Yes	Yes	Yes	Yes	Yes	N/A
5.2. Evaluation	Yes	Yes	Yes	Yes	Yes	N/A
5.3. Audit and Verifications	Yes	Yes	Yes	Yes	Yes	N/A
6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY						
6. Strategic Communication and Public Diplomacy	Yes	Yes	Yes	Yes	Yes	N/A
APPENDICES						
Appendix 1 Reporting in OPSYS	N/A	N/A	N/A	N/A	N/A	N/A
Appendix 2 Commission Decision and TAPs	Delete and replace with Appendix for Blending if applicable	N/A	N/A	Delete and replace with Appendix for Budget Support if applicable	N/A	N/A
Other: Appendix only for Blending: List Lead Finance Institutions	To be added	N/A	N/A	N/A	N/A	N/A
Other: Appendix only for Budget Support (Disbursement Arrangements, Conditions and Performance Indicators)	N/A	N/A	N/A	To be added	N/A	N/A