INFORMATION SESSION

Launch of the Call for Proposals
EuropeAid/170427/DH/ACT/Multi

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10 November 2020 – Virtual Meeting (WebEx)

1   **Policy context, priorities, sectors and target groups**

2   **Finance and contracts rules**

3   **How to apply and procedures to follow**

4   **Questions** (only through the *raise-your-hand* function)

1 **Policy context, priorities, sectors and target groups**

SWITCH-Asia Programme

Promoting Sustainable Consumption and Production

- Launched in **2007**

- Our **SWITCH-Asia Programme** supports the **transition** of the region to a **low-carbon**, **resource efficient** and **circular economy** whilst promoting more **sustainable supply chains and products** between Asia and Europe.

- Today it reflects most of the **priorities of the European Green Deal**

- A major EU response to **SDG12 in its international cooperation**

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

switchasia
GRANTS PROGRAMME

Funded by the European Union

OUR PROGRAMME IS ALIGNED TO MAIN EU STRATEGIES

CREATED TO RESPOND TO THE GLOBAL CHALLENGES OUR ENVIRONMENT IS FACING TODAY

THE EUROPEAN GREEN DEAL

THE CIRCULAR ECONOMY ACTION PLAN

THE FARM TO FORK STRATEGY

THE EU INDUSTRIAL STRATEGY

THE PLASTICS STRATEGY

THE BIODIVERSITY STRATEGY

Policy Context

The concept of Sustainable Consumption and Production (SCP)

UNEP defines SCP as "A holistic approach to minimizing the negative environmental impacts from consumption and production systems while promoting quality of life for all".

In particular:

- Sustainable **management** and **efficient use of natural resources**
- Encouraging **companies to adopt sustainable practices**
- Reducing **food losses** along production and supply chains
- Managing **chemical waste**
- Reducing **waste** generation
- Promoting **public procurement** practice
- Strengthening **scientific and technological capacities** to move towards more sustainable patterns of consumption and production

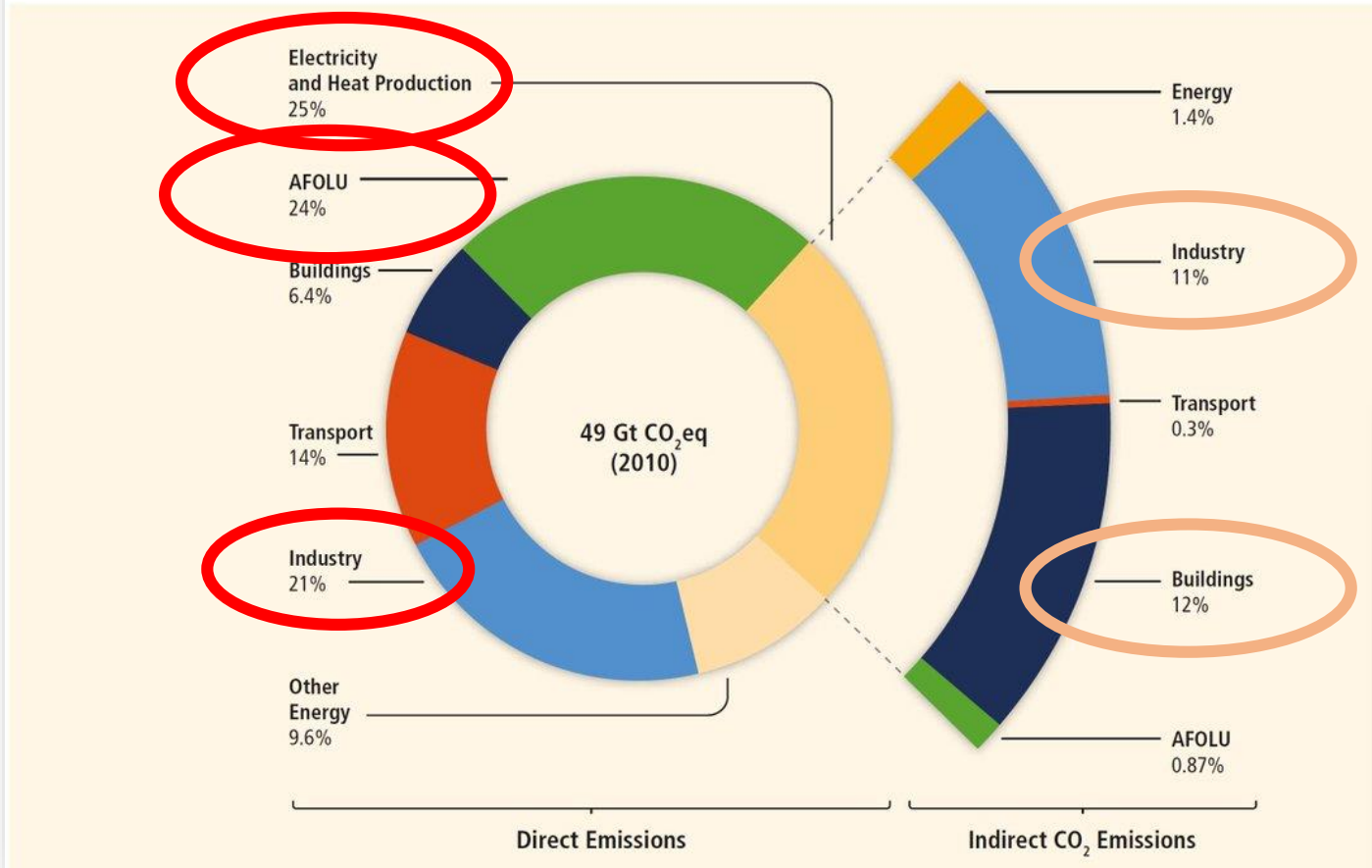# Policy Context – **How did we get there?**

- Asia has experienced **fast economic growth** in the last years but mostly based **on unsustainable consumption and production patterns**

- Overall Asia is responsible for almost **50% of global greenhouse gas emissions (GHG)** affecting our climate

Policy Context

GHG occurs mainly due to human activities… and industry is highly responsible!

Greenhouse Gas Emissions by Economic Sectors

- Electricity and Heat Production 25%
- AFOLU 24%
- Buildings 6.4%
- Transport 14%
- Industry 21%
- Other Energy 9.6%

- Energy 1.4%
- Industry 11%
- Transport 0.3%
- Buildings 12%
- AFOLU 0.87%

49 Gt CO$_2$eq (2010)

Direct Emissions | Indirect CO$_2$ Emissions

Policy Context – One step further

The increase of the energy demand **affect our environment (deforestation, loss of biodiversity)**

… which, in return, is clearly **putting human health into danger!**

Policy Context

In addition, the COVID-19 crisis

- Showed the **connection** between human activities and the loss of biodiversity

- **Disrupted Global Value Chains** on which most Asian economies have been built upon over the last decades

- **Provoked slowdowns** both in European and Asian economies

- Showed how **our supply-chains are irreversibly inter-connected**

How Coronavirus Can Infect Global Supply Chains
Share of all imports of intermediate products coming from China

None   10   15   20   25   30   35%
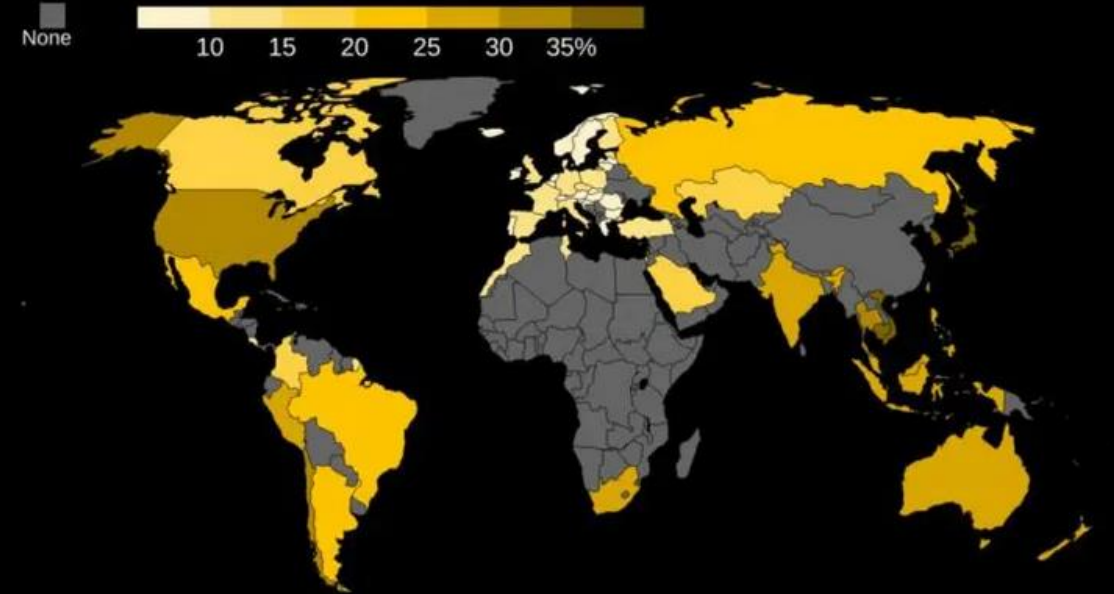
Source: OECD TiVA, Bloomberg Economics

Bloomberg

Policy Context

We are at a turning point!

- Moving from linear **to greener and more circular economies** is not an option for our societies but **it is essential!**

- The **COVID-19 Recovery** offers us new opportunities to rethink our societies and the way we produce and consume

HOW? WHICH INSTRUMENTS?

- Commitments of our countries to the **Paris Agreement for Climate Change**

- New (global) ambitions reflected into the **#EUGreenDeal**

Policy Context

We are at a turning point!

#EUGreenDeal ACTIONS:

- Circular Economy Action Plan (March 2020)
- From Farm to Fork Strategy (May 2020)
- EU Biodiversity Strategy 2030 (May 2020)
- EU Taxonomy for Sustainable Activities (June 2020)
- EU Renovation Wave (October 2020)
- EU Chemical Strategy (October 2020)
- EU Textiles Strategy
- Global Alliance on Circular Economy
- Global Agreement on Plastics
- *etc.*

Growth strategy:
- **no net emissions** of greenhouse gases **by 2050**
- economic growth is **decoupled** from resource use
- no person and no place is **left behind**

Policy Context

What is it about?!

The European Green Deal
von der Leyen Commission
#EUGreenDeal

- **Reducing the impact(s) of energy-intense sectors** (such as textiles, construction, plastics and electronics)
- Promoting **circularity** of goods and services
- Promoting more **sustainable food processing**
- **Forest-friendly** products
- Setting ambitious global **standards** for products
- Reducing **food loss** and **waste**
- Supporting the uptake of **alternative packaging**
- **Empowering consumers** in their daily choices
- **Promoting 'green finance'** by adopting a **taxonomy**

Translating EU ambitions into the cooperation with our partners!

Policy Context

From ambition to reality
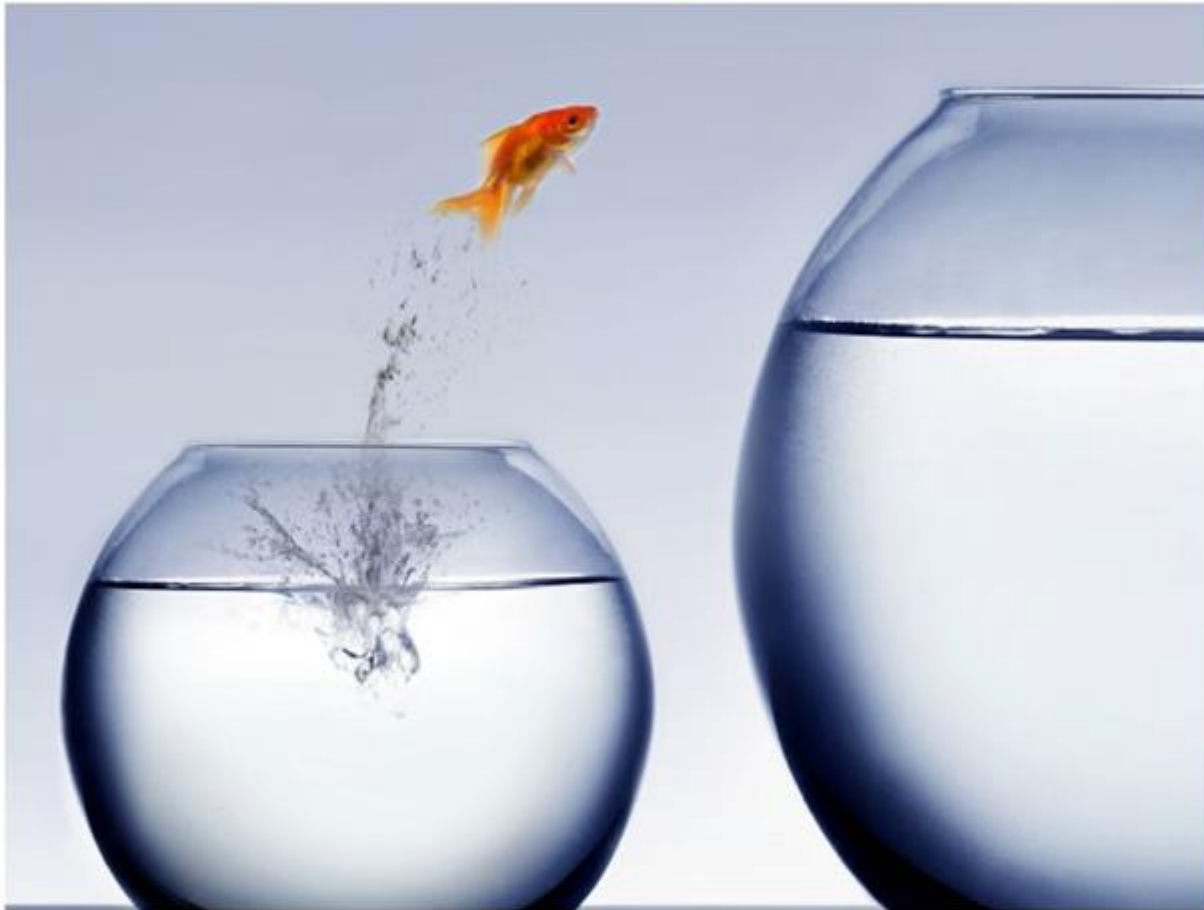
SWITCH-Asia offers already some solutions!

SWITCH-Asia Programme

From projects … to policy dialogue!

SUPPORTING GAME CHANGERS / STAKEHOLDERS through projects
Testing and adopting greener and more sustainable industrial processing in **MSMEs**, promoting greener **products** and more sustainable **consumption** patterns and behaviours in Asia
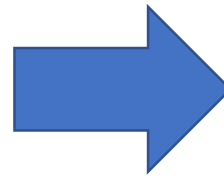
POLICY DIALOGUE
The **results of projects will feed into policy dialogue** with Asian governments for the elaboration and implementation of national policies, regulatory frameworks and policy instruments related to SCP.

In collaboration with the EU Delegations and Focal Points of Ministries in partner countries

Call for Proposals

- **Priority 1 on SUSTAINABLE PRODUCTION**
« **Support MSMEs in reducing the environmental impact of their industrial production, in improving resource efficiency and adopting circular economy practices** »

- **Priority 2 on SUSTAINABLE CONSUMPTION**
« **Engaging with consumers on sustainable consumption and production practices** »

Call for Proposals

- Project proposals should address **only one** of the mentioned priorities.

➢ SWITCH-Asia already funded ca. 130 projects since 2007!

- To **avoid duplication** with ongoing and past projects, applicants are invited to check the activities already funded under the SWITCH-Asia programme.
  → www.switch-asia.eu

Call for Proposals: **Target groups**

Micro-Small-and-Medium-Sized Enterprises (MSMEs), retailers, chambers of commerce, industrial clusters or associations, national and regional clean production centres, farmers associations, universities, research centres, centres for technology transfer, I/NGOs, consumer organisations, development organisations, trade federations, labour organisations.

These are the Game Changers

in your partnership!

Eligible Countries
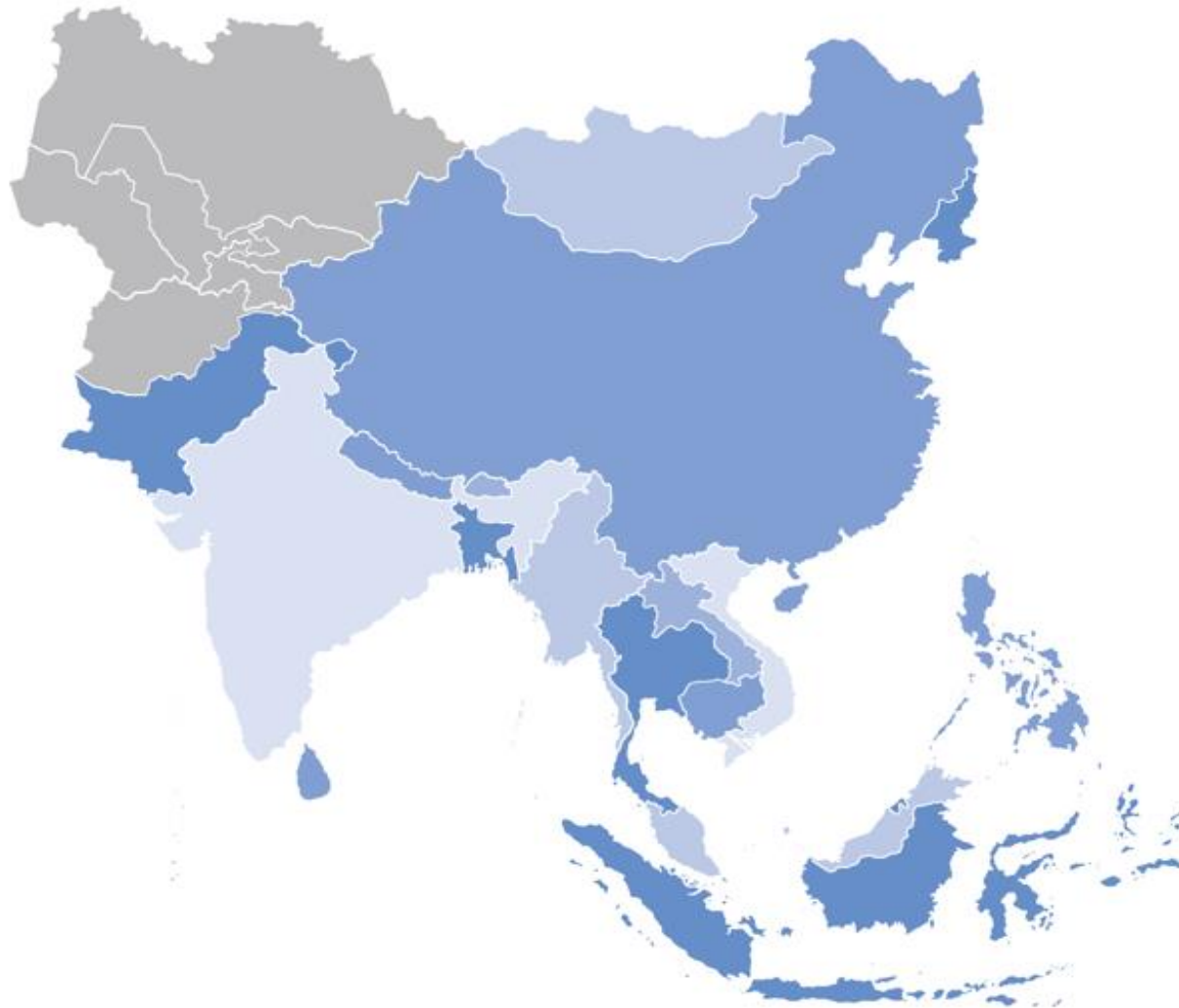
Eligible Countries:
Afghanistan, Bangladesh, Bhutan, Cambodia, China, DPR Korea, India , Indonesia, Lao PDR, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.

In addition…

- **Multi-country proposals:** allowed but should show the **clear added-value** of tackling a topic regionally and/or jointly across-borders

→ They should _**not**_ result only in a list of activities carried out nationally

→ Suggestion: include at least one country with a more advanced SCP policy framework!

- **Actions should take place in the Eligible Countries. However, ONLY FEW individual activities** (e.g. conferences and seminars) can take place **in other locations** mentioned in section 2.1.1 (if duly justified) and lasting **max. 21 non-consecutive days**

→ They should be clearly indicated in the timeline of the action

Size of grants, Duration and EU Co-finance

- Total budget of the call: EUR 32.600.000
- Proposals must fall **between EUR 1M and EUR 2,5M**

- Duration: between **36 - 48 months**

- **EU Co-finance:**
  - ➢ **Minimum** percentage: **50%** of the total eligible costs of the action
  - ➢ **Maximum** percentage: **80%** of the total eligible costs of the action
    - ➢ **90%** only if the action takes place in Least Developed Countries (LDC) of Afghanistan, Bangladesh, Bhutan, Cambodia, Laos PDR, Myanmar and Nepal.

The **Balance** should be financed from sources other than the EU budget.

Sectors

In line with the priorities areas set within the European Green Deal, **this call for proposals will target** primarily (but not exclusively) the following sectors:

- **Textiles and leather**

- **Buildings and construction**

- **Agri-food and beverage**

- **Plastics**

- **Electronics and ICT**

Sectors

Textiles and leather: challenges

Point 1. EU's textiles trade

Import, export, production and consumption flows of textile products, EU-28, 2017

27.9 kg/person — import (extra EU-28 trade)

11.2 kg/person — export (extra EU-28 trade)

7.4 kg/person — production (EU-28)

25.9 kg/person — final consumption (EU-28)
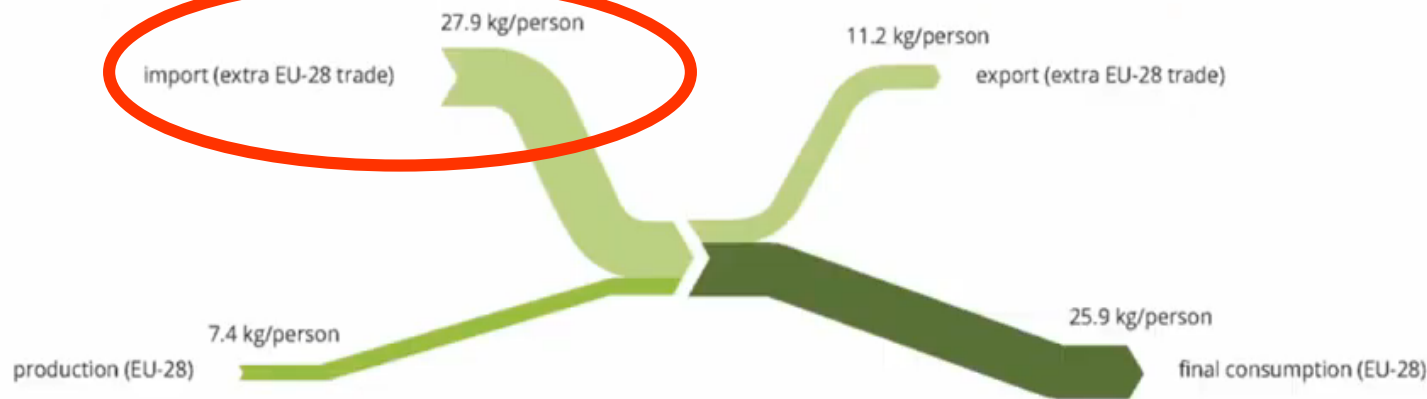
- Eurostat Comext Trade Data [2017 data]
- Eurostat Prodcom Production Data [2017 data]
- Exiobase HSUT v3.3.15 [2011 data converted]

Note: The waste flow of textiles from stock is not included in this scheme.
Source: EEAs ETC/WMGE

In the EU, each citizen consume 27,9Kg of textiles a year.

We are currently 500.000 people in the EU.

Most of the garment production happens in Asia!

Sectors

Textiles and leather: challenges

- **High contribution to GHG emissions** due to long supply chains and logistics
- **Energy and water-intensive** production
- Use of **chemicals** for dying
- Opportunities for **circularity** and **Take-Back-Schemes**?
- Potential of **new technologies** to empower consumers?

75 LITRES OF WATER GOES IN MAKING YOUR JEANS

17/09/2018
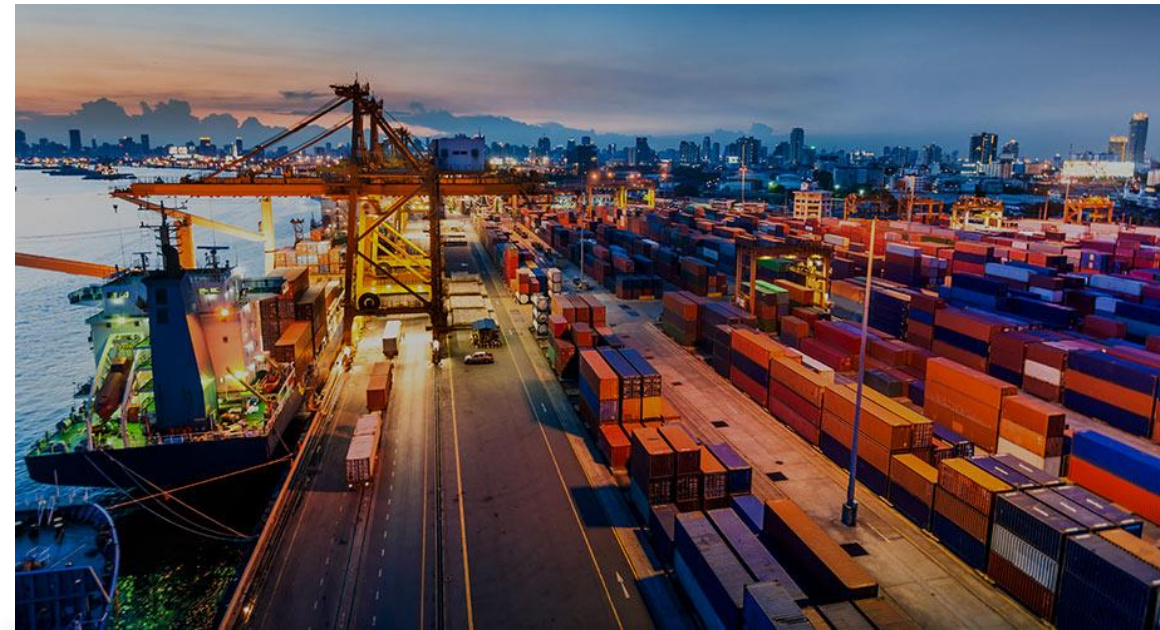
Sectors

Buildings and construction: challenges

- **More than 2.3 billion people living in cities** and in **2030 the region alone will consume more than 37%** of the total global electricity

- Opportunities for **CO_2 emissions reduction** due to heating / cooling

- Opportunities for **energy-efficiency** and **emissions savings**

- Opportunities for **recycling** construction materials

Sectors

Agri-food: challenges

- **Energy** and **water-intense processing**

- Non-environmentally friendly **packaging**

- **Food loss/ waste**

- **Polluting logistics** modes of transport

- Potential of **waste-to-energy**

- Potential of **digitalisation and new technologies**

- Nutrition **labelling**, food **standards** and mandatory **provenance indicators**

- **Empower consumers** in their daily choices (traceability, transparency, healthy and sustainable food choices)

Sectors

Plastics: challenges

- Asia accounts for 95% of all plastics pollution

- Intense use of **single plastics items**

- **Increase the awareness** of consumers about the plastics' carbon footprint

- **Alternatives to plastics**

Sectors

Electronics and ICT: challenges

- Asia generated the **highest quantity of e-waste in 2019**

- **Less than 20% of e-waste is formally recycled**, with 80% either ending up in landfill or being informally recycled

- Promote recycling and the use of components as **'secondary raw material'**?

- **Circularity** of components?

- Reduction of **hazardous substances** (exposing workers)

Type of actions

- **Specific examples of actions for both priorities** are provided at pages 15 and 16 of the Guidelines. *Be innovative but do not reinvent the wheel!*

- Proposals may tackle **one or more of these actions** within either Priority 1 or Priority 2. *Read carefully our Guidelines, do not mix-up rules!*

- Actions may take place **at any of the phases of the product lifecycle** (designing, manufacturing, logistics and distribution, consumption and end-of-life management). *You don't need to cover everything: concentrate on where you can make the difference!*

- **Inception activities:** max. 4 months within the whole duration of the project and clearly indicated in the timeline of the action.

Ineligible actions

- Actions concerned only or mainly with <u>individual sponsorships</u> for participation in workshops, seminars, conferences and congresses;

- Actions concerned only or mainly with <u>individual scholarships</u> for studies or training courses;

- Inception and preparatory activities <u>exceeding 4 months</u>;

- Proposals <u>focusing exclusively</u> on farming, harvesting, primary production or raw materials;

- Proposals whose main objective (or where the majority of the activities) is to provide trainings. <u>Trainings should not represent more than 20% of the budget proposed</u>.

Indicators are the key of your success!

Key to **measure the impact** of projects!

- Obligation: specify your contribution to **at least one of the SDGs targets** listed at page 16 of the Guidelines

- Option: you are (strongly) **encouraged** to :

  - be aligned with DG DEVCO's "*Green Economy Results Chain and Sector Indicator Guidance*" (www.switchtogreen.eu/?p=1586)

  - include in your logframe complementary indicators (as relevant)

Indicators: some examples!

Uptake of SCP practices by (M)SME supported
- Number of (M)SME reporting the adoption of SCP practices
- Number of (M)SME that obtain firm-specific sustainability standards certification

Enhanced consumption and awareness of SCP products and services
- **Business-to-Consumer (B2C)**: Increase in sales of SCP products and services by MSME compared to baseline (percentage)
- **Business-to-Business (B2B)**: Number of business contracts with retailers, wholesalers or similar on SCP products or services

Improved business performance and access to finance for (M)SME supported
- Number of full-time (equivalent) green jobs sustained/created
- Number of (M)SME reporting monetary savings as a result of SCP implementation
- Number of (M)SME that obtain financial services

Environmental benefits and contribution to climate change mitigation
- CO_2 avoided or reduced upon project completion (t CO_2/EUR)
- Waste treated upon project completion (t)
- Water saved upon project completion (t)

Social benefits created
- Improved working conditions (list of measures adopted by (M)SME incl. quantitative data, where applicable)
- Improved community livelihood (description of impact incl. quantitative data, where applicable), e.g. money saved per household through lower electricity bills (EUR), number of 'informal' workers formalised, CSR measures implemented, higher quality of life due to reduced pollution

Access to Finance, Scale-up and Reproduction

Our grant scheme provides the opportunity to **test (innovative) SCP practices** (ref. "Type of actions") … but we aim at **replicating** them.

Obligation:

- Projects are expected to **prepare one or more business case(s)** to be proposed to private and public investors to increase the availability of SCP practices on the market (either nationally or regionally)

- Projects are expected to improve the **investment climate for "Green Solutions" in Asia** providing evidence to investors that investing in SCP brings short-term (and long-term) economic benefits

From testing… to the market!

Credit: NIST

Access to Finance, Scale-up and Reproduction
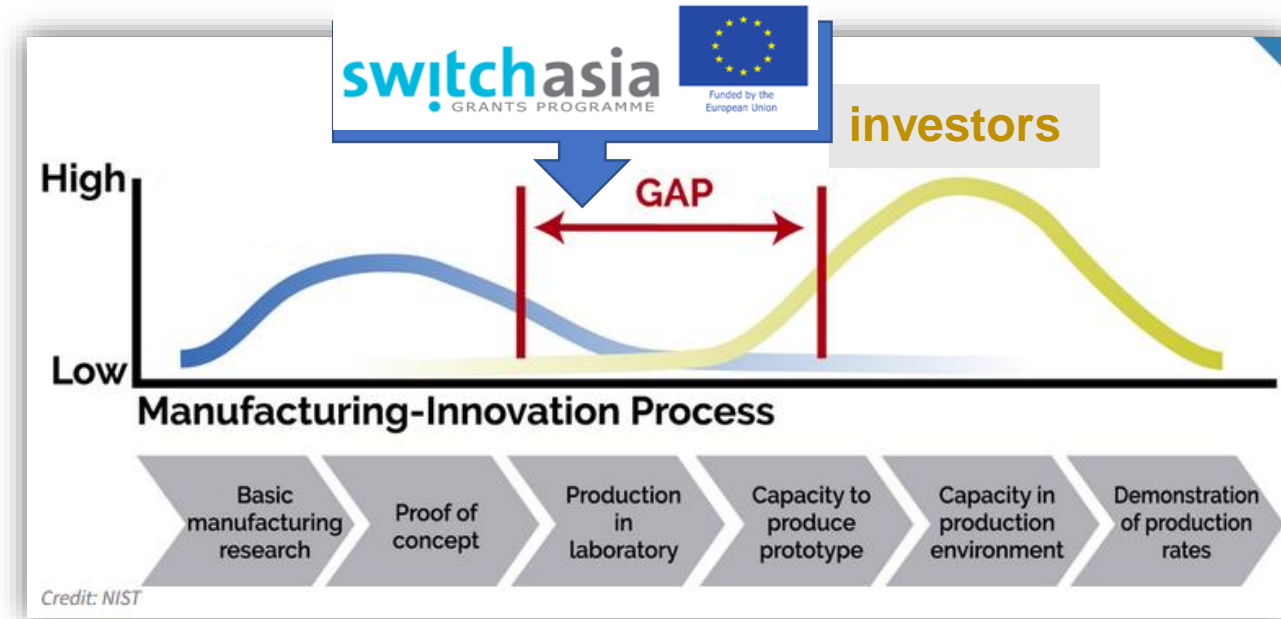
Access to finance should not be limited to one specific work package or activity but it should **form an <u>integral part of the overall project design</u>**!

Projects should address both:

- **demand-sided activities targeting beneficiary businesses** (e.g. business plan development)

- **complementary supply-sided activities with financial institutions** (e.g. train banks to expand their portfolio by green financing instruments)

Ideal Consortium / Project – Suggestions!

- Start preparing your proposals based on a clear analysis: **"what is needed in the country?"**, **"which SCP practices could be improved/ better integrated?"**, **"what does the selected sector need to *go greener*?"** (etc.).
- *Your consortium composition comes at a second stage, based on the expertise required to achieve your objective(s)!*

- Make sure that you are fully aware of the **national/ regional policies/ legislations you wish to address in your project.**
- *Your project is the starting point to make a positive change in your country!*

- Including **MSMEs / consumers** (or their representatives) in order to be sure you will reach your final beneficiaries.

- Include (a) partner(s) with a **strong knowledge on the sector/ area** you wish to cover within your project (ref. "Type of action" chosen).

Ideal Consortium / Project – Suggestions!

- Think about **"Associating"** **local/ national authorities, regional organisations, auditing companies/ entities, standardisation bodies, (etc.)** … any organisation relevant for your policy activities.
- *Regional organisations can have an accelerating effect in this regard!*

- To reinforce your activities related to the "access to finance" and the "scale-up/ reproduction" of the SCP practices you will test, think about **"Associating"** **local/ national banks, financial institutions, development banks, (etc.)** with whom you may start discussions on possible business cases.

  Attention: there is no formal obligation for your proposal/ partnership to be endorsed by any ministry/ government and no additional points will be allocated to proposals submitting such an endorsing document.

Be part of our SWITCH ECOSYSTEM!!!

#FashionSustainability

#SustainableHomes

#WeSwitch
POWER OF SWITCH ∞ POWER WITH US

...ageWaste

#Agrifood

#ResponsibleTourism

2   **Finance and contracts rules**

Partndership Composition

Partnership = lead applicant + co-applicant(s):

Each proposal should be submitted by a partnership composed of **at least one lead applicant and one co-applicant**.

The partnership has to <u>include</u>:

- <u>at least one</u> organisation from a Member State of the European Union, the UK or the European Economic Area

AND

- <u>at least one organisation from an eligible Asian country originating from the country where the action will be implemented ('action location' as per guidelines 2.1.4)</u>

<u>NEW:</u>

International organisations (as defined by Art. 156 of FR) are <u>not</u> eligible under this call for proposals

Partition Composition

In the **Full Application stage**, the lead applicant may replace a co-applicant or an affiliated entity but only in duly justified cases (e.g. bankruptcy of initial co-applicant or affiliated entity).

In this case the new co-applicant or affiliated entity must be of a similar nature as the initial one.

Not possible to add new co-applicants or affiliated entities at this stage.

(more information on page 24 of Guidelines)

Multi-beneficiary Grant Contract
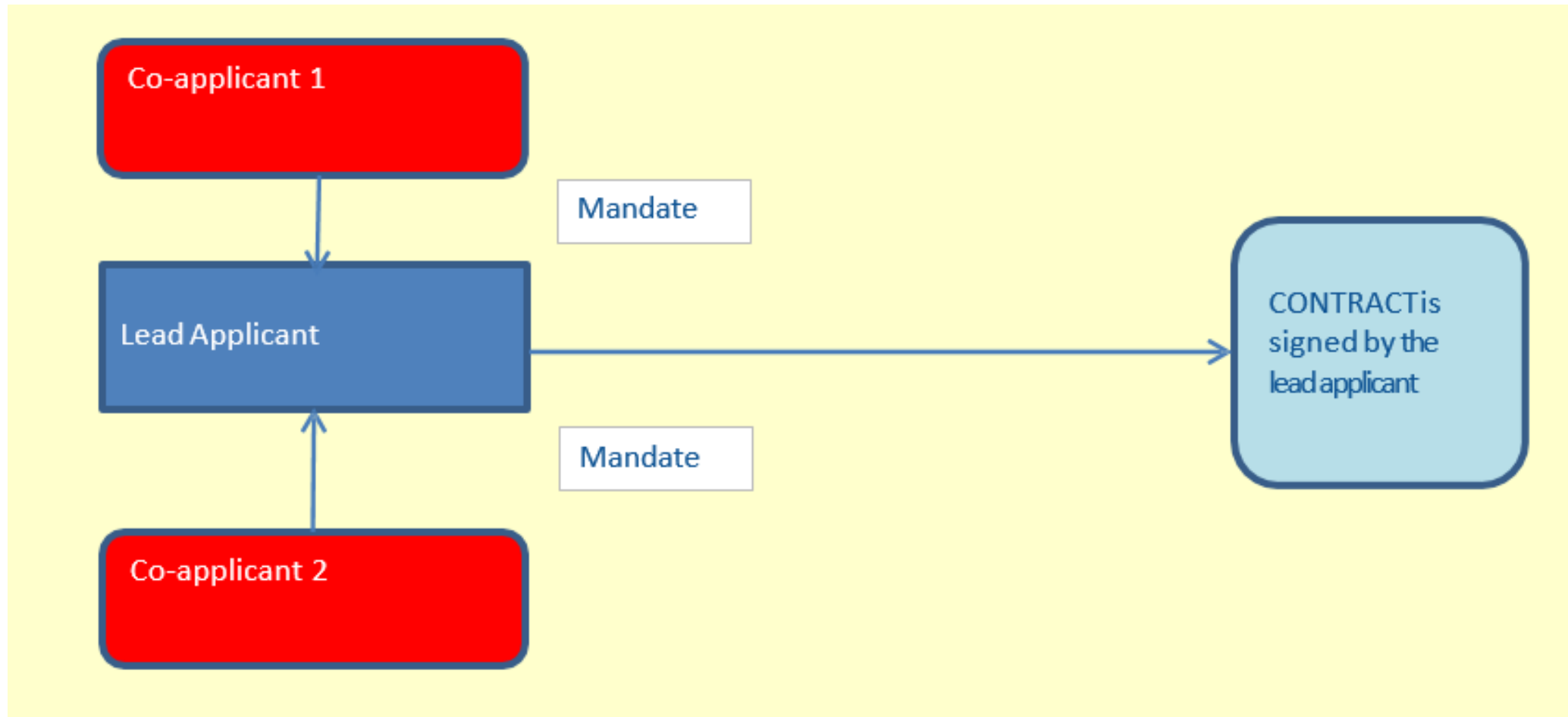
Multi-beneficiary Grant Contract
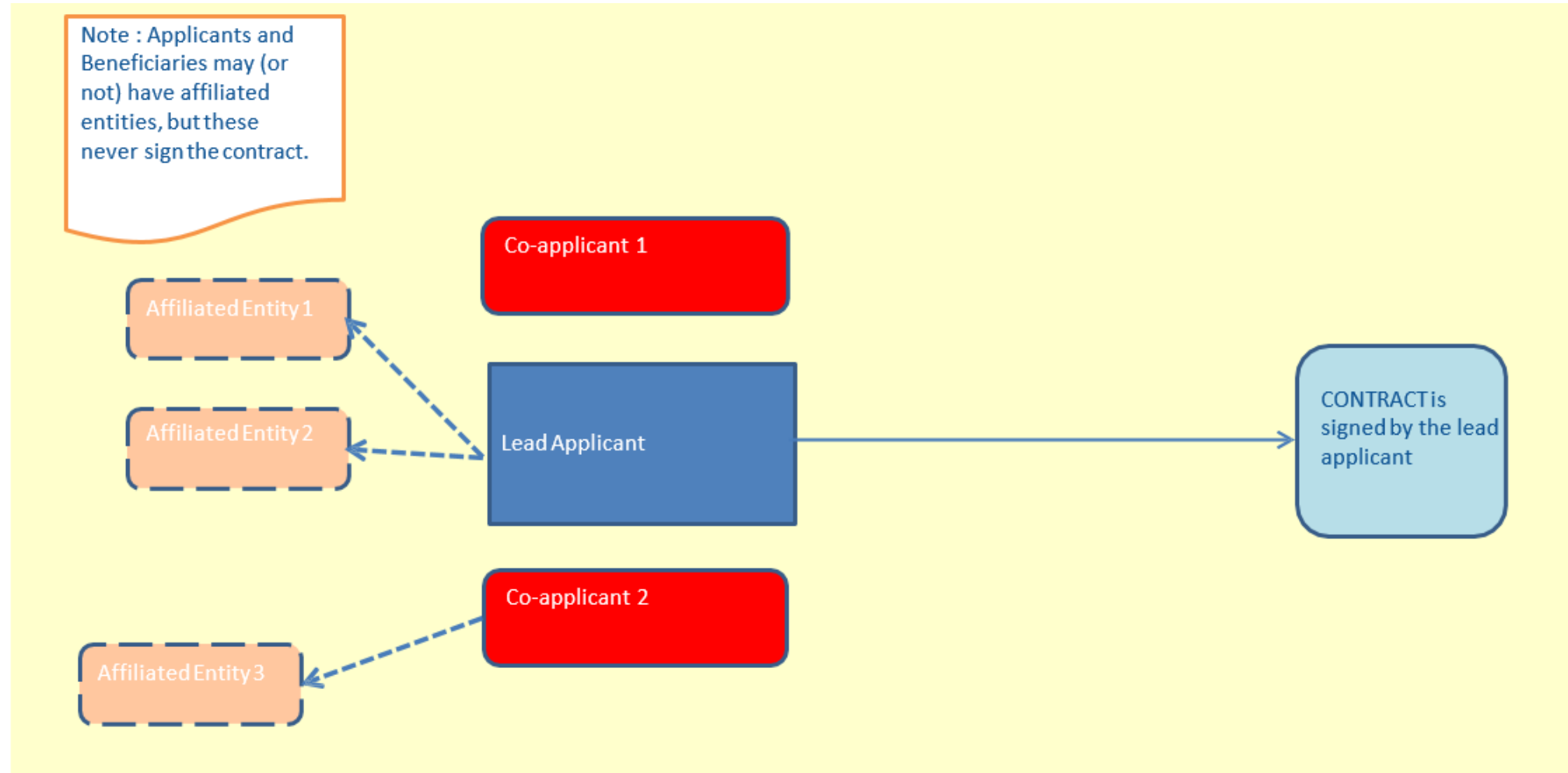
Lead Applicant / Coordinator:

- Plays the role of "lead applicant" / "main beneficiary"

- Assumes the financial responsibility of the contract

- Gets a mandate signed from the rest of co-applicant(s):

  - To submit the proposal
  - To sign the contract
  - To represent the rest during implementation of the contract

Multi-beneficiary Grant Contract with Affiliated Entities

Co-applicants / Affiliated Entities

- **Co-applicants** must satisfy the same eligibility criteria as the lead applicant. Co-applicants must sign the mandate in Annex A.2 Section 5 of the grant application form.

- Only entities having a **structural link** (e.g. legal or capital link) with the lead applicant and/or to co-applicants may be **considered as affiliated entities.**

  ➤ *However, this link should not be established for the sole purpose of its implementation!*

- **Affiliated entities** must satisfy the same eligibility criteria as the lead applicant and the co-applicant.

Additional information can be found at pages 11-13 of the Guidelines.

Associates and Contractors

- **Associates**

Other organisations or individuals may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs.

- **Contractors**

The beneficiaries and their affiliated entities are permitted to award contracts. Associates or affiliated entities cannot be also contractors in the project. Contractors are subject to the specific procurement rules (Annex IV).

Eligibility of Costs

- **Contributions in kind** are <u>**not**</u> treated as co-financing

- Applicants may <u>**not**</u> propose **financial support to third parties** (sub-granting)

- Eligible direct costs (Art 14 of GC): actual costs incurred by the beneficiaries and affiliated entities

   NEW: simplified cost options is not allowed

- Indirect costs (Max 7% of the estimated total eligible direct costs)

Co-Financing

- Difference between the total cost of the action and the amount requested from the contracting authority, i.e., if the applicant requested the maximum percentage allowed (80%) then the co-financing by the beneficiary should correspond to the remaining 20%

- Must be financed from sources other than the general budget of the Union or the European Development Fund (EDF)

3 **How to apply and procedures to follow**

Submission

- Each applicant's organisation has to be registered into **PADOR**

  - For lead-applicants: already at the Concept Note step

  - For co-applicants and affiliated entities: at the latest at the Full-Application stage

- Don't forget also to upload/ update the legal documents of the entities (e.g: status of organisation, LEF, etc.) in PADOR

Submission

The submission of the proposals is done electronically via the IT tool **PROSPECT:**

- don't forget to submit the grant application forms and mandatory declarations/annexes

- do not wait until the last minute to apply (deadline to respect)

Number of applications and grants
per applicant

- **The lead applicant** may submit more than 1 application but may not be awarded more than 1 grant

- **The lead applicant** may not be a co-applicant or an affiliated entity in another application

- **A co-applicant/ affiliated entity** may be the co-applicant or affiliated entity in more than 1 application but may not be awarded more than 1 grant

3 Main steps of evaluation

STEP 1: Evaluation of the Concept Note

STEP 2: Evaluation of the Full Application

STEP 3: Verification of eligibility of the applicants and affiliated entities

Concept Note – evaluation stage
Balanced coverage

In order to ensure actions take place in as many target countries as possible, proposal selection at the **Concept Note stage** will be done as follows:

- All proposals will be evaluated according to the criteria of section 2.3 (step 1) and then only those who pass the threshold of 30 points will be ranked

- Selection from the ranked proposals will be done according to target countries (this means that the highest-ranking application per target country will be invited to submit a Full Application)

- **Full Applications** to the tune of 200% of the total available budget will be invited. If, following the country-based selection referred to in point (2), there is a need to select further proposals in order to reach this 200% mark, then selection of these will be conducted on the basis of ranking (and irrespective of where the action will be carried out)

Concept Note – evaluation stage
Balanced coverage

In case of **multi-countries projects**, the candidates must clearly specify, in the concept note (PROSPECT), which is the principal country where the project will be implemented.

Indicative Timeline

CALL FOR PROPOSAL PUBLICATION

Indicative timetable

DEADLINE FOR QUESTIONS (Concept Note)
21 days before the deadline for submission of CN

FAQ PUBLICATION AT THE LATEST
11 days before the deadline for submission of CN

Questions related to this call for proposals should be sent **ONLY** to the following mail address:

EuropeAid-SWITCH-ASIA@ec.europa.eu

Indicative Timeline

DEADLINE FOR SENDING CONCEPT NOTES
18 December 2020

ADMINISTRATIVE CHECK & TECHNICAL EVALUATION OF THE CONCEPT NOTES
March 2021

COMMUNICATION OF THE RESULTS TO ALL APPLICANTS/ invitation to submit Full-Application
March/May 2021

Indicative Timeline

DEADLINE FOR SENDING FULL APPLICATIONS
May 2021

DEADLINE FOR QUESTIONS (Full Application)
Until 21 days before the deadline for submission of FA

FAQ PUBLICATION At THE LATEST
Until 11 days before the deadline for submission of FA

EVALUATION OF FULL APPLICATIONS & COMMUNICATION TO ALL THE APPLICANTS
June / July 2021

VERIFICATION OF ELIGIBILITY (applicant and partners) **& NOTIFICATION TO SUCCESSFUL APPLICANTS –** June / July 2021

NOTIFICATION OF THE AWARD (after eligibility check) – June / July 2021

CONTRACT SIGNATURE - September 2021 onwards

4   **Questions**

Basic rules:

- Use the *"Raise your hand"* function

- Your question(s) should request for a clarification on the text of the Guidelines

- Please be clear and short once addressing your question(s) - so that we can accommodate as many participants as possible

- This is not the only possibility for you to ask question(s) - we will regularly reply to questions sent to our mailbox (EuropeAid-SWITCH-ASIA@ec.europa.eu) and publish FAQ at our EuropeAid website

Thank You ∞

All questions related to this call for proposals should be sent to:

EuropeAid-SWITCH-ASIA@ec.europa.eu

A copy of the FAQ will be published regularly on the webpage of the Call for Proposals