PROGRAMMING DOCUMENT
OVERSEAS COUNTRIES AND TERRITORIES

THE THEMATIC PROGRAMME ALLOCATION OF THE 11TH EUROPEAN DEVELOPMENT FUND

The European Commission and …… on behalf of the Overseas Countries and Territories hereby agree as follow:

The European Commission, represented by Mr Neven MIMICA, Commissioner for International Cooperation and Development and the Overseas Countries and Territories: Anguilla, Aruba, Bermuda, Bonaire, British Antarctic Territory, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Curaçao, Falkland Islands, French Polynesia, Greenland, Montserrat, New Caledonia, Pitcairn, Saba, Saint Pierre et Miquelon, South Georgia, Saint Barthélemy, Sint Eustatius, Saint Helena, Sint Maarten, French Southern and Antarctic Lands (TAAF), Turks and Caicos Islands, Wallis and Futuna, represented by ….. , hereinafter referred to as 'the parties', held discussions with a view to determining the general approach to cooperation between the European Union and the Overseas Countries and Territories.

During these discussions, this Programming Document for the Overseas Countries and Territories was drawn up in accordance with the provisions of the Association of the Overseas Countries and Territories with the European Union, as provided for in the Treaty on the Functioning of the European Union, in particular Article 198, as well as the Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union.

Signatures

For the European Commission,	For the Overseas Countries and Territories:
Mr Neven MIMICA, Commissioner for International Cooperation and Development:	…..
……..	…….
Date:	Date:
Place:	Place:

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Term or Acronym	Meaning or Definition
ACP	African, Caribbean, and Pacific Group of States
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum
CB	Capacity Building
CC	Climate Change
CCCCC	Caribbean Community Climate Change Centre
CCREEE	Caribbean Centre for Renewable Energy and Energy Efficiency
CDB	Caribbean Development Bank
CDF	Caribbean Development Fund
CE4EU	Clean Energy for EU Islands Forum
CPMR	Conference of Peripheral Maritime Regions
CREF	Caribbean Renewable Energy Forum
DFI	Development Finance Institutions
DRR	Disaster Risk Reduction
ECCP	European Climate Change Programme
EDF	European Development Fund
EIB	European Investment Bank
ElectriFI	EC's Electrification Financing Initiative
ENRTP	Environment and Sustainable Management of Natural Resources
ER	Expected Result
ERDF	European Regional Development Fund
EUEI PDF	EU Energy Initiative Partnership Dialogue Facility
EU's SE4ALL TAF	EU Technical Assistance Facility for the Sustainable Energy for All initiative
GAP	EU Gender Action Plan
GCCA	Global Climate Change Alliance
GFDRR	Global Facility for Disaster Risk and Recovery
GLISPA	Global Island Partnership
GSEII	Global Sustainable Energy Islands Initiative
HDI	Human development index
ICDRF	International Cooperation and Development Results Framework
ICRI	International Coral Reef Initiative
IFRECOR	Initiative française pour les Récifs Coralliens
IoA	Indicator of Achievement

IRENA	International Renewable Energy Agency
ISM-LCMR	Integrated and sustainable management of land, coastal and marine resources
KS	Knowledge Sharing
M	million
M&E	Monitoring and evaluation
MEI	monitoring/evaluation and information
MoV	Means of Verification
MS	Member state
NGO	Non-governmental organisations
O	Output
OAD	Overseas Association Decision
OCTA	Association of the Overseas Countries and Territories
OCTs	Overseas Countries and Territories
OECS	Organisation of Eastern Caribbean States
OO	Overall Objective
PEUMP	Pacific-European Union Marine Partnership
PIF	Pacific Island Forum
QS	Quickscan Study
RAO	Regional authorizing officer
RE	Renewable Energy
REEEP	Renewable Energy and Energy Efficiency Project
SDG	Sustainable Development Goal
SIDS	Small Island Developing States
SO	Specific objective
SP	Specific Objective
SPREP	South Pacific Programme for the Environment
TAAF	The French Southern and Antarctic Lands
TAO	Territorial authorizing officer
TBD	To be determined
TFEU	Treaty of the functioning of the EU
TP	OCT Thematic Programme
UNFCCC	United Nations Framework Convention on Climate Change
WMS	Water management and security

EXECUTIVE SUMMARY

On the basis of the Treaty on the Functioning of the European Union[1] (TFEU), the purpose of the Overseas Association Decision (OAD)[2] is to support the sustainable development of the OCTs and promote the values of the Union in the wider world. The OAD establishes the legal framework for the relations between the Overseas Countries and Territories (OCTs), the Member States to which they are linked, and the European Union.

The 25 Overseas Countries and Territories (OCTs) agreed with the European Commission that the EUR 17.8 million earmarked for the 11th European Development Fund (EDF) thematic programme will focus on climate change (including disaster risk reduction) and sustainable energy. These two key sectors of concentration were identified by the OCTs during extensive dialogues and past consultations, and in close coordination with the European Commission's services. The Thematic Programme is closely aligned to the Overseas Association Decision and OCTA's 2015-2020 Strategy, where sustainable development is a major component.

The programme will be implemented under a common sector of concentration: "Sustainable use of natural resources". The overall objective of the Action is to contribute to the OCTs' economic, social and environmentally sustainable development. By building resilience to the effects of climate change and striving towards a low-carbon, energy efficient economy, the action will contribute to the long-term sustainable economic development of the OCTs.

The action provided for in the thematic programme will be implemented under indirect management through delegated cooperation. The implementing agency will be selected among a short-list of pillar-assessed agencies with proven experience in the sectors/regions.

PART A: EU RESPONSE STRATEGY

1. OBJECTIVES OF THE EU'S FINANCIAL COOPERATION WITH THE OCTS

The Overseas Countries and Territories (OCTs) are those countries and territories which have constitutional links to European Union (EU) Member States, specifically to Denmark, France, the Netherlands and the United Kingdom, but which do not form part of the Community territory[3]. Part IV of the Treaty on the Functioning of the European Union (TFEU) and Council Decision 2013/755/EU of 25 November 2013 on the Association of the Overseas Countries and Territories with the EU (Overseas Association Decision - OAD) together constitute the legal framework for the relations between the EU and the OCTs[4], following on from the OCTs' association with the European Economic Community provided for in the Treaty of Rome.

The OAD establishes an association of the OCTs with the EU, which constitutes a partnership to support the OCTs' sustainable development (c.f. Article 1), and reinforces the objectives already established by the TFEU through its focus on the special needs of the OCT's arising from their distinct context and specific social, cultural, economic, geographical and environmental characteristics. Specifically, Article 5 (Part I) sets out examples of priority areas for cooperation, including *i) the economic diversification of OCTs economies; ii) the*

[1] Part Four of the Treaty on the Functioning of the European Union, (C 326/47)

[2] Decision (EU) 2013/755 of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision'), OJ L344, 19.12.2013, p.1.

[3] Annex II of the TFEU lists 25 countries and territories that fall in the OCT grouping globally.

[4] The relations between the EU and the OCTs are based on EU law, not on the constitutional law of the EU Member States.

promotion of green growth; iii) the sustainable management of natural resources, including the conservation and sustainable use of biodiversity and ecosystem services; iv) the adaptation to and mitigation of impacts of climate change; and v) the promotion of disaster risk reduction (DRR).

Furthermore, Article 7 (Part I) of the OAD underlines how the OCTs' sustainable development takes place in a broader framework, with regional integration and cooperation with other partners being emphasised, and which can for example include cooperation with the Outermost Regions (ORs), and OCTs' neighbouring African, Caribbean and Pacific (ACP) and non-ACP States[5].

Part II of the OAD sets out the areas of cooperation for sustainable development, with Chapter 1 covering environmental issues, energy, climate change and disaster risk reduction, including sustainable management and conservation of biodiversity and ecosystem services, sustainable management of fish stocks, and integrated coastal zone management. Finally, Part IV of the OAD sets out the instruments for the sustainable development of the OCTs, with Articles 74 and 75 in particular foreseeing the provision of adequate financial resources and appropriate technical assistance aimed at strengthening the OCTs' capacities to formulate and implement strategic and regulatory frameworks.

These extracts of EU legislation applicable to the OCTs constitute the basis for defining funding under the 11th European Development Fund (EDF) intra-OCTs Thematic Programme.

2. POLICY AGENDA OF THE OCTS

Summary Overview of the OCTs

OCTs are situated throughout the globe and cover a wide range of ecological zones, presenting a striking diversity in terms of size, climate, topography and socio-economic development *(see table 1 below).* Beyond their distinct legal and political status and varied natural conditions, the OCTs are characterised also by their respective shared reality as small island economies and by the central role that their ecosystems play in terms of their food security, culture and economy. Shared characteristics include challenges linked to the small size of their economies and to their relative isolation (which affects a wide range of sectors such as land management, waste management, energy, water and sanitation) and a heavy dependence on (imported) fossil fuels for electricity production.

Table 1 - Overview Summary OCT Data by Region[6]

Region	Land Area (Km^2)	Total Population	Population Density (Pp/Km^2)	Mean GDP Per Capita ($)
Pacific	22,291	576,394	25.9	22,900
North Atlantic	2,166,382	133,860	0.062	52,833
South Atlantic	453,076	8,832	0.020	23,067
Indian	1,747[7]	0[8]	0	0

[5] Article 7(1)(2) of the OAD.
[6] Source: CIA World Fact Book
[7] Excluding 500,00 m. of Antarctica

Region	Land Area (Km^2)	Total Population	Population Density (Pp/Km^2)	Mean GDP Per Capita ($)
Caribbean	2,561	481,861	188.2	30,375

Climate Change and Disaster Risk Reduction

OCTs also have coastal and marine resources endowed with a rich biodiversity and ecosystems, and are both highly exposed to, and impacted by, climate change - even if OCTs are extremely minor contributors to greenhouse gases they are disproportionately affected by it. OCTs economies are highly dependent on their ecosystems, for example in the case of farming (Falklands), subsistence farming (Pacific islands) or for fishing and tourism (almost all), and thus, OCT economies and local communities' livelihoods are significantly threated by climate change.

Regarding exposure to disasters, most OCTs as small islands are inherently vulnerable to exogenous shocks including natural disasters and man-made crises beyond their control *(see Table 2 below)*. Climate change and global warming are increasing the vulnerability of OCTs, due to rising sea levels, increased frequency and scale of extreme weather events. Recent examples of natural disasters, such as the severe hurricanes in the Caribbean (which impacted on no less than 7 OCTs) and the landslide in Greenland (which required relocation of impacted populations) serve to underline the paramount importance of disaster risk assessment and the development of DRR strategies and action plans in the OCTs, as well as the need for integrated coastal zone management (ICZM).

Table 2 - Overview OCTs' Natural Hazards Risk by Region[9]

Region	Cyclone/Hurricane	Volcanic	Seismic	Tsunami
Caribbean				
Indian Ocean				
North Atlantic				
South Atlantic				
Pacific				

Table	Severe risk	Moderate risk	Low

Despite the fundamental challenges that OCTs face from Climate Change, environmental fragility and biodiversity erosion, only some OCTs have strategies already in place to guide the sustainable management of their natural resources, and only a few OCTs have embarked on the development of a comprehensive climate change strategy. This is in part because developing such comprehensive strategies requires a holistic, cross-sectoral approach involving integrated approaches to sustainable management of land, coastal and marine resources, which in turn implies significant technical capacities, research and co-ordination.

[8] None permanent

[9] Overview of Climate Change Consultations to date, Jorge L. Ventocilla, Environmental Expert, OCTA – Technical Assistance Team – Sources of data: 2014 Environmental Profiles; TAT Consultation documents & Questionnaire sent before the workshop.

Consultations with OCTs[10] showed that DRR has been identified by a number of OCTs as a key priority for Climate Change-DRR intervention, and that OCTs are also at varying stages of advancement in terms of developing Climate Change and DRR Strategies and/or Action Plans. Climate Change consultations conducted by the OCT Association (OCTA) among OCTs have also shown how identified key actions and areas of intervention would fall within a threefold combined approach based on Adaptation, Mitigation and Monitoring & Knowledge[11]. Investments would also be needed not only to push technical assistance and integration of Climate Change and DRR policies into OCT's wider development policy, but also to encourage regional cooperation to scale up from single regional projects to the possibility of engagement and investment from the private sector.

Sustainable Energy Sector

While access to sustainable energy is now widely acknowledged as a critical driver and empowering factor in socio-economic development, OCTs face particularly pronounced challenges in deploying sustainable energy. Firstly, OCTs are highly dependent on imported hydrocarbon fuels, with a dependency rate of 95+% for their commercial energy needs. Not only do these fuel imports represent a significant import bill and drain on public finances, but also entail higher costs as a result of transport distances and increased storage costs due to the need to ensure high(er) storage capacities in order to ensure security of supply in times of natural disasters and extreme weather events. Other areas of challenge are energy storage and demand-side management in the small island context of the OCTs.[12]

During recent years, the OCTs have accorded increasing priority to developing their sustainable energy base and the development of an OCT-specific sustainable energy vision and policy. A key milestone and outcome of the 2015 first OCT Energy Ministers Summit, which fostered exchanges on the possible contribution of OCTs to the UNFCCC COP21, was the establishment and the signature of the Sustainable Energy Roadmap for the OCTs. This Roadmap, developed collaboratively with energy experts in the various OCTs, addresses the key strategies and actions to be implemented, complementing and promoting existing OCTs National Strategies on Sustainable Energy, and specifically aims to facilitate and support OCTs' on the path towards lowering fossil fuel dependency and increasing energy efficiency.

In addition, the signing of a Joint Declaration between the European Union and twenty-two Overseas Countries and Territories[13] on reinforced cooperation in the field of sustainable energy strengthened the links between energy policy commitments of Overseas Countries and Territories and the support that could be provided by the European Union through the resources available via the 11th EDF, and reiterated OCTs' strong commitment to sustainable energy, consistently with the global agreement on climate change reached during the COP21. An engagement that was reconfirmed during the 2nd OCTs' Energy Ministers Summit of June 2016.

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[10] OCTA 2016 Climate Change and Disaster Risk Reduction workshop, Brussels; and OCT questionnaire-based consultation.

[11] Overview of Climate Change Consultations to date, Jorge L. Ventocilla, Environmental Expert, OCTA - Technical Assistance Team.

[12] "Study on Renewable Energies and Green Policy in the OCTA" 2014, EC and RAL.

[13] Joint Declaration of the European Union and the Overseas Countries and Territories: Greenland, New Caledonia, French Polynesia, French Southern and Antarctic Territories, Wallis and Futuna Islands, Saint-Barthélemy, Saint Pierre and Miquelon, Aruba, Bonaire, Curaçao, Saba, Sint Eustatius, Sint Maarten, Anguilla, Cayman Islands, Falkland Islands, Montserrat, Pitcairn, Saint Helena, Ascension and Tristan da Cunha, Turks and Caicos Islands, British Virgin Islands, Bermuda on reinforced cooperation in the field of sustainable energy.

Regarding OCTs readiness, despite the strong potential for energy efficiency and renewable energy observed in all OCTs, the development of sustainable energy systems will not occur organically. The successful expansion of sustainable energy depends on, among other things, the presence of a long-term vision, the effectiveness of existing policy and regulatory structures, and the surrounding governance and administrative framework. Existing renewable energy assessments demonstrate significant potential for development and deployment of renewable power within OCTs, including biomass, geothermal, hydropower, ocean energy, solar, and wind generation[14]. The 2016 Lighthouse study report assessed the OCTs readiness to deploy renewable energy within the power sector and was thus meant as a tool allowing governments and development partners to prioritize the areas of support towards accelerated renewable energy deployment. The results of its analysis showed that the creation of the right framework conditions for deployment (policy, regulatory and institutional frameworks) are essential for the successful implementation of Renewable Energy policy, but are not of themselves enough, as co-ordinated planning and a reliable data and knowledge base are also necessary. Though progress has been made, OCTs countries are at different stages of development in this regard and there are gaps that remain to be addressed.

While regional and national governing bodies have, in instances, been proactive in implementing these frameworks to encourage the investment needed to allow energy efficiency improvements and renewable energy projects[15], a number of other factors are also constraining progress. These factors include limited technical capacity in public institutions with energy mandates, insufficient public capital for incentivising investments, and private sector actors perceived risks. While the private sector is being increasingly targeted by the majority of development partners (development banks, multilateral agencies and bilateral donors) private actors continue to view political and regulatory risk as the major factor preventing the mobilisation of the capital required. There are also heightened market risks due to, inter alia, the lack of economies of scale, limited experience with renewables, and the macroeconomic circumstances of the countries[16].The regional sustainable energy landscapes, however, continues to be constrained by policy and data gaps, and lacks the resources (financial and human) that are necessary for implementing the robust administrative and governance arrangements necessary for effective implementation and coordination of efforts.

3. EU'S RESPONSE STRATEGY: CHOICE OF SECTORS OF CONCENTRATION

As a result of consultations among the OCTs, EU Member States and the European Commission (Partnership Working Party 3, 13th and 14th OCT-EU Forum), OCTA identified the "sustainable use of natural resources" as the key sector of concentration for the 11th EDF thematic programming, with two specific sub-components: i) Climate Change, including Disaster Risk Reduction, and ii) Sustainable Energy.

The Thematic Programme will be aligned to OCTA's 2015-2020 Strategy, of which sustainable development is a major component. The EU action under the 11th EDF Thematic Programme will have an added value and impact by helping OCTs to address key challenges that are fundamental to their wider sustainable development[17]. Supporting OCTs through the

[14] Sustainable Energy Roadmap for OCTs

[15] https://ec.europa.eu/europeaid/sites/devco/files/aap-financing-regionalcaribbean-annex3-2016-20161007_en.pdf

[16] "Study on Renewable Energies and Green Policy in the OCTs" 2014, EC; 15th OCT -EU Forum, Aruba, Feb. 2017.

[17] The tourism and fisheries sectors for example illustrate the critical role of biodiversity and ecosystem services in OCTs; for some OCTs, more than 60 % of their GDP comes from fisheries and/or tourism.

climate change and DRR component to strengthen their resilience and preserve ecosystems is therefore essential in order to address the economic, environment and climate-related vulnerabilities of OCTs. The action will also promote the development of a long-term framework to help OCTs generate their own sustainable, low-cost energy and thus maximise their decarbonisation potential.

It is important to also underline that both of the chosen sub-sectors – climate change (including Disaster Risk Reduction) and sustainable energy – exhibit challenges that are not only common across most if not all of the OCTs but that are important for the OCTs to address. These chosen sub-sectors of concentration thereby provide a strong basis for collaboration among OCTs, as would befit a Thematic Programme targeted to the needs of OCTs.

Great attention will be given to develop potential for synergies between both components of the proposed Thematic Programme, and with other regional programmes benefitting the OCTs. The cross-border and transversal nature of both of the proposed sub-components offer in fact good potential for complementarity with the other 11th EDF OCTs regional programmes, especially where the sector of concentrations are the same[18]. The importance placed on knowledge management and exchange among OCTs, and also with other actors, is just one example of how this will be pursued.

The European Commission and the EU Member States have recognised the specificity of small islands' energy systems and markets. These islands have the potential to be frontrunners in the clean energy transition by adopting new technologies and implementing innovative solutions. Through the Clean Energy for EU Islands Initiative, the Union is acting to develop and support the clean energy potential of European island communities and intends to share its experience with island communities across the world.

Priority Themes of the Thematic Programme:

Climate Change (including Disaster Risk Reduction)

OCT consultations to date have confirmed the key areas of intervention in relation to Climate Change, including Disaster Risk Reduction.

The identified priorities to tackle could include: i) strengthening OCTs capacities to develop Climate Change and DRR Strategies and Work Plans; ii) supporting OCTs in designing and implementing pilot actions in areas such as integrated and sustainable management of land, coastal and marine resources and water management and security; as well as iii) strengthening OCTs awareness of Climate Change and Disaster Risks and strengthen OCT capacities, knowledge sharing and experience exchange[19].

The focus on **climate change,** and specifically on integrated and sustainable management of land, coastal and marine resources, and water management and security, would allow OCTs to develop specific actions that would address climate change challenges on the ground, with a view to replication or scaling in their own territory and/or in other OCTs.

Regarding **disaster risk reduction**, as recent natural disaster events in the Caribbean OCTs and Greenland have served again to highlight, OCTs are not only highly vulnerable to such disasters, but such disasters can have a huge negative effect across many policy areas, such as damaging or destroying expensive infrastructure, damaging agricultural crops and food

[18] Sectors of concentration of the Caribbean regional programme: sustainable energy and marine biodiversity; Sectors of concentration of the Pacific regional programme: environment and sustainable management of natural resources / climate change and biodiversity.

[19] Technical Consultative Workshop on Climate Change in the OCTs. Brussels, 09-10 February 2016.

security, reducing the economy, and entailing financial damage and reconstruction costs that can have a debilitating effect on government public finances. In this respect, developing and implementing credible DRR strategies is now a critical requirement of all OCTs wider sustainable development strategies (and not just climate change strategies), and in this respect would also be complementary to support provided by the EU in regional and territorial OCT programmes.

Beyond this, the OCTs also represent an excellent opportunity to research Climate Change impacts in a variety of **ecosystems** (e.g. OCTs having coral reefs in different oceans) and for researching the impact of pollution and warmer seawater, thereby allowing the EU and its partner countries to benefit from this testing of adaptation and mitigation measures and transferring to other neighbouring countries. Thus, the 11th EDF Thematic Programme will also take account of the importance of natural ecosystems, and their role in solving problems linked to climate change challenges in the OCTs, including DRR. This is consistent with the OCTs prioritisation of integrated and sustainable land, coastal and marine management...

Sustainable Energy

Regarding the sustainable energy sector, improving access to energy is a key driver for socio-economic development and poverty reduction and is underlined in the EU's strategic approach to the energy sector, as can be seen in key policy documents such as the Agenda for Change.

The proposed Thematic Programme's focus can provide further support to the OCTs in making this vision a reality, as well as adding further impetus to other key initiatives such as the regular OCT Energy Summits that are now taking place.

In particular, in the framework of the second Summit of OCT Energy Ministers on June 2016, the OCTs agreed on a strategic approach aiming at the following results: i) an increased focus on and application of sustainable energy in terms of renewable energy and energy efficiency, ii) enhanced capacities of OCTs to address and increase their resilience to the effects of Climate Change, by assessing and monitoring the effects of, and necessary adaptation measures to, climate change; iii) increased knowledge sharing and capacity building. It was also agreed that the focus of the sustainable energy components under the 11th EDF Thematic Programme would be placed especially on*: enabling regulatory frameworks*[20] *and grid & storage issues*[21].

The significant focus on OCTs enabling regulatory frameworks and on energy grid management and storage issues not only responds to the decision taken at the 2nd OCT Energy Summit, but also allows this component to be complementary to other EU support to OCTs in the area of sustainable energy. Furthermore, the OCT Lighthouse Quickscan study (May 2016) not only provides a general baseline across key dimensions of sustainable energy, but has been endorsed by the OCTs as an agreed baseline.

[20] Enabling Regulatory Frameworks: a) Facilitate the development of enabling regulatory frameworks for rapid deployment of sustainable energy projects; b) Promote OCT policy frameworks for investments (OCT-PFI) to improve investment conditions and increase bankable project proposals;

[21] Grid & Storage: a) Promote the adoption of technologies to continuously improve grid control and management; b) Develop reliable and affordable energy storage using environmentally friendly, mature and new technologies; c) Carry out an analysis of the technical and financial impacts of increased intermittent renewable energy resources on grid stability, where required;

Institutional Capacities

The draft EU Response Strategy takes account of institutional capacities across the OCTs. In the area of Climate Change and DRR, for example, OCTs need support at all stages in assessing climate change challenges and disaster risks, as well as formulating strategies and plans to address them. Moreover, the scale and nature of needs varies across OCTs, with some possessing stronger capacities than others, while the differing scale and resources of the various OCTs also means that appropriate levels of target capacity development need to be set that are both realistic and appropriate for the OCT in question.

For both sectors, institutional capacity support will need to be targeted, customised, as well as flexible, while also seeking to leverage how some OCTs can support less advanced OCTs through capacity development and knowledge and experience exchange, in a manner that would befit a Thematic Programme but which would also increase prospects for sustainable capacity development and knowledge sharing approaches that can endure beyond the lifetime of the Thematic Programme. The OCT-Association (OCTA) provides the OCTs' common coordination of actions with the EU. It will be assisted to further strengthen its capacity to coordinate knowledge and experience sharing between the OCTs. OCTA will represent the OCTs to the EU on these issues and other for which they are given a mandate by OCTs

PART B: THE OCT THEMATIC PROGRAMME

Action Document for11th EDF Thematic Programme for OCTs –

Climate Change (including Disaster Risk Reduction) and Sustainable Energy

MULTIANNUAL PROGRAMME

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation and action programme in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	**11th EDF Thematic Programme for OCTs** CRIS number: FED/2018/038-950 financed under the European Development Fund	
2. Zone benefiting from the action/location	All Overseas Countries and Territories (OCTs)	
3. Programming document	Financial cooperation with Overseas Countries and Territories (OCTs) in the context of the 11th European Development Fund (EDF) for the period 2014-2020	
4. SDGs	SDGs on the basis of section 4.4 **SDG 13 "Climate Action** - Take urgent action to combat climate change and its impacts" **SDG 7 "Affordable and Clean Energy** - Ensure access to affordable, reliable, sustainable and modern energy for all" Other significant SDGs on the basis of section 4.4 SDG 15 "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss" SDG 14 "Conserve and sustainably use the oceans, seas and marine resources for sustainable development" SDG 11 "Make cities and human settlements inclusive, safe, resilient and sustainable"	
5. Sector of intervention/ thematic area	Climate Change (including Disaster Risk Reduction); Sustainable Energy (including Renewable Energy and Energy Efficiency)	DEV. Assistance: No
6. Amounts concerned	Total estimated cost: **EUR 17.8 million** Total amount of EDF contribution: **EUR 17.8 million**	
7. Aid modality(ies) and implementation modality(ies)	**Project modality** **Indirect management** through delegated cooperation	
8 a) DAC code(s)	23183 - Energy conservation and demand-side efficiency 23110 - Energy policy and administrative management 23210 - Energy generation, renewable sources – multiple technologies 41010 - Environmental policy and administrative management 41020 - Biosphere protection 41050 - Flood prevention/control	

	41081 - Environmental education/training 41082 - Environmental research 74010 - Disaster prevention and preparedness			
b) Main Delivery Channel	To be decided.			
9. Markers (from CRIS DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation Development/Good Governance			X
	Aid to Environment			X
	Gender Equality and Women's and Girl's Empowerment		X	
	Trade Development		X	
	Reproductive, Maternal, New born and Child Health	X		
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity		X	
	Combat desertification	X		
	Climate change mitigation			X
	Climate change adaptation			X
10. Global Public Goods and Challenges (GPGC) thematic flagships	Environment and Climate Change Sustainable Energy			

SUMMARY

The Overseas Countries and Territories (OCTs) agreed with the European Commission that the OCTs Thematic Programme will focus on two key sectors of concentration:

i) Climate Change, including Disaster Risk Reduction, and

ii) Sustainable Energy,

with the overall sector of 'sustainable use of natural resources'. These two key sectors of concentration were identified by the OCTs during past consultations, during the 13th and 14th OCT-EU Fora.

The overall objective of the Action is to contribute to the OCTs' economic, social and environmentally sustainable development. By building resilience to the effects of climate change and striving towards a low-carbon, energy efficient economy the action will contribute to the long-term sustainable economic development of the OCTs.

The programme will be implemented under a common sector of concentration: "the sustainable use of natural resources", which encompasses both objective outcomes as the resilience building to the effects of climate change as well as striving towards a low carbon, energy efficient economy.

The Climate Change (including Disaster Risk Reduction) component of the Thematic Programme has two specific outputs – ER1.1: OCTs capacities to carry out Climate Change Risk Assessments and Disaster Risk Assessments are reinforced and ER1.2: Activities in i) integrated and sustainable management of land, coastal and marine resources and ii) water management and security are identified

The Sustainable Energy component of the Thematic Programme has three specific outputs: ER2.1: OCTs knowledge of energy management and storage technologies and models is improved, ER2.2: Capacities, tools and knowledge to facilitate / for development, financing and deployment of bankable RE and EE projects are strengthened, and ER2.3: Effective energy management strategies (including grid and storage) and actions are implemented.

The Thematic Programme is closely aligned to the Overseas Association Decision and OCTA's 2015-2020 Strategy, where sustainable development is a major component. This Thematic Programme builds on past and present EU-cooperation experience with OCTs and draws on the lessons learnt from previous EDF programmes (especially under the 10th EDF), in terms of regional integration, implementation of projects and provision for complementary actions required during implementation. The thematic programme places an important focus on finding ways to develop OCTs capacities that can be sustained beyond the Action, as well as ensuring attractive policy and regulatory frameworks and government commitment and local ownership. In order to promote synergies and avoid duplications with ongoing initiatives in OCTs and neighbouring countries, the selected implementing agency will be encouraged to frequently coordinate with other implementing agencies active in the regions.

1 CONTEXT ANALYSIS

1.1 Context Description

OCTs are located all over the globe and cover a wide range of ecological zones[22], presenting a striking diversity in terms of size, climate, topography and socio-economic development. Beyond their distinct legal and political status and varied natural conditions, the OCTs are also characterised by their respective shared reality as small island economies, their relative isolation, a heavy dependence on (imported) fossil fuels for electricity production, and by the central role that their ecosystems play in terms of their food security, culture and economy. OCTs also have coastal and marine resources endowed with a rich biodiversity, and are both highly exposed to, and impacted by, climate change.

As a result of consultations among the OCTs, EU Member States and the European Commission (Partnership Working Party 3, 13th and 14th OCT-EU Forum), the Association of Overseas Countries and Territories of the European Union (OCTA) identified the "Sustainable use of natural resources" as a key sector of concentration for the 11th EDF thematic programming, with two specific sub-components: *i) Climate Change, including Disaster Risk Reduction*, and *ii) Sustainable Energy*. A total of EUR 17.8 million has been earmarked from the 11th EDF-OCT for this purpose under the 11th EDF thematic intra-OCT envelope.

Focussing on these two sub-sectors will allow the EU to add value and impact by helping OCTs to address key challenges that are fundamental to their wider sustainable development, in light of the OCTs' unique and fragile environment and wider challenges as small islands[23]. As OCTs face particularly pronounced challenges in deploying sustainable energy, enhancing OCTs' access to renewable energy and improved energy management and energy efficiency

[22] OCTs are commonly divided across five geographical 'regions', although this division is somewhat arbitrary. Caribbena, North Atlantic, South Atlantic, Pacific Ocean and Indian Ocean.

[23] Currently, under the 11th EDF, Sustainable Energy and Climate Change are also sub-sectors of concentration respectively for the Caribbean and Pacific Regional Programmes.

are especially important factors in facilitating their socio-economic development. At the same time, supporting OCTs through the Climate Change and DRR component will strengthen their resilience in order to address their economic, environment and climate-related vulnerabilities and challenges, in the wider context of globalization.

1.2 Policy Framework (Global, EU)

Part IV of the TFEU and Council Decision 2013/755/EU of 25 November 2013 on the Association of the Overseas Countries and Territories with the EU (hereinafter referred to as the *Overseas Association Decision* or OAD) together constitute the legal framework for relations between the EU and the OCTs[24].

A key EU policy in which EU-OCT dialogue is framed is the new European Consensus on Development (2017), which aligns the EUs development policy with the 2030 Agenda for Sustainable Development. The European Development Fund (EDF) is the EU's main instrument for cooperation in financing the development of the OCTs and regional cooperation between them.

Another important policy for the EU-OCT dialogue is the EU's overall Energy Policy with its 2020, 2030, and 2050 targets. The latter provides the EU with a stable policy framework on greenhouse gas emissions, renewable energy and energy efficiency, giving investors more certainty, and confirming the EU's lead in these fields on the global level. Other relevant EU policies are:

- the EU Biodiversity Strategy -which seeks, among other things, to halt global biodiversity loss by 2020-,
- the EU Common Position for the Third International Conference on Small Island Developing States (SIDS),
- the Brussels Declaration on the Environment for sustainable Development in ACP States (2004),
- the EU International Cooperation and Development Results Framework (ICDRF),
- the European Climate Change Programme (ECCP), and
- the EU Gender Action Plan (GAP) 2016-2020.

1.3 Public Policy Analysis of the partner country/region

OCTs generally do not have common or shared policy documents or strategies at either the regional or all-OCT level[25], although stronger links do exist between OCTs with a shared history, such as the Netherlands Antilles or the British OCTs. Moreover, regional cooperation remains an important feature of OCTs policy agendas, and some intra-regional cooperation has increasingly been taking place, facilitated by EU support and support from other international organisations, such as the World Bank and the European Investment Bank and Regional Organisations such as Caribbean Community (CARICOM), Organisation of Eastern Caribbean States (OECS), Caribbean Forum (CARIFORUM), the Pacific Community, Pacific Island Forum (PIF), and South Pacific Programme for the Environment (SPREP).

[24] The relations between the EU and the OCTs are based on EU law, not on the constitutional law of the EU Member States.

[25] This is linked in part to the fact that their respective public policies and foreign affairs policies are governed by the EU Member State to which each OCT is associated, where OCTs' participation in international agreements involves cooperation between a given OCT and the EU Member State with which it is associated[25], which also serves to limit both the integration of OCTs within their respective geographical regions.

1.3.1 Climate Change and Disaster Risk Reduction

Despite the fundamental challenges that OCTs face from climate change, environmental fragility and biodiversity erosion, only some OCTs have strategies already in place to guide sustainable management of their natural resources and only a few OCTs have embarked on the development of a comprehensive climate change strategy[26]. Regarding the development of a climate change (CC) Strategy/Action Plan, 6 OCTs currently have one in place[27], while 8 are either currently developing one or have a partially developed one[28]. However, some 6 OCTs[29] do not have any climate change (CC) Strategy/Action Plan and no ongoing process to develop one. Moreover, less than half of the surveyed OCTs (9 out of 20) currently have (or are developing) a DRR component as part of their Climate Change Strategies/Plans, and 6 OCTs do not have any specific DRR strategies in place. However, 5 OCTs do have a separate DRR Action Plan outside of their climate change plans (e.g. by the Disaster Prevention Office in Aruba or Hazards Management in Cayman Islands) or through the R3i – Regional Risk Reduction Initiative for the Caribbean (in the case of St. Maarten).

1.3.2 Sustainable Energy

The OCTs have in recent years given increasing priority to developing their sustainable energy base and the development of an OCT-specific Sustainable Energy (SE) vision and policy, including the development and approval in 2015 of an OCT-wide Sustainable Energy Roadmap[30]. In the joint conclusions of the February 2015 13th OCT-EU Forum, the OCTs also endorsed SE as one of the two focal sectors for the current 11th EDF Thematic Programme under development. At the second Summit of OCT Energy Ministers (June 2016), the OCTs agreed on a strategic approach to set clear and individual clean energy goals, and to place policy focus on *enabling regulatory frameworks*[31] and *grid and storage issues*[32], as not all the priorities identified in the Roadmap can be addressed with the available 11th EDF Thematic financing resources. Under the 11th EDF, Sustainable Energy (including renewable energy) is also the focus of many of the territorial programmes (Curaçao, Saba and St-Eustatius), alongside other related sectors such as sustainable growth and economic development in Montserrat and water and sanitation in Sint Maarten.

The 2016 Lighthouse Quickscan Study (QS) Report[33], which assessed the current level of readiness of OCTs to deploy renewable energy, has been officially adopted as a baseline for the Sustainable Energy component of the EU Response Strategy for the 11th EDF programming. The QS Report provides an overview of the status of sustainable energy in the OCTs, including an analysis by clusters of 'macro-areas'[34]. Currently, only 5 of the 19 analysed OCTs are positioned in the highest ranking as '*RE Champions'*, (i.e. with a 25%+ renewable energy share and very good scores from the overall results of the QS questionnaire), while only 1 OCT (New Caledonia[35]) is currently positioned in the *'In*

[26] Last data available is OCTA, *Completion of Lighthouse Quickscan Questionnaire Analysis, Report and Recommendations* - Final Report, 24 May 2016

[27]. These are: Anguilla, BVI, French Polynesia, Montserrat, New Caledonia and St. Helena.

[28] Idem. These are: Aruba, Bermuda, Cayman Islands, Curaçao, Falklands, Greenland, St. Barthélemy, and Wallis and Futuna.

[29] These are: Pitcairn, Saba, St. Eustatius, St. Pierre and Miquelon, St. Maarten, and TAAF.

[30] The OCTs' Sustainable Energy Roadmap was approved at the first OCTs' Energy Ministers Summit in 2015 in Brussels.

[31] Enabling Regulatory Frameworks: a) Facilitate the development of enabling regulatory frameworks for rapid deployment of sustainable energy projects; b) Promote OCT policy frameworks for investments (OCT-PFI) to improve investment conditions and increase bankable project proposals;

[32] Grid & Storage: a) Promote the adoption of technologies to continuously improve grid control and management; b) Develop reliable and affordable energy storage using environmentally friendly, mature and new technologies; c) Carry out an analysis of the technical and financial impacts of increased intermittent renewable energy resources on grid stability, where required;

[33] OCTA, *Completion of Lighthouse Quickscan Questionnaire Analysis, Report and Recommendations* - Final Report, 24 May 2016.

[34] These clusters of macro-areas are: 1) Institutional Framework, 2) Knowledge Base, 3) Planning, 4) Financing, 5) Deployment, 6) Capacity Building, and 7) Cooperation.

[35] This category includes OCTs with a 10-20% RE share (Medium) and Very good QS overall results.

Transition' category (with comprehensive policy reforms currently ongoing). Some 6 OCTs are positioned as in 'Need for Action' with low to inexistent share of RE (below 1%)[36], while a total of 7 OCTs are ranked in the category '*Need to address fundamental issues*' and with a low to inexistent share of RE (i.e. below 1%) and QS Questionnaire overall results below the remaining OCTs[37].

1.4 Stakeholder analysis

The stakeholders of this Thematic Programme are in the broadest sense the 25 OCTs. All of the 21 permanently inhabited OCTs, as well as the French TAAF, are currently members of the OCTA, which serves as a communication platform and forum for its members, to consolidate and reinforce solidarity between OCTs and EU stakeholders. OCTA is also a key stakeholder, as it serves as the primarily platform for OCTs' relations with the EU and the voice through which they speak. OCT governments are also major stakeholders, both as beneficiaries of lower external dependence, and as major protagonists in bringing the programme's benefits to their citizens. For instance, the Regional Authorising Officer for the regional programme in the Caribbean is Sint Maarten and in the Pacific it is New Caledonia. Additional stakeholders (although not direct beneficiaries) are the EU Member States to which the OCTs are linked.

The primary target groups of the Action include, as per Art. 11 of the OAD, the OCT governments and authorities, other regional and local authorities within the OCTs, civil society, social, business and trade union associations, public service providers and local, national or international non-governmental organisations (NGOs). Relevant NGOs are numerous and generally focus on public advocacy and awareness raising activities[38]. Other relevant stakeholders include agencies active in the OCTs, focussing on research and analysis, and specialised higher education and training[39]. Lastly, the private sector is also an important stakeholder due to its role in the fight against climate change and as private, or parastatal, companies oversee energy generation and distribution in the OCTs. As OCTs also participate in a number of international and regional organisations and fora these are also key stakeholders. In the Caribbean region, 5 OCTs have associate membership to CARICOM[40], 3 have an observer status[41] and Montserrat is a full member. Moreover, 11 OCTs have observer status in the framework of CARIFORUM[42], and 3 OCTs have membership in the OECS, 1 as a founding member with full membership (Montserrat) and Anguilla, BVI as Associate Members (treated as full members for many of the Organisation's activities). Regarding the Pacific region, all of the four OCTs are members of the Pacific Community, associate members of or observers to the Pacific Island Forum (PIF)[43], and members of the South Pacific Programme for the Environment (SPREP).

The final beneficiaries of the action are the OCT populations that will benefit from improved long-term socio-economic developments due to a more sustainable energy mix and energy

[36] QS overall results good to very good (More than 2/3 of the maximum overall score).
[37] (less than 2/3 of the maximum overall score).
[38] These include for example the Caribbean Consultative Working Group (CCWG), led by the Caribbean Policy Development Centre (CPDC), as a coalition of NGOs aiming at raising awareness among the general public and policy makers on key policy issues of interest to the Caribbean people, the Pacific Islands Forum, the Arctic Council and Arctic Environmental Protection Strategy (AEPS) and the South Atlantic Working Group of the UK Overseas Territories Conservation Forum (OTCF).
39 Higher Education Institutes include the University of French Polynesia and the University of New Caledonia and other research institutions39, such as the Southern Ocean Research Partnership (IWC-SORP), the Scientific Committee on Oceanic Research (SCOR), the South Atlantic Environmental Research Institute (SAERI).
[40] Anguilla, Bermuda, British Virgin Islands, Cayman Islands, and Turks and Caicos Islands
[41] Sint Maarten, Aruba and Curacao
[42] Anguilla, Aruba, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos Islands, and Netherlands Antilles (Curacao, St. Maarten, Saba, St. Eustatios, Bonaire).
[43] Excluding Pitcairn Island.

security, improved disaster risk reduction planning and prevention and strategies and actions to tackle climate change and thus greater protection and preparedness in the face of potentially disastrous climatic events. Direct beneficiaries of the actions on sustainable energy are as well OCTs-based utilities where sustainable energy practices such as improved grid management and improved grid storage are introduced or expanded, as well as organisations working in integrated and sustainable land, coastal and marine management and security. Direct beneficiaries on the action on climate change may also include OCT citizens which find direct employment in new projects or benefit from improved energy supply or reduced energy costs.

1.4.1 Climate Change and Disaster Risk Reduction

In terms of Regional cooperation, in the Caribbean region the key actors are the Caribbean Community Climate Change Centre (CCCCC), the OECS, while in the Pacific region, the Secretariat of the Pacific Community and the Secretariat of the Pacific Regional Environment Programme are the main regional environmental organisations.

Several international NGOs also engage in work in the OCTs in these sectors. In OCTs that do not have a well-established network of protected areas, National Trusts play a crucial role in owning land for protection and managing it and in the production of awareness-raising material[44]. However, the number of local environmental NGOs is limited, and they often need capacity building to engage in cooperation[45]. There are however already some synergies in place between OCTs in different regions, for example regarding coral reef protection, where the International Coral Reef Initiative (ICRI) - the global organisation set up in the framework of the UN Rio conference - and the French IFRECOR are working together.

1.4.2 Sustainable Energy

There are a number of key regional stakeholders and institutions with mandates for enabling the policy, planning and investment framework in the energy sector in OCTs. Their main focus is on coordinating policies and legal frameworks, facilitating the investment and finance landscape, steering strategy, sensitising citizens, and raising profile for sustainable energy development. The major actors are the CARICOM Secretariat, the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE), the Caribbean Development Bank (CDB), the Caribbean Development Fund (CDF); Caribbean Community Climate Change Centre (CCCCC), the OECS Commission, the Council of Regional Organisations of the Pacific (CROP), the Secretariat of the Pacific Community (SPC). Another is the International Renewable Energy Agency (IRENA), which at the margins of the UNFCCC COP21, joined forces with OCTA within a partnership under the Small Island Developing States (SIDS) Lighthouse Initiative, to accelerate the development and deployment of renewable energy in island territories. Additionally, the EU supports the Global Island Partnership initiative on its mission to promote actions to build resilient and sustainable island communities.

Other key stakeholders are private sector companies and groups that concentrate on public utilities, and other related private sector and beneficiary organisations (e.g. chambers of commerce). Their areas of interest are testing, market validation and knowledge exchange for innovative green investment opportunities within the sector.

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[44] For example, many of the UK OCTs have a National Trust, statutory bodies or registered foundations with a conservation mission (although non-governmental, they receive some government funding). UK-based NGOs are also very active in improving environment in OCTs, for example the Royal Society for the Protection of Birds, BirdLife International, The Pew Charitable Trusts, the UK Overseas Territories Conservation Forum, and numerous others. The UK Joint Nature Conservation Committee (JNCC)[44] has also been making efforts to engage more with UK-based NGOs to agree on some common actions and establish synergies.

[45] See for example https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69483/pb13686-overseas-territory-environment.pdf

1.5 Problem analysis/priority areas for support

The Thematic Programme is closely aligned to the Overseas Association Decision and OCTA's 2015-2020 Strategy, where sustainable development is a major component. These priorities are highly coherent with the Union's policy priorities as outlined in the Europe 2020 strategy, which seeks to achieve growth that is smart, sustainable and inclusive.

1.5.1 Climate Change and Disaster Risk Reduction

OCTs are situated throughout the globe and cover a wide range of ecological zones, from the Arctic to the Antarctic and from the Atlantic Ocean, the Carribean, the Indian Ocean to the Pacific Ocean presenting a striking diversity in size, climate, topography and socio-economic development. The OCTs are characterised however by shared challenges linked to the small size of their insular economies and to their relative isolation (which affects a wide range of sectors such as land management, waste management, energy, water and sanitation) and a heavy dependence on (imported) fossil fuels for electricity production.

OCTs have coastal and marine resources endowed with a rich biodiversity and ecosystems, which are both highly exposed to, and impacted by, climate change. Although OCTs produce only extremely minor quantities of greenhouse gases, they are disproportionately affected by the Climate Change resulting from them. OCTs' economies are highly dependent on their ecosystems, for example in the case of farming (Falklands), subsistence farming (Pacific islands) or for fishing and tourism (almost all), and thus, OCT economies and local communities' livelihoods are significantly threated by climate change.

Most OCTs as small islands are inherently vulnerable to exogenous shocks including natural disasters and man-made crises beyond their control. Climate change and global warming are increasing the vulnerability of OCTs, due to rising sea levels, reduction of sea ice and increased frequency and scale of extreme weather events. Recent examples of natural disasters, such as the severe hurricanes in the Caribbean (which impacted on no less than 7 OCTs) and the landslide in Greenland caused by melting of permafrost (the landslide required relocation of impacted populations) serve to underline the importance of disaster risk assessment and the development of DRR strategies and action plans in the OCTs, as well as the need for integrated coastal zone management (ICZM).

Despite the fundamental challenges that OCTs face from Climate Change, environmental fragility and biodiversity erosion, only some OCTs have strategies already in place to guide the sustainable management of their natural resources, and only a few OCTs have embarked on the development of a comprehensive climate change strategy. This is in part because developing such comprehensive strategies requires a holistic, cross-sectoral approach involving integrated approaches to sustainable management of land, coastal and marine resources, which in turn implies significant technical capacities, research and co-ordination.

The OCTA Technical Consultative Workshop on Climate Change in OCTs[46] resulted in the identification of a double vertical and horizontal components approach for addressing the current gap in CC related public policy:, specifically: *i) Integrated and Sustainable land, coastal and marine management, ii) Water management/security* and in a number of *Cross-Cutting Themes* to be prioritised, such as Awareness-Raising, Communication and Information-Sharing; Capacity-building; Monitoring and Knowledge.

OCTs' feedback during the Climate Change and Disaster Risk Reduction workshop held in Brussels in 2016 also showed significant interest in capacity building and support to help

[46] Technical Consultative Workshop on Climate Change in the OCTs (Atelier consultatif sur le changement climatique dans les PTOM. Brussels / Bruxelles), 09-10 February / février 2016

OCTs develop DRR strategies. Climate Change consultations conducted by OCTA among the OCTs have also shown how identified key action and areas of intervention would fall within a threefold combined approach based on Adaptation, Mitigation and Monitoring & Knowledge[47]. Investments would also be needed not only to push technical assistance and integration of Climate Change and Disaster Risk Reduction policies into OCT's wider development policy, but also to encourage regional cooperation to scale up from single regional projects to the possibility of engagement and investment from the private sector.

1.5.2 Sustainable Energy Sector

While access to sustainable energy is now widely acknowledged as a critical driver and empowering factor in socio-economic development, OCTs face particularly pronounced challenges in deploying sustainable energy. Firstly, OCTs are highly dependent on imported hydrocarbon fuels, with a dependency rate of 95+% for their commercial energy needs. Not only do these fuel imports represent a significant import bill and drain on public finances, but also entail higher costs as a result of transport distances and increased storage costs due to the need to ensure high(er) storage capacities in order to ensure security of supply in times of natural disasters and extreme weather events. Other areas of challenge are energy storage and demand side management in the small island context of the OCTs.

Regarding OCTs readiness, despite the strong potential for renewable energy and improved energy efficiency observed in all OCTs, the development of sustainable energy systems will not occur organically. The 2016 Lighthouse Quickscan Study (QS) highlights in this respect the need for the development of in-house capacity for policy development and implementation as well as project financing, as targeted capacity building programmes remain the key to ensure both successful implementation of the policy framework and long-term sustainability of the RE programmes. This entails as well particular attention on ensuring effective knowledge transfer when utilising the support of external consultants. The existence of a clear policy framework and implementation roadmap to assess the need for capacity building thus becomes an essential element to consider when addressing capacity building in the OCTs.

While regional and national governing bodies have in instances, been proactive in implementing these frameworks to encourage the investment needed to allow energy efficiency improvements and renewable energy projects[48], a number of other factors are also constraining progress. These factors include limited technical capacity in public institutions with energy mandates, insufficient public capital for incentivising investments, and private sector actors perceived risks. There are also heightened market risks due to, inter alia, the lack of economies of scale, limited experience with renewables, and the macroeconomic circumstances of the countries[49]. The successful expansion of sustainable energy depends largely on, among other things, the presence of a long-term vision, the effectiveness of existing policy and regulatory structures, and the surrounding governance and administrative framework. Existing renewable energy assessments demonstrate significant potential for development and deployment of renewable power within OCTs, including biomass, geothermal, hydropower, ocean energy, solar, and wind generation[50].

[47] Overview of climate Change Consultations to date, Jorge L. Ventocilla, Environmental Expert, OCTA - Technical Assistance Team.
[48] https://ec.europa.eu/europeaid/sites/devco/files/aap-financing-regionalcaribbean-annex3-2016-20161007_en.pdf
[49] "Study on Renewable Energies and Green Policy in the OCTs" 2014, EC and RAL; confirmed during Aruba meetings.
[50] Sustainable Energy Roadmap for OCTs.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
1. Political instability due to change in government creates challenges in follow-through of activities and commitments	**M**	Ensure that the entire approach is mainstreamed into policy, legal instruments, as well as sectoral development plans, with a strong awareness-raising approach. Moreover, ensuring that the sustainability of activities is not dependent on a specific person staying in their government role, but rather that knowledge and capacity transfer are institutionalised, and that where possible specific results (e.g. new practices, policy changes etc.) are incorporated, mainstreamed into national territorial systems. In this regard, national budgets should be allocated for a monitoring/evaluation and information (MEI) tool and for engaging scientific researchers and students to prevent institutional memory loss and build more resilient institutions.
2. OCTs might have challenges in formulating proposals and work plans in response to Programme Calls for Proposals	**M**	Clear guidance and capacity building
3. Risk of isolated actions	**M**	This risk can be addressed by ensuring that project actions address real needs and enjoy local ownership and buy-in.
4. Risk of Natural Disasters (typhoons, hurricanes, volcanoes etc.)	**M/H***	Natural disasters are a risk and cannot be excluded. The Thematic Programme will help reduce vulnerability to such disasters through review of existing OCTs disaster risk reduction strategies, or support OCTs that do not have one as well as by supporting climate change adaptation measures.
5. Insufficient exchange across OCTs reduces the thematic 'value' of the TP for the OCTs.	**M**	OCTs expect that their thematic programme will bring real benefits for all. This requires in part ensuring that the knowledge sharing, knowledge management and learning dimensions are well designed and bring real value all OCTs. Moreover, making use of opportunities for dialogue and exchange of best practices among implementing partners of other regional programmes or related initiatives by other donors (for example the annual OCT-EU forum) will mitigate this risk.
6. Inadequate feedback from programme stakeholders reduces quality of monitoring on results and impact	**M**	Various actions can be pursued to encourage stakeholders to provide the required monitoring information in a regular and timely manner, from soft measures (encouragement, emphasis of benefits) to stricter measures (naming and shaming, exclusion from specific programme services/benefits). It is crucial to ensure the system's information request is reasonable and brings benefits for stakeholders and users.
Assumptions		
Assumptions – Climate Change(including DRR):	• EU MS/OCTs governments will continue to commit to promote mechanisms to tackle Climate Change and its related threats, including the development of evidence-based policies to enhance OCTs territories' resilience. • Governments will ensure that measures to build CC resilience & DRR mechanisms will be mainstreamed into regional and sectoral plans and polices and that decision-makers and policy-makers will be held accountable for non-compliance. • Resilience policy and communication becomes related to environmental justifications. Successful outputs in resilience will constitute a basis for the	

	educational activities and actions.
Assumptions – Sustainable Energy:	• OCT governments continue to commit themselves to implementing the SE Roadmap and the EU-OCT Joint Energy Declaration on reinforced cooperation in the Sustainable Energy sector. • Continued OCT political commitment to promote energy efficiency and to achieve the goals set in recent years (in OCTs Ministerial Summits, etc.) on promoting renewable energy sources and the adoption of favourable policy and legal frameworks and financial instruments. • Sustainable Energy policy and communication becomes related to environmental justifications. Successful outputs in Sustainable Energy will constitute a basis for the educational activities and actions.
Assumptions - Cross-cutting Issues:	• By applying the rights-based approach, the programme will abide by the intention to mainstream gender in all activities, and by the consideration of the principle of inclusiveness as key element in sustainable economic growth and decision-making regarding SE and CC policies in OCTs.

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

This thematic programme builds on past and present EU-cooperation experience with OCTs and draws on the lessons learnt from previous EDF programming exercises, especially the 10th EDF, in terms of regional integration, implementation of projects and provision for complementary actions required during implementation. Currently, several EU policies and strategies, notably the EU 2020 Strategy, are having an influence on the future of EU-OCT cooperation, particularly with a view to OCTs' sustainable development as low-carbon, climate-resilient economies. The sub-sectors of concentration of this programme in particular require a holistic approach, as they cannot be addressed by OCTs in isolation from wider regional strategies. In order to ensure optimal complementarity with current OCTs development priorities, needs and constraints, inputs from various sources and stakeholders as well as synergies with current country and regional strategies are essential. This includes integration with and complementarity with other programmes and initiatives being implemented in the vicinity of the OCTs (including outermost regions and ACPs) and is an important factor in ensuring longer-term sustainability.

As previous programmes have shown, a key for success is to address and mitigate a number of current institutional and legal handicaps, including the length of decision-making chains, institutional overlap at regional level and the lack of complementarities between regional and national programmes, as well as insufficient coordination with other donors on regional integration. Improving coordination with countries and stakeholders and enhancing monitoring and evaluation practices would not only help to minimise duplication but also to maximise the impacts of efforts to realise fully integrated, low-carbon and climate-resilient energy transition plans. Global experience has also shown that a committed public engagement is critical for the stimulation of private investments within the sustainable energy sector. Therefore the thematic programme will place an important focus on addressing such systemic challenges, such as finding ways to develop OCTs capacities that can be sustained beyond the Action, as well as ensuring attractive policy and regulatory frameworks and government commitment and local ownership.

Monitoring and evaluation (M&E) of actions is also necessary in order to be able to demonstrate the added value to beneficiaries and requires that this technical capacity is

included in the management and administration of programmes. Moreover, credible M&E also requires developing a clear baseline at the start of the programme, from which results and impact can be objectively demonstrated. Another key learning is the importance of fostering real bottom-up ownership (alluded to in part above), with a view to ensuring that the results and impact of Thematic Programme's actions can endure beyond the Programme's lifetime. Considering how Programme grant funding can synergise with other funding, in particular loan financing and blending, may also create new possibilities to support long-term financial sustainability and local ownership.

3.2 Complementarity, synergy and donor coordination

The European Union and its Member States coordinate their development policies as well as their respective aid programmes. Articles 77 and 94 of the OAD foresee that OCTs shall also be eligible for Union programmes and instruments provided for in the Union's general budget.

With a view to the relatively large number of actors in the sector in the regions, close donor coordination will be of high importance to create the required synergy and complementarity. As the regional programmes currently under implementation in the sub-sectors of choice include both OCTs together with non-OCT countries, it is especially important to coordinate and harmonise this OCT thematic programme with the principal ongoing programmes and projects, with a view to ensuring aid effectiveness and the cooperation between the OCTs and the Outermost Regions, and their neighbouring ACP States and other countries. In this aim, several opportunities for dialogue can be explored, including the yearly OCT-EU Forum; the steering committee meetings of the implementing agencies for the regional OCT programmes in the Caribbean[51], Pacific[52] and Indian ocean; the Clean Energy for EU Islands Forum (CE4EU); the Joint CARIFORUM-EU Working Group meetings; GLISPA members meeting, the Conference of Peripheral Maritime Regions (CPMR), the Caribbean Renewable Energy Forum (CREF) Annual Conference, the Green Aruba Conference etc.

On climate change and disaster risk reduction, relevant experiences exist under the Global Climate Change Alliance (GCCA+) initiative, the Global Facility for Disaster Risk and Recovery (GFDRR), the Pacific-European Union Marine Partnership (PEUMP) and the Joint Pacific Initiative for Biodiversity, Climate Change and Resilience. Operations under these programs cover the Caribbean and Pacific regions.

On renewable energy, activities already took place in the Caribbean and Pacific regions under the "EU Technical Assistance Facility for the Sustainable Energy for All initiative" (EU's SE4ALL TAF), the EU Energy Initiative Partnership Dialogue Facility (EUEI PDF), the EC's Electrification Financing Initiative (ElectriFI), the Renewable Energy and Energy Efficiency Project (REEEP), and the Global Sustainable Energy Islands Initiative (GSEII).

Other EU-funded initiatives addressing the interested sub-sectors include, the Thematic Strategy for the Environment and Sustainable Management of Natural Resources, including Energy (ENRTP), NetBiome-CSA, NET-BIOME, PACE-Net Plus, and the Pacific-Europe Network for Science, Technology and Innovation. OCTs can also participate in EU programmes in areas such as education, research and competitiveness and innovation , under the same conditions as and as part of the EU countries to which they are linked, as well as in other major EU programmes such as the Horizon 2020 Research & Innovation Framework Programme Environment (LIFE+) and Research & Innovation (Horizon 2020) .

[51] Implementing agencies: Expertise France and the World Bank

[52] Implementing agencies: Secretariat of the Pacific Community (SPC) and the Secretariat of the Pacific Regional Environment Programme (SPREP)

Coherence is sought between the EDF territorial programmes and regional programmes, between these and the regional EDF-ACP programmes and the programmes financed by the European Regional Development Fund (ERDF). Additionally, OCTs benefit from thematic programmes as well as horizontal EU programmes, and other policies, instruments and actions of EU Member States and/or the European Investment Bank (EIB) and other European or International Development Finance Institutions (DFIs).

The European Commission and the EU Member States have recognised the specificity of small islands' energy systems and markets. These islands have the potential to be frontrunners in the clean energy transition by adopting new technologies and implementing innovative solutions. Through the Clean Energy for EU Islands Initiative, the Union is acting to develop and support the clean energy potential of European island communities and intends to share its experience with island communities across the world. The programme will use the opportunity created by the Clean Energy for EU Islands Initiative to access and promote best practices shared by EU islands and participate in annual forum.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

This thematic programme is aligned to the OAD' general objectives and to the current OCTA 2015-2020 Strategy and, in which sustainable development and sustainable use of natural resources are major components.

The overall objective of the action is to contribute to the OCTs' economic, social and environmental sustainable development.

The key specific objectives (SOs) to be pursued based on the consultations of both the OCTA and the OCTs are indicatively described as follows:

SO1: To increase resilience to the effects of climate change

SO2: To further develop a low-Carbon, Energy Efficient Economy

These SOs will allow OCTs to address the key challenges that are fundamental to their wider sustainable development. In the context of globalization, efforts to enhance OCTs competitiveness are necessary, so that OCTs can capitalise their assets for achieving sustainable growth, while taking into account their respective regional contexts and challenges.

The potential for synergies between both SO and their inherent cross-border nature, will also facilitate increased sharing of knowledge and experience not only among the OCTs, but also with other actors such as ORs and ACP states.

For this programme, expected results (ER)/outputs (O) have been identified under each of the specific objectives identified above, these are:

ER1.1: OCTs capacities to carry out Climate Change Risk Assessments and Disaster Risk Assessments are reinforced;

ER1.2: Activities in i) integrated and sustainable management of land, coastal and marine resources and ii) water management and security are identified and implemented;

ER2.1: OCTs knowledge of energy management and storage technologies and models is improved;

ER2.2: Capacities, tools and knowledge to facilitate / for development, financing and deployment of bankable RE and EE projects are strengthened;

ER2.3: Effective energy management strategies (including rid and storage) and actions are implemented.

4.2 Indicative main activities

In response to the proposed indicative results, the following indicative activities are highlighted for each of the subsectors:

In the area of *Climate Change and Disaster Risk Reduction*:

- Activities will focus to strengthening OCTs and their institutions' capacities to integrate CC and DRR into national/regional policies and strategies, and their capacity to carry out CC and DRR assessments and to promoting synergies between adaptation, mitigation and development; as well as strengthening monitoring and reporting systems. This includes:
    a. Advice and technical support on carrying out both CC and DRR risk assessments;
    b. Comprehensive cost-benefit analyses of adaptation measures; and
    c. Support in developing CC and DRR Strategies and work plans.
- Support several specific interventions in priority areas identified as a result of the 2016 Technical Consultative Workshop on Climate Change in OCTs including: *i) Integrated and Sustainable land, coastal and marine management* and *ii) Water management/security*. Under the first category the focus of the interventions would be on:
    a. Land use and eco-systems planning;
    b. Protection of vulnerable ecosystems (e.g. sea grass beds mangroves, lagoons, coral reefs); and
    c. Flood-risk mapping, covering themes of common OCTs interest such as waste water management, storm water management, rainwater harvesting, etc.

In the area of *Sustainable Energy*:

- Supporting actions for implementing necessary regulatory frameworks and policy improvements. This may include:
    a. Rapid policy and regulatory scans with a participative OCT-led approach;
    b. Developing OCT regulatory review reports and actions roadmap;
    c. Creation of a resource portal/platform, or alternatively use of the Clean Energy for EU Island database and platform, therewith avoiding the multiplication of resource portal and making more efficient use of existing ones;
    d. Organisation of workshops, study tours, international events such as the Clean Energy for EU Islands Initiative and other monitoring and benchmarking activities.
- Activities supporting the improvement of OCT's financing capacities and understanding of investment and financing environment would focus on:
    a. Stakeholder engagement, through meetings and workshops (also with territorial, regional and international finance providers); and
    b. Capacity building (including development of guides, and monitoring/benchmarking of OCT and regional' investment and financing conditions/environment). In this component advisory support to OCT sustainable energy projects/project promoters can also be an important activity, as can be the de provision of support to OCT projects' efforts to secure financing.

- Activities supporting the advancement OCTs' knowledge of energy management and storage technologies (and models) and the adoption of technologies and practices to improve energy management (including grid and storage). This would include:
    a. A preliminary needs analysis and development of adequate cost benefit material and (technical) project development support (advice on feasibility studies etc.).
    b. Strong capacity building component (comprehensive of CB workshops and post-workshop support to OCTs) able to support OCTs in identifying/selecting relevant grid control/grid management and storage options/priorities, and on securing current and future project financing.
- Other actions and activities to facilitate the development and deployment of RE and EE projects would include support for capacity needs analysis, strategy development (RE technologies, grid management and storage, financing etc.) and monitoring. To secure the highest possible level of local capacity building, the development of a dedicated knowledge-sharing platform or the use of existing ones such as the Clean Energy for EU Island database and platform will be an additional sustainability legacy beyond the thematic programme.

4.3 Intervention Logic

Improving OCTs energy efficiency and reducing their dependency on fossil fuels and addressing OCTs resilience to natural disasters will contribute to their sustainable economic development, highly dependent on climate related vulnerabilities.

In order to achieve the specific object 1 on resilience, actions will tackle the vulnerability of OCTs economic infrastructure, developing disaster preparedness strategies and management plans and monitoring tools, as well as assessing the risks of the OCTs and developing strategies tailored to their specific needs. This will contribute to strengthening the capacity of OCTs to prepare, manage and swiftly recover from recurrent extreme natural events. In addition, this action will not only take form as a component on its own, but will also contribute to the component of Sustainable Energy whenever possible. This action will have complementarity with the Regional OCT programmes in the Caribbean and Pacific Ocean specifically related to disaster preparedness and risk finance strategies.

Concerning the Sustainable Energy objective SO2, actions will focus to strengthen the capabilities of OCT to develop and implement regulatory frameworks and policy improvements, knowledge of energy management and storage technologies and the requirements for their financing. Other actions and activities to facilitate the development, financing and deployment of Renewable Energy and Energy Efficiency investment projects will include support for capacity needs assessment, strategy development (Renewable Energy technologies, climate proofing of energy projects, grid management and storage, financing strategies) and monitoring. The sustainability of the approach is driven by feedback from an integrated system and sustainable financing mechanisms that help ensure the required investments for achieving the objectives. Complementary actions on sustainable energy will be developed with the Regional OCT programme in the Caribbean and Pacific Ocean. Considering their status vis a vis EU Member States, OCTs will be supported to participate and use the opportunity of the Clean Energy for EU Islands initiative.

Overall, great emphasis will be placed on the participatory design and project management, from the beginning involving all stakeholders in the design of public policies, Disaster risk reduction Strategies and Sustainable Energy interventions. Thus, it seeks to stimulate the development process through progressive learning by OCTs' actors. This implies the definition of mechanisms that allow beneficiaries themselves to decide on the use of resources

made available, essential to ensure the sustainability of the actions, development of projects and initiatives and to consolidate the transformation of society towards management of the state where citizens participate and know how public and external resources are spent.

This intervention should also ensure several strategic principles to guide the conceptual definition and logical approach:

- Responses to the specific needs of the beneficiaries;
- Transfer of knowledge and empowerment of OCTs' beneficiaries;
- Sustainability measures, actions and solutions;
- High quality advisory services and training;
- Continuous coordination and transparent communication with all stakeholders involved;
- Permanent self-evaluation of achievements and results-oriented interventions;
- Financial management, according to Implementing Agency principles.

4.4 Mainstreaming

The following cross cutting issues will be mainstreamed throughout the programme implementation phase:

Rights Based Approach: Most inhabitants of OCTs are also citizens and passport holders of the Member State with which the OCT is linked. Therefore, although the OCT's are outside the European Union, most inhabitants of OCTs are European citizens and have rights and responsibilities similar to European citizen living within the European Union. In several OCTs, the justice area remains a responsibility of the Member State. In the context of the Rights Based Approach, the programme will be implemented giving due consideration to the rights of the beneficiary population being European citizens. In the same context, OCT governments and where available local governments within the OCTs are consulted in all stages of implementation of this programme.

Governance: The Programme recognises the importance of good governance in the sector of climate change and sustainable energy and adopts its strong overarching source management and governance functions, from strategy, planning, policy-making and engagement with sector shareholders, to climate change and renewable energy resource development, allocation and management. The commitment to transparency is paramount, allowing for all OCTs to be fully involved in key stages of the programme, while strong M&E will -as mentioned above- be important in providing objective assessment of progress and impact.

Civil Society Engagement: As ownership should be ensured in a democratic and inclusive way, consultation with local authorities, the TAO/RAO, non-state actors and the private sector is an essential feature of the process. This implies a people-centred approach ensuring civil society participation. Tools for cooperation should be reinforced and adapted to the current reality: political dialogue should continue and multi-stakeholder participation should be encouraged, paying special attention towards ensuring sufficient resources and transparent processes.

Gender: The EU Gender Action Plan (GAP) 2016-2020[53] commits the EU to strengthen its efforts to place gender equality and the empowerment of girls and women at the heart of the

[53] Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020.

EU's external actions[54]. In line with this the Thematic Programme will ensure particular attention is given to the needs of women, for example in ensuring equal participation in training and capacity building activities. Similarly, an assessment criterion for possible calls for proposals will be the extent to which they target women's needs and have women involved in the supervision and execution. Where financing schemes are considered or promoted for renewable energy investment, it will be important to recognise the constraints that women might face in the society and facilitate their access to such finance.

Environment: The programme should provide opportunities for energy sector transformation to contribute to climate change mitigation and to support climate change adaptation and building of resilience. At the macro-scale, given the volume of GDP and foreign exchange resources that are currently spent by OCT to pay for energy imports, it should be increasingly possible to redirect these funds to adapting to climate change and sea level rise. At the micro-scale, energy efficiency and renewable energy technologies can improve the safety, health, and disaster resilience of OCTs by providing appropriate energy solutions to support disaster response and recovery[55]. Climate proofing of renewable energy solutions and waste management (of spent solar PV batteries and other associated waste) will be integrated into the capacity development programme, to build resilience and environmental sustainability of the solutions offered. The programme will also contribute to biodiversity by acting on the enhancement of ecosystems and natural resources management.

Poverty: The Programme is set within the sustainable development objectives of the EU and OCTA. Enshrined in the objective of sustainability are the principles of eliminating poverty, and of reducing income disparities within the society. The Programme's objectives with regard to improved sustainable energy and energy management will help OCTs increase the reach and impact of sustainable energy to their populations, a key driver in socio-economic development and poverty reduction.

Inclusivity: The principle of inclusivity refers to the imperative of ensuring that all stakeholders are appropriately included in the decisions relating to the execution and management of the programme. To ensure a sense of ownership and agency, the programme management will have to build inclusive decision-making processes into its operational culture. At the level of the programme, it is also important that consultation with the OCTs is sustained, as a natural process. OCTA itself will be important in maintaining these practices. The importance of multi-generational input and inclusion is also recognised, and support will be given to put in place positive mechanisms and best practices in multidirectional knowledge transfer, which will enhance the prospects for sustainable development.

4.5 Contribution to SDGs

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDG Goals SDG 13 "Climate Action - Take urgent action to combat climate change and its impacts" and SDG 7 "Affordable and Clean Energy - Ensure access to affordable, reliable, sustainable and modern energy for all", while also contributing to SDG 15 "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss"; SDG 14 "Conserve and sustainably use the oceans, seas and marine resources for sustainable development" and SDG 11 "Make cities and human settlements inclusive, safe, resilient and sustainable".

[54] Council conclusions on Gender Equality and Women's Empowerment in Development (2015).

[55] Examples are integrated approaches to incorporating clean energy technologies, policies, and programs into rebuilding efforts. Planning efforts are underway in Haiti to generate power for two earthquake struck regions in the country, and in American Samoa, which is 100% dependent on fossil fuels, to rebuild after a devastating earthquake and tsunami struck the island in 2009.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner countries or a regional organisation.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 68 months from the date of the adoption by the Commission of this Financing Decision.

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

5.3 Implementation modalities

Indirect management with a pillar-assessed organisation.

The programme will be implemented through delegated cooperation, whereby the implementing agency, a Member State development agency or International Organisation, will be selected on the basis of a two-step selection procedure as follows:

1. An invitation will be sent to suitable pillar-assessed organisations to express interest in managing the programme, with a view to constitute a shortlist of interested organisations. Their expression of interest will include a description of their past activities proving their suitability to work in the region and in the sectors covered by the programme, as well as an outline of a proposed methodology for implementation. Organisations can team up to form consortia if they so wish.

   The shortlist will be be drawn up based on the following criteria:
   - Capacity to mobilise a suitable composition of consortia members ensuring existence of a network of presence in different regions/countries where the action should take place. This includes the Caribbean, the Pacific, the Atlantic, the Arctic and the Indian Ocean.
   - Experience to manage programmes/projects and related capacity in the sectors of climate change and/or sustainable energy
   - Experience to manage other projects involving insular countries/territories; preferably funded by the European Commission;
   - Quality of the proposed methodology for implementation.

2. The second stage will require the short-listed agencies to present a full proposal based on the outlined specific objectives as described in the section 4.1, based on the following criteria:
   - Quality and clarity of the proposed methodology to be evaluated using a scoring system.

OCTA will be closely associated during the entire selection process for the implementing agency, as well as during the implementation of the program.

Among suitably qualified pillar-assessed organisations one agency will be selected in accordance with Article 62(1)(c) of Regulation (EU, Euratom) No 2018/1046, that will be

entrusted with the implementation of this programme and, possibly, the leadership of the consortium. It is envisaged to sign a Contribution Agreement with the selected agency for the implementation. The selected agency will be mandated to carry out actions autonomously as defined in the work-plan that will form part of the proposal under the second step of the evaluation process. Moreover, the agency will be responsible for (a) keeping the Programme Advisory Committee informed about the actions implemented and for (b) cooperating closely with agencies entrusted with the implementation of the regional OCT programmes (and those of other relevant initiatives) in order to maximise synergies and avoid overlaps.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions. The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in M EUR)	**Indicative third party contribution**
Indirect management with pillar assessed agency	17.8	0
Evaluation, (cf. section 5.9), 5.10 – Audit/Expenditure verification (cf. section 5.10)	will be covered by another decision	n.a.
Communication and visibility (cf. section 5.11)	will be included in indirect management contract)	n.a.
Total	**17.8**	**0**

5.6 Organisational set-up and responsibilities

The organisational set-up of the programme will be structured as follows:

Programme Advisory Committee

A Programme Advisory Committee will be created that will make recommendations regarding the overall lines of programme activities. The Programme Advisory Committee will be composed of:

- Representatives of the European Commission
- Representatives of the implementing agency
- Representatives of the OCTs and/or OCTA

In addition, the European Commission will ensure that coordination mechanisms will be established with the implementing agencies responsible for the regional OCT programmes

(and, possibly, those managing other relevant initiatives) in order to maximise synergies and avoid overlaps.

5.7 Performance and Results 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 agency's responsibilities. To this aim, the implementing agency shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports, as well as a final report. Every report shall provide an accurate account of implementation of the action, difficulties encountered, lessons learnt, 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. The reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed, as well as the budget details for the action. The final report (narrative and financial) will cover the entire period of the action implementation.

A key task in the inception phase is the development of the monitoring and evaluation approach and action plan. In this context, it will be important to consider how this should synergise with monitoring approaches foreseen under the OCT regional programmes, as well as any other relevant initiatives. It is also important that the monitoring approach not only tracks outputs but has a clear focus on tracking the impact of the Thematic Programme.

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).

5.8 Evaluation

Having regard to the nature of the action, a mid-term and/or ex-post evaluation will be carried out for this action or its components, via independent consultants contracted by the Commission. The evaluation(s) will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that a pillar assessed Agency will implement the action.

The Commission shall inform the implementing agency at least two months in advance of the dates foreseen for the possible evaluation missions. The implementing agncy 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 report(s) shall be shared with the OCTs and other key stakeholders. The implementing agency and the Commission shall analyse the conclusions and recommendations of the evaluation and, where appropriate, in agreement with the partner countries, jointly decide on the follow-up actions to be taken and any necessary adjustments.

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

5.9 Audit

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 audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the agency entrusted with the implementation of the programme. Appropriate contractual obligations shall be included in the delegation agreement(s).

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Annex 1 – OCTs THEMATIC PROGRAMME INDICATIVE LOGFRAME

This logframe will be further developed during the inception phase of the Thematic Programme. Please note also, as per the EC programming guidelines, the activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision.

Logframe Legend

TP	OCT Thematic Programme	**CB**	Capacity Building
OO	Overall Objective	**KS**	Knowledge Sharing
SP	Specific Objective	**TBD**	To be determined
MoV	Means of Verification	**WMS**	Water management and security
IoA	Indicator of Achievement	**ISM-LCMR**	Integrated and sustainable management of land, coastal and marine resources

	Results chain: **Main expected results (maximum 10)**	**Indicators** **(at least one indicator per expected result)**	**Sources of data**	**Assumptions**
Overall objective: Impact	**OO: Contribute to the OCTs' economic, social and environmental sustainable development**	• HDI index (disaggregated by country); • GDP (disaggregated by country); • % of vulnerable population protected; • % of vulnerable ecosystems protected.	• UNFCCC official reports on evolution of the level of GHG emissions; • Activity reports of actions implemented with EU support; • National/regional strategy documents; • National statistics, utility reports, reports by IRENA, SIDS Lighthouses Initiative.	
Specific objective(s): outcome	**SO1: increased resilience to the effects of climate change**	• No. climate change and DRR actions being implemented with EU Support; • No. climate change and DRR actions being implemented from OCT climate	• Baseline and line studies to be commissioned by the TP.	• OCTs reiterate their commitment to ensure a successful and ambitious outcome of the Paris Agreement and the SDGs; • Consensus among OCTs and Programme

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
		change and DRR plans.		advisory Committee achieved on planning and distribution of horizontal actions; • OCTs countries continue to be actively engaged in discussions on adaptation, developing extensive adaptation agendas and adaptation prioritization in their plans.
	SO2: Further developed low-Carbon, Energy Efficient Economy	• Overall energy management (including grid storage) performance Power of unavoidable energy / Total power in %.	• Activity reports of actions implemented with EU support.	• The region's energy sector challenges are addressed by increasing renewable energy capacity, energy efficiency and advancing electric mobility by the OCTs, to align policies with the Paris Agreement; • Consensus among OCTs and Programme advisory Committee achieved on planning and distribution of horizontal actions; • A permanent flow of international climate funds is available for OCTs.
Outputs	**ER1.1: OCTs capacities to carry out Climate Change Risk Assessments and Disaster Risk Assessments are reinforced**	• No. (existing) CC Risk Assessments or Disaster assessments improved with the support of the action; • No. new CC Risk Assessments Disaster assessments completed with the support of the action; • No. OCTs cost-benefit analyses advised with the support of the action; • No. new CC and DRR Strategies and Work Plans advised with the support of	• CC and Disaster Risk assessment reports; • Programme report on advice to OCTs on cost-benefit analyses; • New OCT CC and DRR Strategies; • New OCT CC and DRR Work Plans.	• Authorities are willing to share information; • OCTs governments confirm their interest and will towards a further revision of their CC DRRs strategies.

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
		the action.		
	ER1.2 Activities in i) integrated and sustainable management of land, coastal and marine resources and ii) water management and security are identified and implemented	• No. of OCTs supported in Project Design and Formulation with the support of the action; • No. new ISM-LCMR or WMS options selected/prioritised by OCTs with the support of the action; • No. OCTs supported in implementation with specific financial support; • No. workshops and CB events/actions carried out with the support of the action (data disaggregated by country); • No. OCT stakeholders reached with the support of the action (data disaggregated by sex and by country); • Level of OCT stakeholders' satisfaction with CB and KS actions (data disaggregated by sex and by country).	• Email correspondence and telephone/Skype summary minutes; • Needs analysis template completed; • OCT action Project Concepts.	• Local Resources to carry out project actions are available.
	ER2.1: OCTs knowledge of energy management and storage technologies and models is improved	• Status of OCT CB needs surveys carried out with the support of the action; • CB Strategy document; • Number of workshops and CB events/actions carried out with the support of the action; • No. of OCT stakeholders reached with specific project actions; • OCT stakeholders' satisfaction with CB and KS actions.	• Capacity needs analysis report; • CB Strategy document; • CB/training event programmes and reports; • Knowledge-sharing platform; • User satisfaction surveys.	• OCT authorities are willing to look for complementarities and to stablish synergies between the existing and planned actions.

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
	ER2.2: Capacities, tools and knowledge to facilitate / for development, financing and deployment of bankable RE and EE projects are strengthened.	• No. OCT Regulatory or Policy Issues or Frameworks Reviewed with the support of the action; • No. Regulatory or Policy Solutions identified with the support of the action; • No. new or modified Regulatory or Policy or Energy management measures put in place by OCTs with the support of the action; • No. OCTs supported in Project Design and Formulation; • No. OCTs supported in implementation; • No. workshops and CB events/ actions on EE/RE carried out with the support of the action; • No. of OCT stakeholders reached; • Stakeholder satisfaction with actions.	• Regulatory or Policy Scan or Review reports; • Policy and regulatory monitoring/OCT updates; • OCT administrative records; • Online resource platform; • Email correspondence and telephone/Skype summary minutes; • Intervention Summary Report per OCT.	• OCT authorities are willing to look for complementarities and to stablish synergies between the existing and planned actions.
	ER2.3. Effective energy management strategies (including grid and storage) and actions are implemented.	• No. of OCTs supported with Project Design and Formulation; • No. new grid control/grid management and storage options selected/prioritised by OCTs with the support of the action.	• Email correspondence and tel./Skype summary minutes; • Needs analysis template; • OCT actions Project Concepts; • Intervention Summary Report per OCT action.	• European renewable and energy efficiency companies scale up their work in OCTs to support the countries to align their energy plans with the Paris Agreement.