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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX I**

to the Commission Implementing Decision on the financing of the annual action plan in favour of Sri Lanka for 2024

**Action Document for Fostering Sustainable Economic Recovery through Improved Biodiversity and Sustainable Waste Management**

**ANNUAL PLAN**

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

## 1 SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Fostering Sustainable Economic Recovery through Improved Biodiversity and Sustainable Waste Management OPSYS number: ACT-62617 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	Yes: TEI on Green Recovery in Republic of Sri Lanka
<b>3. Zone benefiting from the Action</b>	The Action shall be carried out in Republic of Sri Lanka, (special focus on Central Highlands)
<b>4. Programming document</b>	Multi-annual Indicative Programme for Sri Lanka 2021-2027
<b>5. Link with relevant MIP(s) objectives / expected results</b>	Specific Objective 1: <i>To support sustainable growth contributing to the transition to a low carbon, resource-efficient and circular economy while promoting the conservation of biodiversity.</i> The Action contributes to:  <b>ER 1.3</b> Enhance policy and financial frameworks for terrestrial and marine biodiversity protection and restoration, as well as for sustainable fisheries including the fight against illegal, unreported and unregulated (IUU) fishing.  <b>ER 2</b> Increased access to finance and other incentives for the private sector (focus on SMEs) to invest in adoption of more sustainable consumption and production technologies and practices as well as in relevant green infrastructure contributing to circular economy, in particular better waste management, including agro-chemical, and reduction of single use plastics (SUP).
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	DAC codes: 410, 250, 151

<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG (1 only): SDG 15 (Life on Land) Other significant SDGs (up to 9) and where appropriate, targets: SDG 1 (End poverty), SDG 5 (Gender Equality), SDG 8 (Decent Work/Economic Growth), SDG 10 (Reduce Inequalities), SDG 12 (Sustainable Consumption and Production), SDG 13 (Climate Action)			
<b>8 a) DAC code(s)</b>	41030 Biodiversity Conservation 60% 14050 Waste Management and Disposal 40%			
<b>8 b) Main Delivery Channel</b>	Multilateral organisations - 40000			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
digital connectivity digital governance digital entrepreneurship		YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	

	digital skills/literacy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	/
	digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES	NO	/
	energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities1 @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line(s) (article, item): 14.020131 Total estimated cost: EUR 8 000 000 Total amount of EU budget contribution EUR 8 000 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<b>Indirect management</b> with the entity(ies) to be selected in accordance with the criteria set out in section 0			

## 1.2 Summary of the Action

Sri Lanka is still recovering from the acute economic and political crisis of 2022 that interrupted economic development and impacted government effectiveness and local economic priorities. In this crisis context, biodiversity protection and waste management have been relatively neglected and underserved. While there is no lack of policies, the implementation of protection and management of its biodiversity and the upcycling of its resources within a circular economy are critical for the sustainability of the country's economic development and its resilience to climate change impacts. Furthermore, economic recovery and local development initiatives need to be planned to avoid risk to be a driver of environmental degradation and habitat loss, hence eroding the natural resources the economy depends on.

The Action focuses on enhancing the environmental sustainability of the economic recovery through better protected natural resources and biodiversity, including through sustainable and inclusive waste management, and mainstreams climate change and gender equality. While the Action will focus on the montane districts of the Central and Uva Province (Nuwara Eliya, Kandy and/or Badulla), the Action links to national level by creating gender-responsive and inclusive models and approaches in support of implementation of national policies for biodiversity conservation and waste management.

The Overall Objective is *to support environmental policies and actions for a green and inclusive sustainable economic recovery*. The Specific Objective is *to improve protection of biodiversity and the management of waste*. This will be achieved by Building capacities among stakeholders including government agencies and local authorities as duty-bearers, local communities as rights-holders, and the private sector to engage in biodiversity

1 For more information, please consult: The European Commission inequality marker - Publications Office of the EU (europa.eu) and Inequality Marker – Complementary Guidelines Application of the I-Marker to SSC fiches and Action Documents | Capacity4dev (europa.eu)

protection and waste management efforts in a sustainable and equitable way. Upgraded plans for the management of biodiversity areas and for waste prevention and management will be sustained through inclusive and gender-responsive business models and partnerships with the private sector. Single use plastics will be reduced, waste properly managed, and the value added of recyclable and biodegradable materials will be explored. Hence, in the current context of decentralisation, protected areas may best be managed sustainably through a bottom-up approach with a meaningful participation of multiple stakeholders working together, including Local Councils and communities, civil society and private sector, with the support of government departments/agencies, and thereby.

The Action will build on achievements of EU support in the central highlands, specifically focussing on rural economic recovery (community livelihoods, SME development, local tourism), as well as AAP 2021 the Green Policy Dialogue Facility and AAP 2022 supporting Circular Economy in the Food Sector. It will feed into the national sectoral policy framework and complement other on-going donor actions (GEF, USAID in particular).

The proposed Action aligns with priority frameworks of the EU Strategy for Cooperation in the Indo-Pacific<sup>2</sup> and the 2030 Agenda for Sustainable Development<sup>3</sup>, the EU Green Deal<sup>4</sup> and EU Gender Action Plan III 2021-2025<sup>5</sup>, specifically the thematic area ‘*Addressing the challenges and harnessing the opportunities offered by the green transition and digital transformation.*’

This Action is part of the Team Europe Initiative on Green Recovery. It aligns with the NDICI-GE targets on climate change, biodiversity and human development, and with the Global Gateway investment priorities on climate and energy, digitalisation, research and education. It primarily supports SDG 15 (Life on Land), with further contribution to SDG 1 (End Poverty), SDG 5 (Gender Equality), SDG 8 (Decent Work/Economic Growth), SDG 10 (Reduce Inequalities), SDG 12 (Sustainable Consumption and Production), and SDG 13 (Climate Action).

## 2 RATIONALE

### 2.1 Context

In early 2022, Sri Lanka plunged into a multifaceted crisis spanning politics, economics, and finance, primarily ignited by an unsustainable debt burden and a shortfall in foreign currency reserves, culminating in an external debt default in May 2022. The crisis was compounded by inadequate imports of critical commodities such as fuel, fertilizers, and medicines. Moreover, global factors including the escalation of international commodity prices, fuelled by Russia’s aggression against Ukraine, and severe disruptions in the supply chain exacerbated the situation. These events collectively exacerbated challenges within the country's economy which is now slowly recovering.

While expectations of an economic recovery prevail, there is a clear risk that the environmental sustainability of the economic recovery is ignored. Environmental sustainability is, for instance, not part of the IMF programme. Yet given the country’s vulnerability to climate change, the globally unique significance of its biodiversity upon which key economic sectors depend (notably tourism and agriculture), and the high levels of threat, this sector deserves critical attention.

In line with EU’s Strategy for Cooperation in the Indo-Pacific and the SDGs, the focus of the current MIP is on “**Green Recovery**” and an “**Inclusive and peaceful society**”, with this Action contributing to the former. The EU distinguishes itself from other partners through the **Green Recovery** focus, supporting a more low-carbon, resource efficient, circular model, while protecting biodiversity and promoting decent and green inclusive jobs.

The Action is an important component of the TEI on Green Recovery (with FR, and NL projects in the pipeline) and will complement the AAP 2021, which established the Green Policy Dialogue Facility and AAP 2022, which will support the Circular Economy in the Food Sector. This Action is aligned with priority frameworks of the EU

<sup>2</sup> <https://www.eeas.europa.eu/sites/default/files/documents/2023/EU%20Indo-pacific.pdf>

<sup>3</sup>

<https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf>

<sup>4</sup> [https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_1&format=PDF)

<sup>5</sup> [https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final\\_en.pdf](https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final_en.pdf)

Green Deal, EU Strategy for Cooperation in the Indo-Pacific, the 2030 Agenda for Sustainable Development, and Gender Action Plan III and Global Gateway.

The Action will position the EU in Sri Lanka as a trusted partner who actively promotes environmental sustainability as key to a sustainable recovery by protecting its biodiversity, to which critical economic sectors such as agriculture, fisheries and tourism, depend upon – an important added value of EU support as compared to the engagement of others such as China and India.

The Action supports a robust national policy framework for biodiversity conservation including the National Biodiversity Strategic Action Plan (2016-2022), the National Environment Policy (2021) and the revised Nationally Determined Contributions (2021), the National Waste Management Policy (2019) National Action Plan on Plastic Waste Management (2021-2030), and the National Policy on Sustainable Consumption and Production (2019). By reducing methane emissions from the waste sector Sri Lanka contributes to the Global Methane Pledge (Sri Lanka is a signatory). It complements the central highlands biodiversity initiatives of GEF 7 and GEF 8. It will allow the EU to consolidate ongoing cooperation on rural economic recovery (community livelihoods, SME development, local tourism) in Central and Uva provinces.

### **Specific Context: Biodiversity and Waste Management in the Central Highlands**

The central highlands of Sri Lanka are the source for most of the island's major rivers. With an unusually high rate of species, endemism in the diverse montane rainforests and adjacent grasslands areas, the region is considered a super biodiversity hotspot. Three major protected areas have been established and it is listed as a World Heritage Site. The protected areas are not necessarily well-managed and prone to threats that lead to habitat degradation and loss of species diversity. A particular threat to biodiversity loss and degradation is posed by the unsustainable management of waste. In the central highlands as in much of the country, waste quantities are increasing in response to population growth, dynamic economic development and increased consumerism. In Sri Lanka overall, waste generation rose from 6,400 tons per day in 1999 to 10,768 tons per day in 2021 (National Action Plan on Waste Management (2021-2030)). Improper disposal leads to plastic pollution, water contamination and health hazards from open dumping including in the peripheries of protected areas or simply burning of waste releasing toxic substances to the air.

## **2.2 Problem Analysis**

### *Short problem analysis:*

The direct drivers behind the decline in biodiversity in the central highlands include loss of habitat, poaching of valuable species, spread of invasive species and encroachment on habitat and/or overuse by tourists and pilgrims (NBSAP 2016-2022). Related to the overuse by tourism is the increasing spread of litter waste including single use plastics into sensitive terrestrial and wetland ecological areas and tourism service hubs. The indirect driver is the lack of effective governance due to conflicting stakeholder interests and political prioritization. At the national level, policies are in place but not necessarily properly implemented.

In terms of responses to these drivers, at the field level, capacities and resources for management of protected areas is lacking. Many formal protected areas either do not have or are unable to implement a management plan, much less a plan that is based on a clear prioritization of threats, needs and possible solutions. Managers of protected areas and municipal waste are poorly equipped, lacking technical capacities, resources and leadership support. Political priorities shift with frequent changes in leadership and conflicting mandates between agencies. National level institutions struggle to oversee local level compliance with existing regulations, provide sufficient resources, and provide knowledge and skills about suitable technologies and waste management plans.

In addition to the lack of waste prevention strategies, waste at the village and municipal level is often not systematically collected, processed, recovered or sustainably disposed of. Recyclable waste is not well-segregated, and its potential value lost. Biodegradable waste makes up the largest part of waste mass, but it is not properly managed or converted and ends up mixed with other waste in open dumps where it releases GHGs, including methane, and its potential value as compost or biogas is also lost. Facilities for recovery and recycling, or sites for safe final waste disposal are lacking. Waste in river catchment areas is a particularly acute problem. This includes solid and plastic wastes, nitrates and phosphates leakage from agrochemicals used in agriculture and plantations, and hazardous chemical waste from urban areas which negatively impact riverine and marine habitats and life.

Key links between biodiversity conservation, climate, health and sustainable waste management are: 1) litter left by communities and tourist services negatively impacts sensitive environments and opportunities of nature-based tourism; 2) open dumps and open burning contribute to the creation of greenhouse gases (GHG) as well as pose human and animal health hazards; and 3) solid and chemical waste originating in growing urban centres contaminate groundwater, washes into rivers and to the sea, degrading riverine and ocean habitats to the detriment of freshwater and marine species.

A number of government agencies are involved in the management of biodiversity, landscapes and waste, including the Department of Wildlife Conservation, the Forest Department, the Central Environment Authority, and District Administrators, often with competing interests or mandates and poorly coordinated capacities. The tendency for weak governance and management is exacerbated by the current cuts in government budget and ambitions in response to the structural adjustment negotiated with the IMF. These cuts include an immediate hiring freeze, plan to halve government staff numbers by 2025 and departmental budgets only at maintenance level. This shock to the administrative system has deep and lasting implications. As one means to deal with the situation, government is actively promoting Public-Private Partnerships (PPP) to support the delivery of services.

Given the acute and likely prolonged lack of capacity and resources in the government sector, the approach to solving these problems will hinge on the involvement of all stakeholder types including communities and the private sector.

Sri Lankan women, burdened by household responsibilities in a patriarchal society, possess valuable knowledge and influence. In addition to addressing health and environmental concerns, this expertise could be used for the improvement of community waste management whilst at the same time mitigating disputes between various communities. But despite handling all the household waste, women barely have a voice when it comes to deciding how to manage waste in the larger community as they do not participate effectively in local decision-making processes<sup>6</sup>. Also, women's roles and responsibilities often put them in direct contact with nature, and they often possess rich knowledge about local species, their uses, and management, hence women have an important role to play as agents of change in addressing biodiversity loss. Nevertheless, economic, structural, and social inequalities persist and limit women's recognition, involvement, and access to benefits related to the conservation and sustainable use of ecosystems.

Regarding youth, Sri Lankan young people are increasingly aware of the relevance of green skills, but the current skills gap still represents an obstacle for young people to thrive in the green economy<sup>6</sup>.

Furthermore, innovative management approaches will necessarily be funded through business models and/or private sector partnerships. The increasing economic draw of nature-based tourism may be one potential path to sustainably fund the protection of biodiversity and sustainable waste management while spreading the tourism spend among vulnerable underserved communities, creating green employment especially among youth who otherwise migrate to over-populated urban areas in search of jobs.

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

### **1. Government as duty-bearers**

The **Ministry of Environment** (MoE) will be the key project stakeholder through a number of its departments with representation at national, provincial and district levels. The *Department of Wildlife Conservation* (DWC) manages formally protected areas, the *Department of Forestry* (DoF) manages conservation of forests, and the *Central Environmental Authority* (CEA) manages the recently designated Environmentally Sensitive Areas (ESAs) that are often areas of heavy economic use and are responsible for oversight of general environmental impacts of development. Tea plantation leases are administered by the **Plantation Ministry**.

**Presidential Climate Change Office** is an apex body which holds a strategic mandate for multi-sectoral coordination at policy level and on financial comitology to fast track the climate change agenda. This office's

<sup>6</sup> <https://srilanka.un.org/en/241191-empowering-sri-lankas-youth-greener-future>

function is coordination and will be a central point of contact with external actors on different aspects of climate change, therefore the Presidential Climate Change Office will be closely associated to this Action.

Other key governmental stakeholders relevant for this Action, although with more limited involvement than MoE, include: Provincial and District Councils, under the **Ministry of Public Administration**, are the local administrators and decision-makers. They oversee of waste collection, sorting, and managing processing and disposal, and are the key stakeholder for improved waste management systems. As these authorities tend to be political appointees, the effectiveness of each WMA varies over frequent leadership changes. Coordination with the Ministry of Women, Child Affairs and Social Empowerment (including also with the gender units/focal points of the mentioned line ministries and local administrations) and the Ministry of Sports and Youth Affairs will be promoted.

The **Sri Lanka Tourism Development Authority (SLTDA)** is the government body with general oversight of tourism. SLTDA will continue to be an important partner due to the shared interest in biodiversity conservation and waste management as a prerequisite foundation for nature-based tourism.

## 2. Private sector and non-governmental actors

**Private sector stakeholders** include the Regional Plantation Companies (RPCs), tourism associations, large companies, MSMEs that bring in sustainable business models: for instance, partnerships to conserve and protect biodiversity (eg: Pekoe Trails and leopard corridors that the RPCs have begun to put in place) and/or create value from waste or may provide waste management services. Private sector stakeholders may also include any company interested in investments in biodiversity conservation or waste management, either as a business venture or a grant for corporate visibility. Particular attention will be paid to engage and reinforce the capacities of MSMEs led by or engaging women and youth in an inclusive manner.

**Non-governmental Organisations** have recognized the unique value of the nation's biodiversity as well as the potential for nature-based tourism. A tea planter association, for example, will be a key partner for the project, moving forward both biodiversity conservation and waste management goals. **Local tourism associations**, such as in the town of Haputale, are composed of small and large hoteliers, and shopkeepers are organically formed around shared interests of economic development and loosely affiliated with the Provincial government offices of Trade, Industry and Tourism. A number of other well-established local non-governmental organisations are active in biodiversity conservation and waste management (including, women and youth organisations) which can be mobilised and assessed, with a view to do advocacy and provide (or receive) technical or capacity assistance.

**Ultimately, local communities** in the central highlands will be key beneficiaries, as rights-holders, of the Action. Women and youth are specific beneficiaries of this project who will be mobilised as implementation partners and service providers. The participation of women and youth in making decisions and ensuring livelihoods on protection of the location of intervention (and beyond), sustainable use and waste management will be emphasised. The tourism service sector is a potentially growing opportunity, and to the possible extent, the Action will also promote that people with disabilities will participate and benefit from these opportunities. Therefore, local communities, including those people traditionally excluded due to discriminatory norms or attitudes will be actively engaged in activities for biodiversity conservation and site management, nature-based tourism, waste management and adding value to waste.

## 3 DESCRIPTION OF THE ACTION

### 3.1 Objectives and Expected Outputs

The **Overall Objective** is to support environmental policies and actions for a green and inclusive sustainable economic recovery.

The **Specific Objective** is to improve the protection of biodiversity and management of waste . The Action intends to focus at national level on policy issues and on districts in selected areas which received other EU support previously<sup>7</sup>.

The **Outputs** to be delivered by this Action contributing to the Specific Objective are:

*1.1 Improved effectiveness of protection and management of high-value biodiversity sites:* This output may be applied within or outside formal protected areas. Biodiversity sites outside the formal government system may include community conservation areas, protected areas on tea plantations (e.g. existing initiative to create leopard corridors), and partnerships in nature-based tourism sites, e.g. Pekoe Trail or other).

*1.2 Increased economic viability and sustainability of site management plan or action:* This output establishes gender-responsive business models and attracts private sector investment for sustainable and inclusive solutions that are not reliant on government funds, whether applied in or outside of the formal system.

*1.3 Reduced plastic and solid waste:* this output will help reduce litter in terrestrial, freshwater and marine areas, as well as contributing to a decrease in the amount of waste going to dumps and landfills, including through reduction of consumption.

*1.4 Improved processes for effectiveness of solid waste value addition and management:* This output enables government administrators to work more effectively in partnership with communities and the private sector to analyse and streamline systems, ultimately reducing the amount of generated waste that ends up in open dumps or in rivers. It also ensures that organic waste is being composted or turned to biogas, which plastics are being recycled, with benefits to enterprises with a focus on MSMEs (including those leaded or engaging youth and women).

*1.5 Improved meaningful participation of local communities and the private sector in governance of natural resources including for nature-based tourism, waste management:* This output ensures that local communities, including local enterprises and civil society organisations (including women's rights organisations and those organisations representing the rights of people in most vulnerable situations), have a stake in and benefit from resource governance while improving territorial governance overall.

## 3.2 Indicative Activities

Activities relating to Output 1.1 (Improved protection and management of biodiversity sites):

- Convene relevant stakeholders (community, government, private sector) for developing and implementing the sites management plans; facilitation of non-traditional/non-governmental stakeholders for biodiversity protection e.g., for example community conservation areas, involvement of SME tourism stakeholders private sector partnerships.
- Technical support for the creation and/or revision of inclusive and gender-responsive management plans, including problem identification and analysis on basis of robust information (including a gender analysis from an intersectional approach).
- Accessible and gender-responsive training and capacity-building for implementation of the plan or a primary target activity under the plan.
- Apply community-based protection and management innovations that benefit vulnerable people, in all their diversity.

Activities relating to Output 1.2 (Improved economic viability of plan):

- Facilitate partnerships with private sector for gender-responsive and inclusive participation in governance or management of activities, creation of human-rights based business models and/or financing of management plans.
- Establish a fund to facilitate/build capacity for development of sustainable and gender-responsive/inclusive business models or bankable proposals for achievement of goals in management plans and protection of biodiversity and waste management (linking Output 1.2 and 1.3); trainings, exposure visits, workshops. Focus on potential financial incentives or gains for economically vulnerable populations such as women, youth or people with disabilities (who are also those who might otherwise tend to encroach on sensitive habitats).

<sup>7</sup> For example: <https://www.thepekotrailsrilanka.com/>

- Enhance prospects for durability of agreements through MOUs, gender and human-rights responsive accountability mechanisms.

Activities relating to Output 1.3 (Reduced plastic and other waste and its dispersal):

- Work with private and public sector stakeholders (tourism providers, District and Municipal Councils) to identify and implement alternatives to SUPs.
- Support establishment of plastic-free zones, especially in high-value biodiversity sites and nature-based tourism areas.
- Testing of technologies appropriate for local area for composting and biogas production; roll out (may include provision of equipment or development and support of bankable proposals).
- Facilitate inclusion of private sector or takeover of specific components of waste management.

Activities relating to Output 1.4 (Improved processes for effectiveness and value added of waste management):

- Technical support to waste managers for the improvement of their collection, segregation and processing systems based on an analysis of current system constraints and a realistic plan
- Exposure visits to positive models (Kandy).
- Community awareness raising on sustainable and inclusive waste management benefits and processes; waste segregation campaigns.
- Facilitate creation of new/adaptation of existing SMEs to add value to recyclable waste, with focus on women and vulnerable populations; Technical support if needed for adding value.

Activities relating to Output 1.5 (Improved meaningful participation of local communities and the private sector):

- Based on robust socio-economic analysis (taking into account gender, intersectionality and human-rights based approaches), identification of interests, benefits, needs and rights for improved local participation in resource governance.
- Identify specific geographic areas or sites that are important to local communities and private sector; analysis of how an inclusive management could/should be improved with increased participation of local communities (including women and people in vulnerable situations and those organisations representing them) and private sector
- Facilitate, from a rights-based approach, agreement on institutional arrangements, responsibilities/rewards, duties and benefits; creation of sustainable and inclusive financial arrangements; gender and human-rights responsive monitoring and oversight.
- Capacity-building and technical support in governance of natural resources for local communities (including women and people in vulnerable situations and those organisations representing them) and private sector.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU Action may continue outside a TEI framework.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

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

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

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

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

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

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

### **Gender equality and empowerment of women and girls**

As per the OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1. This implies that by targeting biodiversity conservation and waste management, the Action addresses an objective important to women and will integrate a gender perspective throughout its implementation. Therefore, in alignment with the EU III Gender Action Plan (in particular, thematic areas “Promoting economic and social rights and empowering girls and women” and “The challenges and harnessing the opportunities offered by the green transition and the digital transformation”) and the CLIP Sri Lanka, women will be encouraged to actively participate in the planning and management of activities and their viewpoints promoted and taken into account. Decent job creation and income generation activities around biodiversity and waste management will be looked into both in formal and informal sectors, they will particularly focus on the green skills development of women and will be a key priority for the proposed Action. A gender sector analysis (including an analysis of the root causes of gender inequality in the country and the impact on waste management and biodiversity) will be carried out during the inception phase which will yield specific recommendations to integrate women, in all their diversity, within the Action.

### **Human Rights**

Human rights-based approach and its key principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data) will be integrated throughout the Action to increase access to a cleaner environment and responsible use of natural resources, thereby strengthening the resilience of communities as rights holders to climate change and reinforcing the capacities of duty bearers and other stakeholders like the private sector and civil society (including women’s rights organisations and those representing the rights of youth, ethnic minorities, and people with disabilities, among others living in vulnerable situations).

### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D0. This implies that the Action is not considered directly relevant as regards the inclusion of persons with disabilities. However, in alignment with the 2021-2030 EU Disability Strategy, efforts will be made to ensure the specific need and constraints of people with disability will be factored in where possible.

### **Reduction of inequalities**

This Action is considered relevant for inequality reduction, particularly in the context of economic empowerment of communities hard hit by the economic downturn through decent green job creation and income generation. This is in addition to the reduction of gender inequalities described above as biodiversity loss disproportionately impacts women and children, ethnic minorities, etc. The project will consider the reduction of inequalities whenever possible, including in participation in stakeholder planning and management groups.

### **Democracy**

The Action commits to the use of democratic principles such as participation of all sectors of society without bias on the basis of ethnicity, religion, gender or sexual orientation, or other. The Action will make use of participatory processes including consultation, equitable feedback and safe complaints mechanisms. The Action also seeks to build participatory and local governance skills, supporting democratic processes.

### **Conflict sensitivity, peace and resilience**

The Action will be implemented in a country where a 25-year civil war, though ended in 2009, still haunts present relations between ethnic and religious groups and contributes to lack of confidence in government. The economic and political crisis in 2022 saw unprecedentedly high levels of anti-government sentiment and related political instability that continues to this day. In the Central Highlands, ethnic minorities (Tamil plantation worker communities) are among the most disadvantaged groups. By mobilising multiple kinds of stakeholders to work toward a common goal, the Action aims to build trust and constructive working relations across divides and economic empowerment that will build resilience. The Action implementing agency will practice conflict sensitive programme management and do-no-harm approaches, including close monitoring of the context and risks, regular risk mitigation and flexibility in approach.

### **Disaster Risk Reduction**

By contributing to the protection of biodiversity and resilient ecosystems, including through the sustainable management of waste, the Action contributes to the reduction of disaster risks. The Action contributes to DRR and the Sendai Framework by promoting regeneration of natural resources, eliminating pollution and waste that cause damage to human health and natural resource systems, reducing waste and by preventing other types of pollution due to the changing climate, such as leakage of plastics and marine littering.

#### Other considerations if relevant

N.A.

### 3.4 Risks and Lessons Learnt

No.	Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1.	External environment: political risks	Political instability and changing political priorities jeopardise sustainability.	Medium	Medium	EU engages in political dialogue combined with assessments and demonstrations of tangible results. Monitoring of public expenditure also feeds into policy dialogue.
2.	Systems: administrative effectiveness	Non-enforcement of regulations, lack of implementation of plans by the local authorities, poor coordination and enforcement, general lack of capacity and resources.	Medium	Medium	Careful monitoring of effectiveness and efficiency of administration, feeding back into policy dialogue and activities for project to address.
3.	Systems: Lack of supporting services especially finance	Lack of access to finance, lack of government budget beyond running costs.	Medium	Medium	Opportunities for finance to be addressed by the project activities, preparation of bankable projects to be supported. EU to directly influence to provide leverage to government agencies for work around and to provide political/administrative space to pilot different business and financial management models.
	Systems	Resistance to address structural causes of inequalities (in particular discriminatory and patriarchal norms and attitudes) and promote an active engagement of women and youth	Medium	Medium	A robust gender analysis (including an intersectional approach and addressing the structural causes of discrimination) will be carried out during the inception phase in order to inform the implementation of the different activities. Engagement with the Ministry of Women, Child Affairs and Social Empowerment and the Ministry of Sports and Youth

					Affairs, an relevant focal points in the rest of institutions will be promoted.
4.	Systems: engagement of private sector	Private sector partners reluctant to engage or are not attracted to initiatives.	Low	Medium	Engage existing committed and enthusiastic organisations (eg Biodiversity Sri Lanka, RPCs, individuals) to show positive examples of cooperation and recruit new investors. Attention by the project's activities that better management of natural resources benefit local economic development.
<p><b>Lessons Learnt:</b></p> <ul style="list-style-type: none"> <li>• Political commitment, demonstrated not only by formulation of policies but by allocations of respective budget, is paramount and political changes can affect commitment to biodiversity conservation, sound natural resource management and waste management. Working closely with local authorities to capacitate them and demonstrating that both biodiversity and waste management can help revenue generation in a scenario that resources are very limited, can aid in will to get their buy-in.</li> <li>• The EU funded Tourism Resilience Project developed an innovative nature-based tourism product, the “Pekoe Trail”, a 300 km trekking trail in the central highlands which traverses tea plantations, Forest Department lands, and protected areas. The project ends mid-2024 and trail management will be taken over by a Destination Management Organisation established by several RPCs interested in furthering biodiversity conservation and nature-based tourism in the region. The lessons of this project are in the effectiveness of engagement with the private sector that meet EU’s objectives of a green economic recovery promoting rural development and poverty alleviation of vulnerable communities notwithstanding the complexities and commitment needed to make it work.</li> <li>• The GIZ Waste to Value project demonstrated that business models and mobilisation of MSMEs are an effective approach to enhance the value of waste and reduce the amount brought into dumps and landfills and scattered to rivers. Developing 5-year plans for waste management at the local authority level is a successful initiative. But it is imperative to institutionalise and embed waste management activities to overall District plans to ensure their implementation. The lack of data and very low reliability of the existing data are key problems when developing plans with local authorities.</li> <li>• An earlier EU funded waste management project implemented by UNOPS demonstrated the necessity of mobilising all stakeholder groups from the start of planning, to monitoring, to the end, for effective implementation of a sustainable system.</li> <li>• UNDP demonstrated that technologies for biogas production are available and viable.</li> </ul>					

### 3.5 The Intervention Logic

The underlying intervention logic for this action is that :

**IF** the capacities of all relevant stakeholders (households, community, government, private sector with emphasis on women and people living in vulnerable situations ) are increased especially in analysing, developing and creating biodiversity and waste management plans; and **IF** there are inclusive and gender-responsive business models and bankable proposals to achieve goals in management plans and protection of biodiversity; as well that **IF** the waste managers and communities are able to improve and reduce waste management including through innovative technologies and plastic free-zones, and finally **IF** the local communities and the private sector are meaningful engaged in the governance of natural resources including for nature-based tourism, waste management – **THEN** national institutions have better tools to comply with existing regulations, provide sufficient resources, and have knowledge and skills, all stakeholder groups are mobilised to effectively manage waste and have knowledge about the new technologies, and the improved governance is expected to achieve improved protection of biodiversity, especially through improved management of waste.

### 3.6 Logical Framework Matrix

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

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

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

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

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

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	Environmental policies and actions for a green sustainable economic recovery ensuring poverty alleviation and inclusivity are supported.	1. *Number of EU funded initiatives supporting the implementation of political, economic and social reforms and joint agreements in partner countries (MIP 1.2, EURF 20)	1 TBD	1. +1 by 2028	1 project report	<i>Not applicable</i>
<b>Outcome</b>	Improved protection of biodiversity and management of waste	1.1 *Areas of terrestrial and freshwater ecosystems under a) protection and b) sustainable management with EU support (ha) (MIP 3.2; EURF 9)  1.2 *Number of integrated waste management systems developed with EU assistance	1.1 0 (2024)  1.2 0 (2024)	1.1 a) 5 by 2028 (MIP is 10); 1.1 b) 10 by 2028 (MIP is 20)  1.2 at least 1 (MIP is 3)	1.1 Government statistics, Implementing partner reports  1.2 .1 Government statistics, Implementing partner reports	Protection of biodiversity and waste management is a priority for government agencies, local communities and the private sector
<b>Output 1</b>	1.1 Improved effectiveness of management of protected areas or other high-value biodiversity site	1.1.1 No. of management plans a) created or b) improved through project support  1.1.2 No. of PA sites that are compliant with IUCN Green List	1.1.1 None  1.1.2 Zero	1.1.1 TBD  1.1.2 TBD	1.1.1 Project reports, management plans  1.1.2 Project reports, training records, evaluations	Local actors are able to follow through on implementation of the plans that they create with improved capacities; plans are fit for purpose
<b>Output 2</b>	1.2 Increased economic viability and sustainability of management plan or activity	1.2.1 No. of a) partnerships between government, private sector and/or local communities; b) no. of cooperative mechanisms or innovative business models established with EU support  1.2.2 Amount investment by private sector in conservation of protected areas	1.2.1 None  1.2.2 Zero	1.2.1 TBD  1.2.2 TBD;	1.2.1 Project reports; MOUs and partnership agreements; business plans  1.2.2 Project reports/evaluations; company reports  1.2.3 Project reports	Partnerships are economically sustainable and beneficial for all parties; external shocks do not disrupt the market

		<p>Number of women and men headed enterprises receiving credit, micro-credit/financial services, disaggregated at least by sex (GAP III indicator)</p> <p>1.2.3 Number of institutions participating in sub-grant scheme disaggregated by type (local authorities, private sector, NGOs)</p> <p>Number of women benefiting from incentives used to encourage women's entry into the green economy and the circular economy (GAP III indicator)</p>	1.2.3 Zero	1.2.3 TBD		
<b>Output 3</b>	1.3 Reduced plastic and other solid waste generation and dispersion in biodiversity sites and the environment	<p>1.3.1 Amount plastic and solid waste entering waste stream/generated per capita</p> <p>1.3.2 Area/number of plastic-free zones OR * Share of plastic a) <i>bottles</i> b) bags in total packaging (adapted from MIPS 2.7)</p> <p>1.3.3 Number of institutions participating in sub-grant scheme disaggregated by type (local authorities, private sector, NGOs)</p>	<p>1.3.1 TBD</p> <p>1.3.2 TBD</p> <p>1.3.3 TBD</p>	<p>1.3.1 TBD reduction by x%</p> <p>1.3.2 reduction by 80%</p> <p>1.3.3 TBD</p>	<p>1.3.1, 1.3.2 Government and project baseline and endline surveys</p> <p>1.3.4 Project reports</p>	Local authorities, enterprises and communities, commit to SUP reduction and/or plastic free zones and alternatives are viable
<b>Output 4</b>	1.4 Improved processes for effectiveness of solid waste value addition and management	<p>1.4.1 Pct/amount of generated waste that is a) collected and b) segregated</p> <p>1.4.2 Municipal waste recycling rate</p> <p>1.4.3 Amount of GHG (methane) emission avoided with EU</p>	<p>1.4.1 TBD</p> <p>1.4.2 TBD</p>	<p>1.4.1 Increase by x%</p> <p>1.4.2 Increase by x%</p>	<p>1.4.1 Baseline and endline survey</p> <p>1.4.2 Baseline and endline</p>	Local communities and authorities commit to use and maintain systems and equipment; remote area transport/collection cost barriers are overcome. The market for compost, biogas and recycled plastic products is economically viable

		<p>support, per unit of value added-CO<sub>2</sub> equivalent emissions only [EURF 2.7, modified]</p> <p>1.4.4 Pct/amount of biodegradable waste being a) composted or b) going to biogas; and value of the product</p> <p>1.4.5 *Number of green jobs supported/sustained by the EU, disaggregated by gender, age, disability and minority group (if relevant) (adapted from MIP 2.2, EURF 13)</p>	<p>1.4.3 TBD</p> <p>1.4.4 TBD</p> <p>1.4.5 TBD</p>	<p>1.4.3 Decrease by x%</p> <p>1.4.4 Increase by x%</p> <p>1.4.5 Increase by x%</p>	<p>1.4.3 Baseline and endline; extrapolated from amount of waste composted</p> <p>1.4.4 Project reports</p> <p>1.4.5 Project reports</p>	
<b>Output 5</b>	1.5 Improved participation of local communities and the private sector in governance of natural resources including for nature-based tourism, waste management	<p>1.5.1 Number of persons with increased management capacities (<i>disaggregated by</i> gender, age, disability and minority group (if relevant)) and types of capacities</p> <p>% of women in managerial positions in enterprises in the green economy and the circular economy (GAP III)</p> <p>1.5.2 Number of a) cooperative initiatives b) sites being managed (or area in ha) in cooperation with local communities and the private sector</p> <p>Number of women, men, girls and boys, in all their diversity, participating equally in public planning and consultation meetings on local and national levels, disaggregated at least by sex (GAP III indicator)</p>	<p>1.5.1 Zero</p> <p>1.5.2 Zero</p>	<p>1.5.1 TBD</p> <p>1.5.2 TBD</p>	<p>1.5.1 Baseline and endline survey</p> <p>1.5.1 Baseline and endline survey</p>	Local communities and the private sector have an interest in or gain benefit from natural resource management

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this Action, it is envisaged to conclude a Financing Agreement with the Democratic Socialist Republic of Sri Lanka.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this Action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

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

### 4.3 Implementation of the Budget Support Component [For Budget Support only]- N.A.

### 4.4 Implementation Modalities

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

#### 4.4.1 Indirect Management with an Entrusted Entity

This Action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Proven track record of successful project implementation and delivery of tangible outcomes in biodiversity protection and sustainable waste management in Sri Lanka.
- Demonstrated experience in cooperation with relevant government authorities in Sri Lanka.
- Availability of in-house technical expertise and support systems in the sectors of biodiversity protection and sustainable waste management.
- Understanding and commitment to promoting the European Union's identity and branding throughout the programme.

The implementation by this entity entails the achievement of all outcomes and outputs as outlined above in sections 3.1 and 3.6.

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

In case of exceptional circumstances outside of the Commission's control, if negotiations with the entity envisaged under Indirect Management mode fails, the implementation modality described in section 4.4.1 could be changed from indirect management with an entrusted entity into direct management through grants.

##### **Direct Management (Grants)**

##### **(a) Purpose of the grant(s)**

All objectives and results mentioned in section 3.

##### **(b) Type of applicants targeted**

The potential applicants targeted for funding include international organisations and NGOs.

#### 4.5. Scope of geographical eligibility for procurement and grants

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

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

#### 4.6. Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>
<b>Implementation modalities</b> – cf. section 4.4	
<b>All Outputs</b> composed of	
Indirect management with an entrusted entity – cf. section 4.4.1	8 000 000
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	Covered by another Decision
<b>Totals</b>	8 000 000

#### 4.7 Organisational Set-up and Responsibilities

One Project Steering Committee (PSC) will be established and will be co-chaired by the Delegation of the European Union to Sri Lanka and the relevant Government counterpart.

The implementing partner will report to the PSC and function as secretariat to the PSC while the members will be the key stakeholders such as government agencies/departments, local authorities, CSOs/NGOs and private sector who will support the achievement of the Action's objectives. Particular attention will be paid to the representation to equal and meaningful participation of women and youth (and where possible persons with disabilities) in all their diversity in these Committees.

The PSC will meet every six months (unless there is a specific need for additional meetings) and will be instrumental both in ensuring policy dialogue, strategic direction, monitor the overall Action, and support interventions and activities as needed. It has an advisory function to the contracting authority.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate workplans that will be submitted to the PSC and submit regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the Action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality). The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partner will track the progress of the Action implementation through a monitoring and reporting framework. The implementing partner will conduct inception/confirmation study to confirm the rationale and geographic scope within the Central Highlands. Moreover, the implementing partner will conduct baseline, mid-term, and endline study. The Action will be subject to the Results-Oriented Monitoring (ROM) field missions.

Monitoring will assess gender equality results and the implementation of the rights-based approach working principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data). Monitoring will include a gender-performance component based on indicators that are disaggregated by sex, age and disability status where applicable.

## 5.2 Evaluation

Having regard to the nature of the Action, a mid-term and/or a final evaluation will be carried out for this Action or its components via independent consultants contracted by the Commission or joint missions via an implementing partner.

In case a mid-term evaluation is envisaged: It will be carried out for problem solving and learning purposes, in particular with respect to confirming relevance and identifying corrective action, if needed, to the project design.

In case a final evaluation is envisaged, it will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that public-private partnerships are to be enhanced; women and vulnerable populations given economic opportunities; and innovative models for biodiversity protection and waste management could be adapted elsewhere if successful in this Action.

The Commission shall inform the implementing partner at least 3 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

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

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

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

## 5.3 Audit and Verifications

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

# 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.