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Economic Cooperation**

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**2017/EWG54/003**  
Agenda Item: 4a,b

**Energy Efficiency and Low Carbon Measures Sub-Fund; APEC Project Approval Process Update; EWG Project Process (Session 1, 2018)**

Purpose: Consideration  
Submitted by: APEC Secretariat



**54<sup>th</sup> Energy Working Group Meeting  
Wellington, New Zealand  
22-23 November 2017**



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# Energy Efficiency and Low Carbon Measures Sub-fund

EWG54, 22-23 November 2017

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*Penelope Howarth, Program Director, EWG*

# Energy Efficiency and Low Carbon Measures Sub-fund: Background



- APEC's Sub-Fund on Energy Efficiency and Low Carbon Measures (EELCM) established in 2009 with Japan's initial contribution
- Focusses on promoting energy efficiency activities and low-carbon measures in APEC, in particular supporting the Low-Carbon Model Town (LCMT) Projects
- Since 2009 Japan has contributed over US\$ 18.6 million
  - Chinese Taipei: US\$ 500,000; United States: US\$ 392,000
- BMC approved the revised eligibility criteria for the EELCM Sub-fund in November 2017 which will apply from Project Session 1, 2018
- During 2017, a total of about USD 2.9 million was available under EELCM Sub-fund (in 2018 will see 60-40 split between S1 and S2)

# Energy Efficiency and Low Carbon Measures Sub-fund: Revised Eligibility Criteria



Projects must:

- Have **at least 4 co-sponsoring economies** as confirmed by the APEC Secretariat
- Focus on activities which will contribute to achieving **APEC's aggregate energy intensity reduction goal**; and/or
- Focus on activities which contribute to achieving the goal of **doubling the share of renewables**; and
- Meet **capacity building needs** for APEC developing economies; and
- In case of Category 2 (non-LCMT) projects, have a total APEC-funded budget of **USD 100,000** or less. No upper limit for Category 1 projects (1 per year)
- Be **catalytic** (ie lead to concrete actions), clearly demonstrate how they will accelerate progress towards the above APEC goals, including through strong **external partnerships** (eg private sector and international organisations)

# Energy Efficiency and Low Carbon Measures Sub-fund: Revised Eligibility Criteria



- Projects from any APEC forum can apply for EELCM
- Need endorsement of originating forum and EWG
- Appropriate plan for collaboration with EWG during project implementation required in the Project Proposal – EWG members’ feedback on CNs/PPs will help to define
  - eg EWG workshop inputs and funded participation, EWG endorsement of draft publications, briefing of EWG and EWG sub-fora members at meetings or intersessionally on projects pre-approval and during project implementation
- Funding of the project may be withdrawn in case of failure by the PO to implement EWG collaboration approach included in the BMC approved Project Proposal

# Changes to the EWG Project Process



## Energy Efficiency and Low Carbon Measures Sub-fund

- Minimum of 4 co-sponsors needed by the BMC set submission deadline
  - PO needs to secure cosponsors as per the Guidebook on APEC Projects, EWG members confirm to APEC Sec through Co-sponsorship Declaration form
- Maximum APEC-funding per project of USD 100,000 (except for LCMT projects)
- Must contribute to meeting Energy Intensity or Renewable Energy APEC Goals

## EWG Project Process – see separate Map

- Optional early submission for EWG and EG review of CNs (this used to be mandatory)
- CNs must be submitted by the BMC set deadline at the latest, and are still accepted even if it is the first submission



# APPROVAL PROCESS:

## How will projects approved from S1?



After OPTIONAL EWG Review Deadline: EWG and Expert Group/Task Force review Draft Concept Notes



After BMC Internal Deadline: EWG endorses (all EWG CN and all CN applying for EELCM); Scores and determines eligibility for all CN applying for EELCM (/60) using Scoring Template



Concept Notes matched to available funding, starting with the highest scores



BMC approves Concept Notes



Approved CNs developed into Project Proposals



Project Proposals assessed for quality by Forum and APEC Secretariat



Proposals recommended to BMC (projects >US\$200,000 require SOM approval)

# What's next? Session 1



For Optional EWG Review CNs: EWG members to give feedback to POs at this meeting, and if they wish further in writing before end December 2017

All Final CNs need to be submitted by the BMC set 'Internal Deadline' (estimated Jan/Feb), including brand new CNs from EWG and other APEC fora

- EWG members will need to consider all EWG CNs for endorsement
- All CNs (including from other fora) applying for EELCM, will be considered by EWG for endorsement, eligibility and scoring
- All CNs for EELCM must have at least 4 co-sponsors by the Internal Deadline
- Any EWG CNs not applying for EELCM will be scored by another APEC forum
- In case a CN is found to be ineligible for the fund for which it has applied it will not progress further during the project session.



# EWG/APEC Project Approval Process: S1 2018 – Dates and Deadlines



## Session 1, 2018:

- Optional Review: Draft Concept notes being reviewed at EWG54 in November 2017
- All Final CNs will need to be submitted by BMC 'Internal deadline' once set by BMC
- EWG Endorsement, Eligibility and Scoring will be done intersessionally as per BMC deadlines
- 'In principle' funding decision to be advised as per BMC deadlines

**Project Proposals** for Concept Notes approved in Session 1 will be due after the funding decision announcement

**\*\*\*\*\*Please schedule project workshops bearing in mind the approvals timing IE no workshops should be scheduled under S1 projects before July/August 2017\*\*\*\*\***

**BMC-set project session dates with detailed explanations will be available at:** <http://www.apec.org/Projects/Applying-for-Funds.aspx>)

**EWG Project Process and Deadlines are available at:** <http://www.apec.org/Home/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Energy>

# What's next? Session 2 2018



Optional EWG Review Deadline will be set in consultation with EG and TF Chairs (likely in March/April 2018)

All Final CNs will need to be submitted by the BMC set 'Internal Deadline' (estimated June), including new CNs from EWG and other APEC fora

Thank you! Comments/questions welcome?



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# APEC Project Approval Process Update

EWG54, 22-23 November 2017

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*Penelope Howarth, Program Director, EWG*

# Introduction: Background to APEC-wide Project Process changes



- The **APEC Capacity Building Policy** (the Policy) is endorsed by SCE in 2015
- BMC establishes a Small Working Group (SWG) at BMC 1 2016, to explore ways to implement the APEC Capacity Building Policy
- The first ‘bundle’ of changes were approved at BMC2 in 2016
  - These are largely about how to incorporate the Policy Operating Principles into the Guidebook and scoring frameworks
- The second ‘bundle’ of changes were approved at BMC 1 in 2017
  - These are about the new project selection model
- **Senior Officials endorsed all the collective changes at SOM 1, to apply for Project Session 1 2018**

# What is staying the same?

- 2 project sessions a year
- No number limit for proposing the new concept notes
- Fora will still endorse the concept notes
- Each economy will still score every eligible concept note in the scoring process
- BMC will continue to provide the final approval



# So what is changing?

## “Making practical updates to the Guidebook and scoring sheet to reflect the Policy”

- A new Appendix: APEC’s capacity building goals, objectives and operational principles
- Updates to the Concept Note, Project Proposal and Self-Funded Project Proposal Templates
- Guidance on the role of the private sector in sponsorship and implementation of projects
- New Project Scoring Template
  - Includes sub-fund eligibility decision and “*Supports Capacity Building*” added as a new scoring criteria

# So what is changing?

## “Look at ways of streamlining the project approval process and management procedures”

- There will be one scoring stage, a single integrated scoring sheet
- Each APEC project fund and each sub-fund will be assigned to a specified committee or forum, or to Senior Officials, for scoring purposes
  - EELCM Sub-fund has been assigned to EWG members to score
  - EWG projects that apply for other funding sources will not be scored by EWG, but by the forum responsible for that funding source
- These scores alone will determine the final selection order against each fund and sub-fund
- The role of Principal Decision Maker (PDM) will discontinue

# So what is changing?

## “Look at ways of streamlining the project approval process and management procedures (cont’d)”

- Concept notes will be scored against the scoring criteria
- **Only one Monitoring Report for Projects approved 2018 onwards (1 April)**
  - For Projects approved before 2018, 2 MRs a year still required
- **No Quality Assurance Framework (QAF) assessment for project proposals**
- Late project proposals will have a week ‘grace period’ after the advertised submission deadline
- Total funding will be allocated 60% to project session 1, and 40% to project session 2

# Funding sources and responsible fora



Fund	Fora	Funding Criteria
<b>General Project Account</b>	SOM	Senior Officials will approve annual criteria (incoming/outgoing host themes)
<b>ASF General Fund</b>	SOM	The Manila Framework on ECOTECH
<b>TILF</b>	CTI	The Osaka Action Agenda
<b>Connectivity Sub-Fund</b>	SCE*	Existing sub-fund eligibility and terms of reference as applicable.
<b>Energy Efficiency Sub-Fund</b>	EWG	As above
<b>FTAAP and GVCs Sub-Fund</b>	CTI*	As above
<b>Health and Emergency Preparedness Sub-Fund</b>	SCE	As above
<b>Human Security Sub-Fund</b>	SCE	As above
<b>IERG Sub-Fund</b>	SCE*	As above
<b>Mining Sub-Fund</b>	MTF*	As above
<b>MSME Sub-Fund</b>	SMEWG*	As above
<b>RAASR Sub-Fund</b>	EC*	As above
<b>Supply Chain Connectivity Sub-Fund</b>	CTI*	As above
*Already decide eligibility for these funds		



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<b>Project Fund</b>	<b>Project Session 2, 2017</b>
<a href="#"><u>General Project Account (GPA)</u></a>	\$ 975,000
<a href="#"><u>Trade &amp; Investment Liberalisation and Facilitation Account (TILF)</u></a>	\$ 504,000
<a href="#"><u>APEC Support Fund (ASF) General Fund</u></a>	\$ 1,166,000
<b>ASF Sub-funds</b>	
<a href="#"><u>Human Security</u></a>	\$ 211,000
<a href="#"><u>Health &amp; Emergency Preparedness</u></a>	\$ 99,000
<a href="#"><u>Energy Efficiency</u></a>	\$ 1,440,000
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<a href="#"><u>Connectivity</u></a>	\$ 168,000
<a href="#"><u>Micro, Small and Medium Enterprises</u></a>	\$ 454,000
<a href="#"><u>Renewed APEC Agenda on Structural Reform (RAASR)</u></a>	\$ 1,800,000



# Description and Eligibility Criteria for APEC Project Funds



## General Project Account (GPA)

From mandatory annual APEC membership contributions.

No restrictions on funding from the GPA. It can support all types of APEC projects.

***Responsible APEC forum: Senior Officials Meeting (SOM)***

## Trade and Investment Liberalisation and Facilitation Account (TILF)

***Please note: TILF funding is subject to a cap of US\$100,000 (not inclusive of any self-funding/co-funding portion of the project) with effect from 1 January 2015.***

All TILF projects must clearly contribute to achieving trade and investment liberalisation and facilitation objectives that are articulated by Leaders' or Ministers' directives or relate to at least one of the 15 areas listed in Part 1 of the [Osaka Action Agenda](#). Member economies must self-fund 50% of the total value of the project for non-travel eligible economies, and 20% of the total value of the project for travel eligible economies.

***Responsible APEC forum: Committee on Trade and Investment (CTI)***

# Description and Eligibility Criteria for APEC Project Funds



## **APEC Support Fund (ASF) General**

ASF projects must clearly demonstrate that they address the capacity-building needs for APEC developing economies in agreed high-priority areas for economic and technical cooperation (also applies to all ASF sub-funds).

***ASF General Fund has a cap of US\$150,000 (not inclusive of any self-funding/co-funding portion of the project)***

Priority areas covered by the ASF General Fund are the ECOTECH Priority Themes articulated in the [Manila Framework](#), including:

- Developing Human Capital;
- Strengthening economic infrastructure;
- Facilitating technology flows and harnessing technologies for the future;
- Safeguarding the quality of life through environmentally sound growth; and
- Developing and strengthening the dynamism of Small and Medium Enterprises (SMEs);

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# Description and Eligibility Criteria for APEC Project Funds



## **ASF Sub-Fund on Innovative Development, Economic Reform and Growth**

***Cap of US\$150,000 (not inclusive of any self-funding/co-funding portion of the project).***

Established in 2015, this Sub-Fund supports the direction set in *the APEC Accord on Innovative Development, Economic Reform and Growth* endorsed at the APEC Economic Leaders Meeting in 2014 (Annex C of the 2014 Leaders' Declaration) - includes Sustainable Urbanisation.

***Responsible APEC forum: SOM Steering Committee on Economic and Technical Cooperation (SCE)***

## **ASF Sub-Fund on Micro, Small and Medium Enterprises**

***Cap of US\$125,000 (not inclusive of any self-funding/co-funding portion of the project).***

Aims to directly involve developing APEC MSMEs in project activities to support the building of inclusive economies through MSME-led poverty reduction. To be considered for the MSME Sub-Fund, concept notes must demonstrate how developing APEC MSMEs will directly participate in, and benefit from, the proposal from a poverty reduction perspective.

***Responsible APEC forum: SME Working Group (SMEWG)***

# Description and Eligibility Criteria for APEC Project Funds



## **ASF Sub-Fund on the Renewed APEC Agenda for Structural Reform (RAASR)**

Established in 2017, this Sub-Fund assists developing economies to implement their structural reform priorities nominated under RAASR. To be eligible for funding under this sub-fund, project concept notes must support the implementation of developing economies' RAASR Individual Action Plans (IAPs). Project concept notes should include an explanation of how they support the economy's IAP.

***Responsible APEC forum: Economic Committee (EC)***

## **Self-Funding**

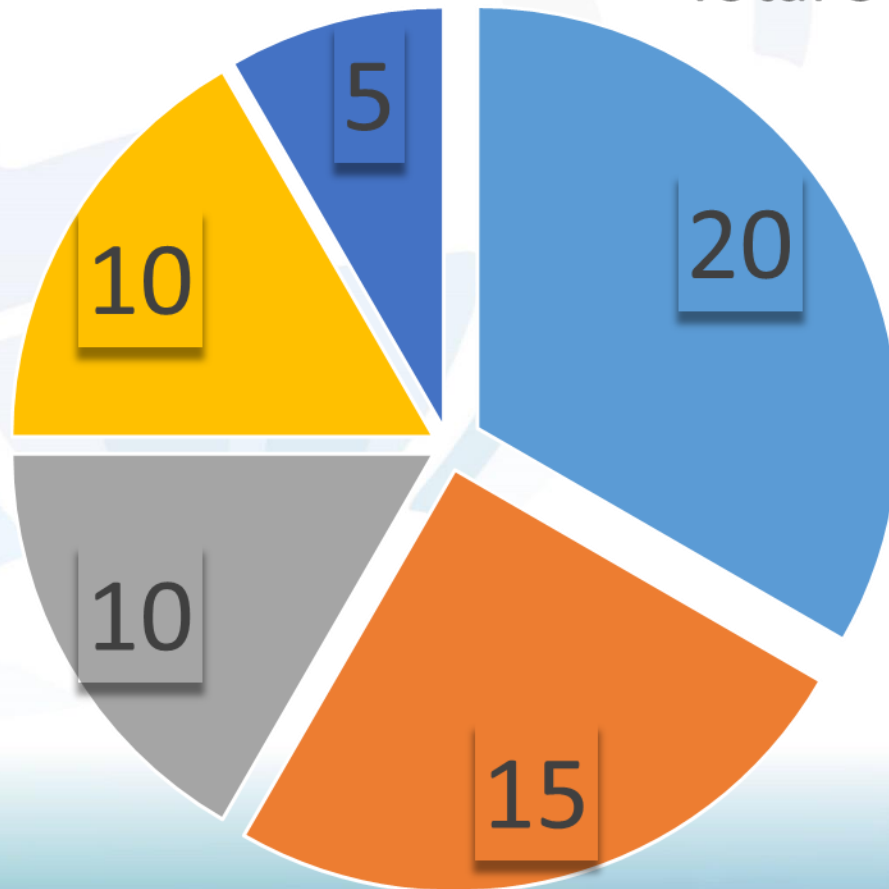
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Fully self-funded projects can be put forward at any time to the relevant APEC forum for approval by consensus. POs of self-funded projects must submit the [Self-Funded Project Proposal Coversheet](#) into the APEC project database before commencement of the project. POs of self-funded projects are strongly encouraged to submit Completion Reports.

**...Upcoming new ASF Sub-fund – Women and the Economy**

# New scoring framework

Total Scores:60



- APEC Funds' Priorities
- Quality
- Home Economy Priorities
- Capacity Building
- Collaboration





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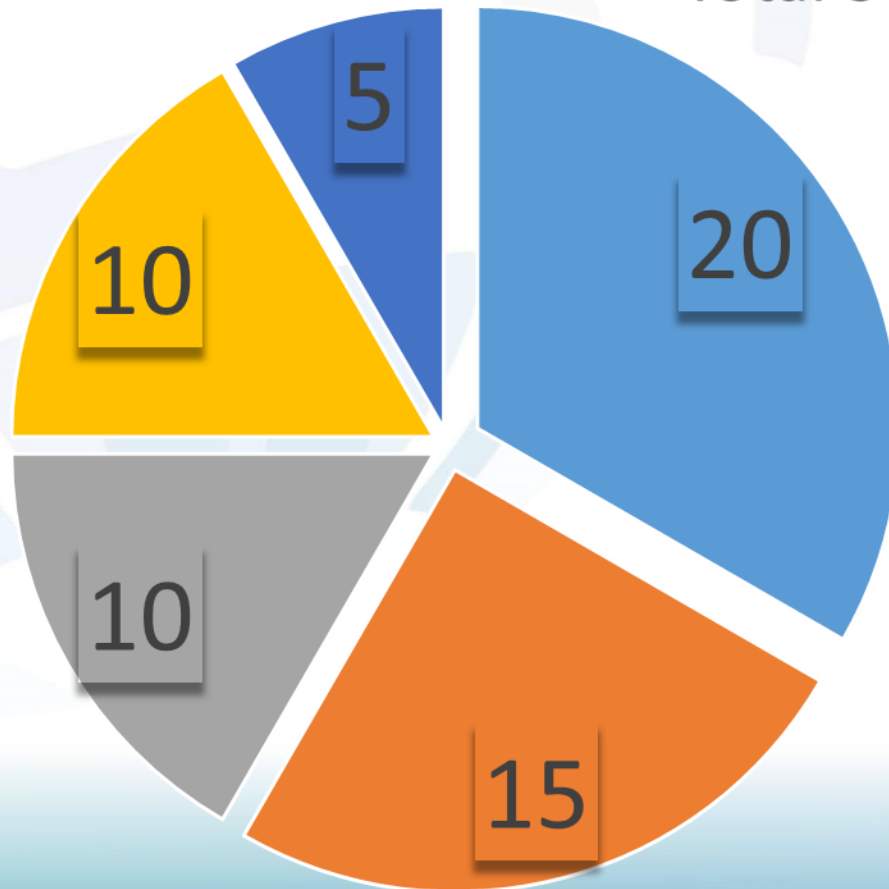
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# Changes to the EWG project process and EE sub-fund



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- Maximum APEC-funding per project of USD 100,000 (except for LCMT projects)
- Must contribute to meeting Energy Intensity or Renewable Energy APEC Goals
- Approval by BMC being sought again in November 2017.

## EWG Project Process – see separate Map

- Optional early submission for EWG and EG review of CNs (this used to be mandatory)
- CNs must be submitted by the BMC set deadline at the latest, and are still accepted even if it is the first submission

# What's next? Session 1



For Optional EWG Review CNs: EWG members to give feedback to POs at this meeting, and if they wish further in writing before end December 2017

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# What's next? Session 2 2018



Optional EWG Review Deadline will be set in consultation with EG and TF Chairs (likely in March/April 2018)

All Final CNs will need to be submitted by the BMC set 'Internal Deadline' (estimated June), including brand new CNs from EWG and other APEC fora

Thank you! Comments/questions welcome?

**Co-sponsorship Declaration Form** (for completion by EWG Representatives)

**APEC Forum:** Energy Working Group

**Project Session:** Session 1 2018

**ECONOMY:** [INSERT ECONOMY]

**Completed by EWG** [INSERT NAME]

**Delegate:**

Project No. (P/N)	Sub-forum (as applicable)	Project Title	Proposing Economy	Co-sponsors as indicated in the CN*	Amount Sought from APEC (US\$)	Does your economy Co-sponsor this Concept Note? (Yes / No)
EWG1	LCMT	APEC Low-Carbon Model Town (LCMT) Project Dissemination Phase 2	Japan	TBC	761,709	
EWG2	EGCFE	Orphan oil, gas wells and facilities in Mexico: a chance to identify, innovate and resolve	Mexico	Canada, Japan and United States	150,000	
EWG3	EGCFE	International seminar for the development of the natural gas market	Mexico	Canada, Peru	70,000	
EWG4	EGCFE	Mexico's oil products industry forum	Mexico	Canada, Japan	50,000	
EWG5	EGCFE	APEC Expert Workshop on High-Efficiency, Low-Emission (HELE) Coal-Fired Power Generation	USA	Australia, Viet Nam	100,000	
EWG6	EGEEC	Creation of Atlas of remote areas and islands of APEC economies for sustainable energy development	Russia	TBC	83,000	
EWG7	EGEEC	Aligning Conformity Assessment Efforts for Energy Efficiency Regulations of Motors in the APEC and ASEAN Regions	USA	TBC	100,000	
EWG8	EGEEC	Coordinating Standards for Cool Roof Testing and Performance	USA	Japan, Mexico, Thailand	100,000	
EWG9	EGEEC	APEC Distribution Transformers Losses Reduction Project	Thailand	TBC	100,000	
EWG10	EGEEC	APEC Peer Review on Energy Efficiency (PREE) Phase 8	Japan	TBC	99,810	
EWG11	EGNRET	Policy and technology analysis to support development and deployment of renewable energy in APEC Region	China	TBC	100,000	
EWG12	EGNRET	Filling the Gap to Reach the Goal of Doubling Renewable Energy in the APEC Region-Phase 2	Chinese Taipei	TBC	100,000	
EWG13	ERTF	APEC Workshop on Integrated Energy-Water Planning and Policy Formulation	USA	Papua New Guinea	100,000	

\* The economies listed in the CN at this stage are preliminary only and may be based by POs on discussions at EG/TF or other levels. The final Co-sponsors to be included in the CNs will be determined by the returns by EWG members of the 'Project Co-sponsorship Form' completed by EWG Representatives and submitted to the APEC Secretariat.

## EWG Project Process (from Session 1, 2018)

### Step 1: Project Development with EWG Review (optional)

PO drafts CN in consultation with Proposing Economy's APEC Forum (eg EWG) representative.

Proposing Economy Forum Representative can contact other economies' Fora representatives seeking project inputs and possible co-sponsorship.

The Proposing Economy Fora Representative submits project CN to EG/TF and APEC Secretariats by the **optional EWG Project Review Deadline** which is no later than **4 weeks** before EWG meeting (see APEC website)

Or Proposing Economy Fora Representative forwards CN to APEC Secretariat by the **optional EWG Project Review Deadline** with justification for not going through EWG EG/TF.

### Project Refinement through EWG, Expert Groups/Task Force

EG/TF members review CNs and provide feedback to PO and Proposing Economy EWG and EG/TF Representatives. PO resubmits revised CN to EG/TF Chair and Secretariat

EG/TF Chair forwards latest CN version to APEC Secretariat no later than 2 weeks before EWG meeting.

APEC Secretariat circulates all CNs received from the EG/TF chairs to EWG members 2 weeks before EWG meeting together with Co-sponsorship Declaration Form. CNs are discussed at EWG meeting. Proposing Economy EWG Representative communicates EWG feedback to PO.

### Step 2: Formal Submission, EWG Endorsement, Co-sponsorship and Scoring (mandatory)

PO finalises CN and Proposing Economy Fora Representative submits Final CN to APEC Secretariat by the **APEC Internal Deadline.**

Originating Fora representatives submit Co-sponsorship Declaration Form to APEC Secretariat by the **APEC Internal Deadline.**

### 3. EWG and EELCM Sub-fund Project Endorsement, Eligibility Assessment and Scoring

APEC Secretariat reviews Final CNs received for compliance (eg minimum number of verified co-sponsors). APEC Secretariat circulates to EWG members all EWG CNs, together with any CNs received from other APEC Fora which are applying for Energy Efficiency and Low Carbon Measures (EELCM) ASF Sub-fund.

EWG members make **endorsement** and **EELCM eligibility** decision and **score** all CNs from all APEC fora applying for EELCM ASF Sub-fund. EWG makes **endorsement decision only** for EWG CNs seeking funding from other sources.

APEC Secretariat informs PO and originating APEC Fora members of BMC 'approval in-principle' outcome for CNs.

PO can choose to go straight to Step 2





**Please follow these instructions:**

- 1 Score each of the concept notes listed by entering a score for each of the criteria 1-5 (these cells are shaded yellow). The maximum score is shown at the top of the column. **Do not exceed this value** (eg "/ 10" means a score on that criteria MUST NOT exceed 10.)
- 2 **You must score all of the concept notes** listed on the scoring template. Incomplete scoring templates can create an unfair advantage for some concept notes and a disadvantage for others, and so are considered non-compliant. The Secretariat will follow up with economies on non-compliant scoring templates, if there is time permitting.
- 3 The template will automatically total each score in the green column (column N). **Do not type in this green column.**
- 4 Return your completed scoring template to the APEC Secretariat through your Program Director **by the date requested**. Economies that miss this deadline will be considered to have abstained from the scoring process.
- 5 The APEC Secretariat will create an average score for each of the concept notes listed based on the scores provided by each member economy. Using the averaged scores, the APEC Secretariat will create an order of priority for the concept notes. The highest scoring concept note will be priority 1, second highest will be priority 2, and so on until all concept notes have been included in the order of priority. Concept notes that have the highest priority will have the first opportunity to receive funding.

Page	Description
Throughout	A range of minor revisions to enhance expression and establish consistent formatting and style.
7	Acronym table updated to reflect deletion of Quality Assurance Framework (QAF) and Principle Decision Maker (PDM).
<b>Chapter 1. Introduction</b>	
8	New Introduction, including references to the <i>APEC Capacity Building Policy (2015)</i>
<b>Chapter 2. Roles and Responsibilities</b>	
10-11	The roles and responsibilities of Senior Officials (or delegates) updated to reflect eligibility and scoring roles for GPA and ASF General Fund. PDM role is deleted. Proposing forum no longer score; QAF requirement removed; and Monitoring Report due once a year (1 April) for projects selected from 2018 onwards. APEC Committee information is deleted. Replaced with a new section describing the roles and responsibilities of 'Responsible APEC Fora', who oversee eligibility and scoring for specified funding sources. Specific fora/funding source information will be placed on <a href="http://www.apec.org">www.apec.org</a>
11	Project Overseers (POs) need not be government officials, subject to sponsoring economy support.
13	Program Directors (PDs) authority for waivers, extensions and design amendments clarified.
<b>Chapter 3. Funding and Accounts</b>	
15	Update to specify that the funding priorities of the General Project Account (GPA) shall be combined host-year priorities of the outgoing APEC host economy and the incoming host economy, as agreed by Senior Officials.
16-17	Clarifications regarding the operation and structure of the TILF and ASF project funding accounts.
17	Update to specify that the funding priorities of the ASF General Fund are the Priority Themes of the Manila Framework for Strengthening Economic Cooperation and Development. Deletion of statement that Concept Notes found ineligible for ASF sub-funds, will be otherwise eligible for ASF General Fund.
18-19	Expanded coverage of Self-funding. New content in relation to non-APEC sources of funding (e.g. private sector).
<b>Chapter 4. APEC Project Cycle; Chapter 5. Applying for Funding; Chapter 6. Project Implementation and Monitoring; Chapter 7. Project Completion and Chapter 8. Multi-Year Projects.</b>	
21-22	Clarification on the preparation, endorsement and submission of Concept Notes
23-24	A number of changes to reflect the new project scoring and selection mechanism (i.e., 'responsible APEC fora' undertake eligibility and scoring; a single layer of scoring; no PDM process, etc.)
24	Clarification that Project Proposals not submitted by the Project Proposal deadline will be given a grace period of one week following the deadline, after which they will be considered withdrawn and 'in-principle' approval will be revoked.
24-25, 27	References to the QAF have been deleted. Operating guidance for project Steering Committees added.
28	New annual requirement for Monitoring Reports (1 April) is recorded (projects commencing from 2018).
<b>Chapter 9. APEC Project Expenses and Chapter 10. General Disbursement Procedures</b>	
34	Clarification that honoraria must be framed in a travel/work undertaking and cannot be paid on a retrospective claims basis.
35	Clarification around 'simultaneous interpretation costs' (definition, waivers and contracting)
36	Inclusion of RAASR sub-fund within interpretation/translation policy that applied to the preceding ANSSR sub-fund.
36	Clarification regarding activities that constitute 'Direct Labour'
37	Clarification that contractors can be individuals or entities.
38	Clarification regarding the meaning of "airfare".
38-39	Clarification on reference rates and basis for per diem calculations.
41	Clarifications regarding per diem and other aspects of non-allowable travel expenses; and PO travel expenses.
43	Clarification of policy regarding the expenses for translation and reproduction of final project reports.
43	Clarification regarding the funding of items such as stationery, communication, portable memory devices, or items deemed to promotional, or as gifts. Also clarification regarding translation costs.
46-47	Clarification regarding disbursements, including deadlines, and honoraria, travel expenses and other payment types.
48	Clarification regarding advance payments, instalments etc.
<b>Chapter 12. Contracting</b>	
51	Clarification on the extent to which APEC meets the travel and per diem expenses of contractors engaged to provide clerical, administrative or logistical support.
51-54	Explanation of the 'notice of declaration' requirements for contractors, across all procurement thresholds.
<b>Appendices</b>	
Appendix A	Concept Note template modified to reflect new project selection and scoring process, and for POs to specify the developing economy beneficiaries of ASF projects (to assist eligibility checking).
Appendix B	Project Proposal template aligned to modifications in Concept Note template.
Appendix C	Self-Funded Coversheet expanded to include 'Self-Funded Project Synopsis'.
Appendix E	Monitoring Report modified to reflect the new annual reporting requirement.
Appendix K	New appendix: Capacity Building Goals, Objectives and Principles

**S1 2018 Draft CNs received for EWG Optional Review**

Serial No.	EWG Sub-forum	Project	Proposing Economy	Co-sponsors*	Amount Requested (USD)	APEC Funding Source
EWG1	LCMT	APEC Low-Carbon Model Town (LCMT) Project Dissemination Phase 2	Japan	TBC	761,709	ASF Sub-fund on Energy Efficiency and Low Carbon Measures (EELCM)
EWG2	EGCFE	Orphan oil, gas wells and facilities in Mexico: a chance to identify, innovate and resolve	Mexico	Canada, Japan and United States	150,000	General Project Account (GPA)
EWG3	EGCFE	International seminar for the development of the natural gas market	Mexico	Canada, Peru	70,000	ASF General Fund
EWG4	EGCFE	Mexico's oil products industry forum	Mexico	Canada, Japan	50,000	ASF General Fund
EWG5	EGCFE	APEC Expert Workshop on High-Efficiency, Low-Emission (HELE) Coal-Fired Power Generation	USA	Australia, Viet Nam	100,000	ASF Sub-fund - EELCM
EWG6	EGEEC	Creation of Atlas of remote areas and islands of APEC economies for sustainable energy development	Russia	TBC	83,000	Not yet indicated
EWG7	EGEEC	Aligning Conformity Assessment Efforts for Energy Efficiency Regulations of Motors in the APEC and ASEAN Regions	USA	TBC	100,000	ASF Sub-fund - EELCM
EWG8	EGEEC	Coordinating Standards for Cool Roof Testing and Performance	USA	Japan, Mexico, Thailand	100,000	ASF Sub-fund - EELCM
EWG9	EGEEC	APEC Distribution Transformers Losses Reduction Project	Thailand	TBC	100,000	ASF Sub-fund - EELCM
EWG10	EGEEC	APEC Peer Review on Energy Efficiency (PREE) Phase 8	Japan	TBC	99,810	ASF Sub-fund - EELCM
EWG11	EGNRET	Policy and technology analysis to support development and deployment of renewable energy in APEC Region	China	TBC	100,000	ASF Sub-fund - EELCM
EWG12	EGNRET	Filling the Gap to Reach the Goal of Doubling Renewable Energy in the APEC Region-Phase 2	Chinese Taipei	TBC	100,000	ASF Sub-fund - EELCM
EWG13	ERTF	APEC Workshop on Integrated Energy-Water Planning and Policy Formulation	USA	Papua New Guinea	100,000	ASF Sub-fund - EELCM
Total					1,914,519	
Total - EELCM					1,561,519	

The economies listed in the CN may not all be confirmed at this stage and may be based by POs on discussions at EG/TF or other levels. The final Co-sponsors to be included in the CNs will be determined by the returns by EWG members of the 'Project Co-sponsorship Form' completed by EWG Representatives and submitted to the APEC Secretariat.

\* **Co-sponsors:**

## **Eligibility Criteria and Guidelines for Accessing the Energy Efficiency and Low Carbon Measures Sub-Fund**

This paper sets out the overall governance arrangements for the Energy Efficiency and Low Carbon Measures (EELCM) Sub-Fund including the eligibility criteria.

### **Background**

APEC's Sub-Fund on Energy Efficiency and Low Carbon Measures was established in 2009 with Japan's initial contribution of JPY120 million and additional JPY360 million in 2010 to promote energy efficiency activities and low-carbon measures in APEC. In particular the funds are for supporting the Low-Carbon Model Town (LCMT) Projects, a low-emission urban development initiative, agreed at the APEC Energy Ministers Meeting in June 2010 in Fukui, Japan.

### **Administration of the EELCM Sub-Fund**

The APEC Secretariat will be responsible for the administration of the EELCM Sub-Fund. Projects that have been assessed and endorsed by the EWG, according to the EWG agreed eligibility criteria, will be allocated to the list of applications for the EELCM Sub-Fund. Following scoring of eligible Concept Notes by the EWG, the Secretariat will calculate how many of the projects can be funded from the available EELCM Sub-Fund balance for the project Session underway. Concept Notes which can be funded from the balance will then be submitted to the Budget Management Committee (BMC) for approval in accordance with the Guidebook on APEC Projects.

### **Guidelines for Accessing the EELCM Sub-Fund**

Any interested member economy may submit Concept Notes (CNs) which fall within the scope of the sub-fund. All APEC fora may apply for EELCM funding. Every CN applying for the EELCM Sub-fund must have no fewer than four co-sponsors, irrespective of the originating forum. Co-sponsorship must be obtained in writing by the Project Overseer (PO) from an originating fora representative in accordance with the Guidebook on APEC Projects, before seeking endorsement (or co-endorsement) from EWG. In the case of CNs originating in EWG, co-sponsorship decisions are confirmed to the APEC Secretariat through submission by fora representatives of a Co-sponsorship Declaration Form. For POs outside EWG it is strongly recommended that their EWG economy representatives, and the EWG representatives of the co-sponsoring economies, are made aware of the CN in the interest of concept socialisation.

All CNs seeking EELCM funding must be endorsed by consensus by EWG members to be considered eligible. CNs originating outside EWG must first be endorsed by the originating forum. CNs originating in any APEC forum may be submitted for review and endorsement at Submission Step 1 (see below), but this is not mandatory, and EWG endorsement may be sought on an inter-sessional basis during the standard time allocated for endorsement within the standard APEC Project Session cycle. See Submission Option 2 (below).

#### **Submission Step 1 (Optional Draft Concept Note Review)**

*Submit the Draft Concept Note early and benefit from the feedback from EWG and EWG sub-fora members. This step is optional.*

Under the optional Step 1, any CN, including those from fora outside EWG, can be submitted by the Proposing Economy Fora representative (or POs in the case of submission of CNs by the PO) to the relevant Expert Groups (EG)/Task Forces (TF) and the PD below by the Step 1 submission deadline, i.e. the 'EWG Project Review Deadline', for review. This deadline are typically well in advance of the standard APEC Project Session cycle and you are advised to check the APEC website for more information. The timelines for Step 1 processes for EWG will be announced by the PD after consultation with the EWG Secretariat, if possible at least 2 months prior to the Step 1 Submission deadline (the 'EWG Project Review Deadline').

The PO is strongly advised to nominate one or more of the EWG Sub-fora to assess the CN, as relevant to the particular CN.

EWG Sub-fora are as follows:

- Expert Group on Clean Fossil Energy (EGCFE)
- Expert Group on Energy Data and Analysis (EGEDA)
- Expert Group on Energy Efficiency and Conservation (EGEEC)
- Expert Group on New and Renewable Energy Technologies (EGNRET)
- Low-Carbon Model Town Task Force (LCMT-TF)
- Energy Resiliency Task Force (ER-TF).

As per the provisions of the EWG Project Process, projects which cut across the mandates of more than one EWG Expert Group or Taskforce are strongly advised to be submitted for review to all relevant EWG sub-fora.

CNs will be reviewed by the relevant EWG Sub-fora, and/or EWG itself, and the PO will have the opportunity to revise and strengthen the CN in accordance with the feedback received from members and guests of EWG and its sub-fora.

The final CN will then be submitted by the Proposing Economy Fora representative (or POs in the case of submission of CNs by the PO) to the APEC Secretariat according to the standard APEC Project Session deadlines approved by BMC, for subsequent endorsement, eligibility assessment and scoring by EWG (see Step 2 below).

#### Submission Step 2 (Finalised Concept Note Assessment)

*Submit the CN to the PD by the standard APEC Project Session deadlines for endorsement, eligibility assessment and scoring by EWG. This step is mandatory.*

All Proposing Economy Fora representatives (or POs in the case of submission of CNs by the PO) will need to follow the standard APEC Project Session deadlines and submit a finalised CN (whether or not it has been reviewed in accordance with Step 1 under EWG Project Process) to the APEC Secretariat for EWG's endorsement (or co-endorsement), eligibility assessment and scoring on an inter-sessional basis according to the standard APEC Project Session deadlines approved by BMC. Hence the deadline to submit new concept notes under EWG and its sub-fora will be the same as the deadline that applies to all other APEC concept notes (i.e. a date in 2018 for 2018 concept note submissions). CNs originating from fora other than EWG will need to be endorsed by their respective originating fora before seeking endorsement from EWG.



## **EELCM Sub-Fund Eligibility Criteria and Assessment**

All Concept Notes seeking funding from the EELCM sub-fund, that have been endorsed (or co-endorsed in the case of other fora) by EWG; meet the co-sponsorship requirements; and are otherwise conform to the Concept Note compliance requirements of the Guidebook on APEC Projects, will be submitted by the APEC Secretariat to EWG for eligibility assessment, following the standard Project Session deadlines.

EWG members will decide the eligibility of each Concept Note by consensus. If any member assessing a Concept Note decides that it is ineligible for funding under the EELCM Sub-fund, they will be required to provide a reason, which will be shared with the PO by the APEC Secretariat, on a non-attribution basis. Only those Concept Notes assessed as eligible will be subsequently scored by EWG.

Proposals to be considered for the EELCM Sub-Fund must have a clear relation and contribution to dissemination of low-carbon towns and/or improvement of energy efficiency and/or accelerating deployment of renewable energy.

*To be eligible, projects must:*

- Have at least 4 co-sponsoring economies from the project's originating forum, as confirmed by the APEC Secretariat; and
- Focus on activities which will contribute to achieving APEC's aggregate energy intensity reduction goal of 45% by 2035 which was agreed at the APEC Leaders Meeting in Honolulu in 2011; and/or
- Focus on activities which contribute to achieving the goal of doubling the share of renewables by 2030 which was endorsed by the APEC Leaders Meeting in Beijing in 2014; and
- Demonstrate that the proposed project will meet capacity building needs for APEC developing economies; and
- In case of Category 2 projects, have a total APEC-funded budget of USD 100,000 or less.

Projects applying for the sub-fund should be catalytic (ie designed to lead to concrete actions), and clearly and practically demonstrate how they will accelerate progress towards achieving APEC's renewable energy and/or energy intensity goals across APEC economies, including through strong partnerships with relevant external stakeholders including, where relevant, private sector and international organisations.

## **EELCM Sub-Fund Scoring**

All CNs assessed as eligible by EWG are then scored by EWG, according to the APEC Project Session deadlines. The standard APEC Scoring Template will be used.

## **Priority for funding**

### Category 1 Projects

Support for the projects listed in Category 1 are the top priority of the EELCM Sub-Fund and as such, subject to EWG endorsement, a maximum of 1 project per year would be funded from Category 1 project applications, before all other projects applying for the sub-fund. Therefore, the highest scoring Category 1 Concept Note will be funded first before any Category 2 Concept Notes are recommended for funding:

- Low-Carbon Model Town (LCMT) as reflected in the official APEC LCMT Concept approved by all EWG members, including through policy making and dissemination of APEC low-carbon towns. This concept may continue to evolve and improve over time on the basis of lessons learned from previous phases and feedback from EWG members.
- Only one project per year will be eligible for funding under Category 1. Priority for funding will be determined by the scores given to Category 1 projects, with the project funded to be determined by the highest scoring Category 1 project for any given calendar year.
- POs for Category 1 projects are strongly encouraged to follow Submission Option 1 to allow their Category 1 project(s) to be reviewed by the Low Carbon Model Town Task Force of EWG.

### Category 2 Projects

The highest scoring Category 2 Concept Notes will only be funded after the highest scoring Category 1 Concept Note has been funded:

- Category 2 Projects are defined as all other energy efficiency and low carbon measures projects, including renewable energy projects, and must also meet the EELCM eligibility criteria.
- Category 2 projects may include Peer Review on Energy Efficiency (PREE) and Peer Review on Low-Carbon Energy Policies (PRLCE) projects. LCMT related projects not funded under Category 1 may also be considered under Category 2.
- Each project in Category 2 is required to have 50% of total average score as a minimum to be eligible in order to enhance project quality.

With the **exception** of Category 1 projects, **a funding cap of USD100,000 will apply** to CNs applying for the EELCM Sub-Fund. Self-funding is therefore a potentially important component of the total APEC project budget and is welcomed.

If there are no Category 1 applications in a project session, all available project funding would be available to Category 2 project applications for that project session.

## **Development of Project Proposals**

All Project Proposals will be submitted to the APEC Secretariat through the relevant Program Director, as per the standard APEC-wide process. Project Proposals would require the endorsement of EWG, regardless of the originating forum. In case of projects originating from fora outside EWG, the PO must ensure that the Project Proposal demonstrates a plan for appropriate collaboration with EWG during project implementation, as well as a collaboration plan in the post implementation phase.

Appropriate collaboration with EWG during project implementation could include, but is not limited to, seeking EWG inputs to workshop agendas, funding participation of EWG nominated speakers and participants at any events held under the project, seeking EWG members' endorsement of any draft publications, briefing of EWG and EWG sub-fora members at meetings or intersessionally on projects during any pre-approval review as per the EWG Project Process and during project implementation as per the provisions of EWG and its sub-fora, (for instance as communicated through meeting agendas including such presentations on projects). Final project outputs and outcomes, should also be shared with EWG members as appropriate, through the APEC Secretariat.

In case of failure by the PO to implement EWG collaboration approach included in the BMC approved Project Proposal, or any other aspects of the approved Project Proposal, without the necessary project amendment approval as per the Guidebook on APEC Projects, funding of the project may be withdrawn in accordance with the Guidebook on APEC Projects.