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**COMMISSION IMPLEMENTING DECISION**

**of 4.7.2018**

**on the 2018 Partnership Instrument Annual Action Programme for cooperation with  
third countries to be financed from the general budget of the European Union**

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## on the 2018 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>1</sup>, and in particular Article 84 (2) thereof,

Having regard to the Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action<sup>2</sup>, and in particular Article 2(1) thereof,

Whereas:

- (1) The objectives pursued by the annual action programme to be financed under the Partnership Instrument<sup>3</sup> are to advance and promote Union and mutual interests through cooperation with third countries. The Commission has adopted an Implementing Decision on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020<sup>4</sup>. In line with the Multiannual Indicative Programme, this annual action programme includes measures in the following areas: support for the Union's cooperation partnership strategies, cooperation on global challenges, implementation of the international dimension of the "Europe 2020" strategy and promotion of the Union's internal policies abroad, support for economic and trade relations as well as promotion of the Union's values and interests;
- (2) The action entitled "Reducing plastic waste and marine litter in East and South East Asia – Supporting a transition to a circular economy in the region" aims to promote sustainable consumption and production of plastic, including waste management aspects and prevention of plastic waste entering into the marine environment, via a set of activities that will support a transition towards a more circular economy, in line with the EU Circular Economy Action Plan and the Plastic Strategy. The action will be implemented in indirect management with Member State agencies, notably Agence Française d'Expertise Technique Internationale (AFETI) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ);

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<sup>1</sup> OJ L 298, 26.10.2012, p. 1

<sup>2</sup> OJ L 77, 15.3.2014, p. 95

<sup>3</sup> Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (OJ L 77, 15.3.2014, p. 77).

<sup>4</sup> C(2018) 4001

- (3) The action entitled "Promoting key aspects of environmental protection in Russia through civil society engagement" aims to contribute to tackling key environmental issues in Russia through strengthening the participation of civil society organisations in the process of environmental policy development, implementation and oversight. The action will be implemented in direct management via the direct award of a grant to the World Wide Fund for Nature Russia (WWF);
- (4) The action entitled "Follow-up to the strategic plan for biodiversity" aims to develop an effective EU environment diplomacy in the field of biodiversity at global level, and in particular in relation to China, by framing the Convention for Biological Diversity process and placing the EU as key interlocutor on biodiversity, and thereby contributing to the adoption of an ambitious follow-up to the Strategic Plan for Biodiversity. The action will be implemented in indirect management with a Member State agency, notably Agence Française d'Expertise Technique Internationale (AFETI);
- (5) The action entitled "Ocean Governance: Protecting and restoring marine ecosystems, catalysts for building peace and security, and fostering sustainable economies " aims to increase the EU's role as a global actor in international ocean governance by fostering regional and interregional cooperation relevant to the protection and restoration of marine and coastal ecosystems. The action will be implemented in direct management via the procurement of services;
- (6) The action entitled "International Ocean Governance: Strengthening international ocean data through the EU's ocean diplomacy" aims to promote international ocean governance with China and support the implementation of global commitments by making ocean marine data and data products available and by providing better data and data products. The action will be implemented in direct management via the procurement of services;
- (7) The action entitled "EU-China Dialogue on Migration and Mobility Support Project – Phase II" aims to facilitate and strengthen the EU dialogue on migration and mobility with China. Building upon the results of the first phase of the EU-China Dialogue on Migration and Mobility Support Project, this action will contribute to better organised legal migration and mobility between the EU and China and to the prevention and reduction of irregular migration flows stemming from China, including trafficking in human beings and smuggling of migrants, in a balanced and comprehensive manner. The action will be implemented in indirect management with an international organisation, notably International Organization for Migration (IOM);
- (8) The action entitled "Promoting economic empowerment of women at work in Asia" aims to support sustainable, inclusive and equitable economic growth by promoting economic participation and empowerment of women in both Asian and EU countries. The action will be implemented in indirect management with an international organisation, notably UN Women;
- (9) The action entitled "Support to the development of Social and Solidarity Economy" aims to promote EU's core value related to inclusive growth, socially, societally and environmentally responsible business as well as facilitate the internationalisation of EU Social Enterprises. Through this action, the EU will support concrete partnerships with EU and local actors in selected partner countries (e.g. Brazil, Canada, India, Mexico, South Korea, and the United States of America) with tailor-made cooperation approaches. The action will be implemented in indirect management with an

international organisation, notably the Organisation for Economic Co-operation and Development (OECD);

- (10) The action entitled "EU-China Cooperation on Employment, Social Affairs and Inclusion" aims to promote cooperation between the EU and China in the area of employment, social affairs and inclusion in a context of common challenges, such as demographic change, migration, or evolving employment patterns. The action will also support China in designing and managing its social protection system and collecting and analysing occupational safety and health data. The action will be implemented in direct management via the procurement of services and a call for proposals and in indirect management with an international organisation, notably the International Labour Organisation (ILO);
- (11) The action entitled "Support to CETA Implementation and EU Chambers Coordination in Canada – II" aims to support, through legal analysis and advice, the targeted monitoring of the legal and practical implementation of CETA in Canada, both at federal level and across the provinces, and to supply EU businesses with practical tools to take advantage of CETA. The action will be implemented in direct management via the procurement of services and via the award of a direct grant to the European Chamber of Commerce in Canada (EUCCAN);
- (12) The action entitled "Understanding Chinese legal economic reform 2020" aims to reinforce EU/China bilateral economic and trade relations by improving the policy and regulatory framework for trade and investment, facilitating bilateral dialogues and notably promoting a level-playing field for EU businesses. The action will be implemented in direct management via the procurement of services;
- (13) The action entitled "European Business and Regulatory Cooperation Programme (EBRC 2)" aims to advance the EU's trade and economic interests in Taiwan and in the broader East Asian region by building on the success of the European Business and Regulatory Cooperation programme 2014-2017. The action will be implemented in direct management via the procurement of services;
- (14) The action entitled "Support facility for the implementation of EU-Japan Economic Partnership Agreement (EPA)" aims at providing support to underpin the functioning of the EU-Japan EPA and its optimal use by EU operators. The action will be implemented in direct management via the procurement of services;
- (15) The action entitled "EU Asia cooperation on (Phyto-)sanitary and Food Safety Regulation" aims to deepen the cooperation between the EU and selected ASEAN and Asian trade partners through a regulatory dialogue on food safety, sanitary and phytosanitary measures with a view to expand economic opportunities for EU businesses in Asia. The action will be implemented in direct management via the procurement of services;
- (16) The action entitled "Enhancing EU-China Strategic Cooperation in Respect of the Made in China 2025 Initiative" aims to contribute to enhancing strategic cooperation between the EU and China by maximising business opportunities and promoting a level playing field in four priority sectors; i.e. new energy vehicles, semiconductors, robotics, and medical devices. The action will be implemented in direct management via the procurement of services;
- (17) The action entitled "Public and Cultural Diplomacy" aims to build trust and support the EU become a stronger global actor. The action will be implemented in direct management via the procurement of services and calls for proposals;

- (18) The action entitled "EU - Indonesia and Vietnam Partnership Facility" aims to strengthen the EU-Indonesia relations and the EU-Vietnam relations by supporting the implementation of the Partnership and Cooperation Agreements. The action will be implemented in direct management via the procurement of services;
- (19) The action entitled "Support Facility for the implementation of the EU-Japan Strategic Partnership Agreement (SPA)" aims at deepening EU-Japan relations on priority themes of EU and mutual interest. The action will be implemented in direct management via the procurement of services;
- (20) The action entitled "Policy Support Facility (PSF)" aims to provide targeted, flexible and tailor-made support to specific EU's policy priorities. The action will be implemented in direct management via the procurement of services and calls for proposals;
- (21) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012<sup>5</sup>;
- (22) The envisaged assistance to the concerned countries is deemed to strictly follow the conditions and procedures set out by the restrictive measures concerning the said countries;
- (23) It is necessary to adopt a work programme for grants in accordance with Article 128(1) of Regulation (EU, Euratom) No 966/2012 and Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is set out in Annexes 2, 9, 10, 16 and 19;
- (24) The action "Academic outreach through Jean Monnet activities", which is part of the action "Public and Cultural Diplomacy" should be implemented by the "Education, Audiovisual and Culture Executive Agency (EACEA)" in accordance with Decision No. 2013/776/EU of 18 December 2013;
- (25) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in Annexes 1, 3, 6, 7, 8 and 9 to this Decision, subject to the conclusion of delegation agreements. In accordance with Article 60(1)(c) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the European Union equivalent to that required when the Commission manages European Union funds. Entities specified in Annexes 6, 7, 8 and 9 to this Decision comply with the conditions set out in points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary. The authorising officer responsible deems that, based on GIZ's and AFETI's positive assessment prior to the entry into force of Regulation (EU, Euratom) No 966/2012 and on the long-standing and problem-free cooperation with them, budget-implementation tasks can be entrusted to GIZ and AFETI.
- (26) The authorising officer responsible should be able to award grants without a call for proposals only in the exceptional cases set out in Article 190 of Delegated Regulation (EU) No 1268/2012;

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<sup>5</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

- (27) It is necessary to allow for the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012;
- (28) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, any substantial change to a financing decision that has already been adopted should follow the same procedure as the initial decision. It is therefore appropriate that the Commission defines the changes to this Decision that are considered non substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (29) The measures provided for in this Decision are in accordance with the opinion of the Partnership Instrument Committee established under Article 7 of Regulation (EU) No 234/2014;

HAS DECIDED AS FOLLOWS:

### *Article 1*

#### **Adoption of the programme**

The 2018 Partnership Instrument Annual Action Programme for cooperation with third countries, as set out in the Annexes, is adopted.

The programme shall include the following actions:

- Annex 1: Reducing plastic waste and marine litter in East and South East Asia – Supporting a transition to a circular economy in the region
- Annex 2: Promoting key aspects of environmental protection in Russia through civil society engagement
- Annex 3: Follow-up to the strategic plan for biodiversity
- Annex 4: Ocean Governance: Protecting and restoring marine ecosystems, catalysts for building peace and security, and fostering sustainable economies
- Annex 5: International Ocean Governance: Strengthening international ocean data through the EU's ocean diplomacy
- Annex 6: EU-China Dialogue on Migration and Mobility Support Project – Phase II
- Annex 7: Promoting economic empowerment of women at work in Asia
- Annex 8: Support to the development of Social and Solidarity Economy
- Annex 9: EU-China Cooperation on Employment, Social Affairs and Inclusion
- Annex 10: Support to CETA Implementation and EU Chambers Coordination in Canada – II
- Annex 11: Understanding Chinese Legal Economic Reform 2020 (EUCLERA)
- Annex 12: European Business and Regulatory Cooperation Programme (EBRC 2)
- Annex 13: Support facility for the implementation of EU-Japan Economic Partnership Agreement (EPA)
- Annex 14: EU Asia cooperation on (Phyto-)sanitary (SPS) and Food Safety Regulation
- Annex 15: Enhancing EU-China Strategic Cooperation in Respect of the Made in China 2025 Initiative

- Annex 16: Public and Cultural Diplomacy
- Annex 17: EU-Indonesia and Vietnam Partnership Facility
- Annex 18: Support Facility for the implementation of the EU-Japan Strategic Partnership Agreement (SPA)
- Annex 19: Policy Support Facility (PSF)

#### *Article 2*

##### **Financial contribution**

The maximum contribution of the European Union for the implementation of the programme referred to in Article 1 is set at EUR 81,900,000 and shall be financed from budget line 19.0501 of the general budget of the European Union for 2018.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

#### *Article 3*

##### **Methods of implementation**

Budget-implementation tasks under indirect management may be entrusted to the entities identified in the Annexes 1, 3, 6, 7, 8 and 9, subject to the conclusion of the relevant agreements.

The elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012 are set out in the Annexes to this Decision.

Grants may be awarded without a call for proposals by the authorising officer responsible in accordance with Article 190 of Delegated Regulation (EU) No 1268/2012.

#### *Article 4*

##### **Non-substantial changes**

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution set in the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012, provided that they do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 4.7.2018

*For the Commission*  
*Federica Mogherini*  
*Vice-President*

EN

ANNEX 1

of the Commission Implementing Decision on the 2018 Annual Action Programme for the Partnership Instrument

**Action Fiche for reducing plastic waste and marine litter in East and South East Asia – supporting a transition to a circular economy in the region**

**1. IDENTIFICATION**

Title of the action	Reducing plastic waste and marine litter in East and South East Asia – Supporting a transition to a circular economy in the region			
Country(ies)/ Region	China, Indonesia, Japan, the Philippines, Singapore, Thailand and Vietnam (indirectly also countries in the Mekong Region and in the rest of the Association of Southeast Asian Nations (ASEAN))			
Total cost	Total estimated cost: EUR 9 000 000 Total amount of the EU budget contribution: EUR 9 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Indirect management			
Markers (from CRIS DAC form)		Not targeted	Significant objective	Main objective
Rio Convention Markers	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).



	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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## 2. RATIONALE AND CONTEXT

### 2.1. Summary of the action and its objectives

The action aims to strengthen the cooperation of the EU with selected countries in East and South East Asia, indirectly including the Mekong Region and ASEAN, to jointly implement actions that will address sustainable consumption and production of plastic, including waste management aspects and prevention of plastic waste entering into the marine environment, via a set of activities that will support a transition towards a more circular economy, in line with the EU Circular Economy Action Plan<sup>2</sup> and the EU Plastic Strategy<sup>3</sup>.

Bearing in mind the overall context provided by the 2030 Agenda for Sustainable Development and its Sustainable Development Goals, this action is to contribute to the international objectives of the EU Plastic Strategy in the context of the EU Circular Economy Action Plan and the International Ocean Governance Communication<sup>4</sup>. In line with the EU Plastic Strategy, this action will support a transition to sustainable consumption and production of plastic in East and South East Asia, particularly concerning waste prevention and management (waste hierarchy, extended producer responsibility), including for fisheries and aquaculture, addressing micro-plastic (intentionally added and as a result of wear and tear), and favouring green public procurement.

This action will support bilateral policy dialogues with relevant countries / regions (e.g. ASEAN) on e.g. trade, environment, aquaculture and fisheries, and exploit the opportunities they offer for promoting sustainable consumption and production of plastic and prevent marine litter. While the action is not targeting ASEAN per se, it will involve the ASEAN Chair<sup>5</sup> and the ASEAN Secretariat<sup>6</sup> in relevant activities, as well as the Mekong River Commission<sup>7</sup> and the responsible authorities for the catchment areas of the six rivers in the region that researchers have concluded bring the vast majority of land-based litter to the oceans<sup>8</sup>.

### 2.2. Context

#### 2.2.1. *The policy context*

Governments, industry and the civil society worldwide increasingly recognise that the linear model of economic growth, on which they often relied in the past, or still rely, is unsustainable from an economic, environmental and social perspective and that they cannot build their future on a “take (natural resources)-make-dispose” model. The EU has an

<sup>2</sup> COM(2015) 614.

<sup>3</sup> COM(2018) 28 and SWD(2018) 16, available under [http://ec.europa.eu/environment/waste/plastic\\_waste.htm](http://ec.europa.eu/environment/waste/plastic_waste.htm).

<sup>4</sup> JOIN(2016) 49.

<sup>5</sup> <http://asean.org/asean/asean-chair/>.

<sup>6</sup> <http://asean.org/asean/asean-secretariat/>.

<sup>7</sup> <http://www.mrcmekong.org/>.

<sup>8</sup> Christian Schmidt, Tobias Krauth, Stephan Wagner. Export of Plastic Debris by Rivers into the Sea. Environmental Science & Technology, 2017; DOI: 10.1021/acs.est.7b02368, <http://pubs.acs.org/doi/abs/10.1021/acs.est.7b02368>.

ambitious Circular Economy Action Plan<sup>9</sup> in place to stimulate Europe's transition towards a circular economy and to boost the EU's competitiveness, foster sustainable economic growth and generate new jobs.

Circularity explores opportunities to promote closed material loops and resource efficiency chains with a system-wide approach and across the entire value chain. This concept implies designing products for reuse, recovering as much as possible from resources while in use, using products as long as possible, remanufacturing products at the end of service life, and in essence avoiding waste in production and supply. Such an approach, facilitated and driven by enabling policy frameworks, and supported by responsible choices and use by consumers (which includes governments, companies and individuals), can support equity, resource security, sustainability and job creation. They can also galvanise and spur green investments, partnerships and continued innovation. While environmentally sound waste management including recycling play a central role to close the loop of product lifecycles, they need to be complemented with actions that contribute to using resources more efficiently, by cutting resource use (and producing more with less) and by reducing waste. An integrated, comprehensive approach is required, with the involvement of the whole supply chain, the governments and the general public, adopting through circular product design and consumer behaviour, innovative business circular models and services.

The circular approach is not only relevant for established economies. All governments are facing the challenge of addressing unsustainable patterns of consumption and production. Moving towards a circular economy is essential for all governments to meet the Sustainable Development Goals (SDGs) amid growing scarcity of natural resources and growing urban-populations, with a rising income and increased consumption through increase in purchasing power. The EU Circular Economy Action Plan underlines the importance of the global dimension and states that the Commission will co-operate closely with international organisations and other interested partners as part of the global efforts to implement the 2030 Agenda and to reach the SDGs. There a number of SDGs that are of relevance in the context of circular economy, waste management and marine litter, including SDG 6 ('Ensure availability and sustainable management of water and sanitation for all'), SDG 8 ('Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'), SDG 12 ('Ensure sustainable consumption and production patterns'), SDG 13 ('Climate Action') and SDG 14 ('Conserve and sustainably use the oceans, seas and marine resources for sustainable development'). Of particular importance and relevance to this action, is Target 14.1, which states: 'By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution'. Therefore, a transnational and international effort is required to address marine litter and the factors aggravating the situation.

Increased recognition of the need to improve resource efficiency and address marine litter at the global level is also coming from the G7 and the G20<sup>10</sup>. The 2015 G7 Summit<sup>11</sup> launched the G7 Alliance on Resource Efficiency and the G7 Action Plan to Combat Marine Litter.

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<sup>9</sup> Commission Communication 'Closing the loop - An EU action plan for the Circular Economy' (COM(2015) 614). See: [http://ec.europa.eu/environment/circular-economy/index\\_en.htm](http://ec.europa.eu/environment/circular-economy/index_en.htm).

<sup>10</sup> China, Indonesia and Japan are G20 members. Japan will hold the G20 Presidency in 2019.

<sup>11</sup> [https://www.g7germany.de/Content/EN/Anlagen/G7/2015-06-08-g7-abschluss-eng\\_en.html?nn=1282190](https://www.g7germany.de/Content/EN/Anlagen/G7/2015-06-08-g7-abschluss-eng_en.html?nn=1282190).

Concerning the G20, the 2017 Summit<sup>12</sup> launched the G20 Resource Efficiency Dialogue and the G20 Action Plan on Marine Litter.

### **2.2.2. The EU Plastic Strategy**

Plastic has been identified by the European Commission as a key priority in the Circular Economy Action Plan given its importance in the European economy. Increasing its 'circularity' can bring new opportunities for innovation, competitiveness and job creation. Plastic materials can also help us face a number of future sustainability challenges. Yet, there is urgent need to address the environmental problems that today cast a long shadow over plastics use and consumption. The million tonnes of plastic litter ending up in the oceans every year are one of their most visible and alarming manifestation, and causing growing concerns among citizens.

Rethinking and improving the functioning of such a complex value chain requires efforts and greater cooperation by all its key players, from the petrochemical industry to recyclers. It also requires innovation and a common vision to drive investments in the right direction. These are the primary goals of the EU Plastic Strategy, which presents key commitments for action at EU level. The Strategy notes that international engagement will be necessary to drive change outside Europe's borders. Through decisive and concerted efforts, Europe can turn challenges into an opportunity and set the example for resolute action at global level.

### **2.2.3. The problem**

The global production of plastic material has increased twenty-fold in the past fifty years, exceeding 300 million tonnes in 2015<sup>13</sup> and it has doubled between 2013 and 2015. Plastics are used in many sectors and industries, including food products, health care, construction, transportation, telecommunications, fishing and consumer goods<sup>14</sup>. Packaging accounts for most of plastic use and production, representing 40% of demand in Europe and 42% in the United States<sup>15</sup>.

Per capita plastic consumption has reached 100 kg in Western Europe and North America; Asia currently uses just 20 kg per person, but this figure is expected to grow rapidly<sup>16</sup> - as Asian economies are growing, the use of plastics would inevitably increase, if redress actions are not implemented. Plastics production in Asia in 2013 accounted for 45.6 % of global plastics, while China alone produced nearly a quarter of world's plastic.

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<sup>12</sup> [https://www.g20.org/Webs/G20/EN/G20/Summit\\_documents/summit\\_documents\\_node.html](https://www.g20.org/Webs/G20/EN/G20/Summit_documents/summit_documents_node.html).

<sup>13</sup> Plastics Europe, *Plastics – the Facts 2015 – An Analysis of European plastics production, demand and waste data*.

<sup>14</sup> The European House-Ambrosetti, *The Excellence of the Plastics Supply chain in Relaunching Manufacturing in Italy and Europe* (Milan: 2013); UN Environment, *Valuing Plastics: the Business Case for Measuring, Managing and Disclosing Plastic Use in the Consumer Goods Industry* (Nairobi: 2014)

<sup>15</sup> Germany Trade & Invest, *Industry Overview: the Plastics Industry in Germany* (Berlin: 2014); Plastics Europe, *Plastics Europe, Plastics – the Facts 2015 – An Analysis of European plastics production, demand and waste data*; American Chemistry Council, Economics and Statistics Department, *Plastic Resins in the United States* (Washington, DC: 2013).

<sup>16</sup> Vital Signs (2015), *Global Plastic Production Rises, Recycling Lags* ([http://vitalsigns.worldwatch.org/sites/default/files/vital\\_signs\\_trend\\_plastic\\_full\\_pdf.pdf](http://vitalsigns.worldwatch.org/sites/default/files/vital_signs_trend_plastic_full_pdf.pdf)).

A recent assessment concludes that 79% of the plastic waste generated since the beginning of plastic production has accumulated in landfills or the natural environment<sup>17</sup>, with uncontrolled disposal still being a major problem, predominantly in developing countries<sup>18</sup>.

Marine litter, mostly composed of plastic items, is a symbol of a resource inefficient economy. Valuable materials are polluting our beaches and damaging our environment instead of being pumped back into our economy. Estimates on the basis of 2010 data suggest that annually 5 to 12 million tonnes of plastic find their way into the oceans<sup>19</sup>. Micro-plastics (generally defined as synthetic water insoluble plastic polymers of 5mm or less in any dimension) are of particular concern due to their potential toxicity and size, and consequent harm to the animals that ingest them. They get into the food chain and the drinking water. Used directly in products (such as industrial abrasives), fragmenting from larger pieces, or as fibres from washing clothes (and carried by sewage), micro-plastics are widespread in the marine environment. They can be intentionally added in products such as cosmetics and detergents or generated during use of products such as tyres and textiles or along the plastics production and supply chain i.e. plastic pellets. Although the consequences of plastic built-up in the food chain are not fully known, human-health concerns are also being raised, since many of the marine animals affected end up on our plates as seafood.

Poor waste water and rain drainage management are important sources of land-based marine litter. The majority of plastic marine litter comes from land-based sources with sea-based sources from shipping, cruise liners and fishing accounting for the remainder<sup>20</sup> (Table 1). It should be noted, that while the global quantity of plastic used in the fisheries and aquaculture industries is small in comparison to the quantities used in land-based industries, there is a greater risk that plastic from marine activities could become marine litter and some such litter (e.g. from fishing gear) is particularly harmful to marine life (e.g. through entanglement). Furthermore, for aquaculture, where installations are largely in ponds, most of potential littering is actually due to poor waste management and disposal, as in other economic sectors such as e.g. agriculture.

**Table 1: Main sources of marine litter**

Land-based activities	Sea-based activities
<ul style="list-style-type: none"> <li>– Direct waste disposal by households</li> <li>– Land-fills and dumpsites located on the coast</li> <li>– Floodwaters and riverine transport of waste from landfills or other sources</li> </ul>	<ul style="list-style-type: none"> <li>– Vessels, from which gear or waste produced on-board is illegally dumped or lost:               <ul style="list-style-type: none"> <li>○ Merchant shipping, ferries and cruise liners</li> </ul> </li> </ul>

<sup>17</sup> Geyer *et al.* (2017), Production, use, and fate of all plastics ever made, *Science Advances*, **3** (7), e1700782 (DOI: 10.1126/sciadv.1700782).

<sup>18</sup> According to Global Waste Management Outlook (2015), 2 billion people are still without access to solid waste collection, and 3 billion people lack access to controlled waste disposal facilities.

<sup>19</sup> Jenna R. Jambeck *et al.* (2015), *Plastic waste inputs from land into the ocean*, *Science*, **347** (6223), 768-771 (DOI: 10.1126/science.1260352). These data were based on models that in turn used assumptions that cannot be verified.

<sup>20</sup> While the figure of 80% for land-based sources is commonly quoted, it should be used with caution because there is a lot of variation in the composition of litter depending on the location (UNEP and GRID-Arendal (2016), *Marine Litter Vital Graphics*, p. 22).22) and litter from sea based sources dominates in some regions and compartments (e.g. Eriksen *et al.*, 2014).

Land-based activities	Sea-based activities
<p>along rivers and other inland waterways (canals), which are effectively pathways for marine litter, including primary microlitter</p> <ul style="list-style-type: none"> <li>– Industrial facilities (solid waste from landfills and untreated water)</li> <li>– Discharge from storm water drains (including occasional overflows)</li> <li>– Discharge of untreated municipal sewerage</li> <li>– Tourism (recreational visitors to the coast and beach goers, that are littering)</li> </ul>	<ul style="list-style-type: none"> <li>○ Fishing vessels including abandonment of illegal gear or gear used in illegal fishing as well as accidentally lost gear e.g. due to environmental / climatic conditions and intentionally discarded gear</li> <li>○ Military fleets and research vessels</li> <li>○ Leisure craft</li> </ul> <ul style="list-style-type: none"> <li>– Offshore oil and gas platforms</li> <li>– Aquaculture installations</li> <li>– Waterway recreational activities (such as diving and marinas)</li> </ul>

While in many regions land-based sources predominate, sea-based litter goes directly into the sea. However, it is important to recognise that ultimately all debris originates from the land (be it from consumption, production or both) and that this is also where the solutions must be sought both in terms of end-of-life disposal and in terms of production, to reduce end-of-life impacts from the product design stage. This debris consists of a range of materials including plastic, metal, wood, rubber, glass and paper. Although the relative proportions of these materials vary between regional seas, there is clear evidence that plastics are numerically by far the most abundant type of litter.

**Table 2. Types of marine plastic litter**

Food and beverage packaging (bottles, disposable cups, straws, plastic caps/lids, bags etc.)
Smoking related items (disposable lighters, filters, cigar butts)
Manufacturing and transport related waste (pallets, plastic sheeting and straps)
Sewage related debris (sanitary towels, tampons, plastic cotton wool bud sticks)
Feedstock for plastic production (pre-production pellets and powders)
Abandoned, lost and otherwise discarded fishing gears (ALDFG)
Aquaculture gear (e.g. feedbags)

Focusing on plastics as a material type, the litter consists of a wide range of items with diverse sources (see Table 2). One component of marine debris is abandoned, lost and otherwise discarded fishing gears (ALDFG). Years ago, fishing nets and gear made of natural fibres were replaced with synthetic materials such as nylon, polyethylene, and polypropylene. Unlike the natural fibre, synthetic fishing gear is nearly impervious to degradation and, even if lost, abandoned, or discarded, will remain in the marine environment causing persistent damage.

## 2.2.4. The situation in East and South East Asia

### 2.2.4.1. General aspects

Over 50% of the global leakage into the marine environment currently comes from five emerging markets in Asia (see Figure 1).

**Figure 1. Waste estimates for 2010 for the top 20 countries ranked by mass of mismanaged plastic waste (in units of millions of metric tons per year)<sup>21</sup>**

Rank	Country	Econ. classif.	Coastal pop. [millions]	Waste gen. rate [kg/ppd]	% plastic waste	% mismanaged waste	Mismanaged plastic waste [MMT/year]	% of total mismanaged plastic waste	Plastic marine debris [MMT/year]
1	China	UMI	262.9	1.10	11	76	8.82	277	1.32–3.53
2	Indonesia	LMI	187.2	0.52	11	83	3.22	10.1	0.48–1.29
3	Philippines	LMI	83.4	0.5	15	83	1.88	5.9	0.28–0.75
4	Vietnam	LMI	55.9	0.79	13	88	1.83	5.8	0.28–0.73
5	Sri Lanka	LMI	14.6	5.1	7	84	1.59	5.0	0.24–0.64
6	Thailand	UMI	26.0	1.2	12	75	1.03	3.2	0.15–0.41
7	Egypt	LMI	21.8	1.37	13	69	0.97	3.0	0.15–0.39
8	Malaysia	UMI	22.9	1.52	13	57	0.94	2.9	0.14–0.37
9	Nigeria	LMI	27.5	0.79	13	83	0.85	2.7	0.13–0.34
10	Bangladesh	LI	70.9	0.43	8	89	0.79	2.5	0.12–0.31
11	South Africa	UMI	12.9	2.0	12	56	0.63	2.0	0.09–0.25
12	India	LMI	187.5	0.34	3	87	0.60	1.9	0.09–0.24
13	Algeria	UMI	16.6	1.2	12	60	0.52	1.6	0.08–0.21
14	Turkey	UMI	34.0	1.77	12	18	0.49	1.5	0.07–0.19
15	Pakistan	LMI	14.6	0.79	13	88	0.48	1.5	0.07–0.19
16	Brazil	UMI	74.7	1.03	16	11	0.47	1.5	0.07–0.19
17	Burma	LI	19.0	0.44	17	89	0.46	1.4	0.07–0.18
18*	Morocco	LMI	17.3	1.46	5	68	0.31	1.0	0.05–0.12
19	North Korea	LI	17.3	0.6	9	90	0.30	1.0	0.05–0.12
20	United States	HIC	112.9	2.58	13	2	0.28	0.9	0.04–0.11

\*If considered collectively, coastal European Union countries (23 total) would rank eighteenth on the list

It should be underlined that the abovementioned study has intrinsic limitations (it is based on modelling only and does not take into account waste shipments). Moreover, marine litter is a global problem with shared responsibilities (for example historic responsibility of developed countries for the accumulated litter in the world's oceans) and the only long term solution is prevention of plastic waste and littering, and increased recycling rates.

While countries in the Asia-Pacific region are at different stages of economic development and local conditions vary, the waste management situation, especially in the least developed countries and in the rural areas of more developed countries (with the exception of Japan and Singapore), is generally characterised by the following:

- Inadequate collection systems, serving only part of the population.
- Hardly any systems for separate collection of plastic wastes, which makes recycling difficult. Separate collection is limited to fractions that are easily recyclable in particular polyethylene terephthalate (PET) bottles.
- Separate collection mainly takes place by the informal sector; the official waste collection system operated by the municipal authorities is underfinanced, inefficient and ineffective.

<sup>21</sup> Jenna R. Jambeck *et al.* (2015), *Plastic waste inputs from land into the ocean*, *Science*, 347 (6223), 768-771 (DOI: 10.1126/science.1260352). However, it shouldn't be forgotten that measurements of marine litter in waters of developed countries also show high concentrations, indicating this to be a widespread problem not confined to certain world regions alone.

- A large dependency on landfilling, with landfills that are seldom more than open dumpsites.
- The local plastic recycling industries are underperforming due to lack of volume of home generated plastic waste of suitable quality. Their potential to contribute to the solution is therefore largely unexploited.
- The share of urban and rural population having access to improved sanitation facilities in ASEAN countries reached 80% and 63%, respectively, in 2012. Lower rates of access still exist in some ASEAN countries: less than 80% of the urban population has access to improved sanitation in Indonesia (71%) and in the Philippines (79%). Access of rural populations remains very low: 26% in Cambodia, 46% in Indonesia, 51% in Lao People's Democratic Republic, 67% in Vietnam. Thailand (96%) and Malaysia (95%) being exceptions<sup>22</sup>.

This is combined with a number of consumer habits in the selected countries. Consumers often appreciate goods to be over-packed e.g. associated with practical issues, notions of hygiene and progress/wealth and often make use of single use shopping bags. In some of the target countries there is a widespread culture of eating street food for which a lot of single use plastic items are being used that have come to replace traditional items largely based on plants. Moreover, littering such items seems not to be perceived as being a problem, due to widespread lack of awareness.

To complete the picture, it should be added that, until the end of 2017, China has also been importing large amounts of EU/US plastic waste for recycling, putting extra pressure on its already strained waste management system.

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<sup>22</sup> Guillermo Hernández, Sandra Planes Satorra, Carine Berny, Gijis Nolet and Lise Oulès, The environmental and economic benefits for the European Union of strengthening cooperation with the ASEAN region in the field of environment, Milieu Ltd, Final report to the European Commission, July 2015, p. 41.



**Figure 2. The top-10 rivers for land-based contribution to marine litter<sup>23</sup>**



The combination of inadequate waste management systems, poor wastewater and rain drainage management, lack of awareness and consumer habits results in a large fraction of the plastic that is being used in the society ending up in the environment and ultimately transported via rivers or at the sea shore into the ocean. Rivers from the 10 top-ranked catchments alone (see Figure 2) contribute the near totality of the land-based plastic debris and reducing plastic loads by 50% in the 10 top-ranked rivers would reduce the total river-based load to the sea by 45%.

It should be noted that six of the ten rivers identified lie in the region considered by this action, which is therefore very relevant in contributing to the prevention of waste in general and plastic waste in particular entering the oceans. These rivers are characterised by high population, and due to the large sizes, they transport a higher fraction of waste generated in their catchment areas than smaller rivers. Moreover, they flow through different municipalities, districts and states, with different environmental regulations and policies where downstream nations often have less control over the streamflow than upstream nations.

Only in Singapore and Japan the situation regarding waste management is different. In both countries, the system works efficiently, but waste incineration has obtained a very dominant position, hampering the development of recycling industries. In Singapore for instance the recycling rate for household waste is only 21%. Moreover, the situation is also changing in some of the selected countries for this action (e.g. China), where huge efforts and investments to improve their environmental performance, including for waste management and wastewater treatment, are underway.

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<sup>23</sup> Source of the data: Christian Schmidt, Tobias Krauth, Stephan Wagner. Export of Plastic Debris by Rivers into the Sea. *Environmental Science & Technology*, 2017; DOI: 10.1021/acs.est.7b02368. Source of the map: European Commission.



#### 2.2.4.2. Indonesia<sup>24</sup>

The Indonesian government is aware that waste management is a serious problem in the country and is willing to tackle the issue, notably under the health, fisheries and tourism perspectives. It is recognised that the priority is to improve local waste management, such that waste is properly monitored, collected and recycled, instead of being leaked to rivers and ocean. Generally, waste management could vastly be improved in Indonesia; the problem is recognised and there is also a willingness to tackle the issue. Main problems remain that:

- National and local authorities that are responsible for waste management (and other aspects of the circular economy) still lack technical capacities and expertise to properly address the issue;
- Fragmentation of responsibilities among ministries and lack of clarity about the distribution of responsibilities between the national, regional and local governments in a number of policy areas;
- Lack of awareness and education in the general public.

However, as part of their seven-pillar ocean policy, Indonesia has put in place an ambitious marine litter strategy based on an integrated circular economy approach focussing on three aspects sustainable plastics, second life solutions, behaviour change. The strategy identifies targets for waste reduction (30%), increased recycling (up from current 45% to 75%) and reduced plastic marine litter (70%) for 2025. It integrates clean up actions and social aspects such as free health insurance for waste pickers and is implemented in cooperation with local communities and schools.

The EU has ongoing high-level policies dialogues (under the Partnership Cooperation Agreement) on environment and on marine security, on a Copernicus Data Exchange Agreement (including marine data) and is negotiating a Comprehensive Economic Partnership Agreement (i.e. a Free Trade Agreement) which offer opportunities for working with Indonesia on the monitoring, prevention and mitigation of plastic and organic pollution.

The EU-Indonesia Joint Committee established a Working Group on Environment and Climate Change Policy in November 2016. The Working Group holds annual meetings to discuss issues of mutual interest related to environment and climate policies, such as biodiversity, wildlife trade and trafficking, sustainable forest landscapes (including palm oil and combatting deforestation), marine litter, resource efficiency/circular economy.

Though plastic is most harmful as regards pollution and food chain contamination, organic waste constitutes a larger fraction of waste mass than plastics: 60% compared to 15%. Exploring synergies between plastic sorting/collection and better use of organic waste for composting or methanisation, e.g. palm oil mill effluent (POME)<sup>25</sup>, may be worth exploring.

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<sup>24</sup> For this and the following sections, see also Specific Contract No. 2016/383013, Formulation of EU-funded action on Circular Economy 'Towards a global partnership on reducing plastic waste and marine litter', Needs Assessment, 23 June 2017.

<sup>25</sup> An industrial oil palm mill produces about 2.5 t of effluent per tonne of palm oil, or 0.5 tonne of effluent per tonne of fresh fruit. Palm oil mill effluent is a highly polluting material and much research has been dedicated to means of alleviating its threat to the environment. Wastewater treatment systems are now commonplace in large operations, but a true circular approach remains to be thoroughly considered.

A Circular Economy Mission<sup>26</sup> to Indonesia could be organised in the third quarter of 2018Q3, which could serve as a launch-pad for the project, if approved. The Our Ocean Conference (2017 Malta, October 2018 Bali) could also be considered to increase visibility and raise awareness.

#### **2.2.4.3. The Philippines**

The Philippines passed the Ecological Solid Waste Act in 2000 and tasked the National Solid Waste Management Commission (NSWMC) with its implementation. The NSWMC, chaired by the Department of Environment and Natural Resources (DENR), is composed by members of government, civil society and private sector and responds directly to the President.

While having a remarkably high collection waste rate with a nationwide average of 85%, the Philippines ranks third in terms of plastic waste (see Figure 1); 74% of plastic leakage comes from waste that has been collected but not properly disposed<sup>27</sup>.

The Senate Committee on Environment and Natural Resources introduced in March 2017 Resolution No 329, calling for an enquiry to inform the formulation of new policies to reduce and eventually prevent plastic leakage into the ocean. The Senate reiterated the importance of private sector involvement, particularly commercial manufactures, in the enquiry process. Earlier in 2011, a Senate Bill was proposed introducing a Total Plastic Ban in groceries, restaurants and other establishments.

In October 2017, the Climate Change Commission led a discussion with civil society and private sector on plastic waste management. The analysis led to the conclusions that actions need to be taken both at the consumer and producer level; this shall be achieved via education programmes to move away from the disposable/one use mentality and through the extension of Extended Producer Responsibility systems, the creation of a market for recycled goods and the development of plastic recovery programmes.

#### **2.2.4.4. Vietnam<sup>28</sup>**

Urban solid waste generation has increased at the average rate of 12%/year during the period of 2010 - 2014. The total solid waste in urban area is about 32,000 tons/day (2014) and from industry process is 22,440 tons/day (estimated in 2011). It is estimated that by 2020, the country will produce 22 million tons/year. Hanoi and Ho Chi Minh cities are the biggest producers of solid waste making up 41% of the country's total solid waste production. Plastic bag waste is a critical issue due to consumers' habits. In Hanoi city, plastic waste accounts for 3% of total waste.

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<sup>26</sup> [http://ec.europa.eu/environment/international\\_issues/missions\\_en.htm](http://ec.europa.eu/environment/international_issues/missions_en.htm).

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<https://www.mckinsey.com/~/media/mckinsey/business%20functions/sustainability%20and%20resource%20productivity/our%20insights/saving%20the%20ocean%20from%20plastic%20waste/stemming%20the%20tide%20of%20plastic%20waste%20report.ashx>.

<https://www.mckinsey.com/~/media/mckinsey/business%20functions/sustainability%20and%20resource%20productivity/our%20insights/saving%20the%20ocean%20from%20plastic%20waste/stemming%20the%20tide%20of%20plastic%20waste%20report.ashx>

<sup>28</sup> Vietnam National Environmental Report 2011-2015 (2015).

The waste collection rate in rural area is around 40% and it is estimated that 60% of rural areas don't have waste collection services. Open landfills are the dominant method to solid waste processing, while incineration is mainly used for medical waste.

Vietnam is home to 2,800 craft village including those that make handicrafts to be sold to tourists and some that specialises in recycling discarded plastics and turn them into plastic pellets or film. Informal plastics recycling in villages create health and environmental risks when they wash and dump dirty water into rivers and streams and when they melt plastic waste during recycling, resulting product may be contaminated with hazardous substances and during melting hazardous substances may be emitted.

The Law on Marine Resources and Environment and Island entered into force in July 2016 which provided the legal framework on the overall management of marine resources and environment. These are the legal basis for the improvement of marine environment protection and the control of marine pollution caused by marine debris, plastics and micro-plastics.

#### **2.2.4.5. Thailand**

According to the Thailand State of Pollution Report (2015)<sup>29</sup>, plastic amounts to almost 20% of the total waste composition, with plastic bags representing 16% of the total plastic waste in coastal areas.

Thailand is increasingly looking at ways to address these challenges and has developed a Road Map on Waste and Hazardous Waste Management (2014), a National Solid Waste Management Master Plan 2016-2021 and launched the initiative Thailand Zero Waste 2016-2017.

As part of the National Solid Waste Management Master Plan, Thailand is developing measures to improve efficiency in waste generation, collection, recovery and disposal; it launched the review of the National Waste Management Law; and is developing education programmes and campaigns to increase public awareness.

The Department of Marine and Coastal Resources (DMCR) has been long engaged in studying marine pollution and one of the latest findings is related to the very large presence of micro-plastic pieces per square metre. The Department is also working on the implementation of the Marpol Convention and considering an increase in number of marine protected areas in the country.

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<sup>29</sup> [http://infofile.pcd.go.th/mgt/PollutionReport2015\\_en.pdf](http://infofile.pcd.go.th/mgt/PollutionReport2015_en.pdf)

[https://hls-esc.org/documents/8hlsesc/Thematic%20C1/Thematic%20%20C1%20-%20Thailand%20\\_%20Solid%20Waste%20Management%20in%20Thailand%2C%20Policy%20and%20Implementation%20by%20Dr.%20Wijarn%20Simachaya.pdf](https://hls-esc.org/documents/8hlsesc/Thematic%20C1/Thematic%20%20C1%20-%20Thailand%20_%20Solid%20Waste%20Management%20in%20Thailand%2C%20Policy%20and%20Implementation%20by%20Dr.%20Wijarn%20Simachaya.pdf)[https://hls-esc.org/documents/8hlsesc/Thematic%20C1/Thematic%20%20C1%20-%20Thailand%20\\_%20Solid%20Waste%20Management%20in%20Thailand%2C%20Policy%20and%20Implementation%20by%20Dr.%20Wijarn%20Simachaya.pdf](https://hls-esc.org/documents/8hlsesc/Thematic%20C1/Thematic%20%20C1%20-%20Thailand%20_%20Solid%20Waste%20Management%20in%20Thailand%2C%20Policy%20and%20Implementation%20by%20Dr.%20Wijarn%20Simachaya.pdf)

#### **2.2.4.6. Singapore**

Singapore has adopted and enforced strict anti-littering laws and put in place an integrated waste management and collection system to minimise waste at source and ensure proper waste disposal.

Singapore's strategy focuses on two key thrusts – waste minimisation and recycling, or simply the 3Rs (Reduce, Re-use, Recycle). In land-scarce Singapore, waste-to-energy (WTE) incineration plants is considered by the National Energy Agency (NEA) to offer the best technical solution by reducing waste volume efficiently to conserve landfill space. In 2016 the government released a sustainability Blueprint with the overall goal to move "towards a Zero Waste Nation" by reducing consumption, as well as reusing and recycling all materials to give them a second lease of life.

However, the circular economy approach has not gained much traction when it comes to plastic waste. A big majority of the waste is incinerated and the recycling rate for plastic is only 7%. The government has signed the Singapore Packaging Agreement with the industry 10 years ago. The result of this voluntary agreement, which encourages the industry to reduce plastic waste, is a mixed bag with little impact on the production of plastic. Singapore is planning to introduce by 2021 mandatory reporting for companies regarding packaging in order to reduce packaging. The issue with this is that their plans are not looking at driving circularity but is rather looking at reducing tonnage. While the government supports initiatives by certain retailers to charge consumers for plastic bags, it has refrained from legislating on the issue.

#### **2.2.4.7. China**

Currently, China hosts the world's largest recycling industry, importing over 50% of the global trade for end-of-life plastic and 85% of the EU's plastic waste exports. This is a situation that is expected to change following China's decision to ban the import of certain types of wastes, including plastic waste, as from 1 January 2018<sup>30</sup>.

China is improving its marine litter management at national as well as at regional level through close cooperation. In particular:

- Reports on the quality assessment of the marine environment in China have been released annually by State Oceanic Administration (SOA) and information on current status of marine litter quantities and distribution is included as well.
- Providing free plastic bags in all shops was prohibited from 1 June 2008.
- Several domestic laws and regulations related to the marine litter management were amended and enacted, including Regulations on the Control of Environmental Pollution by Ship-based Wastes (2009), Regulations on Prevention of Pollution Damage to Marine Environment by Coastal Construction Projects (2007).

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<sup>30</sup> WTO Notification G/TBT/N/CHN/1211 of 18 July 2017, [https://www.wto.org/english/news\\_e/news17\\_e/impl\\_03oct17\\_e.htm](https://www.wto.org/english/news_e/news17_e/impl_03oct17_e.htm).[https://www.wto.org/english/news\\_e/news17\\_e/impl\\_03oct17\\_e.htm](https://www.wto.org/english/news_e/news17_e/impl_03oct17_e.htm).

- China has joined the International Coastal Cleanup (ICC) Campaign in 2007 and thereafter organized the annual ICC campaigns.
- The National 12th Five-Year Plan on Environmental Protection (2011-2015) addresses, among other issues, the pollution in several important estuaries; control of land-based pollutant sources (including marine litter) is a crucial step in protecting marine environment.
- In the 12th Five-Year Plan on Transportation (2011-2015), being carried out mainly by the Ministry of Transportation (MOT) covers building facilities in major ports to collect waste, thus preventing waste from being accidentally lost at sea.
- New policies are being developed in some provinces to deal with marine litter, including charges for garbage collection/disposal. The central and local governments in China have supported Non-governmental organisations (NGOs) on marine litter related activities and the NGOs in Shanghai, Dalian and other coastal cities have been active in recent years.

#### **2.2.4.8. Japan**

Japan, in particular at central level, has a very good track record on Green Public Procurement (GPP) and binding legal requirements exist for 20+ groups of goods and products. In fact, according to the OECD Environmental Performance Reviews, "more than 90% of products and services procured by central government agencies meet the required environmental criteria". Furthermore, Japan's Basic Policy on Promoting Green Purchasing makes several explicit reference to recycled plastics.

While incineration is widespread especially in Japan's densely populated urban areas, at the same time Japan has tested – if different from the EU- policy approaches on resource efficiency, such as the Top Runner Programme, 3R etc. These approaches are discussed in the existing dialogues (especially the industrial policy dialogue) where the EU and Japan share major policy developments and keep each other informed on legal and regulatory measures related to the waste management, cycling and energy efficiency targets. The discussions have shown areas of convergence and common approaches, notably on the issue of economic competitiveness.

#### **2.2.4.9. ASEAN Secretariat**

The Association of South East Asian Nations (ASEAN) has recently started to engage. On 22-23 November the first ASEAN conference on reducing marine litter debris in the Asian region was held in Phuket (Thailand). It resulted in a joint statement calling for a collective and a coordinate action among ASEAN Member States and partners to address the marine debris pollution in the region.

While this action is not targeting ASEAN per se, it will be important to involve the ASEAN Chair<sup>31</sup> and the ASEAN Sustainable Goal coordinator (currently Thailand) and the ASEAN Secretariat<sup>32</sup> in relevant activities to ensure their political buy in and at the same time exploit synergies with ongoing plans and programmes.

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<sup>31</sup> <http://asean.org/asean/asean-chair/>.

<sup>32</sup> <http://asean.org/asean/asean-secretariat/>.

#### 2.2.4.10. Mekong River Commission

The Mekong River Commission<sup>33</sup> (MRC) is the only inter-governmental organisation that works directly with the governments of Cambodia, Lao PDR, Thailand and Vietnam to jointly manage the shared water resources and the sustainable development of the Mekong River, that figures among one of the 10 most polluting rivers. As a regional facilitating and advisory body governed by water and environment ministers of the four countries, the MRC ensures the efficient and mutually beneficial development of the Mekong River while minimising the potentially harmful effects on the people and the environment in the Lower Mekong Basin. The MRC looks across all sectors, including fisheries sustainability, identification of opportunities for agriculture, freedom of navigation, sustainable hydropower, flood management, preservation and conservation of important ecosystems. In providing its advice, the MRC aims at facilitating dialogue among governments, the private sector, and civil society. Although the MRC has set up an environment programme it is currently not engaging in activities to reduce the entry of litter into the Mekong and not in the collection of data to identify and monitor quantities.

While this action is not directly targeting the MRC, it will be important to involve the MRC in relevant activities to enhance their engagement and exploit synergies with ongoing plans and programmes.

### 2.3. Lessons learnt

This action has been developed on the basis of the results of an assignment to the Consortium SAFEGE<sup>34</sup> in the context of the framework contract EuropeAid/132633/C/SER/multi. The final report notes that the countries have been selected without prior consultation. The risk therefore existed that not all the countries would show the same level of interest. To overcome this, EU Delegations communicated intensively with the country stakeholders to brief them about the action and to secure their commitment and support, by highlighting the benefits of their cooperation. Language was also an obstacle, as knowledge of English, especially among stakeholders and local authorities, is not widespread. This was addressed by utilising local staff in the EU Delegations who would act as interpreters, when needed. Both issues will still be relevant for the implementation of this action and will need to be properly addressed in the implementation phase.

### 2.4. Complementary actions

The action fits into the context of a number of international initiatives commitments and conventions. It is amongst others linked to the **G20 Resource Efficiency Dialogue** and the **G20 Marine Litter Action Plan**, which is in particular of interest for China, Indonesia and Japan.

It also provides for actions that are required under a number of UN resolutions. In particular, the following are relevant:

- At the **3<sup>rd</sup> session of the United Nations Environment Assembly** of the United Nations Environment Programme (UNEP) (UNEA-3, 4-6 December 2017), which addressed the theme 'Towards a pollution-free planet', a resolution on marine litter and micro-plastics was

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<sup>33</sup> <http://www.mrcmekong.org/>.

<sup>34</sup> Specific Contract No. 2016/383013, Formulation of EU-funded action on "Circular Economy 'Towards a global partnership on reducing plastic waste and marine litter' " and its annexes, 11 July 2017.

adopted. It builds on UNEP's assessment of the effectiveness of relevant international, regional and sub-regional governance strategies and approaches<sup>35</sup> that was required by UNEA-2. The resolution decided the establishment of an Ad Hoc Open Ended Expert Group to further examine the barriers to, and options for, combating marine plastic litter and micro-plastics from all sources, especially land based sources.

- The **2030 Agenda for Sustainable Development** encompasses 17 Sustainable Development Goals (SDGs) and 169 targets. Goals 12 and 14 appear particularly relevant to the issue of marine plastics, although all 17 goals are in some way involved. Goal 14 seeks to conserve and sustainably use the oceans, seas, and marine resources for sustainable development, and explicitly addresses marine debris. One of the targets for Goal 14 is Target 14.1: “By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.”
- The **Global Partnership on Marine Litter (GPML)** – joint initiative of UNEP and US National Oceanic and Atmospheric Administration (NOAA) – was launched in June 2012 at Rio + 20 in Brazil, following the recommendations contained in the Manila Declaration. The GPML is a voluntary multi-stakeholder coordination mechanism, bringing together policymakers (international agencies, Governments), civil society actors, the scientific community and the private sector to discuss solutions and catalyse actions, to further reduce and better manage marine litter. The UNEP provides the Secretariat for the GPML.
- Under the **Basel Convention**<sup>36</sup>, Parties have adopted a number of measures including an Environmentally Sound Management (ESM) toolkit that they can use in shaping their national policies to ensure a sound management of waste, so contributing to achieving the SDGs. The ESM toolkit consists of practical manuals on waste management and fact sheets covering specific waste streams; and guidance for developing efficient strategies on waste prevention<sup>37</sup>. At the 13th meeting of the Conference of the Parties to the Basel Convention (Conference of the Parties (COP) 13 held in April 2017), Parties have engaged in developing new tools, such as a practical manual on extended producer responsibility (EPR), guidance on waste prevention and minimisation, factsheets on specific waste streams and manuals on EPR and financing systems for ESM. Another outcome of COP13 was the establishment of a new household waste partnership<sup>38</sup> and the inclusion of marine plastic litter and micro-plastics in the work programme of the Basel Convention's Open-ended Working Group<sup>39</sup> for 2018-2019.
- The **International Maritime Organisation (IMO)** banned the discharge of plastics from ships anywhere at sea almost 30 years ago: The International Convention for the Prevention of Pollution from Ships (MARPOL) Annex V prohibits the discharge of all types of garbage into the sea from ships, except in the cases explicitly permitted under the Annex (such as food waste, cargo residues, cleaning agents/additives that are not harmful to the marine environment).

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<sup>35</sup> UNEP (2017), Combating marine plastic litter and micro-plastics: An assessment of the effectiveness of relevant international, regional and subregional governance strategies and approaches.

<sup>36</sup> Basel Convention on the Control of Transboundary movements of Hazardous Wastes and their Disposal

<sup>37</sup> <http://www.basel.int/Implementation/CountryLedInitiative/EnvironmentallySoundManagement/Overview/tabid/3615/Default.aspx>.

<sup>38</sup> <http://www.brsmeas.org/?tabid=4332&blogId=5148>.

<sup>39</sup> For more info on the Basel Convention's Open-ended Working Group see:

[http://www.basel.int/TheConvention/OpenendedWorkingGroup\(OEWG\)/OverviewandMandate/tabid/2295/Default.aspx](http://www.basel.int/TheConvention/OpenendedWorkingGroup(OEWG)/OverviewandMandate/tabid/2295/Default.aspx)



The countries in South and South East Asia are involved in regional activities and Regional Sea Conventions, some of which are coordinating actions related to marine litter:

- The **East Asian Seas Action Plan** aims to address these threats and is stimulated by concerns on the effects and sources of marine pollution. The Action Plan involves Indonesia, the Philippines, Thailand, Vietnam and China, as well as Malaysia, Singapore Cambodia and Korea. Among the Regional Seas Programmes, East Asia has steered a unique course. There is no regional convention; instead the programme promotes compliance with existing environmental treaties and is based on member country goodwill. East Asian Seas Action Plan is steered by the Coordinating Body on the Seas of East Asia, COBSEA, that is consisting of the member countries. The COBSEA Secretariat is the lead agency of the United Nations for marine environmental matters in East Asia, responsible for co-ordinating the activities of governments, NGOs, UN and donor agencies, and individuals in caring for the region's marine environment.
- The **Asia-Pacific Economic Cooperation (APEC)** is a regional cooperative, multilateral economic and trade forum established in 1989 to leverage the growing interdependence of the Asia-Pacific. APEC's 21 member economies include China, Indonesia, Japan, The Philippines, Vietnam and Thailand. The APEC has an increasing focus on marine litter. Among other, the 2014 Xiamen Declaration noted to encourage cooperation on the reduction and mitigation of marine pollution, including from land-based sources, through continuation and expansion of efforts to reduce marine debris. On 5 September 2017 the APEC held a High Level meeting in Bali, Indonesia, on accelerating waste management solutions to reduce marine litter<sup>40</sup>.
- The 10th **East Asia Summit (EAS)**, held in Kuala Lumpur (Malaysia) on 21 November 2015 among Heads of State/Government of the Member States of the ASEAN and several other countries (such as China), adopted a statement on enhancing regional maritime cooperation, which confirmed their commitment to addressing transboundary marine and coastal pollution from land-based and sea-based sources of marine debris, offshore exploration and exploitation as well as other marine activities. On 6-7 September 2017, an “East Asia Summit Conference on Combating Marine Plastic Debris” took place in Bali, Indonesia.
- **EU-ASEAN Plan of Action 2018-2022** mentions cooperation on the concept of circular economy among its possible activities. This would encourage sustainable consumption models by exchanging experiences on measures covering the entire product life cycle: from production to consumption, waste management and the market for secondary raw materials.
- The **ASEAN** Secretariat and the Ministry of Natural Resources and Environment of Thailand organised in November 2017 an “ASEAN Conference on Reducing Marine Debris in ASEAN Region” in Phuket, Thailand. The conference summary includes recommendations on policy support and strengthening, capacity building, education, research and innovation, private sector engagement as well as public awareness and outreach.
- The **South Asia Cooperative Environment Programme (SACEP)**<sup>41</sup> is developing actions in line with relevant resolutions on marine litter and micro-plastics by the United Nations Environment Assembly and the objectives and goals under the 2030 Agenda for Sustainable

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<sup>40</sup> <http://www.indonesianwaste.org/en/5-september-2017-apec-high-level-meeting-on-accelerating-waste-management-solutions-to-reduce-marine-litter/>.

<sup>41</sup> [www.sacep.org](http://www.sacep.org).



Development, notably SDG 12 on sustainable consumption and production and SDG 14 on oceans.

## **2.5. Cross-cutting issues**

Actions on stakeholder engagement in environmental issues will help demonstrate the importance of civil society and Civil society organisations (CSOs) in supporting government goals. The activities that link the work of the local CSOs in addressing waste management and preventing plastic leakage to the ocean will be concrete example of this crucial cooperation.

By helping reducing marine litter, this action will be supporting communities that rely on fisheries or tourism as a source of income, thus helping addressing broader sustainable development objectives, including decent work and inclusive economic growth.

Gender mainstreaming aspects will be considered throughout the project. Equal gender representation among participants and resource persons for the activities will be ensured to the maximum extent possible. Any impact on women and vulnerable members of the society especially at local community level will be considered for any relevant activities, including outreach.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The **overall objective** of the action is to support the international aspects of the EU Plastic Strategy in East and South East Asia, thereby contributing to strengthening EU cooperation with countries in the region in the areas of circular economy, plastic waste and marine litter reduction.

The **specific objective** of the action is to support a transition to sustainable consumption and production of plastic in East and South East Asia and contribute to significantly reduce marine litter, including by supporting European approaches, policies and business models.

### **3.2. Expected results and main activities**

#### **Result/output 1: Enhanced basis for relevant EU policy dialogues, e.g. on environment, fisheries and industry, concerning plastic production and management**

Specific activities linked to result/output 1:

- 1.1 Identify and engage, inter alia via policy dialogues, with relevant national and regional authorities within the selected countries and in the broader region, including the Mekong River Commission and the ASEAN Secretariat, responsible for regulating plastic production, packaging, retail and consumer goods industry, plastic waste collection and recycling, and waste water treatment. River management authorities, including the Mekong River Commission, will also need to be identified and engaged with.
- 1.2 Identify and engage, inter alia via workshops and direct contacts, with of non-governmental organisations (NGOs) and Community-based organisations (CBOs), relevant businesses organisations and lead business players in the field of plastic

production, plastic waste collection, plastic waste recycling, to understand opportunities that European plastic production and consumption models can offer to improve consumption and production in the selected countries.

- 1.3 Identify and engage, inter alia via policy dialogues, with the relevant national and, where appropriate, regional authorities responsible for regulating fisheries and aquaculture, as well as fishers' organisations, building on ongoing processes and contacts, with a view to support the development of relevant measures for preventing plastic leakage to the oceans.
- 1.4 Identify and engage, inter alia via workshops and direct contacts, with existing European initiatives and networks in the region, for example the EU-Indonesia Business Network<sup>42</sup>, the EU-Vietnam Business Network<sup>43</sup>, the EU SME Centre in China<sup>44</sup>, Eurocham in Singapore, national chambers (e.g. KADIN in Indonesia, the International Chamber of Commerce in Singapore) and similar bodies in other countries in the region. Their help and involvement will be necessary to prepare the ground for relevant activities under this action, notably in identifying best practice, liaise with relevant national or regional business leaders, and show the benefits and feasibility of innovative operational processes, products or business concepts that use less plastics, in particular for plastic packaging, and favour recycling.
- 1.5 Produce a Regional Status Report<sup>45</sup>, summarising the current state of affairs with respect to the circular economy in the selected countries, by identifying policy gaps, providing an overview of circular economy policies, legislation and measures adopted, identifying short and medium term circular economy opportunities and the barriers that limit these. It will deepen the knowledge basis, including in terms of regional, national and to the extent possible local stakeholders, and will provide information concerning existing (or not) extended producer responsibility (EPR) and deposit return (DRS) schemes, implementation of the waste hierarchy, and opportunities for EU intervention in addition to the other activities implemented under this action. The report will provide information concerning the national plastic industry (plastic producers, plastic converters, in particular the packaging producers, companies involved in mechanical recycling, packer-fillers (i.e. brand owners), including producers of fishing gear etc.) and opportunities for its "greening". The report will also provide an overview of public procurement in the country as well as of best practices in the region. It will map recent plastic-related EU projects in the selected countries / region and provide a summary of lessons learnt. The report will also identify the existing partnerships, networks and communication opportunities (e.g. conferences, workshops, trade fairs, business events etc.) in the selected countries. The report will contain specific annexes dedicated to each selected country, as well as ASEAN and the Mekong Region.

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<sup>42</sup> <http://een.ec.europa.eu/about/branches/id00827>.

<sup>43</sup> <http://een.ec.europa.eu/about/branches/vn00872>.

<sup>44</sup> <http://www.eusmecentre.org.cn/>.

<sup>45</sup> Building on the Specific Contract No. 2016/383013, Formulation of EU-funded action on "Circular Economy 'Towards a global partnership on reducing plastic waste and marine litter' " and its annexes, 11 July 2017.

## **Result/output 2: Implementation of waste hierarchy, extended producer responsibility and deposit return schemes for plastic products and plastic waste is supported**

Specific activities (do not apply to Japan and Singapore) linked to result/output 2:

2.1 Legislative and, where appropriate, technical assistance to the national and to the extent possible local authorities in:

2.1.1 Supporting the development of well-designed and well-functioning waste management systems ensuring the separate collection of plastic and organic waste, as this is a prerequisite for maximising the recovery of resources, inter alia plastics, and preventing their leakage to the environment. This activity will profit from the material developed by the Basel Convention, in particular the toolkit for an environmentally-sound management of waste (ESM Toolkit)<sup>46</sup>.

2.1.2 If not already part of the national and regional legislation, supporting the adoption of the waste hierarchy (waste prevention repair, reuse and remanufacturing to be preferred over recycling; incineration without or with little energy recovery or landfilling as the least preferred options) and its effective implementation, with a particular focus on plastic and plastic waste, and the prevention of littering.

2.1.3 Supporting the implementation of extended producer responsibility (EPR) schemes to relieve public authorities (partially) of the cost of managing a specific waste stream (e.g. plastic packaging, disposable plastic utensils, fishing gears, agricultural plastics, waste electric and electronic equipment, end-of-life vehicles etc) transferring the financial burden from taxpayers to consumers, internalise the cost of end-of-life management of a product in the price of new products, thus providing an incentive for eco-design approach, and ensure effective and environmentally sound collection and treatment of that waste stream.

2.1.4 Supporting the implementation of deposit return schemes (DRS) based on additional fees on some products, which have to be paid by the consumer at the sales point of a given item in the form of a deposit. The deposit fee is returned to the consumer when bringing back the item. Most deposit schemes have been set up in the EU Member States for packaging waste, especially for drinking bottles, but also for transport packaging (boxes and pallets). Deposit schemes provide an economic incentive to waste holders to bring their waste back to return points and usually ensure high return rates (above 95% or more in Germany and the Netherlands) and are thus an effective means to combat littering. In addition, the items that are returned are clean sorted fractions with very little contamination, and are therefore perfectly suitable for their reuse or recycling.

2.2 Increased awareness, via communication campaigns to producers and consumers, of the importance of sewage collection and waste water treatment for preventing plastic

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<sup>46</sup> <http://www.basel.int/Implementation/CountryLedInitiative/EnvironmentallySoundManagement/Overview/tabid/3615/Default.aspx>.

waste entering the oceans through the river route, in cooperation with local authorities, and the Mekong River Commission and, where existing in the selected countries, the river basin management authorities.

- 2.3 Identification, inter alia in cooperation with the EU Chamber of Commerce in the selected countries, of opportunities for EU businesses (e.g. solid waste management in line with the waste hierarchy<sup>47</sup>, waste water treatment, clean technologies, alternative fishing gears etc) in providing European solutions, approaches, technologies and know-how for the activities above.
- 2.4 A database inventorying the best and easily replicable practices around the world for supporting sustainable production and consumption of plastic, addressing waste prevention, sound plastic waste management and waste water treatment will be developed. It will be accompanied by a roster of experts having contributed to the development and application of these best practices. On that basis, specific seminars focused on concrete solutions having proven to be efficient whether in or outside the EU will be organised. This will open the path for possible additional concrete actions.
- 2.5 Implement one to two pilot projects in each of the selected countries (with a minimum of five pilot projects, excluding Japan and Singapore), supporting the implementation of an EPR scheme and/or the implementation of a DRS. This should be linked to policy processes at national level and could include exchange between a "champion" city and another city in the same country or in two different countries and involve civil society, scientific and business organisations.

### **Result/output 3: Activities for sustainable consumption and production of plastic are implemented**

Specific activities linked to result/output 3:

- 3.1 Working, inter alia through technical and legislative assistance and workshops, with relevant public authorities as well as the local plastic industry to support the design of plastic-containing products, as the choices made at the product design phase have a direct impact on the recyclability of plastics and the possibility to find their way back in the loop. Optimised design can lead to more durable, repairable, reusable, easy to dismantle and recyclable plastic products. Design for recyclability is particular relevant for plastic packaging given that it is the most abundant plastic waste type and its short lifetime.

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<sup>47</sup> A recognised principle at international level that in the EU is enshrined in the Waste Framework Directive (Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives, OJ L 312, 22.11.2008, p. 3–30). Article 4(1) of the Directive provides for the following hierarchy: (a) prevention; (b) preparing for re-use; (c) recycling; (d) other recovery, e.g. energy recovery; and (e) disposal, leaving however some flexibility to Member States in its application, as the ultimate goal is to encourage those waste management options that deliver the best environmental outcome. It should be noted that incineration of municipal waste in dedicated installations, depending on their energy efficiency, may fall under point (d) or (e) in the hierarchy, as set out in the first footnote of Annex II to the aforementioned Directive, and also as highlighted in the Communication 'The role of waste-to-energy in the circular economy' (COM(2017) 34).

- 3.2 Support, inter alia through technical and legislative assistance and workshops, the development of appropriate standards for plastic recyclates (from mechanical and chemical recycling), in cooperation with relevant public authorities and industrial organisations, as a market for such secondary raw materials will only develop if they fulfil specific quality standards and the recycled plastics is demonstrated to be safe. Consider initiatives, without funding them, to promote research and development, entrepreneurship and training on product development with recycled plastic materials.
- 3.3 Show-case European approaches related to innovative operational processes, products or business concepts that use better plastics or less plastic, in particular for plastic packaging, in cooperation with the local plastic industry and competent authorities as well as with teachers.
- 3.4 Through technical and legislative assistance, consider how to minimise / prevent the addition of micro-plastics to all products, including cosmetics, detergents and paints, and the release of micro-plastics from products such as tyres, textiles or pre-production plastic pellets, in cooperation with the competent authorities and the local industry, building on European know-how for sustainable alternatives and technologies.
- 3.5 Implement one to two pilot projects in each of the selected countries (with a minimum of five pilot projects, excluding Japan and Singapore), addressing plastic bags or other single-use plastic products. These pilot projects will demonstrate the technical feasibility of these activities and will serve to better engage with the relevant authorities, industry, scientific and civil society stakeholders.

#### **Result/output 4: Efforts for the reduction of litter from sea-based sources are enhanced**

Specific activities (do not apply to Japan and Singapore) linked to result/output 4:

- 4.1 Legislative and if appropriate technical assistance to the national and to the extent possible local authorities in:
  - 4.1.1 Promoting the separate collection of waste from ships, including fishing vessels and recreational craft, in ports, in compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL) and in line with the new EU approach to port reception facilities (incorporating the relevant MARPOL provisions in EU law), aimed at increasing the delivery of waste from ships, including fishing vessels and recreational craft, on shore to adequate port reception facilities.
  - 4.1.2 Developing passive 'fishing for litter' schemes. While preventing the leakage of plastic into the marine environment is the first priority, action to retrieve some of the plastics floating in the oceans can have a role to play<sup>48</sup>. Fishing vessels can also make a contribution to solving the problem by picking up litter not only from sea-based sources but also from that coming from the land. They can do this by sorting, collecting and delivering the litter found in their nets during

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<sup>48</sup> In the EU it is supported by EU funds – see <https://ec.europa.eu/easme/en/information-day-blue-growth-calls-under-emff>.

normal operations ("passive" fishing for litter) to adequate port reception facilities. These active operations should focus on lost, abandoned or discarded fishing gear (ALDFG) and be carried out in an environmentally sound way, after the identification of so called "hot spots" where there are important quantities of such gear or where there is a high risk for marine life<sup>49</sup>.

- 4.2 Through twinning with relevant organisations and technical assistance and on the basis of European know-how, identify quantities and types of marine litter from aquaculture and implement best practice to prevent abandoned, lost and otherwise discarded fishing gears from fishing vessels as well as marine litter from aquaculture.
- 4.4 Implement one to two pilot projects in each of the selected countries (with a minimum of five pilot projects, excluding Japan and Singapore), on the MARPOL Convention (Annex V and related Guidelines), in particular enforcement of the ban on discharges of garbage at sea and the requirement for the provision of adequate Port Reception Facilities, as well as on passive "fishing for litter" scheme.

### **Result/output 5: Green procurement policies, processes and cooperation are strengthened**

Specific activities (for Japan and Singapore only) linked to result/output 5:

- 5.1 In cooperation with relevant public authorities:
  - 5.1.1 Share best practice and relevant experience, inter alia through workshops, on how to drive the circular economy in the plastic sector, contributing to a reduction of marine litter, by using their purchasing power to choose circular goods, services and works.
  - 5.1.2 Exchange, inter alia through workshops, about tools and information that procurement officials can use to choose for products that are circular and contribute to less marine litter, including lessons learnt (e.g. in the EU through Green Public Procurement actions).
- 5.2 Working with EU chamber of Commerce, identify opportunities for EU businesses in providing European solutions, approaches, technologies and know-how in fulfilling green public procurement standards in Japan and Singapore, and co-organise relevant events.

### **Result/output 6: Awareness of public authorities and consumers about sustainable consumption and production of plastic and impacts on the environment of littering is increased**

Specific activities linked to result/output 6 (do not apply to Japan and Singapore):

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<sup>49</sup> Guidelines for these operations were discussed and developed within the following EU studies: <http://www.marelitt.eu/>, <https://www.marelittbaltic.eu/>, <http://ec.europa.eu/environment/marine/good-environmental-status/descriptor-10/pdf/MSFD%20Measures%20to%20Combat%20Marine%20Litter.pdf> (pp. 152-198).

- 6.1 Supporting the design and implementation of a comprehensive communication and awareness raising campaign at national level and among selected local governments and communities to increase public awareness on sustainable consumption patterns of plastic and packaging, including alternatives to plastic, and the impacts on the environment of littering. The campaign should develop key messages, communication tools and materials and activate most popular communication channels among the local communities, adapting to preferred communication media.
- 6.2 Organise, in close cooperation with relevant national and local authorities in the selected countries, a high-level event per country to disseminate the results of the projects and support increased EU visibility in circular economy model applied to the plastic sector.
- 6.3 Each year, organise a week-long study visit to the EU for up to 15 officials and key stakeholders from the selected countries in order to establish and nurture partnerships between them and relevant authorities from one or more EU Member States as well as the EU. A seminar could also be organised in the region, for instance in Bangkok, in addition.

### **3.3. Risks and assumptions**

#### Assumptions

The main assumption is that the findings in the report *Formulation of EU-funded action on Circular Economy 'Towards a global partnership on reducing plastic waste and marine litter'*<sup>50</sup> of July 2017 will still be valid by the time this action is implemented on the ground. In particular, it is assumed that the stakeholders (including public authorities) approached in that occasion and that have expressed an interest in this action will still like to be actively engaged.

It is also assumed that the increasing global interest shown to resource efficiency and sustainable consumption and production (e.g. in the G20 and at UNEA-3) will continue to apply also to the selected countries.

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<sup>50</sup> Specific Contract No. 2016/383013, Formulation of EU-funded action on Circular Economy 'Towards a global partnership on reducing plastic waste and marine litter', July 2017.

## Risks

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Stakeholders that are going to take part in the activities have to be identified specifically and need to be mobilised. Moreover, the number of stakeholders involved is considerable and is specific for each theme within the action.	<b>H</b>	This will be addressed by carefully considering the findings in the report <i>Formulation of EU-funded action on Circular Economy 'Towards a global partnership on reducing plastic waste and marine litter</i> so as to initially address and build on already contacted stakeholders.
National and local governments lack the political will and enforcement power to improve plastic collection	<b>M</b>	Awareness raising and full involvement of national and local levels in the action. Prioritise the topic of plastic management in relevant policy dialogues.
Reluctance of local communities to move away from illegal or unsustainable practices in plastic waste management.	<b>H</b>	Awareness raising about the benefits for their livelihoods and employment situation. Encourage reward system for communities that actively participate in waste collection schemes.

### **3.4. Stakeholders**

Stakeholders include first and foremost relevant national and regional authorities within the selected countries (and in the broader region as well, including the Mekong River Commission and the ASEAN Secretariat), as well as businesses (plastic producers and recyclers, fishers). River management authorities, including the Mekong River Commission, will also need to be addressed by the action.

The close involvement of regional sea conventions and synergies with action plans against marine litter should be sought. UNEP and its Global Partnership on Marine Litter (GPM) and the International Environmental Technology Centre (IETC) as well as UNIDO would also need to be involved, where appropriate.

Synergies with work by the G20 on resource efficiency and against marine litter should be sought in activities concerning China, Indonesia and Japan.



## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1. Indirect management<sup>51</sup> with agencies of a Member State

This action may be implemented in indirect management with Agence Française d'Expertise Technique Internationale (AFETI) in accordance with Article 58(1)(c)(v) of Regulation (EU, Euratom) No 966/2012 and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in accordance with Article 58(1)(c)(vi) of the said Regulation.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the project. This implementation is justified because of the specific technical competence and geographical presence of both the AFETI and GIZ in the partner countries, their complementarity and their particular policy engagement and longstanding experience with the relevant authorities in these countries on environmental issues.

AFETI and GIZ complement each other to ensure a solid presence both at country level and regionally and has developed contacts in a large network of stakeholders. Both AFETI and GIZ will involve expertise from other EU member states during the implementation of the activities that ensuring a genuine and wide European character to this action.

The entrusted entities would carry out budget implementation tasks that may include *inter alia* the provision of technical assistance and consultancy services, organisation of seminars/conferences/study visits/events, communication activities, awarding grants to fund pilot actions.

### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Indirect management	9
<b>Totals</b>	<b>9</b>

### 4.3. Organisational set-up and responsibilities

A steering committee shall be set up in support of the action. It will consist of representatives of relevant Commission services and the EEAS, with relevant EU Delegations, as the main interlocutors for technical issues.

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<sup>51</sup> Article 216 RAP (Article 139 FR) Selection of the entities entrusted with the implementation of financial instruments in indirect management

#### **4.4. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress 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. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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.

#### **4.5. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the "N+1" rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

#### **4.6. Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU and will therefore be an integral part of the action.

The implementing partner will establish a Communication and Visibility Plan at the start of implementation in line with relevant guidelines that inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>52</sup>

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<sup>52</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).

EN

**ANNEX 2**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for promoting key aspects of environmental protection in Russia through civil society engagement**

**1. IDENTIFICATION**

Title of the action	Promoting key aspects of environmental protection in Russia through civil society engagement			
Countries <sup>1</sup> / Region	Russia, EU Member States			
Total cost	Total estimated cost: EUR 3 750 000 Total amount of the EU budget contribution: EUR 3 000 000			
Total duration <sup>2</sup>	36 months			
Method of implementation	Grants – direct award			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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"/>
General policy	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>1</sup> The envisaged assistance to the concerned countries is deemed to strictly follow the conditions and procedures set out by the restrictive measures concerning the said countries.

<sup>2</sup> Maximum duration of the operational implementation period of the contract(s)

objective	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2. RATIONALE AND CONTEXT

### 2.1. Summary of the action and its objectives

Despite current geopolitical tensions, environment is among the areas where the European Union (EU) would benefit from further engagement with Russia. Given the geographical proximity and environmental interdependence, and the connection with climate change, environment protection in Russia is of primary interest for the European Union. The effects of environmental degradation, air and water pollution in Russia directly impact neighbouring EU countries especially in the sensitive Baltic Sea and Arctic areas. Moreover, Russia's impact on global environment is significant.

The considerable forestry and biodiversity potential of Russia risks being critically reduced by pollution, deforestation, illegal logging and the effects of climate change. By strengthening the participation of civil society in the process of environmental policy development, implementation and oversight, this action aims at tackling key environmental issues in Russia. It is consistent with the five principles which guide EU policy towards Russia endorsed at the 14 March 2016 Foreign Affairs Council meeting<sup>3</sup> and re-confirmed at the Foreign Affairs Council on 16 April 2018<sup>4</sup>; in particular it promotes EU's people-to-people contacts approach and the support for Russian civil society organisations.

The action should bring together EU and Russian Civil Society Organisations (CSOs), local authorities, business and other key actors to implement activities addressing two main and interlinked environmental issues in Russia: (i) deforestation, through promoting sustainable forest management, including preventing the loss of biodiversity as it relates to forests and (ii) air and water pollution, by promoting environmental performance standards among Russian cities.

As a cross-cutting element across the two action components, the project aims at promoting public participation and access to information in environmental decision-making to raise awareness and engagement in decisions affecting environmental issues in Russia. In perspective, the action can contribute to create an enabling environment for enhanced business cooperation for Europe's environmental and low carbon goods and services as well as clean tech-industries.

### 2.2. Context

In line with the Global Strategy for the European Union's Foreign and Security Policy<sup>5</sup>, this action is premised on the importance to enhance energy and environmental resilience. Halting the loss of biodiversity and environmental degradation is a global commitment reflected in the 2030 Agenda for Sustainable Development and in particular Sustainable Development Goal

<sup>3</sup> <http://www.consilium.europa.eu/en/meetings/fac/2016/03/14/>

<sup>4</sup> <http://www.consilium.europa.eu/en/meetings/fac/2018/04/16/>

<sup>5</sup> <https://europa.eu/globalstrategy/en/global-strategy-foreign-and-security-policy-european-union>

15<sup>6</sup>. This project should contribute directly to achieving the objectives of the EU Biodiversity Strategy to 2020, while at international level it would contribute to the implementation of the Strategic Plan for Biodiversity 2011-2020 under the Convention for Biological Diversity (CBD).

With its enormous forest surface (50% of all territory), Russia is a leading world producer and exporter of timber.

Intensive logging, combined with high incidence of forest fires and fast ageing of the forests leads to an accelerated process of deforestation (3 million hectares lost per year over the last 10 years<sup>7</sup>). In addition to the negative consequences for the environment, biodiversity and living standards, the process leads to a loss of Greenhouse Gases (GHG) absorption potential, main channel of Russian contribution to the global climate action. Russian estimates indicate that by 2050 Russian forests will turn from GHG net sinks to GHG net emitters. Russia has yet to ratify the Paris Agreement on Climate Change while it is among the largest producers and users of fossil fuels and emitters of greenhouse gases in the world. An action promoting sustainable forestry would indirectly also bring forward the climate agenda with Russia.

Alongside legal logging, an estimated 20% of total logging in Russia<sup>8</sup> (and 80% in the Russian Far East<sup>9</sup>) is illegal and thrives on shady practices, including the establishment of temporary trading companies which act as intermediaries between illegal loggers and international exporters, the misuse of sanitary and “intermediate” logging permits to harvest healthy trees, falsified permits and related overharvesting, and harvesting in protected areas<sup>10</sup>.

The EU Forest Law Enforcement Governance and Trade (FLEGT) Action Plan<sup>11</sup> aims at reducing illegal logging by strengthening sustainable and legal forest management, improving governance and promoting trade in legally produced timber. It includes two legal components: the EU Timber Regulation which targets illegal logging by ensuring that no illegal timber can be sold in the EU and the Voluntary Partnership Agreements (VPA), legally binding trade agreements between the EU and third timber-producing countries.

While it is not feasible to conclude a VPA with Russia in the near term, it would be opportune to promote the EU Timber Regulation by enabling actions leading to similar outcomes. As Russia is a major supplier of wood to the EU, actions that strengthen sustainable and legal forest management should support the environmental sustainability of EU companies and supply chains. This applies not only to direct exports to the EU, but also with regard to exports to other countries as there is evidence of re-exports of Russian wood from China to the EU.

The European Union and Russia are engaged in 'Forest Europe' (the brand name of the Ministerial Conference on the Protection of Forests in Europe), the pan-European voluntary high-level political process for dialogue and cooperation on forest policies in Europe. The process aims at developing common strategies for its 47 signatories on how to protect and sustainably manage their forests and has led so far to significant achievements such as the

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<sup>6</sup> Sustainable Development Goal 15 reads: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss

<sup>7</sup> Global Forest Watch. Russia Country Profile (2017) at <http://www.globalforestwatch.org/country/RUS>

<sup>8</sup> Gan, J. et al. in *Illegal Logging and Related Timber Trade – Dimensions, Drivers, Impacts and Responses*. A Global Scientific Rapid Response Assessment Report (eds. Kleinschmit, D., Mansourian, S., Wildburger, C. & Purrel, A.) 37–59 (IUFRO, 2016)

<sup>9</sup> EIA. *Liquidating the forests: hardwood flooring, organised crime and the World’s last Siberian tigers* (2013).

<sup>10</sup> UNEP-WCMC, Russian Federation. *Country overview to aid implementation of the EUTR* (2017).

<sup>11</sup> <http://www.euflegt.efi.int/flegt-action-plan>

guidelines, criteria and indicators for sustainable forest management, which all countries commit to take on board in their national forest policies. In the proposed action, the promotion of sustainable forest management will be undertaken in line with Forest Europe principles, criteria and indicators, as applicable to the specific national circumstances in the Russian Federation.

In addition to deforestation, main environmental problems in Russia include water and air pollution and waste management, including nuclear waste. While some improvement has been achieved in recent years, the magnitude of environmental challenge can be illustrated by the headline Green Growth Indicator: the share of population exposed to pollution levels above the World Health Organisation's guidelines<sup>12</sup> amounts to 86%. In many industrial centres (e.g. Dzerzhinsk, Irkutsk, Kemerovo, Krasnoyarsk, Novokuznetsk, Norilsk and Cherepovets), the rates of morbidity and mortality exceed 1.5-3 times the national average.

Persistently high levels of pollution is driven by a number of factors, among others: obsolete technologies of industrial production and ageing infrastructure of industries; a sharp increase in the motor vehicle fleet and related environmental concerns (in large cities, motor vehicles account for up to 90 percent of hazardous emissions); persistently high quantity of untreated wastewater effluents and air emissions, resulting from the overloading or lack of treatment plants; and an increased generation of industrial and municipal waste<sup>13</sup>.

Russia shares more than 2000 km of frontier with the EU. Its proximity means that Russian pollution problems impact directly on the EU and its member states and vice-versa. We share rivers and seas that are in need of protection. There is therefore a clear interest to cooperate on the issue of pollution.

This action should also contribute to meeting a number of pollution related global commitments taken by the EU including:

- Implementation of the Sustainable Development Goals or more specifically Goal 3, Targets 3.9<sup>14</sup> and Goal 12, Target 12.4<sup>15</sup>;
- Implementation of the global call for action against pollution at the 2017 UN Environment Assembly. The Ministerial Declaration contains a global commitment to address pollution and calls for continued development of partnerships, between governments, the private sector, academia, civil society and individuals.

The project will be implemented in line with the promotion of people-to-people contacts and the support for Civil Society Organisations (CSOs) in the context of EU activities in Russia, as set out in the five guiding principles endorsed at the Foreign Affairs Council on 14 March 2016, which refer to the need to engage in people-to-people contacts and support Russian civil society.

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<sup>12</sup> Proportion of people living in areas with annual concentrations of particulate matter (PM2.5) exceeding the WHO air quality guideline of 10 µg/m<sup>3</sup>. Mean annual concentration of particulate matter weighted by population living in the area amounts to 15 µg/m<sup>3</sup> in 2017 down from 17 µg/m<sup>3</sup> in 2014. Source: OECD (2017) Green Growth Indicators 2017.

<sup>13</sup> OECD (2006), Environmental Policy and Regulation in Russia. The Implementation Challenge, and OECD, (2007), Mobilising financial resources for the environment in Russia

<sup>14</sup> Target 3.9 reads: "by 2030 reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination".

<sup>15</sup> Target 12.4 reads: "by 2020, achieve the environmentally sound management of chemicals and all wastes through their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment2.

Despite the current challenges in the EU-Russia relations, and because of them, the EU considers it important to engage various audiences into an open dialogue, maintain relations with the EU's existing partners and to support civil society and people-to-people links. It is expected that civil society in Russia would respond positively to this mutual interest cooperation as the topic of environment has seen a visible revival in the official and public debate in Russia<sup>16</sup>.

### **2.3. Lessons learnt**

The action will build upon experience gathered in implementing cooperation with Russian civil society through the European Instrument for Democracy and Human Rights and the Civil Society and Local Authorities thematic programme, as well as with previous work with the World Wide Fund for Nature Russia. It confirms that Russian civil society show continued readiness both to co-operate with each other, and with external actors. Civil Society organisations have the ability and willingness to address real issues affecting Russian citizens, including environmental issues. Civil society also offers an opportunity to engage Russian citizens and foster new people-to-people contacts. By working through a strong civil society partner such as the World Wide Fund for Nature Russia, the action will seek to ensure participation as well of smaller, more remotely located civil society organisations in the cooperation.

### **2.4. Complementary actions**

The action will complement, build upon and benefit from the experience gathered from other projects in the area of environmental protection including:

- "Cooperation with major economies for the implementation of the Paris Agreement". This EU action will be launched in early 2018, and aims at providing solid EU inputs to the efforts of key partner countries including Russia to take forward climate action in line with the Paris Agreement<sup>17</sup>. In Russia, the engagement is expected to focus on promoting sustainable urban development and energy efficiency in Russia through exchange of good practices.
- Projects funded under the "Northern Dimension Environmental Partnership";
- European Neighbourhood Instrument funded Cross-Border Cooperation programmes;
- "EU-Russia Civil Society Forum: Agenda 2020": The EU supports the EU-Russia Civil Society Forum activities that allow regular and systematic contacts between Russian civil society organisations and their counterparts in the EU including on environment.
- Grants funded under the European Instrument for Democracy and Human Rights and Civil Society and Local Authorities thematic programme for Russian civil society organisations to promote and protect environmental rights.
- "EU Policy and Outreach Partnership": This EU supported Public Diplomacy programme aims at facilitating dialogue between selected Russian and EU audiences, experts and interlocutors on a number of bilateral and global issues, including the environment, with a view to increase the understanding of the EU and its policies and thereby contribute to stronger EU-Russia relations.

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<sup>16</sup> 2017 was designated the Year of Ecology in Russia by the President.

<sup>17</sup> [https://ec.europa.eu/clima/policies/international/negotiations/paris\\_en#tab-0-0](https://ec.europa.eu/clima/policies/international/negotiations/paris_en#tab-0-0)

In addition, the proposed action will complement new and on-going a Research and Development projects in the areas of environment / climate change / energy efficiency with Russian participation, funded in the context of the EU's Framework Programmes for Research & Innovation.

## **2.5. Cross-cutting issues**

This action will integrate a number of key cross-cutting issues in the design of policy options and activities.

### *Good governance*

The implementing partner will be asked to ensure that principles of Good Governance will be followed during the entire course of the action: participation and inclusiveness, accountability, responsiveness, transparency, efficiency and effectiveness and respect of rule of law. Implicit in this is a zero tolerance towards corruption, that the views of minorities are taken into account, and that the voices of the most vulnerable in society are heard in decision-making. This will include promoting voice and participation of vulnerable and indigenous people living in areas interested by the project activities.

The implementing partner will define a management set-up that includes establishing and maintaining procedures for preventing, identifying, and managing cases of corruption and mismanagement, and that responds quickly and professionally to indications of irregularities. The principles of good governance shall be embedded in the management of the action and will also complement EU specific requirements for the selection and funding of third parties.

### *Gender equality*

The action will give emphasis to Gender equality, and will strive to establish a more enabling environment for the fulfilment of girls' and women's rights. In the implementation of its activities the action will strengthen girls' and women's voice and participation. It will promote equitable access to opportunities, to resources and to decision-making for men and women, girls and boys. A gender impact assessment will be undertaken in the inception phase of the action and for all projects financed under the Call for Proposals, looking for gender relevance at every step of policy and activities.

The implementing partner will be requested to report on project activities using sex-disaggregated data wherever possible.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of this action is to contribute to tackling key environmental issues in Russia through strengthening the participation of civil society organisations in the process of environmental policy development, implementation and oversight.

The specific objectives are:

SO.1. to contribute to enabling conditions for sustainable management of Russian forests, including proposing new approaches on timber logging, certification and trade;

SO.2. to contribute to efforts aimed at reducing air and water pollution in Russia, including through awareness-raising and exchange of practices.



### 3.2. Expected results and main activities

The main expected results of the action are:

R.1 Understanding of current issues affecting deforestation in Russia, including issues related to legislation and practices on timber logging, certification and trade is enhanced;

R.2 Best practices and lessons learned in the application of various measures in the forestry sector are assessed by environmental non-governmental organisations, local administrations, operators, experts and civil society in Russia;

R.3 Russian civil society organisations are enabled to take active and competent part in identifying and promoting best practices adopted by Russian cities to improve the quality of air and water;

R.4 Russian civil society organisations are enabled to conduct successful awareness raising activities on environmental issues countrywide;

R.5 EU and Russian environmental civil society organisations, local authorities, business and other key actors implement joint environmental protection activities; and

R.6 Project activities contribute to create an enabling environment for enhanced business cooperation in the area of clean technology and the renewable sources of energy.

The main indicative activities of the action are:

#### Project Activity cluster 1: Expert seminars/visits/ exchanges:

- Organisation of thematic expert workshops, conferences;
- Facilitating exchange of experience between different EU and Russian stakeholders including city-to-city exchange visits focused on specific environmental challenges by interested groups, combining civil society activists, experts, business community, local authorities;
- Facilitating contacts, consultations, field visits and exchange of experience between environmental NGOs;
- Facilitating specific exchange of expertise and experience with relevant EU partners on preventing and fighting forest wildfires;
- Facilitating specific exchanges on illegal logging, timber certification and sustainable exploitation of resources;
- Invitation/exchange of civil society organisations from Russia for study visits in Europe.

#### Project Activity cluster 2: Technical cooperation:

- Cooperation among research centres and universities, within Russia and with the EU as relevant and applicable, on studies and assessments to measure the precise dimension of specific environmental challenges related to this action. The implementing partner will identify a limited number of highly relevant topics and liaise with research centres and universities in Russia and in the EU to ensure synergies and cooperation. This could include the short term placement of researchers, facilitating joint research and the production of papers. As regards forestry, the European Forest Institute could be a relevant counterpart for the identification of research areas and for possible exchanges.
- Through the analysis of existing laws and regulations, identify specific options to better address illegal logging and certification of timber;

- Identification and promotion of best practices adopted by Russian cities, sharing them with the wider public and the business community;
- Contribute to the development of environmental responsibility by business.

Project Activity cluster 3: Support to civil society organisations involved in environmental protection:

- Involvement and encouragement of community initiatives and environmental actions. To this end, the implementing partner should re-grant 25% of the project budget to fund smaller projects proposed by local environmental non-governmental organisations, following a Call for Proposals mechanism; selected projects could focus on the implementation of direct environmental actions, as well as on public awareness, participation in the decision-making process and cooperation at all levels on matters related to the action;
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- Build capacities of civil society organisations to formulate and deliver civil society requirements on environmental performance to cities;
- Advocacy, including vis-à-vis legislative structures to develop and promote draft legislation providing effective public participation;
- Methodological and organisational support for a coalition(s) of environmental non-governmental organisations for their participation in environmental decision-making and access to information via workshops, webinars and tool kits;
- Promoting access to environmental decision-making by facilitating the engagement of civil society at national level in public hearings, public expert reviews, staff support, training and legal support;
- Develop advocacy skills and networking opportunities among Russian environmental non-governmental organisations, through targeted training and exchanges particularly directed at the new generation of leaders.

### 3.3. Risks and assumptions

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Overlaps with other projects from other donors	<b>M</b>	Coordination with other donors to avoid overlaps; Project design introduces necessary level of flexibility to avoid overlaps.
Overlaps with existing EU-funded projects at national and regional level	<b>L</b>	Direct involvement of relevant EU services and EU Delegation correspondent ensures full knowledge of parallel EU-funded activities.

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Changes in the Russian priorities for the sector	<b>L</b>	Project design introduces necessary level of flexibility to adapt to such changes.
Deterioration of the overall political situation which would not allow for the implementation of one or several activities under this action	<b>M</b>	Direct involvement of relevant EU services ensures an early warning mechanism and the possibility to design ad hoc mitigating measures if the risk occurs.
Unwillingness of key stakeholders and civil society organisations in Russia to host events or to co-organise activities with the EU and the implementing partner	<b>M</b>	Project design introduces necessary level of flexibility to adapt to such changes by focusing to particular topics and/or by involving stakeholders from a wide spectrum.
<b>Assumptions</b>		
Suitable implementing partners are available in Russia who remain cooperative and agree to work alongside the EU taking the lead in the implementation of activities.		
Sustained willingness of stakeholders to engage with EU in the selective area of environmental protection.		

### **3.4. Stakeholders**

The main stakeholders from the EU are relevant European Commission services, the European Environment Agency, the European External Action Service and the EU Delegation to Russia. Other EU stakeholders may include EU scientific and technical institutions, EU development aid agencies and financial institutions, the European Forest Institute (EFI) and business and civil society organisations engaged in bilateral cooperation with Russia.

Stakeholders from Russia should include domestic non-state actors such as scientific and technical institutions, regional and local authorities, business and civil society organisations. The federal authorities (Ministry of Natural Resources and Environment) will be kept informed about the project implementation, ensuring consistency with the Forest Europe process.

EU Member States embassies in Russia will be invited to regular briefings and coordination meetings on the action.

#### **4. IMPLEMENTATION ISSUES**

##### **4.1. Method of implementation**

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

##### ***4.1.1. Grants - direct award<sup>18</sup> Promoting key aspects of environmental protection in Russia (direct management)***

###### **(a) Objectives of the grant**

The action will be implemented exclusively through the signature of a grant agreement. As a result, objectives, expected results and main activities are those defined above under section 3.1 and 3.2.

###### **(b) Justification of a direct grant**

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the World Wide Fund for Nature Russia (WWF Russia), in accordance with the provisions of article 190(1) (f) of the RAP.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the characteristics of this action require a particular type of body, namely the WWF, Russia on account of its technical competence, its high degree of specialisation and administrative power.

Given the necessity to for the EU to work with a legitimate and strong partner in delivering an action which can confidently interact with various stakeholders including local authorities on technical issues, it is judged as most appropriate to select as implementing partner WWF Russia.

The WWF is one of the largest non-governmental nature conservation organisations in the world.

WWF Russia offers a specific and highly relevant combination of a recognized mandate as a leading environmental non-governmental organisation in Russia, offering technical competence and contacts within government, businesses as well as civil society which allows it to conduct work on the proposed action in a challenging context.

Implementation by WWF Russia is justified because of (i) the technical competence of WWF Russia on matters related to environmental protection. WWF Russia is actively involved and has a long track record of being involved in forest management and environmental promotion efforts at all levels with a variety of stakeholders; (ii) its ability to reach out to the key actors using a variety of approaches from awareness raising and professional education to direct

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<sup>18</sup> Article 190 (RAP) (article 128 FR) - Exceptions to calls for proposals (awarding grants without call for proposals)

action, public participation, research and advocacy. WWF Russia works with forest management practitioners, customs and law enforcement officers, decision-makers including in relation with forest management and planning, timber harvesting and trade, research institutes, the business community and civil society organisations; (iii) its experience with managing sizeable donor funding, including administering call for proposals targeting local non-governmental organisations; and (iv) its network of local offices (8 in the country), enabling the organisation to operate in those regions that are most important for nature conservation.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call, design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 80% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement

3rd quarter 2018

(f) Exception to the non-retroactivity of cost: N/A

#### **4.2. Scope of geographical eligibility for procurement and grants**

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

### 4.3. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1 Grant - Direct award (direct management)	3
<b>Total</b>	<b>3</b>

### 4.4. Organisational set-up and responsibilities

A Steering Committee will be set up in support of the action. It will consist at least of representatives of the EU Delegation, European Commission services, the European External Action Service and the implementing partner. The steering committee will meet at least annually to assess and approve annual work plans of the project.

The grantee will establish a project team responsible for the day-to-day operations of the action and a network of delivery partners.

### 4.5. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators, which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

### 4.6. Evaluation and audit

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” applies for contracting under this Decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>19</sup>

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<sup>19</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).

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ANNEX 3

of the Commission Implementing Decision on the 2018 Annual Action Programme for the Partnership Instrument

**Action Fiche for Follow-up to the strategic plan for biodiversity**

**1. IDENTIFICATION**

Title of the action	Follow-up to the strategic plan for biodiversity			
Country(ies)1/ Region	Global			
Total cost	Total estimated cost: EUR 4 500 000 Total amount of the EU budget contribution: EUR 4 500 000			
Total duration2	36 months			
Method of implementation	Indirect Management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	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"/>
General policy objective	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> The envisaged assistance to the concerned countries is deemed to strictly follow the conditions and procedures set out by the restrictive measures concerning the said countries.

<sup>2</sup> Maximum duration of the operational implementation period of the contract(s)



## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

As a global actor and in terms of environmental diplomacy, the European Union aims to enhance its bilateral and multilateral cooperation through the development of a collective approach to challenges linked to biodiversity loss.

This action is designed to enable EU policy cooperation with partner countries to support advances in the field of biodiversity, placing the EU as a key interlocutor on biodiversity. By focusing on complementing the Convention for Biological Diversity (CBD) process, the project will seek to contribute to achieve a positive move towards an ambitious follow-up to the current Strategic Plan for Biodiversity 2011-2020<sup>3</sup> ('follow-up to the Strategic Plan') that strengthens implementation including through measurable (SMART<sup>4</sup>) targets and commitments.

### **2.2. Context**

Biodiversity and healthy ecosystems are fundamental for sustainable economic growth, well-being and achieving the Sustainable Development Goals (SDGs). They form the underpinning of agriculture, fisheries, forestry and are thereby essential for food and food security. They significantly contribute to human and animal health. Businesses are becoming increasingly aware of their dependencies on natural capital and of the economic opportunities for investment. Furthermore, they are essential for the climate change objectives laid down in the Paris Agreement on Climate Change<sup>5</sup>. Nature-based solutions and ecosystem based approaches can make strong contributions to climate change adaptation and disaster risk reduction, in line with the Sendai Framework for Disaster Risk Reduction, thereby helping to address root causes of migration and conflict and increase resilience.

The Convention on Biological Diversity (CBD) is the largest and politically most important Convention in the field of biodiversity. The EU is a Party to the Convention and has been a key player in the CBD from the very beginning and should continue to shape global biodiversity policy.

The 15<sup>th</sup> Conference of the Parties (CoP) under the Convention for Biological Diversity (CBD COP 15) which will take place in 2020 in China will be a unique opportunity for enhancing global commitments for biodiversity, as it has to decide on the follow-up to the current Strategic Plan for Biodiversity 2011-2020.

The current Strategic Plan contains a vision for 2050 and 20 Aichi Biodiversity Targets<sup>6</sup> that provide an encompassing approach to biodiversity policy. It aims at guiding the work under CBD and its Nagoya Protocol on access and benefit sharing<sup>7</sup>, as well as work under other biodiversity-related Multilateral Environmental Agreements (MEAs) such as the Convention on International Trade in Endangered Species (CITES), the Convention on Migratory Species (CMS) and the Ramsar Convention on wetlands. The Aichi Biodiversity Targets and the Sustainable Development Goals (SDGs) and targets are highly complementary. Cooperation and synergies with the work under the other two Rio-Conventions, United Nations Framework Convention on Climate Change and the United Nations Convention to Combat

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<sup>3</sup> <https://www.cbd.int/sp/>

<sup>4</sup> Specific, Measurable, Achievable, Realistic, Time-bound.

<sup>5</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

<sup>6</sup> <https://www.cbd.int/sp/targets/>

<sup>7</sup> The other Protocol under the CBD, the Cartagena Protocol on biosafety, is not covered by the current Strategic Plan.

Desertification, and under other frameworks and policy contexts, such as those concerning forests and wildlife crime, are equally important.

Unfortunately, as outlined in the latest global biodiversity outlook and in the mid-term review of the EU Biodiversity Strategy to 2020, the world is not on track to achieve the Aichi targets. Efforts have increased but are not sufficient to meet global targets and biodiversity is still being lost at an unprecedented rate. Development is still unsustainable and pressures on biodiversity have increased significantly.

While the current Strategic Plan was hailed as a success when adopted in 2010, it has shown weaknesses in the implementation phase in part due to the non-binding nature of global targets and challenges linked to measuring and reviewing targets and progress.

The EU sees that the follow-up to the Strategic Plan should address these weaknesses by, inter alia, making the targets more measurable (SMART), build on measurable national commitments and establish a mechanism for reviewing implementation of these commitments and assessing the adequacy of targets throughout the period to ensure countries are accountable to their national commitments.

To this end, this action has a global scope with a view to influence policy makers and mobilise support for an ambitious follow-up that strengthens implementation, including through fostering general and specific commitments by individual countries and stakeholders which would be tracked and assessed against the global objectives. The issues and countries to be influenced will be identified on the basis of an initial and regularly updated analysis, involving the relevant authorities in the countries concerned and taking account of the global and multilateral discussions as well as of the further development of EU and Member State positions on the matters. Specific focus will be given to work with China, as it will host the CBD COP15 and given the wider importance of EU-Chinese cooperation in environmental matters.

The action will work through direct bilateral exchanges and through organising meetings, visits/exchanges, workshops and conferences with key official and non-governmental institutions, private sector organisations and other stakeholders, involving them in the analysis of needs and issues and in a process to find solutions and ways to overcome barriers.

One of the key EU objectives is to include measurable (SMART) targets and commitments. For this reason, a significant part of the activities may focus on measurability, indicators, information needs, the translation of global targets into targets and commitments at national level and assessment of their feasibility and impacts.

The action will, furthermore, contribute to awareness-raising of the importance of biodiversity and the need for an ambitious follow-up to the Strategic Plan, including through supporting awareness-raising activities by governmental and non-governmental organisations.

The project will complement meetings, workshops and conferences organised by the CBD and other stakeholders.

Following the CBD COP15, the action will focus on anchoring given commitments and creating and maintaining momentum to spur further commitments

### **2.3. Lessons learnt**

The weaknesses in implementation of the current Strategic Plan have shown that while biodiversity loss is generally recognised as a serious problem at global scale, the nature of the

problem and its consequences vary widely, as well as the requisite measures and political approaches. Moreover, effective measures are hampered not only by lack of resources and awareness, but also by perceived conflict with specific interests. The approach to ensure buy-in and support consists in:

- Stressing the importance and multiple benefits of biodiversity;
- Taking a bottom-up, facilitating approach, inviting for views on priority issues and measures;
- Conducting political outreach and building multi-stakeholder support.

#### **2.4. Complementary actions**

The action complements, builds upon and benefits from the lessons learnt and experience gathered from ongoing projects in major economies at bilateral and multi-country level.

Relevant Partnership Instrument-funded actions include:

- Environmental Diplomacy in the G7/G20. This action aims to enhance the engagement of the EU in the G7/G20 on key EU priorities in the field of environment, in particular on resource efficiency and circular economy, marine litter, and green finance.
- Innovative Financial Mechanisms actions in Mexico, China.
- EU-China cooperation on environment, green economy and wildlife protection. The action supports the EU's Environmental Policy Dialogue.
- Promoting biodiversity and sustainability in the agriculture and food sector through economic valuation (The Economics of Ecosystems and Biodiversity implementation; Brazil, China, India, Indonesia, Malaysia, Mexico and Thailand). This action seeks to protect biodiversity and contribute to a more sustainable agriculture and food sector in selected EU partner countries with a view to moving towards a level playing field by avoiding unfair competition through low environmental standards.
- - Natural Capital Accounting and Valuation of Ecosystem Services (China, India, Brazil, Mexico and South Africa). Under this project, the EU, with the
- United Nations Statistics Department builds on existing agreed methodology at the UN level to develop new analyses, tools and operational approaches with a view to assessing the benefits that ecosystems and biodiversity can provide to the economy.

Other relevant EU funded actions include:

- Various biodiversity actions in Official Development Assistance eligible countries
- The Biodiversity Financing Initiative<sup>8</sup> (BIOFIN) managed by the United Nations Development Programme (UNDP). This initiative is particularly relevant for expected negotiations on resource mobilisation.
- The Wealth and Accounting of Values of Ecosystem Services (WAVES) led by the World Bank in view of developing and promoting natural capital accounting.
- Under the Global Public Goods and Challenges (GPGC) programme, funding is provided to the Convention for Biological Diversity, the Secretariats of other biodiversity-related multilateral environmental agreements and the United Nations Environment Programme (UNEP). Generally, such financing aims at fostering consistency and synergies.

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<sup>8</sup> <http://www.biodiversityfinance.net/>

## **2.5. Cross-cutting issues**

### *Climate Change*

Climate change is a major threat to biodiversity and the health of ecosystems, whilst biodiversity and healthy ecosystems can make a significant contribution to resilience, disaster risk reduction and climate change adaptation, e.g. through nature-based solutions. Policy coherence is of utmost importance, notably as regards impacts of policies on seas, oceans and landuses. Assessments of oceans, land and land degradation under the United Nations World Ocean Assessment, Intergovernmental Panel for Biodiversity and Ecosystems (IPBES) and the Intergovernmental Panel on Climate Change will provide important input. Biodiversity and climate change modelling will be addressed by COP14 (10 - 22 November 2018 - Sharm El-Sheikh, Egypt) and such modelling will bring important insights to the interlinkages that need to be taken into account. By addressing these interlinkages, the project will contribute to the objectives not only for biodiversity, but also resilience, climate change adaptation and disaster risk reduction.

### *Gender equity and equitable involvement of women and men*

The CBD adopted a Plan of Action on Gender mainstreaming in view of the important role of women in biodiversity protection and restoration. For the same reason, the integration of gender considerations throughout this action will be crucial for its long-term sustainability and effectiveness. Considering gender issues in relation to biodiversity involves identifying the influence of gender roles and relations on the use, management and conservation of biodiversity. To inform efficient policies regarding biodiversity conservation, sustainable use and the sharing of its benefits, the project will take due account of the available information on gender-differentiated biodiversity practices, gender knowledge acquisition and usage, as well as gender inequalities in control over resources. The project will consider the influences of gender differences and inequalities on the conservation and sustainable use of biodiversity, and the ways in which these differences and inequalities influence how women and men are affected by biodiversity policies, planning and programming.

### *Human rights*

Indigenous peoples and local communities (IPLC), together with traditional knowledge, play a vital role in preserving biodiversity and this has been recognised by an extensive work plan pursuant to Article 8j of the Convention for which a dedicated Working Group has been created. As part of the follow-up to the Strategic Plan, the Parties will also have to decide on the further work pursuant this Article and the suitable organisational form. This action will contribute to appropriate integration of the role and knowledge of IPLC in the follow-up to the Strategic Plan, in relevant commitments, and in the choice of the organisational form under the CBD.

### *Good governance*

Good governance in the context of biodiversity means integrated, inclusive, transparent, responsive, and participatory policy making. It also involves effectiveness, accountability and respect for the rule of law. This action will promote the understanding of the role of biodiversity in the context of resilience and SDGs by promoting the sharing of information and by dialoguing with national, subnational authorities, private sector and other Non-State entities.

The follow-up to the Strategic Plan is, furthermore, a tool to improve environmental governance. Many of the threats to biodiversity are in one way or another related to governance issues. Examples are the limited integration of ecosystem values in decision making, illegal wildlife trafficking and unsustainable consumption of natural resources. Such issues require structural solutions. An ambitious follow-up to the Strategic Plan for Biodiversity should improve implementation and commitment of actions on these issues.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of this action is to develop an effective EU environment diplomacy in the field of biodiversity at global level, and in particular in relation to China, by framing the Convention for Biological Diversity (CBD) process and placing the EU as key interlocutor on biodiversity, and thereby contributing to the adoption of an ambitious follow-up to the Strategic Plan for Biodiversity.

The specific objectives of the action are:

- SO.1 enable, at multilateral level, advances in the Convention on Biological Diversity context, towards the adoption at CBD COP15 of an ambitious follow-up to the Strategic Plan for Biodiversity that includes measurable (SMART) targets, measurable national commitments and tools for strengthening implementation such as a mechanism to review national implementation and the adequacy of commitments and targets.
- SO.2 enhance the EU bilateral cooperation on environmental challenges and increase knowledge in selected key partner countries, in particular China, with a view to build support for addressing key priorities when implementing the new global framework and influencing their approach towards the adoption of strong general and specific, measurable commitments
- SO.3 influence processes at multilateral and bilateral levels to anchor commitments and create/maintain momentum for further commitments in view of post CBD COP 15 and further

The geographical scope of the action is global. It will focus in particular on partner countries which are of strategic importance for the outcome of the negotiations, on countries that host significant biodiversity within their jurisdiction and on countries whose production, consumption or trade policies have important impacts on biodiversity beyond their own jurisdiction. This includes inter alia the following countries: China (who will host CBD COP15), Argentina, Australia, Brazil, Cameroon, Canada, Colombia, Democratic Republic of the Congo, Egypt (who will host CBD COP14), Ghana, India, Indonesia, Japan, Kenya, Mexico, New Zealand, Norway, Republic of Korea, Russia, Switzerland, Turkey (host CBD COP16), Uganda and the United States (US).

Biodiversity is a vast policy area and the current Strategic Plan covers a wide range of activities and issues, and therefore a flexible approach is required. The action will adopt a high degree of flexibility to maintain the focus on EU priorities.

The following criteria will be used for focusing the geographic and thematic scope of work under the project:

- The scale and significance of biodiversity, ecosystems and their services at stake;
- The relevance of the issue to the EU and to the partner country;
- The potential of the activity to help overcoming barriers and aligning positions;
- The relevance of the issue for finding agreement in the final negotiations on the follow-up to the Strategic Plan;
- The potential for sharing experiences and best-practices (in either direction);
- The presence or not of alternative activities or alternative bilateral or multilateral fora for addressing the issue.

### **3.2. Expected results and main activities**

The main expected results of the action are:

R1 Improved understanding and support among partner countries for an ambitious follow-up to the Strategic Plan for Biodiversity, including more and stronger specific and measurable (SMART) commitments and options for strengthening implementation such as a mechanism to review implementation and adequacy of targets;

R2 Enhanced basis for bilateral dialogue and cooperation to foster the Convention on Biological Diversity commitments from partner countries with a strengthened political support among national stakeholders to foster their implementation;

R3 Increased use of best practices and tools for CBD implementation, reporting and monitoring;

R4 Increased awareness among the general public and among targeted stakeholders in support for the global biodiversity framework, the adoption of measurable targets and the importance of the implementation of the follow-up to the Strategic Plan;

R5 An effective mechanism for coordination and discussion with China and other key strategic partners which may serve also beyond the horizon of the action.

The indicative activities to be carried out under the action will include:

1. Analysis and information management: Analysis and information management, including the preparation of: a) intelligence on the partner countries, such as potential 'gaps' or issues; b) a priority list for bilateral reach-out and an agenda of events and potential events and activities; c) a roster of European expert organisations/individuals available to provide support on an ad-hoc basis; and d) maintaining a roster of expert organisations/individuals in partner countries.
2. Active outreach with key persons in governmental and non-governmental organisations in order to foster support for targets and stronger commitments.
3. Organisation of meetings, seminars, workshops and conferences with key official and non-governmental institutions/stakeholders in order to identify key priorities and barriers for implementation, as well as ways to address them.
4. Organisation of visits/exchanges of individual or small groups of experts from the EU to strategic partner countries and vice versa, e.g. for analysing appropriate levels and feasibility of national commitments toward specific targets, including through the exchange of best practices and experience.
5. Facilitating and supporting governmental and non-governmental organisations in their communication strategies and awareness raising activities. Such activities would focus on

issues of key relevance for the follow-up to the Strategic Plan, as well as on the general importance of biodiversity, ecosystems and ecosystem services and the follow-up to the Strategic Plan.

Project activities will be developed according to country-specific circumstances, policy dialogues with EU representatives and outcomes of seminars/visits. Country engagement strategies will be maintained by the implementing agency with inputs from EU services, based on consultations with partner country actors.

### 3.3. Risks and assumptions

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Overlaps with activities from other organisations and other CBD Parties	<b>L</b>	Full transparency on intended activities and close involvement notably of the Secretariat of the CBD, China and the relevant EU Delegations. The project aims at fully complementing the CBD process and does not compete with it. A stable and effective communication and coordination structure will be set up.
Lack of engagement from targeted third countries or stakeholders	<b>L/M</b>	The sufficient scale and number of activities is to help create political momentum. Success depends, however, also on similar efforts by other Parties and stakeholders. Activities will be prioritised internally according to their potential to overcome barriers. A minimum engagement will be required for each activity, but a residual risk of not overcoming the barrier and not increasing engagement remains.
<b>Assumptions</b>		
Sustained willingness of a majority of partner countries to engage seriously with the EU.		
Sustained commitment of partner countries to implement the CBD and to agree on a follow-up to the Strategic Plan for Biodiversity 2011-2020.		

### 3.4. Stakeholders

The project has a multi-stakeholder approach. The main stakeholders from the EU are the relevant European Commission services, the European External Action Service and the EU Delegations, Member State organisations such as Ministries of Environment, environmental

protection agencies, development agencies, research institutions and individual experts and officials in these organisations.

Stakeholders from the partner countries may include governmental and state authorities and institutions and domestic non-state actors. Strong stakeholder involvement is expected in many of the activities, including in awareness raising campaigns.

#### **4. IMPLEMENTATION ISSUES**

##### **4.1. Method of implementation**

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

##### ***4.1.1. Indirect management<sup>9</sup> with a Member State agency***

This action may be implemented in indirect management with the Agence Française d'Expertise Technique Internationale (AFETI) in accordance with Article 58(1)(c)(v) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the project. This implementation is justified because of the specific technical competence and longstanding policy engagement experience on environmental issues including biodiversity of AFETI, including with public authorities of partner countries covered by this action.

AFETI has a solid geographic presence and large network of stakeholders in relevant partner countries. Following an initiative for closer cooperation between AFETI and Agence Française de Développement (AFD) launched in 2014, it can build upon the presence of AFD to support its outreach and engagement.

AFETI will involve expertise from other member states during the implementation of the activities that ensure a genuine and wide European character to this action.

The entrusted entity would carry out budget implementation tasks that may include *inter alia* the provision of technical assistance and consultancy services, organisation of seminars/conferences/events, carrying out studies and analysis, awarding grants to fund actions if necessary.

##### ***4.1.2 Changes from indirect to direct management mode due to exceptional circumstances***

If negotiations with the above-mentioned entrusted entity fail, this action may be implemented in direct management as described below:

- (a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.
- (b) Indicative timing to launch the call: 4th quarter 2018.

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<sup>9</sup> Article 216 RAP (Article 139 FR) Selection of the entities entrusted with the implementation of financial instruments in indirect management



#### 4.2. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. Indirect management	4.5
<b>Total</b>	<b>4.5</b>

#### 4.3. Organisational set-up and responsibilities

A Steering Committee will be set up in support of the action. It will consist of representatives of relevant Commission services as well as the European External Action Service, EU Delegations in the most relevant respective countries of implementation, and the implementing agency. In addition, country-specific liaison teams will be established to monitor the workplan at country-level and decide on issues relevant to day-to-day operations.

Should one or more EU Member State engage additional resources to contribute to the operation as defined in this action fiche, they will be included in the Steering Committee.

Provisions will be made for regular exchange of information and close cooperation with project partners including European Environmental Agency, European Commission Joint Research Centre, Agence Française de la Biodiversité and environmental protection agencies in other Member States, the Secretariat of the Convention for Biological Diversity, and possibly the International Union for Conservation of Nature, the United Nations Environment Programme and United Nations Development Programme.

#### 4.4. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.5. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

#### **4.6. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>10</sup>

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<sup>10</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).

**ANNEX 4**

of the Commission Implementing Decision on the 2018 Annual Action Programme for the Partnership Instrument

**Action Fiche for Ocean Governance: Protecting and restoring marine ecosystems, catalysts for building peace and security and fostering sustainable economies**

**1. IDENTIFICATION**

Title of the action	Ocean Governance: Protecting and restoring marine ecosystems, catalysts for building peace and security, and fostering sustainable economies			
Country(ies)/ Region	Focus area 1 – South Asia: Up to three Association of Southeast Asian Nations (ASEAN) member countries will be targeted <sup>1</sup> . Focus area 2 – Transatlantic: Bermuda, Brazil, Cape Verde, French Antilles, Gabon, Mexico, Portugal and the United States of America <sup>2</sup> .			
Total cost	Total estimated cost: EUR 7,000,000 Total amount of the EU contribution: EUR 7,000,000			
Total duration <sup>3</sup>	36 months			
Method of implementation	Procurement - direct management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> This may further include China, Japan, Republic of Korea, as auxiliary participants in the cooperation

<sup>2</sup> This may further be enlarged to include other Atlantic countries. For example, Marine Protected Areas from South Africa, Cuba and Canada have shown interest in joining this initiative.

<sup>3</sup> Maximum duration of the operational implementation period of the contract(s).

	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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## 2. RATIONALE AND CONTEXT

### 2.1. Summary of the action and its objectives

The EU is committed to take action on international Ocean Governance<sup>4</sup> to ensure safe, secure, clean and sustainably managed oceans. As a contribution to this effort, the EU aims to set up through this support, firstly the protection and restoration of marine and coastal ecosystems and secondly the promotion of exchange of knowledge on the effective management of Marine Protected Areas (MPAs). As oceans have no borders, Marine Protected Areas can also play a catalytic role in promoting stability through fostering better cooperation and understanding between countries and communities across borders.

Building upon existing work, the action should focus on taking forward concrete cooperation for specific identified Marine Protected Areas and/or degraded coastal and marine ecosystems around two basins: the South Asian region and the Atlantic Ocean. The action is designed with separate but interlinked objectives for the two regions and cross-learning between them will be promoted. The action should interact with public-private partnerships, local/regional authorities, Marine Protected Areas networks of managers, business and local communities and provide opportunities for exchange and joint action. For activities in South Asia, auxiliary partners such as China, the Republic of Korea and Japan can be invited when beneficial in view of the project objectives.

### 2.2. Context

The protection and restoration of marine and coastal areas is essential to maintaining healthy, productive and resilient oceans and seas. Marine Protected Areas safeguard global marine biodiversity and species protection. They also foster a broad range of marine ecosystem services, such as maintaining fish stocks, trapping carbon, improving coastal resilience, or providing recreation opportunities and enhancing tourism, and also contribute to climate change mitigation and adaptation. They act as the basis of sustainable marine economic activities, and can act as peace parks between countries and communities.

There is a global consensus that oceans and coastal ecosystems urgently need better care and management. Current rates of species population decline and extinctions as well as ecosystem degradation are unparalleled. At the same time, the potential of healthy oceans to support a sustainable blue economy, to regulate climate or to provide ecosystem services is now better understood. The knowledge gained about the negative effects of multiple pressures, such as over-exploitation, climate change, acidification, pollution, biodiversity decline and ecosystem degradation, is pushing for concrete action in this area.

Ocean governance can be a key tool to address these issues in a coordinated way focusing on specific regions and projects. Better ocean governance can only be achieved through consolidated international cooperation and partnerships, such as those building on modes of triangular cooperation.

<sup>4</sup> JOIN(2016) 49 final - Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. International ocean governance: an agenda for the future of our oceans ([https://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/join-2016-49\\_en.pdf](https://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/join-2016-49_en.pdf))

Environmental challenges are interconnected to economic, social and governance challenges, and know no political boundaries. Environmental degradation and stresses are acknowledged as underlying contributors to risks, conflicts, social instability and migration. Environmental degradation in marine and coastal regions can also undermine security and increases vulnerability. For example, the erosion of coasts and natural coastal protection systems, such as mangroves or coral reefs, render coastal communities to be more vulnerable and more exposed to risks associated with extreme weather events and climate change. Restoring coastal system thus can contribute to increase resilience and security.

As marine biodiversity and ecosystems naturally span across various regional and national borders, work on Marine Protected Areas and marine and costal restoration can provide a natural incentive to build and work around common goals. A large number of Peace Parks and transnational parks have been established worldwide, although mainly on land<sup>5</sup>. "Marine Peace Parks" could play a similar role in the future. This type of collaboration has proved effective for example in the Danube Delta, the Wadden Sea, the Coral Triangle Initiative and others.

With the Joint Communication on international ocean governance<sup>6</sup>, the EU is taking its global responsibility for oceans by setting out 50 actions to reach safe, secure, clean and sustainably managed oceans. In cooperation with Member States<sup>7</sup>, the High Representative and the European Commission are committed to engage with the international and regional organisations and third countries to take this Agenda forward. "Reducing pressure on oceans and seas and creating the conditions for a sustainable blue economy" has been identified as a key priority area and in particular to agree on joint actions to protect and restore marine and coastal ecosystems, and to launch international public-private partnerships. This includes designating and managing marine areas protected from negative impacts of human activities. Through twinning projects, research funds and exchange of best practices, the EU aims at promoting the expansion of marine reserves worldwide.

The Global Strategy for the European Union's Foreign and Security Policy<sup>8</sup> recognises the aim of fostering peace and human security through an integrated approach. Priorities include the prevention of conflict and the monitoring of root causes such as resource stress and climate change that act as threat multipliers catalyzing water and food scarcity, pandemics and displacement. Recognising that environmental degradation and resource scarcity and stress know no borders, the EU supports cooperative and reciprocal relationships across regions and with the EU for mutual benefit and learning.

Designed specifically to meet the objectives of the Joint Communication on international ocean governance and the Global Strategy for the European Union's Foreign and Security Policy, this action will also contribute to meeting a number of other relevant global commitments taken by the EU including:

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<sup>5</sup> E.g. Peace Parks Foundation in South Africa, <http://www.peaceparks.org/>

<sup>6</sup> JOIN(2016) 49 final - Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. International ocean governance: an agenda for the future of our oceans., [https://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/join-2016-49\\_en.pdf](https://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/join-2016-49_en.pdf)

<sup>7</sup> See Council Conclusions <http://data.consilium.europa.eu/doc/document/ST-8029-2017-INIT/en/pdf>

<sup>8</sup> <https://europa.eu/globalstrategy/en>

- The UN 2030 Agenda for Sustainable Development<sup>9</sup> in particular its Sustainable Development Goal (SDG) 14<sup>10</sup> and 14.2<sup>11</sup>;
- The Paris Agreement on Climate Change<sup>12</sup> states in its climate change preamble that it is important to "ensure the integrity of [...] oceans";
- The Convention for Biological Diversity (CBD) stresses the importance of oceans and coastal ecosystems and the need to better take care of and manage them, underlining the dangers of the negative effects of multiple pressures, such as over-exploitation, climate change, acidification, pollution, and habitat loss and degradation. Aichi Target 11 calls to protect at least 10% of coastal and marine areas with effective and well-managed protected areas or conservation measures. At the 13<sup>th</sup> Conference of the Parties (COP) of the Convention for Biological Diversity in 2016, Parties adopted a short term action plan on ecosystem restoration<sup>13</sup>.

The geographic focus of the proposed work will be around two specific marine basins: South Asia and the Atlantic Ocean. Marine biodiversity in South Asia is under considerable threat from demography and economic activities. This is particularly relevant for ASEAN countries as well as other neighbouring countries in the region such as China, Japan and the Republic of Korea. As countries in the region depend on fisheries and shared resources for their sustainable development, regional stability can be fostered through increased cooperation on marine and coastal ecosystems protection and restoration. The focus on the Atlantic Ocean brings forward existing important cooperation among Marine Protected Areas and will target specifically Bermuda, Brazil, Cape Verde, French Antilles, Gabon, Mexico, Portugal and the United States of America. Other Marine Protected Areas will be included following identification of twinning project partners, especially for the ones based in Europe in order to provide this Transatlantic dimension.

### 2.3. Lessons learnt

This action will build upon experience and knowledge gathered from the Partnership Instrument funded Transatlantic Action (2015-2018) enhancing the role of the EU in promoting a broader Transatlantic Partnership. The project focused on exchanging best practices for the management of Marine Protected Areas across the Atlantic as a means to build a broader transatlantic cooperation including the African and South American rims of the Atlantic basin and thus fostering the idea of a wider Atlantic community. The action confirmed the relevance of twinning projects as a capacity development tool taking into account regional specificities and confirmed interest in cooperation on themes such as Marine Protected Areas and coastal resilience, marine mammals' protection and cooperation between networks of Marine Protected Area managers.

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<sup>9</sup> Transforming our world: the 2030 Agenda for Sustainable Development. A/RES/70/1 [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/RES/70/1&Lang=E](http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E)

<sup>10</sup> SDG 14 reads: "to conserve and sustainably use the oceans, seas and marine resources".

<sup>11</sup> SDG 14.2 urges to "sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans" by 2020

<sup>12</sup> Paris Agreement, [https://unfccc.int/files/essential\\_background/convention/application/pdf/english\\_paris\\_agreement.pdf](https://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf)  
See Article 7 on the global goal on adaptation that is recognised as a key response to climate change to protect people, livelihoods and ecosystems.

<sup>13</sup> CBD COP XIII/5 <https://www.cbd.int/doc/decisions/cop-13/cop-13-dec-05-en.pdf>

This action should also utilise the experience of the Voluntary Scheme for Biodiversity and Ecosystem Services in Territories of European Overseas (BEST)<sup>14</sup>, which aims to support the conservation of biodiversity and sustainable use of ecosystem services including ecosystem-based approaches to climate change adaptation and mitigation in the EU Outermost Regions and Overseas Countries and Territories. BEST included activities for designation and management of terrestrial and marine protected areas. A lesson learnt is the need to move away from a donor-recipient relationship and develop more of a partnership approach, similar to this proposed action.

This action will also utilise the experience of the All Atlantic Ocean Research Alliance which aims to foster enhanced marine research cooperation frameworks with key players in the Atlantic<sup>15</sup>.

In terms of conflict prevention approaches, lessons will be drawn from the EU Peacebuilding Initiative under which regular calls for proposals are launched<sup>16</sup>.

In the EU context, a number of EU Directives and strategies such as the Marine Strategic Framework Directive<sup>17</sup> and the Habitats Directive<sup>18</sup> and the EU Biodiversity Strategy<sup>19</sup> have been key in contributing to protecting biodiversity and restoring ecosystems including in marine and coastal areas. There is also the potential to build on and share some of these experiences with this action.

#### **2.4. Complementary actions**

The action will complement other relevant projects in the area of marine ecosystems and biodiversity, including:

- "Biodiversity Conservation and Management of Protected Areas in ASEAN" project. This EU action aims to enhance biodiversity conservation and effective management of protected areas in South-East Asia. The project supports the ASEAN Centre for Biodiversity and provides training of ASEAN heritage parks. In addition, it provides expertise to the ASEAN Working Group on Coastal and Marine Management and contributes to detailed studies carried out under the auspices of ASEAN on restoring marine areas in South-East Asia.
- Ongoing and future relevant development projects. Specifically, complementarity will be sought with the EU/African, Caribbean and Pacific (ACP) Multilateral Environmental Agreements capacity building project in the Asia – Pacific region<sup>20</sup> and the Pacific-European Union Marine Partnership (PEUMP) Programme acting in 15 Pacific ACP states to support sustainable fisheries management for food security and

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<sup>14</sup> [http://ec.europa.eu/environment/nature/biodiversity/best/index\\_en.htm](http://ec.europa.eu/environment/nature/biodiversity/best/index_en.htm)

<sup>15</sup> <http://ec.europa.eu/research/iscp/index.cfm?pg=transatlantic-alliance>

<sup>16</sup> [https://eeas.europa.eu/headquarters/headquarters-homepage/19808/eu-peacebuilding-initiative-call-proposals\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/19808/eu-peacebuilding-initiative-call-proposals_en)

<sup>17</sup> [http://ec.europa.eu/environment/marine/index\\_en.htm](http://ec.europa.eu/environment/marine/index_en.htm)

<sup>18</sup> [http://ec.europa.eu/environment/nature/legislation/habitatsdirective/index\\_en.htm](http://ec.europa.eu/environment/nature/legislation/habitatsdirective/index_en.htm)

<sup>19</sup> [http://ec.europa.eu/environment/nature/biodiversity/strategy/index\\_en.htm](http://ec.europa.eu/environment/nature/biodiversity/strategy/index_en.htm)

<sup>20</sup> from 2018 onwards, the project will have a significant regional ocean governance component with promotion and support of MPAs.

economic growth, while addressing climate change and conservation of marine biodiversity.

## **2.5. Cross-cutting issues**

This action should help address broader sustainable development objectives, by improving the status of marine and coastal ecosystems, and networking on managing marine protected areas.

Activities will be designed to act as a catalyst for building peace, prosperity and security in the regions concerned.

Gender mainstreaming aspects will be considered throughout the project. Equal gender representation among participants for the activities shall be ensured to the maximum extent possible.

Community involvement must aim to avoid any discrimination on the basis of ethnicity, views of faith, minority groups, or vulnerable members of the society, especially at local community level.

Activities will also be based on principles of good governance, including effectiveness, accountability and respect for the rule of law.

Where relevant, they will complement actions on ocean observations and research undertaken in other frameworks, notably the Atlantic Ocean Research Alliance.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of this action is to increase the EU's role as a global actor in international Ocean Governance by fostering regional and interregional cooperation relevant to the protection and restoration of marine and coastal ecosystems.

The specific objectives are:

SO 1: to move forward a process leading to enhanced cooperation of Marine Protected Areas in and between the Atlantic and the South Asian regions;

SO 2: to support the implementation of marine and coastal ecosystem restoration activity in South Asia ;

SO 3: to facilitate broader regional cooperation on marine and coastal resilience in the South Asian region with a view to underpin regional stability; and

SO 4: to contribute to the effective management of Marine Protected Areas in the Atlantic and South Asian regions.

### **3.2. Expected results and main activities**

The main expected results/outputs and indicative activities of the action are:



**RO 1** Increased knowledge and practice of protecting and restoring marine and coastal ecosystems in selected areas of Marine Protected Areas in the South Asian region.

Main indicative activities linked to result/output 1:

- 1.1 Identify targeted sites in three ASEAN Member Countries bordering the Ocean. Up to three (3) Marine Protected areas (to be preserved) and/or degraded coastal and marine ecosystems (to be restored) are to be identified. The criteria for selection can include: (i) the area is within or in the vicinity of Marine Protected Areas (ii) the area is located in zones with particularly high potential to protect or restore biodiversity and marine ecosystems (iii) it provides a wide range of marine ecosystem services. (iv) it provides the potential to stimulate prosperity, peace and cooperation through joint activities, including joint transboundary action to enhance protection and carry out restoration.
- 1.2 Based on international experience of Marine Protected Areas and expertise and exchanges with selected neighbouring countries, facilitate and communicate the establishment of a (or further develop an existing) public-private partnership or network, with local/regional community, businesses and other relevant stakeholders for the targeted site.
- 1.3 Provide technical and financial support to carry out practical marine and coastal restoration work in the identified sites.
- 1.4 Organise networking among project stakeholders at all levels and between project countries including through the organisation of meetings and annual high-level conferences.
- 1.5 Conduct outreach/advocacy to policy makers and other relevant stakeholders on the results of the project, and the lessons learnt in the concrete restoration work.

**RO 2** Improved management of Marine Protected Areas around the Atlantic Ocean using the concept of shared environmental protection

The action builds upon the results of a previous EU funded Transatlantic Action "Cooperation with Northern and Southern Transatlantic Dimension-Marine Protected Areas" project with a view to consolidate and deepen the initiated cooperation on three topics: a. Cooperation and common strategy between MPA networks of managers in the Atlantic region; b. MPAs and coastal resilience coping with rapid changes; c. Marine mammals' protection, a way to enhance transatlantic cooperation between MPAs.. The previous action developed a comprehensive scoping report that identified the main issues to build collective efforts towards marine conservation and Marine Protected Areas management across the Atlantic. It also identified the first partners and started implementing three twinning projects to share experiences and best practice.

The present action will take the Transatlantic Marine Protected Area cooperation to the next level, fostering networking of Marine Protected Areas across both rims of the Atlantic, including Africa, Latin America and the Caribbean, building on the 3 existing twinning projects. This will broaden the transatlantic dialogue to respond to global challenges such as biodiversity loss, resilience and climate change adaptation or the sustainable use of the seas.

Main indicative activities linked to result/output 2:

- 2.1 Based on consultations, facilitate the selection of three topics for future twinning projects. Twinning projects funded under the previous EU-supported Transatlantic action can be reconfirmed as a priority.
- 2.2 Contribute with data collection, analysis, assessments and target setting for partner Marine Protected Areas.
- 2.3 Provide support for the development and implementation of at least one action plan per twinning.
- 2.4 Organise networking among project stakeholders at all levels including through the development of networking tools and organisation of technical meetings/workshops/seminars.
- 2.5 Develop and share action best practice and lessons learnt.
- 2.6 Support project sustainability by developing and support the implementation of a resource mobilisation strategy.
- 2.7 Communicate about the action including through the production of materials and a website/repository of Marine Protected Area information showcasing the value of the cooperation.
- 2.8 Provide an evaluation of the outcomes of the action.

**RO 3** Strengthened knowledge exchange on Marine Protected Areas between the Atlantic and South Asian regions

Main indicative activities linked to result/output 3:

- 3.1 Organise exchanges through meetings/events/conference/joint activities and the regular exchange of information between international and EU expertise on Marine Protected Area management and the twinning activity outlined above under Result 2 and on restoration, to contribute to the activities and key events in the South Asian and Atlantic Ocean outlined under other Results.

**RO 4** Improved basis for dialogue among marine and coastal stakeholders in the South Asian region.

Main indicative activities linked to result/output 4:

- 4.1 Conduct a mapping of marine and coastal initiative providing opportunities for improved dialogue and cooperation on themes of prosperity, peace and cooperation in the South Asian region.
- 4.2 Support dialogue through the organisation of workshops at local level in at least three different countries and with participants of the different countries involved in the project to enable dialogues and sharing of experiences on (i) prosperity - fostering and exchanging on business and economic opportunities, and (ii) promote topics on peace and security - opportunities for cooperation focusing on local authorities, local experts and local communities, by exchanging on scientific and local traditional approaches to protection, management and implementation of Marine Protected Areas, and approaches to marine and coastal restoration and establishing nature-based ways of building coastal resilience and security.
- 4.3 Support cooperation through organisation of exchanges of participants across countries in the region involved in the project to contribute to the practical aspects of Marine Protected Area management, implementation and restoration, resilience and peace building activities.
- 4.4 Assess and evaluate the tangible steps towards establishing one or more Marine Peace Parks in the South Asian region

#### 4.5 Support the establishment of Peace Parks within the timeframe of the project.

Overall, the action will adopt an engagement approach which will foster collaboration among practitioners with a view to promote cooperative relationships between different regions and partners to achieve sustainably managed marine ecosystems. These relationships will ultimately illustrate to policy makers how to manage limited resources around a shared Ocean/Sea and will enable partners to fulfil their environmental international commitments while supporting stability in the South Asian region.

The engagement approach is illustrated as follows:

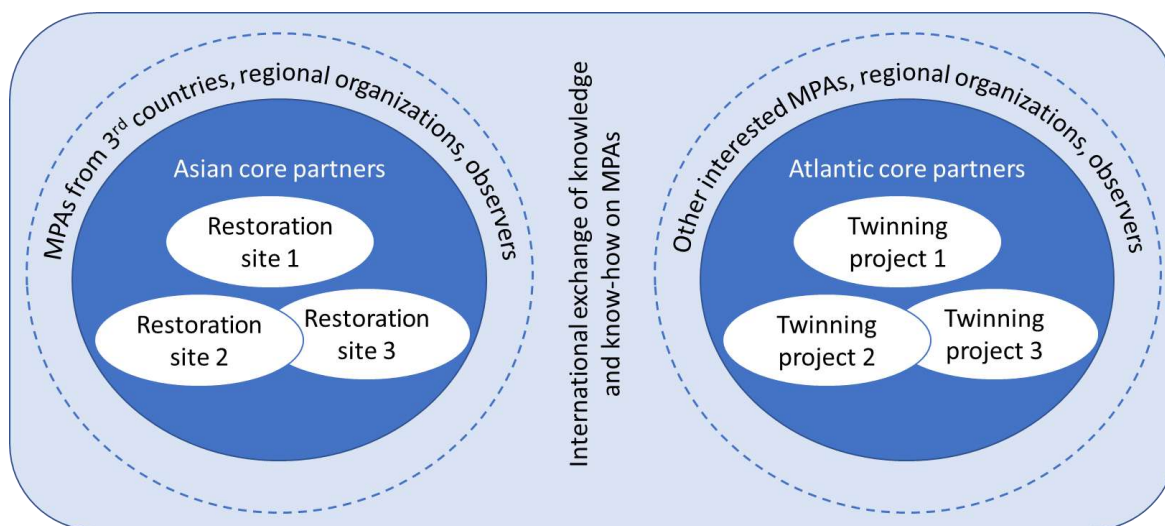


Figure 1: Multi-layered involvement and organisation of the work in this action.

### 3.3. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measures
The action overlaps with projects from other donors	L	Informal coordination with other donors to avoid overlaps.
The action overlaps with existing EU-funded projects at national and regional level	L	Direct involvement of relevant stakeholders ensures full knowledge of parallel EU-funded activities. Other EU actions will complement.
Lack of collaboration from partner countries Authorities or Marine Protected Area managers.	L	Project design introduces different levels of discussions to engage with the Marine Protected Area managers and their authorities to address their needs and interest. Other priority topics and/or involvement of stakeholders from a

		wide spectrum will reduce this risk.
Lack of financial resources or time from Marine Protected Areas to actively participate in the activities.	L	Project design offers resources to allow active participation of Marine Protected Area managers and early calendar design of activities will allow managers to devote time.
<b>Assumptions</b>		
The overarching political climate remains favourable for this action.		
The security situation remains sufficiently stable allowing for smooth implementation of the activities. This is in particular important for activities taking place at local and community level.		

### 3.4. Stakeholders

This initiative aims at bringing together stakeholders with a North-South and South-South dimension and actively engaging them in transnational dialogue and collaboration. The main stakeholders are: Marine Protected Area managers; national agencies managing the marine environment as well as maritime activities; local communities; fisheries associations and other business sectors; and the scientific community. Other stakeholders that should be reached include civil society actors and policy makers.

Potentially interested partners from the Atlantic region include the Caribbean Marine Protected Areas Managers Network and Forum (CaMPAM), the Mediterranean Network of Marine Protected Areas Managers (MedPAN), the North American Marine Protected Areas Network (NAMPAN), the Regional Network of Marine Protected Areas in West Africa (RAMPAN) as well as national networks (e.g. French Biodiversity Agency, Spanish Fundación Biodiversidad) and individual Marine Protected Areas from both sides of the Atlantic. Potentially interested partners from Asia include the ASEAN Regional Centre for Biodiversity Conservation (ARCBC), NGOs traditionally working with Marine Protected Areas (MPAs) in the region<sup>21</sup>, and the North-East Asian Marine Protected Areas Network (NEAMPAN). This list is not exhaustive.

The main stakeholders from the EU are relevant services within the European Commission, the European External Action Service and relevant EU Delegations.

<sup>21</sup> Some examples include Wild Life Conservancy (<https://programs.wcs.org/indonesia/>), Conservation International (<http://www.conservation.org/global/philippines/Pages/default.aspx>), Rare (<https://www.rare.org/es/philippines>), WWF (<http://www.wwf.org.ph/>), Blueyou consulting (<http://www.blueyou.com/>).

## **4. IMPLEMENTATION ISSUES**

### **4.1. Method of implementation**

#### **4.1.1. Procurement (direct management)**

(a) The programme will be implemented via service contract(s). Indicatively one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tender expected to be launched 3rd Quarter 2018.

### **4.2. Scope of geographical eligibility for procurement and grants**

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### **4.3. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. Direct management – procurement - services	7
<b>Total</b>	<b>7</b>

### **4.4. Organisational set-up and responsibilities**

A steering committee shall be set up in support of the action. It will consist of representatives of relevant Commission services and the External Action Service, with the relevant EU Delegation in the regions as appropriate.

### **4.5. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress 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. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators

The reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

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

Appropriate contractual obligations will be included in the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>22</sup>

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<sup>22</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).

**EN**  
**ANNEX 5**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for International Ocean Governance: Strengthening international ocean data through the EU's ocean diplomacy**

**1. IDENTIFICATION**

Title of the action	International Ocean Governance: Strengthening international ocean data through the EU's ocean diplomacy			
Country(ies)/ Region	China			
Total cost	Total estimated cost: EUR 3 500 000 Total amount of the EU contribution: EUR 3 500 000			
Total duration <sup>1</sup>	30 months			
Method of implementation	Procurement – direct management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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"/>
General policy objective	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## 2. RATIONALE AND CONTEXT

### 2.1. Summary of the action and its objectives

The oceans have become increasingly a central part of the global and the European Union (EU) agenda. Reliable and accessible ocean data is key to ensure safe, secure, clean and sustainably managed oceans. Strengthening international ocean data is a priority for the European Union as underlined in the Joint Communication on international ocean governance<sup>2</sup> and the Global Strategy for the European Union's Foreign and Security Policy<sup>3</sup>. The importance of ocean data is also recognised by the UN 2030 Agenda for Sustainable Development which identifies increasing scientific knowledge of oceans as necessary for achieving the conservation and sustainable use of oceans (Sustainable Development Goal 14 and target 14.a)<sup>4</sup>.

This action will enable ocean data cooperation between the EU and China. It will connect the European Marine Observation and Data Network (EMODnet) with China, providing equal access and equal levels of openness to data and data products from European and Chinese providers. Data products will be developed and made available equally through the EMODnet portal and the Chinese networks.

By making ocean data available and providing better data and data products, the action will promote international ocean governance with China and support the implementation of global commitments such as the UN 2030 Agenda for Sustainable Development Goals, the Paris Agreement on Climate Change<sup>5</sup> and the priority actions<sup>6</sup> adopted by the 12<sup>th</sup> meeting of the Conference of the Parties to the Convention for Biological Diversity (CBD). The action will also feed into relevant EU-China policy dialogues.

In the long-term, it is expected that the proposed ocean data cooperation will contribute to a level playing field and equal market access conditions for European maritime companies which are active offshore in China. It should be considered as a first phase of a long-term ambition to create an international marine data network that would cover oceans globally.

### 2.2. Rationale and Context

#### *Importance of working together on oceans*

The great potential that the oceans offer for the economy and their key role in regulating the climate is widely acknowledged. Awareness about the pressures they are facing such as over-

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<sup>2</sup> JOIN(2016) 49 final - Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. International ocean governance: an agenda for the future of our oceans., [https://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/join-2016-49\\_en.pdf](https://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/join-2016-49_en.pdf)

<sup>3</sup> <https://europa.eu/globalstrategy/en>

<sup>4</sup> SDG 14 reads: "Conserve and sustainably use the oceans, seas and marine resources for sustainable development 18. The increasingly adverse impacts of climate change (including ocean acidification), overfishing and marine pollution are jeopardizing recent gains in protecting portions of the world's oceans". SDG Target 14.a reads: " Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries."

<sup>5</sup> Paris Agreement, [https://unfccc.int/files/essential\\_background/convention/application/pdf/english\\_paris\\_agreement.pdf](https://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf) See Article 7 on the global goal on adaptation that is recognised as a key response to climate change to protect people, livelihoods and ecosystems.

<sup>6</sup> <https://www.cbd.int/cop12/>



exploitation, climate change, acidification, pollution and declining biodiversity is also increasing.

There is a growing global consensus on the need to address these pressures together including through the setting of global targets and sharing of responsibilities. The success of the 4th edition of the Our Ocean Conference hosted by the EU in 2017 demonstrated this willingness of the Ocean Community (international institutions, governments, businesses, Non-governmental organisations (NGOs), foundations and research institutes) to commit together in support of safe, sustainable and healthy oceans.

### ***EU strategies and political framework***

With the Joint Communication on international ocean governance, the EU demonstrated its acceptance of global responsibility for oceans by setting out 50 actions to reach safe, secure, clean and sustainably managed oceans. The High Representative and the European Commission are committed to engage with international and regional organisations and third countries to take this Agenda forward. In recognition of the fact that the pressures oceans are facing are global and need a global solution, action 12.2 of the Joint Communication aims to create an international marine data network that would cover oceans globally. This project should be considered as part of this overall objective.

The Global Strategy for the European Union's Foreign and Security Policy emphasises that the EU should promote the conservation and sustainable use of marine resources and biological diversity and the growth of the blue economy by working to fill legal gaps and enhancing ocean knowledge and awareness.

This action also aims to contribute to meet a number of other relevant global commitments taken by the EU including:

- The UN 2030 Agenda for Sustainable Development<sup>7</sup> and in particular its Sustainable Development Goal (SDG) 14 and target 14a. For the first time, the conservation and sustainable use of the oceans are addressed with the world's other most pressing sustainability challenges in an overarching global policy agenda, and reflected as such across several SDGs and targets.<sup>8</sup>
- The Paris Agreement on Climate Change states in its preamble that it is important to "*ensure the integrity of [...] oceans*".
- The Convention on Biological Diversity (CBD) has underlined the multiple pressures on the oceans and the need for better stewardship and management.
- In December 2017, the third session of the UN Environment Assembly (UNEA-3) adopted resolution United Nations Environment Programme (UNEP)/EA.3/L.20 which called for accelerated action and strengthened partnerships to fight against marine plastic litter and micro plastics.<sup>9</sup>

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<sup>7</sup> Transforming our world: the 2030 Agenda for Sustainable Development. A/RES/70/1  
[http://www.un.org/ga/search/view\\_doc.asp?symbol=A/RES/70/1&Lang=E](http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E)

<sup>8</sup> Oceans and coasts link to a number of SDGs, in addition to SDG14 (oceans), including poverty eradication (SDG 1), food security and sustainable agriculture (SDG 2), health (SDG 3), clean water and sanitation (SDG 6), modern energy (SDG 7), growth and employment (SDG 8), climate (SDG13), ecosystems and biodiversity (SDG 15) and partnerships (SDG 17).

<sup>9</sup> <https://papersmart.unon.org/resolution/index>

### ***Importance of cooperation on marine data***

Strengthening international ocean data is a priority for the European Union. Sound scientific knowledge is indispensable for effective and efficient decision-making and is important to tackling ocean issues whether they concern climate change, marine litter, Illegal, Unreported and Unregulated (IUU) fishing or marine protection. However, accurate and timely information remains a challenge.

Knowledge of the oceans is based on data from measurements, observations and surveys, the vast majority of which are collected by key ocean players. As oceans have no borders, cooperation with international, regional and bilateral partners is necessary to bring together separate marine data holdings to create a common picture that can help build an evidence-based approach for tackling the pressures on the oceans.

Better ocean governance and better information is also important for EU maritime companies which are active offshore outside the EU to ensure a level playing field and equal market access conditions.

### ***China – a strategic partner to engage with on oceans***

As a key ocean player, China is a strategic partner to engage with on ocean data.

Overall, ocean affairs are gaining importance in the EU's political engagement with China. Indeed the EU-China 2020 Strategy indicates oceans as a priority area of cooperation<sup>10</sup>. The Joint Communication on international ocean governance has identified China as a key ocean player with which an ocean partnership may be developed. This ocean partnership would be part of the holistic approach that the EU promotes towards the oceans. There is logic to this approach: the pressures that the oceans are facing are not only global but also inter-connected as are the solutions.

At the third European Commission-China High Level Dialogue on Ocean affairs held in Brussels on 2 March 2017, both parties highlighted the opportunity to explore ways to reinforce EU-China cooperation on ocean affairs in the medium to long term.<sup>11</sup>

As part of EU-China cooperation, increasing knowledge of the seas has been a priority during the EU-China Blue Year. In this framework, two high level events on marine data took place in 2017 in presence of the European Commissioner for Environment, Fisheries and Maritime Affairs and the Head of the Chinese State Oceanic Administration (SOA)<sup>12</sup>. China referred to existing bilateral cooperation with EU Member States<sup>13</sup> and confirmed its willingness to go a

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<sup>10</sup> <https://eeas.europa.eu/sites/eeas/files/20131123.pdf>

"Enhance exchanges and cooperation on comprehensive ocean management, ocean spatial planning, marine knowledge, marine observation and surveillance, R&D of marine science and technology, growth of the marine economy and ocean energy use."

<sup>11</sup> [http://europa.eu/rapid/press-release\\_STATEMENT-17-427\\_en.htm](http://europa.eu/rapid/press-release_STATEMENT-17-427_en.htm)

<sup>12</sup> <https://webgate.ec.europa.eu/maritimeforum/en/node/4065>

<sup>13</sup> Such as Belgium, France, Germany, Italy and the Netherlands. The Italy-China Memorandum of Understanding on operational forecasting cooperation was signed in 2009 by the National Marine Environmental Forecasting Centre (NMEFC) of SOA and Italy partners (National Institute of Geophysics and Volcanology – INGV, Euro-Mediterranean Centre on Climate Change – CMCC, National Institute of Oceanography and Applied Geophysics – OGS etc). Since then, bilateral meetings have been regularly organised. In 2016, China (NMEMC) signed a Memorandum of Understanding with the Netherlands (the National Institute for Public Health and the Environment – RIVM) and is going to sign one with France. (French Research Institute for Exploitation of the Sea - Ifremer) on marine micro-plastics, especially on the monitoring methodology and ecosystem impact of micro-plastics.

step further and develop cooperation with the EU in this domain. It was agreed that cooperation on data could be a key element for a partnership that could make a significant contribution to international ocean governance.

Ambitious commitments made by China at the 4<sup>th</sup> edition of the Our Ocean Conference hosted by the EU in October 2017 confirmed China's engagement in this domain.

### **2.3. Lessons learnt**

This action aims at connecting the European Marine Observation and Data Network – EMODnet – with China, providing equal access and equal levels of openness to data and data products from European and Chinese providers. It will be based on marine data that are collected by various bodies and are open access but not connected with each other. The main objective will be therefore to connect these open data by using international standards, same formats and nomenclatures. Connecting these data will support the development of data products including topographic maps at a higher resolution than currently available, seabed habitat maps, maps of wave intensity, macro and micro litter distribution on the seabed and in the water column, and absolute and relative sea-level rise.

The action will build upon the lessons learnt in the development of EMODnet which was started by the EU 10 years ago<sup>14</sup>. Today EMODnet brings together over 100 European public and private organisations delivering data and data products on European seas free of charge and free of restrictions of use to public authorities, private industry, researchers and civil society. The network connects EU marine data together, ensuring interoperability through the use of common standards and open access to data through the internet in a common way (<http://www.emodnet.eu/>).

### **2.4. Complementary actions**

This action will seek complementarity with ongoing implementation of the 2013 Galway Statement between the European Union, the United States and Canada on Atlantic Ocean research cooperation. The delivery of better data, information and knowledge of the oceans through a seamless information system linking efforts in the Atlantic with those in Western Pacific will:

- reduce uncertainty of the local impact of climate change on parameters such as temperature, acidity and sea-level rise and thus provide a sound basis for adaptation measures;
- increase knowledge of the abundance, distribution and movements of marine life and thus support conservation measures;
- move towards global standards on parameters such as marine litter distribution so as to allow measurements of trends and the identification of hot spots that allow better targeting of remediation measures;

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14 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - An Integrated Maritime Policy for the European Union {COM(2007) 574 final}

## **2.5. Cross-cutting issues**

Reliable and accessible ocean data is a precondition for effective action across all areas of ocean governance.

By increasing cooperation on marine data, the action should contribute to support the environment in its marine dimension and climate change thanks to an improved understanding of the marine sequestration of CO<sup>2</sup>.

Gender mainstreaming aspects will be considered throughout the project. Equal gender representation among participants of project activities shall be ensured to the extent possible.

By making data accessible, the action should support good governance including accountability. It will allow civil society to make their arguments based on the same evidence as government authorities.

Human Rights will indirectly be touched upon in the use of data and data products to better address the needs and rights of populations living in coastal areas, especially those whose livelihoods depend on marine products.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of this action is to promote international ocean governance with China and support the implementation of global commitments by making ocean marine data and data products available and by providing better data and data products.

Specific objectives are:

- SO 1: To support processes related to collaboration with China with a view to improving marine data access and provide relevant quality data and products;
- SO 2: To support ocean-related policy objectives and policy dialogues as well as to enhance cooperation in key areas of ocean governance;
- SO 3: To facilitate political convergence towards a collective approach to tackle global ocean challenges such as climate change, marine litter, and environmental protection and biodiversity, in particular in the context of the Convention for Biological Diversity (CBD);
- SO 4: To support the use of international agreed standards for marine data; and
- SO 5: To improve conditions for a level playing field for European maritime companies which are active offshore in China.

### **3.2. Expected results and main activities**

The main expected results/outputs and indicative activities of the action are:

#### **Result/output 1: Connect the European Marine Observation and Data Network – EMODnet – with China**

Specific activities linked to result/output 1:

- 1.1 Identify new data products to be developed and existing products to be improved, based on open data sources via regular meetings organised with EU stakeholders through the marine knowledge expert group<sup>15</sup> as well as via consultations with Chinese stakeholders.
- 1.2 Prioritise data products to be developed from the EU perspective.
- 1.3 Examine standards used in the EU and China for bathymetric, geological, physical, chemical, habitat, biological and human activity data.
- 1.4 Encourage implementation of common standards. International standards should be used wherever possible.
- 1.5 Develop translation programmes where the use of common standards is not feasible.
- 1.6 Develop and test protocols for mutual access to marine data and interoperability of data.
- 1.7 Develop, operate and maintain an internet portal allowing search, view and download of data from both European and Chinese data centres. Separate working groups for each data product will be set up. The EMODnet portal will provide a link to have direct access to the Chinese networks and vice versa.
- 1.8 Gather feedback through monitoring on-line usage and questions submitted from users.

#### **Result/output 2: To support dialogue in key policy areas of ocean governance**

Specific activities linked to result/output 2:

- 2.1. Provision of technical input to feed into policy meetings and dialogues in key areas of ocean governance.
- 2.2. Deliver communication activities to disseminate and inform stakeholders about the results, the data products and relevant services to be provided.

#### **Result/output 3: To facilitate cooperation for EU maritime companies**

- 3.1. Consult EU businesses to better identify their data needs through the EMODnet expert group and address them where possible.
- 3.2. Dissemination of data products to relevant EU business associations and federations.

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<sup>15</sup> <https://webgate.ec.europa.eu/maritimeforum/en/node/4128>

The expert group, set up after a call for applications, had its first meeting on 19 January 2018

### 3.3. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measures
Leakage of European proprietary data or intellectual property.	<b>L</b>	<p>The European data that will be used in this project is all open access and free of restrictions of use.</p> <p>Businesses will provide data that is incidental to their main activity and will not help competitors. For instance wind farm operators will not be requested to release wind data but can provide data on marine life that they collect as part of their obligation to monitor the marine environment. This has been clarified in the first meeting of the marine knowledge expert group.</p>
Inappropriate usage of data and data products	<b>L</b>	<p>The European Commission services and the European External Action Service, together with EMODnet, will closely monitor the usage of the data and data products by third parties so that it is always used in line with the core values and principles (Ocean Governance in line with the EU-China 2020 Strategy) of the proposed action.</p>
Limited engagement of China	<b>L</b>	<p>The European Commission will maintain regular contacts with China on this action.</p> <p>Data covered by the action will not deal with territorial waters. National borders are not covered by the project, as it is a matter of national competence</p>
<b>Assumptions</b>		
<p>Clear willingness of China to engage with the EU on ocean data cooperation. Chinese counterparts have already shown a clear interest for such cooperation at the highest level in the State Oceanic Administration.</p>		

### 3.4. Stakeholders

The main stakeholders from the EU and China include:

- Relevant European Commission Services and the European External Action Service;
- Relevant Chinese authorities, including the State Oceanic Organisation;
- European Marine Observation and Data Network- EMODnet;
- Public authorities responsible for managing Western Pacific waters to ensure biodiversity;

- Civil society represented by bodies or coastal communities who will be able to take a more informed view of proposed offshore or coastal developments; and
- Scientists responsible for measuring the state of the environment and the impact of climate change including for the Intergovernmental Panel on Climate Change (IPCC).

#### **4. IMPLEMENTATION ISSUES**

##### **4.1. Method of implementation**

###### ***4.1.1. Procurement (direct management)***

(a) The programme will be implemented via service contract(s). Indicatively one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tender expected to be launched 3rd Quarter 2018.

##### **4.2. Scope of geographical eligibility for procurement and grants**

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

##### **4.3. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. Direct management – procurement - services	3.5
<b>Total</b>	<b>3.5</b>

##### **4.4. Organisational set-up and responsibilities**

The action will be implemented under the guidance of a Project Steering Committee (PSC), which will include relevant European Commission services, the European External Action Service (EEAS), and EU Delegation to China.

The action also foresees the establishment of a project implementation unit composed of a Team Leader, who will work under the supervision and in regular consultation and coordination with the European Commission.

##### **4.5. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring

system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>16</sup>

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<sup>16</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).



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**ANNEX 6**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for EU-China Dialogue on Migration and Mobility Support Project – Phase II**

**1. IDENTIFICATION**

Title of the action	EU-China Dialogue on Migration and Mobility Support Project – Phase II			
Country(ies)/ Region	China			
Total cost	Total estimated cost: EUR 2 000 000 Total amount of the EU budget contribution: EUR 2 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Indirect management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

This action aims to facilitate and strengthen the EU dialogue on migration and mobility with China. Building upon the results of the first phase of the EU-China Dialogue on Migration and Mobility Support Project<sup>2</sup>, this action will contribute to better organised legal migration and mobility between the EU and China and to the prevention and reduction of irregular migration flows stemming from China, including trafficking in human beings and smuggling of migrants, in a balanced and comprehensive manner. The action in keeping with the EU Global Approach to Migration and Mobility (GAMM) is also consistent with the EU Strategy on China. More broadly, the action can indirectly promote the mutual interest of the EU and China in addressing migration as a global challenge.

### **2.2. Context**

China is key to the European Union in many strategic aspects and migration remains an important element of the EU-China agenda. China is an important country of origin of migration to the EU and is also becoming an important country of destination of migrants itself, which implies significant policy and legislative developments and provides a solid basis for exchange and dialogue as well as opportunities for capacity building. According to United Nations Department of Economic and Social Affairs (UNDESA), with 9.5 million Chinese living outside of China in 2015, China ranks fourth in terms of the number of global migrants.

Europe is the second most popular destination for Chinese migrants with over 1 million Chinese having migrated to Europe for work, studies and other long-term migration purposes.<sup>3</sup> Indeed, legal migration flows from China to the EU have continued to increase, reflecting important tourism and business interests. Travel and visa cooperation bring considerable challenges to EU-China relations, both in light of growing Chinese demand to ease the Schengen visa regime, and difficulties for EU Member States to implement visa application solutions within the Chinese national regulations. All EU Member States and 25 Schengen States are represented in Beijing. 22 Schengen States have consulates in Shanghai, 12 have consulates in Guangzhou, and several also have consulates in Chengdu (5), Wuhan (1), Shenyang (2) and Chongqing (4).

On irregular migration, the European Statistics Office-EUROSTAT has recorded a declining trend in the number of Chinese irregular migrants to the EU, with 7,815 Chinese citizens apprehended and found to be irregularly present in the 28 EU Member States in 2016, a significant drop from the initial 16,515 recorded in 2008. Despite this positive trend, Chinese irregular migration to the EU is still an existing issue. The reduction is attributed to the improved economic situation in China, enhanced cooperation on migration management between China and its partner countries as well as improved regulation curbing on irregular routes. However, reports also show that irregular migrants shift modalities by increasingly using methods such as fake marriages, legal entry but with fraudulent documentation, or legal entry for purposes of illegal stay. Cooperation on return is limited in the absence of a Readmission Agreement between China and the EU.

EU Member States have shown growing concern of Chinese nationals becoming victims of trafficking in Europe. According to the European Police Office-EUROPOL 2016 Situation Report on Trafficking in human beings in the EU, China is among the main origin countries

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<sup>2</sup> Funded under the Partnership Instrument Annual Action Programme 2014, Commission Implementing Decision C(2014) 7423 of 16 October 2014

<sup>3</sup> UNDESA 2016

(together with Albania, Brazil, Nigeria, and Vietnam) for non-EU victims of trafficking in human beings, predominantly for the purpose of sexual exploitation.

Cooperation with China on migration and mobility has developed rapidly over the past several years, although significant challenges persist. Following the re-launch of the EU-China Mobility and Migration Dialogue in 2015, the implementation of the first phase of the Migration and Mobility Roadmap has resulted in the provisional application (and subsequent entry into force) of a Visa Waiver Agreement for diplomatic passport holders (VWA), as well as the opening of Visa Application Centres (VAC) in a select number of Chinese cities without EU member states' consular presence. Implementation of the second phase of the Roadmap is underway and includes two main areas namely negotiations on a visa facilitation agreement (VFA) and on an agreement on cooperation in combating illegal migration. There should also be discussions on the opening of further Visa Application Centres in additional Chinese cities.

The focus on migration and mobility fits within the overall framework of the Global Strategy for the European Union's Foreign and Security Policy<sup>4</sup>. It is also in line with the priorities of the EU-China 2020 Strategic Agenda for Cooperation jointly signed in 2013 and the bilateral High-Level People to People Dialogue.

The proposed action is the second phase of the EU-China Dialogue on Migration and Mobility Support Project (MMSP) and follows the successful implementation of the first phase, which has been assessed by an external study as highly relevant and effective. As in phase I, the action will be implemented by the International Organization for Migration (IOM), given also its strong track record of good cooperation with the Chinese authorities. In view of the Roadmap having entered its second phase, it is expected that the proposed action will continue to support the dialogue and EU-China priorities, while maintaining a flexible approach to respond to shifts in the relationship and effectively addressing requests from respective partners.

In addition, although the focus of this action firmly remains on supporting the EU-China Dialogue on migration and mobility, it is envisaged that through its implementation it will indirectly contribute to encouraging China to assume greater global responsibility in addressing migration by increasing its contribution to international efforts in this field and scaling up humanitarian and development assistance to refugees and internally displaced persons, also in the context of work on the Global Compact on Migration and the Global Compact on Refugees, which will be concluded by the end of 2018.

### **2.3. Lessons learnt**

The design of this action builds on the achievements of previous migration and mobility projects funded by the EU in China, including two phases of a capacity-building project to support migration management in China carried out from 2007 to 2013 and specifically, the first phase of the EU-China Dialogue on Migration and Mobility Support Project to be implemented until mid-2018.

The first phase of the EU-China Dialogue on Migration and Mobility Support Project was successful first in keeping the dialogue open, which was important in the original context and remains relevant in case that political relations between the EU and China deteriorate, and second in helping to achieve concrete results under the umbrella of the Mobility and Migration Dialogue and its Roadmap, such as agreements for a visa waiver for diplomats,

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<sup>4</sup> <https://europa.eu/globalstrategy/en/global-strategy-foreign-and-security-policy-european-union>

exchanges on irregular migration or the opening of EU Member States' visa application centres in a number of cities where there are no consulates. This points to the importance the project has in enabling technical-level exchanges with the Chinese authorities and EU Member States in a balanced and comprehensive manner, in order to support the political dialogue on migration and mobility. Also, China became a member of the International Organization for Migration (IOM) in 2016 and, thanks to working through international organisations, China has been more open in initiating cooperation with the EU on sensitive issues such as irregular migration. Finally, flexibility in implementation to incorporate concrete activities proposed by EU Member States – for example, practical seminars on document fraud – is regarded as one of success factors of the previous action. The new phase of the EU-China Dialogue on Migration and Mobility Support Project will also reflect the increased emphasis internationally on migration and indirectly build on China's growing responsibilities as international player, including increased EU interest to support China as a player on global challenges such as migration.

#### **2.4. Complementary actions**

The proposed action will seek complementarities and synergies with all relevant EU (including EU Member States) actions as well as relevant activities of other donors such as the International Labour Organisation and Organization for Economic Cooperation and Development. A relevant on-going EU-funded project is the European multidisciplinary platform against criminal threats-EMPACT China Trafficking in Human Beings grant, implemented by a consortium of EU Member States enforcement agencies addressing trafficking in human beings from China. The first phase of the EU-China Dialogue on Migration and Mobility Support Project has already over the past two years coordinated its activities with EMPACT. It is foreseen that this synergy will continue with the joint aim of harmonising EU policies and approaches to addressing trafficking in human beings with Chinese authorities.

#### **2.5. Cross-cutting issues**

A number of key crosscutting issues will be mainstreamed throughout the action:

**Good governance:** the action should enhance the institutional capacity of Chinese authorities by promoting international best practices.

**Human rights:** the action will tackle policies related to vulnerable groups at a higher risk of trafficking. An improved cooperation on addressing trafficking in human beings will benefit victims while more effective legal migration might help reduce the risk of poverty or social exclusion for other vulnerable groups. Specific cooperation on addressing trafficking might include police-to-police (and judicial) cooperation, supporting China's victim support systems (including cooperation with the All China Women's Federation- and non-governmental organisations (NGOs) based in EU Member States and European prosecutors) or strengthening the process of assisted and safe voluntary returns of Chinese victims to China (including Hong Kong and Macao Special Administrative Regions). The action will also contribute to improving policies related to migrant workers.

**Gender equality:** the action will analyse and make recommendations on key policy issues with a view to reducing inequality and addressing specific gender issues (for example, linked to trafficking).

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of the proposed action is to facilitate and strengthen the European Union's dialogue on migration and mobility with China. It is envisaged that this will in turn indirectly contribute to promoting their mutual interest in addressing migration as a global challenge.

The specific objectives (SO) are:

SO 1 to support the EU-China Mobility and Migration Dialogue, including the implementation of the second phase of its Roadmap and its ongoing negotiations, contributing to better management of migration and mobility between the EU and China.

SO 2 to develop EU-China cooperation in the area of migration and mobility, by addressing migration management capacities of the competent Chinese authorities, as well as addressing the practical needs of EU Member States.

#### **3.2. Expected results and main activities**

The main expected results (R) of the action are:

R1. Improved basis for dialogue on migration and mobility between the EU and China, in line with the Global Migration agenda, the EU-China Mobility and Migration Dialogue (MMD) and its Roadmap;

R2. Improved knowledge and awareness on legal migration, irregular migration and trafficking in human beings;

R3. Contributing to better management of legal migration and travel flows between the EU and China, including support to EU Member States in China;

R4. Improved basis for cooperation on the return and readmission of irregular migrants and the reduction of irregular migration, migrant smuggling, and trafficking of human beings originating from China; and

R5. Increased capacity to ensure international protection in mixed migration flows in China and extended basis for research on migration.

The main indicative activities (A) of the action are:

A1: event organization, seminars and workshops

A2: targeted awareness-raising exchanges

A3: promotion of information campaigns (including social media)

A4: technical assistance and training

A5: Studies and other preparatory or complementary activities in relation to the EU-China Mobility and Migration Dialogue (MMD) and its Roadmap.

The range of topics covered is expected to encompass all main aspects of the bilateral dialogue.

### 3.3. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measure
Lack of Chinese commitment to implement the action	<b>L/M</b>	<p>Advance bilateral dialogue and requests for continued engagement from the Chinese side at senior level.</p> <p>Ensure high-level involvement from the EU side to foster active Chinese involvement.</p> <p>The project activities would help bridge the lack of understanding at policy level. Request partial co-financing of the action by means of in-kind contributions to foster local appropriation.</p>
Lack of capacity from the Chinese authorities to implement all activities	<b>L/M</b>	<p>The action will closely follow up with local partners to ensure adequate resources are devoted to the activities.</p> <p>Create a sense of joint purpose by following up Dialogue priorities gearing actors towards commonly endorsed activities and goals with clearly defined time frame and attribution of responsibilities.</p>
Major changes in socio-economic parameters in China affecting the proposed project design	<b>L</b>	<p>Major socio-economic changes are not forecasted for the time limit of the project duration. However, the proposed action is intentionally designed in a way to be able to respond to unforeseen socio-economic developments or new migration challenges.</p>
Insufficient involvement of EU Member States in the activities	<b>L</b>	<p>Coordination through the consular and local Schengen cooperation groups, use of EU Member States experts and broad-based dissemination of information.</p>
Low uptake of the policy recommendations made under the project	<b>M</b>	<p>Maximum uptake of the policy recommendations will be ensured by their high quality based on evidence and peer-to-peer nature. Moreover, information and communication activities will be supported to raise awareness and commitment of the Chinese authorities.</p>
Silo mentality or lack of ability to coordinate with and mobilise other Chinese line ministries and authorities	<b>M</b>	<p>Implementation through indirect management with the International Organization for Migration (IOM) which has solid experience of working with the Chinese authorities. Ensure internal coordination with IOM and the EU to mobilise respective Chinese counterparts. Make use of channels developed through other initiatives and include the EU Delegation to China and China's Mission to the EU as further</p>

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
		discussion channels. Create a sense of unity to combat a silo mentality by setting up a joint working group gearing all organizations to work towards commonly endorsed activities and goals with clearly defined time frame and attribution of responsibilities.
Insufficient administrative capacities on the side of the European Commission or the EU Delegation to China to steer the project implementation.	<b>M</b>	Select the appropriate method of implementation through IOM that would not overburden the European Commission with project management work on a daily basis. Appropriate follow up internally with colleagues.
Insufficient visibility of EU's involvement and scoping the interventions to the bilateral agenda	<b>L</b>	A governance structure will safeguard focus of the project and proper visibility of the EU's commitments. The use of well visible EU logos in all the activities will also be ensured during implementation of the action. A specific Visibility Plan will be developed for the project.
Risk of dispersion and lack of coordination reducing overall impact	<b>M</b>	Establish clear milestones and measurable project outcomes during the inception phase.  The project team will facilitate the cooperation with the relevant authorities and stakeholders at central and provincial levels. As a mitigating measure, a management structure will be established including IOM's local office.
<b>Assumptions</b>		
There is a continued interest, buy-in and ownership of the EU-China Mobility and Migration Dialogue and its Roadmap by both China and the EU (including its Member States)		

### 3.4. Stakeholders

The main stakeholders from the EU are relevant services within the European Commission, the EU Delegation to China, EU Member States representations in China, the European Union Agency for Law Enforcement Cooperation - Europol, and the European Border and Coast Guard Agency - EBCGA.

The main stakeholders for the Chinese side are the relevant Chinese ministries and authorities (Ministry of Foreign Affairs, Ministry of Public Security, Ministry of Civil Affairs, and National Tourism Agency).

Stakeholders also include international organisations such as the International Labour Organization (ILO). The involvement of other stakeholders and provincial/local governments will be fostered on specific topics (researchers' mobility, labour migration, Non-Governmental Organisations, victim support systems) and coordination among them will be warranted with the help of the proposed action.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Method of implementation**

#### **4.1.1. *Indirect management<sup>5</sup> with an international organisation***

This action may be implemented in indirect management with the International Organization for Migration (IOM) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described in section 3 above, to achieve the objectives and expected results of the project. This implementation is justified because of the overarching mandate and specific expertise of the International Organization of Migration on matters related to migration and mobility globally and in China.

The International Organization for Migration (IOM) is a specialised UN agency with the specific mandate and expertise in the very sensitive area of migration and mobility. Its focus includes the promotion of international migration law, policy debate and guidance, protection of migrants' rights, migration health and the gender dimension of migration. IOM provides capacity building, law and policy advice, advocacy, knowledge sharing, and training and pilot implementation of activities to governments (and social partners) in its members' states. It has comprehensive experience of supporting China's migration policy reforms.

IOM has a proven track record in demonstrating its technical competence and high degree of specialisation in successfully implementing EU-funded projects on migration and mobility, including previous migration-related actions in China, having gained the trust of both the EU and Chinese counterparts. China joined the IOM in 2016, making IOM well-placed to take forward cooperation in the sensitive area of migration. There are no other feasible partners to work on this topic in the country.

IOM's national country office represents an additional advantage in terms of efficiency to deliver technical assistance, at the same time that the specialists based in Bangkok make high level technical expertise accessible at regional level.

The combination of technical expertise and contacts with the Chinese government and other stakeholders make IOM uniquely placed to conduct work on the proposed action. This method of implementation would ensure the maximum expertise in the framework of a well-established mandate in this area, and in light of their local presence.

The high level of professionalization of the IOM, including its organisational structure and working procedures would ensure that the EU interest is properly taken into account. It would also positively impact on the design of activities under the project. The planning of activities would be done through Annual Work Plans which are elaborated together with the EU Delegation to China and IOM and following consultations with EU Member States which may propose concrete activities. Activities and outputs will be better defined in the Work Plans which allows for flexibility.

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<sup>5</sup> Article 216 RAP (Article 139 FR) Selection of the entities entrusted with the implementation of financial instruments in indirect management



Budget-implementation tasks may include *inter alia* the provision of technical assistance involving key stakeholders, organisation of seminars/conferences/events, carrying out studies, analysis and research.

Indicative timing for the signature of the delegation agreement: 3rd quarter 2018.

**4.1.2 Changes from indirect to direct management mode due to exceptional circumstances**

If negotiations with the above-mentioned entrusted entity fail, this action may be implemented in direct management as described below:

- (a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.
- (b) Indicative timing to launch the call: 4th quarter 2018.

**4.2. Indicative budget**

Method of Implementation	Amount in EUR million
4.1.1. Indirect management with international organisation	2
<b>Total</b>	<b>2</b>

**4.3. Organisational set-up and responsibilities**

A project steering committee will be set up, comprising in particular of representatives of the relevant Commission services, the European External Action Service and the EU Delegation in Beijing as well as the International Organization for Migration which will meet at least twice a year to review progress and provide guidance to the implementation of the project.

**4.4. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity’s responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.5. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.4 above, will be funded from sources other than those allocated to this specific action.

#### **4.6. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements. EU visibility of this action is guaranteed through the monitoring of the EU Delegation, Consular Working Group of Member States in China and in Head Quarters through the GAMM expert group.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>6</sup>

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<sup>6</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf) .

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**ANNEX 7**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for Promoting economic empowerment of women at work in Asia**

**1. IDENTIFICATION**

Title of the action	Promoting economic empowerment of women at work in Asia			
Country(ies)/ Region	Asia			
Total cost	Total estimated cost: EUR 8 000 0000 Total amount of the EU budget contribution: EUR 7 500 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Indirect management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

Promoting gender equality is at the core of the EU external action. Investing in women's economic empowerment sets a direct path towards gender equality, poverty eradication and economic growth. Evidence shows that increased women's economic participation and leadership significantly contributes to better business performance<sup>2</sup> as well as economic growth of countries. The Global Strategy on the European Union's Foreign and Security Policy<sup>3</sup> calls for systematically mainstreaming human rights and gender across policy sectors and institutions. The Commission on the Status of Women<sup>4</sup> chose as its priority theme for 2017 'Women's economic empowerment in the changing world of work'.

In this context, this action will support sustainable, inclusive and equitable economic growth by promoting economic participation and empowerment of Asian and EU women through activities in Asia. It will enhance the capacity of private sector companies to implement the Women's Empowerment Principles (WEPs)<sup>2</sup> by promoting decent work opportunities for women and integrating a gender perspective in the business environment and practices.

It should promote EU and international shared principles and values by cooperating with selected Asian countries on the promotion of fair and equal competition based on international social standards. The action will focus on the role that the private sector can play in support of women's economic empowerment in partnership with the public sector and networks of women entrepreneurs, women-owned business and associations.

The immediate beneficiaries include private sector companies, governments, public sector institutions, and women groups and/or women-owned business and associations. The ultimate beneficiaries include women's workers and entrepreneurs in Asia and the EU.

### **2.2. Context**

#### *EU Strategies and political framework*

The EU and its Member States are at the forefront of the protection, fulfilment and the enjoyment of human rights by women and girls and strongly promote them in all external relations, also beyond development cooperation. This action underpins the EU's commitment to promote gender equality, women's empowerment and the decent work agenda globally. The EU Action Plan on Human Rights and Democracy<sup>5</sup>, the Strategic Engagement on Gender Equality within the EU for 2016-2019<sup>6</sup> as well as the EU Gender Action Plan in External Relations 2016-2020<sup>7</sup> adopted by the EU in 2015 place the economic empowerment of women at the core of EU action. On 16 June 2016, the Council adopted conclusions on gender equality<sup>8</sup>, in which it reaffirms its commitment to the promotion of equality between women and men and to increase visibility and awareness of gender equality in all policy areas.

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<sup>2</sup> McKinsey Global Institute. 2015. The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth, September, McKinsey & Company.

<sup>3</sup> [https://eas.europa.eu/headquarters/headquarters-homepage/17304/global-strategy-european-unions-foreign-and-security-policy-june-2016\\_en](https://eas.europa.eu/headquarters/headquarters-homepage/17304/global-strategy-european-unions-foreign-and-security-policy-june-2016_en)

<sup>4</sup> a functional commission of the United Nations Economic and Social Council (ECOSOC)

<sup>5</sup> [https://ec.europa.eu/anti-trafficking/eu-policy/action-plan-human-rights-and-democracy-2015-2019\\_en](https://ec.europa.eu/anti-trafficking/eu-policy/action-plan-human-rights-and-democracy-2015-2019_en)

<sup>6</sup> [https://ec.europa.eu/anti-trafficking/eu-policy/strategic-engagement-gender-equality-2016-2019\\_en](https://ec.europa.eu/anti-trafficking/eu-policy/strategic-engagement-gender-equality-2016-2019_en)

<sup>7</sup> [https://ec.europa.eu/europeaid/sites/devco/files/staff-working-document-gender-2016-2020-20150922\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/staff-working-document-gender-2016-2020-20150922_en.pdf)

<sup>8</sup> <http://www.consilium.europa.eu/en/press/press-releases/2016/06/16/epsco-conclusions-gender-equality/>

Internationally, the adoption of the UN 2030 Agenda for Sustainable Development reaffirms the essential role of gender equality and the empowerment of all women and girls as drivers for sustainable development, peace and for the full realisation of their human rights. Women's and girls' rights are at the core of the Sustainable Development Goals (SDGs), both as a standalone goal and a cross-cutting issue. Gender equality commitments in the 2030 Agenda build on existing international commitments and norms, including the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Beijing Declaration and Platform for Action, which provide a normative anchor for the SDGs.

The 61<sup>st</sup> session of the Commission on the Status of Women (CSW) for 2017 also prioritised the theme 'Women's Economic Empowerment in the Changing World of Work'.<sup>2</sup> It urged governments and other stakeholders to take actions inter alia in the following areas: (i) strengthen education, training and skills development; (ii) implementing social and economic policies for women's economic empowerment; (iii) strengthening women's collective voice, leadership, and decision making; and (iv) strengthening the role of the private sector in women's economic empowerment.

In April 2017, Women20 (W20) network called for G20 member states to enhance commitment to women's economic empowerment, including the reduction of gender gaps in the labour force participation, and the recognition of unpaid domestic and care work traditionally done by women.<sup>9</sup> Furthermore, a range of conventions and recommendations of the International Labour Organisation (ILO) are relevant for women's economic empowerment; they are universally recognised, widely ratified and implemented. They include the ILO fundamental labour conventions, the domestic workers convention etc. Other UN-led initiatives include the Guiding Principles on Business and Human Rights from the gender perspective.

The action intends to support the implementation of international and EU policies towards gender equality, women's economic empowerment, decent work and Corporate Social Responsibility (CSR). It is built on the latest global and regional reports and recommendations related to women's economic empowerment, including the report of the UN Secretary-General's High-Level Panel (HLP) on Women's Economic Empowerment and the Report on the Asia-Pacific Policy Dialogue on "*Women's Economic Empowerment in the Changing World of Work*" (2017).<sup>10</sup>

To contribute to closing gender-related gaps, and in collaboration with the UN Global Compact, UN Women has launched a set of Women's Empowerment Principles (WEPs), which comprise seven principles for business offering guidance on how to empower women in the workplace, marketplace and community.<sup>11</sup> Subsequently, the *WEPs Gaps Analysis Tool*<sup>12</sup> has been developed to assist companies and multinational cooperations around the world in identifying their organisational strengths, gaps, and opportunities to improve their

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<sup>2</sup> <http://www.unwomen.org/-/media/headquarters/attachments/sections/csw/61/csw-conclusions-61-web.pdf?la=en&vs=5452>

<sup>9</sup> [http://www.w20-germany.org/fileadmin/user\\_upload/documents/W20\\_Communique\\_Final.pdf](http://www.w20-germany.org/fileadmin/user_upload/documents/W20_Communique_Final.pdf)

<sup>10</sup> <http://www2.unwomen.org/-/media/field%20office%20eseasia/docs/publications/2017/09/final-report-on-the-asia-and-pacific-policy-dialogue-on-womens-economy.pdf?la=en&vs=5221>

<sup>11</sup> Since its launch in 2010, over 1,000 CEOs from around the world have signed the CEO Statement of Support for the WEPs. From this total, 422 are business participants in Asia. For example, around 27 Chinese companies have signed the WEPs so far; in Indonesia, 10 companies have signed the CEO statement of WEPs.

<sup>12</sup> *WEPs Gender Gap Analysis Tool: From Principles to Practices*, available at <https://weps-gapanalysis.org/>

performance on gender equality. Through this action, such initiatives will be expanded and deepened in the Asia region.

### *Situation in Asia*

Growth in Asia has been robust, but not inclusive and equitable. Of the world's 767 million poor people, a majority of them (approximately 73 percent) are now living in middle-income countries, including India, China, Indonesia, the Philippines and Vietnam. This is a dramatic change from just two decades ago, where over 90 percent of the poor lived in low-income countries.<sup>13</sup> Given inequalities between and within countries, the extent of poverty varies substantially across the Asia region. Greater focus is required on equity and inclusion.

Overall economic growth has notably not been matched by an increased availability of decent work and other economic opportunities, especially for women. Women's economic participation remains disproportionately low in many parts of the region, and has even declined since the 1990s in some countries, for instance, in India. Women's economic activity is often focussed in low-paid and low-quality jobs with little prospects for advancement and limited returns, such as in the agriculture and informal sectors.<sup>14</sup> Furthermore, gender wage gaps continue to persist across the region. The pay differential between employed women and men is partly explained by the type of industry or occupation but even for the same work, women receive significantly lower wages than men.

Despite progress, women's representation in decision making and leadership roles remain limited. In a recent survey of companies in the region conducted by the ILO, in about half of these, women represented 10% or fewer of senior managers. Women make up little more than 5% of Chief Executive Officers of publicly listed companies in the region.<sup>15</sup> Women tend to be under-represented in entrepreneurship, even though women have a growing role in entrepreneurship. Women-owned enterprises, tend to be micro-enterprises or small businesses, and work at or near their homes.<sup>16</sup> Furthermore, women-owned enterprises face larger financial constraints due to the legal and regulatory environment, firm-specific/owner-specific characteristics (such as education, training, size of firm etc.), as well as socio-cultural barriers. This includes the misuse of religion, tradition, and culture to curtail women's rights to and at work. In addition, among the many challenges to women's economic empowerment, the unequal distribution of unpaid care and household responsibilities between women and men, families and society, slows down gender equality at work and undermines women's effective participation and engagement in the economy overall.

Increased investment tailored to promote women's sector-specific economic participation and to address structural barriers to achieving women's economic rights will be essential to accelerate women's economic participation and empowerment. Needed actions include: (i) gender-responsive legal and policy frameworks that do not discriminate against women; (ii) decent working conditions for women, including in and through enhanced understanding by the private sector on how to advance women's leadership and participation in business; and (iii) capacity building of women's groups, business organisations, producers' associations and

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<sup>13</sup> See, World Bank <http://www.worldbank.org/en/country/mic/overview>

<sup>14</sup> ILO. 2016. *Women at Work: Trends 2016*. Geneva: ILO

<sup>15</sup> ILO. 2015. *Women in Business and Management. Gaining Momentum in Asia and the Pacific*, p. 6.

<sup>16</sup> ADB and UN Women. *Asia-Pacific Report on Gender Equality and SDGs*. Bangkok: UN Women Regional Office for Asia and the Pacific and ADB (forthcoming in March 2018)

chambers of commerce in articulating, advocating and undertaking interventions to promote women's economic rights and participation.

In this connection, micro, small and medium enterprises (MSME) form the backbone of women's economic empowerment, and are key engines of job creation and economic growth in the Asia region,<sup>17</sup> and women increasingly own and manage these. Just as women find it difficult to effectively enter and career in labour markets, women-owned businesses face difficulties to grow globally, winning only an estimated 1% of procurement contracts, suggesting gender inequality in accessing procurement systems. The private sector can play a critical role in providing employment and economic empowerment of women, thereby also spurring growth in the region.<sup>18</sup>

### **2.3. Lessons learnt**

Based on the key lessons learnt from private sector engagement for sustainable development and the feedback received from the Strategic Planning Discussion for UN Women's Private Sector Engagement recently organised in September 2017, the action incorporates the following main considerations to ensure sustainability of results:

- Development of win-win solutions that the private sector, in partnership with UN Women and the EU, can achieve in promoting women's economic empowerment, including good practices on public-private partnership solutions. A knowledge management platform/database will be developed to highlight business cases on what could be potentially effective areas for investment for the private sector in regional and country contexts.
- Building on existing efforts/mechanisms to engage with the private sector for long-term sustainability, the action will ensure that any new instruments complement what already exists to avoid proliferation of private sector engagement mechanisms, which will challenge harmonisation and coordination efforts. The action inception phase will help to identify existing mechanisms and how to build on the current efforts at the regional and country levels.
- Use a mix of financial and non-financial forms of private sector engagement. To address the challenges and barriers to women's economic empowerment, private sector engagement includes the use of both financial and non-financial instruments (financial instruments such as loans, guarantees and grants; and non-financial instruments such as policy dialogue and technical assistance). The action will explore the appropriate mix of both financial and non-financial instruments in order to identify synergies across existing and new mechanisms and allow for the flexible application of these mechanisms in different country contexts.
- Exchange of key lessons learnt from G7 and Latin America and the Caribbean Women's Economic Empowerment actions funded under the Partnership Instrument on how to integrate responsible business practices into private sector engagement mechanisms. Leveraging from the other two initiatives, also implemented by UN Women, will help to complete the overall goal to promote women's economic empowerment by enhancing the linkages between global, regional and country level work. This includes corporate social responsibility, as well as inclusive business and responsible business conduct.

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<sup>17</sup> SIFC. 2012. *IFC and Small and Medium Enterprises*, Issue Brief 2. Kofi Annan. 2015

<sup>18</sup> See, McKinsey Global Institute. 2015. *The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth*, September, McKinsey & Company; and ILO.2015. *Women in Business and Management. Gaining Momentum in Asia and the Pacific*.

## **2.4. Complementary actions**

The action will ensure complementarity and, where possible, build on at least the following EU and non-EU programmes and initiatives:

- Ongoing Partnership Instrument funded action "Promoting Economic Empowerment of Women at Work through Responsible Business Conduct in G7 countries".
- Ongoing Partnership Instrument funded action "Win-Win: Gender Equality Means Good Business in Latin America and Caribbean".
- Ongoing Partnership Instrument funded action on Responsible supply chains in Asia (China, Myanmar, Philippines, Thailand, Vietnam and Japan).
- Promoting Gender Equality and Women's and Girls' empowerment in developing countries, financed under the Development Cooperation Instrument.
- EU initiatives, including the European Network of Female Entrepreneurship Ambassadors, mentoring schemes, the recently launched European gateway for women's entrepreneurship (WEGate), and the European Enterprise Network.
- EU Spotlight Initiative programme "Safe and Fair: Realizing women migrant workers' rights and opportunities in the Association of Southeast Asian Nations (ASEAN) region". Action carried out in the ASEAN region, but also targeting ASEAN countries' women migrant workers migrating to East Asia (China, Hong Kong, Taiwan), Republic of Korea, and the Gulf Cooperation Council States.
- EU E-READI regional programme, supporting EU-ASEAN policy dialogues in priority areas, including in the area of gender equality and women empowerment
- EU SWITCH-Asia Programme, aimed at promoting economic prosperity and helping reduce poverty in Asia by encouraging a sustainable growth.
- EU-ASEAN ARISE Plus programme national components for Cambodia, Vietnam, Indonesia, the Philippines, Laos and Myanmar. Trade-related assistance programmes which all include components on support to SMEs, including the gender angle – promoting women SMEs entrepreneurship associations.
- EU external dialogue on the decent work agenda and recommendations on female employment.
- EU initiatives on work-life balance.

In addition, whenever possible, the work in Asia will explore opportunities linked to Women 20, i.e. the group created to promote gender equality and economic empowerment of women of G20 countries. The action intends to build also on past and on-going non-EU funded initiatives in the region in all seven countries to advance private sector engagement in driving women's economic empowerment.

## **2.5. Cross-cutting issues**

Promoting gender equality and empowerment of women is at the core of the proposed action. By definition, gender is a cross-cutting issue which the EU mainstreams in all its policies and programmes. Given the UN Women's triple mandate of normative support, the UN system coordination and operation on gender, the action is strategically positioned to advance the business and human rights agenda, particularly women's human rights. In this regard, the UN Guiding Principles on Business and Human Rights and Women's Empowerment Principles (WEPs), widely endorsed by governments and companies around the world, and are embedded into the programme design, strategy, plan and processes. Most importantly, private sector engagement is critical in the context of the Agenda 2030 for Sustainable Development



and Sustainable Development Goals (SDGs) which highlight the role of private sector as the key catalyst for Global Partnership for Sustainable Development (SDG 17).

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of this action is to support sustainable, inclusive and equitable economic growth by promoting economic participation and empowerment of women in both Asian and EU countries.

This will be done by enhancing the capacity of private sector companies to implement the Women's Empowerment Principles by promoting decent work opportunities for women and integrating a gender perspective in the business environment and practices.

The specific objectives are:

S1. to contribute to create an enabling business environment for women's economic empowerment by promoting knowledge exchange, sharing of expertise and good practices among public institutions, private sector companies and women's networks in EU and Asia;

S2. to contribute to enhance the role and influence of women-owned businesses and entrepreneurs in policies and dialogue for advancement of women's economic empowerment in selected countries in Asia;

S3. to promote and contribute to enhance the implementation of the gender-sensitive business culture and practices by the EU and Asian private sector players.

This will contribute towards a level playing field by aligning gender equality approaches between EU and Asian companies operating in the region.

#### Geographic scope:

The proposed action will target the following potential countries in Asia: China, India, Indonesia, Malaysia, the Philippines, Thailand and Vietnam. Not all the indicative activities highlighted in section 3.2 will be implemented at the country level<sup>19</sup>.

The following criteria will be used for focusing the geographic scope of the project:

- the strategic priority of the country for the EU and UN Women and the country's alignment with EU key objectives in particular with regard to trade and business cooperation, policy support and response to global challenges;
- the national priority accorded to the promotion of women's economic empowerment;
- UN Women strong programmatic presence in the country and/or entry points in this area of work
- potential to establish strong national/local partnerships to promote women's economic empowerment with particular attention to private sector engagement
- Willingness of country to develop complementarity between more traditional development assistance and other forms of economic cooperation, including support for private sector engagement.

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<sup>19</sup> For ex. Malaysia might not have country-level activities, given that UN Women does not have a country programme presence there.

In addition to bilateral activities, a regional component of the action will feature South-South and Triangular cooperation with other regions with concurrent similar initiatives. Under this regional component which will encompass all seven target countries, partnerships between two or more developing countries will be supported by developed countries or multilateral organisations to develop national capacity. This will be achieved through exchange of knowledge, skills, resources, and technical know-how, and through regional and inter-regional collective actions.

### **3.2. Expected results and main activities**

This action aims to achieve the following expected results:

R1: Expertise and knowledge are shared between women's networks, public institutions and the private sector in the EU and Asia to advance an enabling business environment for women's economic empowerment;

R.2: Increased capacity of women-owned business and entrepreneurs to engage with governments and private sector companies in policies and dialogues for advancement of women's economic empowerment in selected countries in Asia;

R.3: Increased number of private sector companies implementing the WEPs, including the gender-sensitive business culture and practices in EU and Asia.

These results will be achieved through the main indicative activities outlined under each of the key expected results below. These activities will be customised based on assessment of demands and priorities. While the regional component of the action will cover all seven countries, not all the indicative activities below will be implemented at country level. During the inception phase, detailed activities in each targeted country and specific country plans, along with result indicators, baselines and targets, will be defined through consultation processes involving key national and local stakeholders, private sector and business partners.

Activities 1 (R.1): In Asia, there is a need for multi-stakeholder dialogues, mechanisms and processes to influence gender-responsive laws and policies to advance women's economic empowerment and rights. These include addressing *inter alia* issues of job creation and decent work, gender pay gaps, gender gaps in management positions, work-life balance, parental leave provisions and child care facilities. To have a supportive environment at the national and regional levels, governments and public institutions need to engage companies and women's groups in promoting policies and practices for women's economic empowerment. Through south-south and triangular cooperation, the action will promote learning and exchange of knowledge at regional and sub-regional levels, including regional exchange between the EU and Asia to share good practices and innovative solutions. These include the following indicative activities:

- Promote and disseminate internationally agreed principles and guidelines supported by EU in the domain of gender equality and women's empowerment to influence national policies and practices.
- Establish a knowledge exchange platform through the organisation of face-to-face meetings and a virtual community of practice (online) to promote good practices, expertise and lessons learned to advance women's economic empowerment. The activities will build on and feed

into other on-going global initiatives (including other Partnership Instrument ongoing actions).<sup>20</sup>

- Provide technical advice and support for policy development at the national and sectoral levels, and assistance for policy implementation through strategic partnerships with key government agencies (to be specified in country specific contexts).

Activities 2 (R.2): Women’s groups, business organisations, producers’ associations and chambers of commerce play an important role in articulating, advocating and undertaking interventions to promote women's economic participation and empowerment. Specific interventions to support women workers, women-owned business and entrepreneurs include the following indicative activities:

- Develop capacity building and training programmes targeting policy makers, worker organisations, women’s organisations, women's entrepreneur networks, women’s owned MSMEs, and chambers of commerce in response to their specific needs. Specific focus will be on skills development of women business and entrepreneurs to enhance leadership, productivity, competitiveness, market access, access to technology and innovations.
- Facilitate networking opportunities through organisation of chamber of commerce events, career fairs, community services groups, academic networks, professional conferences to engage women entrepreneurs and promote good practices and innovative approaches for women-owned business and entrepreneurs, building on UN Women’s partnerships and outreach/networks with National Institutional Mechanisms and/or Ministries and/or Departments of the Gender or Women's Affairs and women’s groups.
- Build partnerships with a variety of financial institutions engaged in supporting women entrepreneurship, including existing social impact/innovation funds in EU and Asia to extend support for women-owned innovation and business ventures in specific areas of interest for both EU and Asia, such as green technologies, ICT, renewable energy solutions (in complementarity with existing EU initiatives). This includes organisation of conferences and networking events to increase access to social impact/innovation funds for women-owned innovation and business ventures.<sup>21</sup>

Activities 3 (R.3): Galvanising action and engagement of corporation and business partners in effective and practical actions is critical to expand women’s opportunities for positive economic engagement. In this regard, the indicative activities will consist of:

- Provide technical support for companies to operationalise the WEPs by tailoring them to the reality of corporations in specific sectors and country contexts. Through a strategic partnership initially with companies that are already signatories to WEPs, this activity will be expanded based on demand from the private sector. This includes corporate policy and practices to engage women at the workplace, market place and community, such as equal pay for equal work and workplace policies and programmes on health, safety and well-being.
- Organise training and capacity building programmes on the application and implementation of the WEPs, in International Businesses (IBs), CSR and Corporate Social Audit (CSA) frameworks, targeting private sector companies and chambers of commerce.
- Launch a training and peer-to-peer exchange programme for companies to enhance measurements, monitoring and reporting of their results on implementing WEPs and other

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<sup>20</sup> In this regard, UN Women will leverage from its virtual school/online knowledge exchange/training platform, called *empowerwomen.org* and *Global Partnership for Gender Equality in the Digital Age (Equals)*. See <https://www.equals.org/>

<sup>21</sup> [http://ec.europa.eu/growth/industry/innovation/policy/social\\_en](http://ec.europa.eu/growth/industry/innovation/policy/social_en)

measures to enhance the gender-sensitive business culture and practices. These include the use and application of existing tools, such as toolkits developed by the UN HLP on Women’s Economic Empowerment.<sup>22</sup> This will bridge the gaps on the availability of tools, capacities and incentives to voluntarily monitor progress in women's empowerment implementation in the private sector. As part of this set of activities, a training package for women entrepreneurs can potentially be developed, tailored to meet the most pressing needs for private sector companies as validated in the needs assessment.

- Create a pool of qualified women aspiring to engage in and lead corporate value chains through employment and entrepreneurship, influencing companies to cultivate internal and access external pools of qualified women.
- Develop and launch advocacy and campaign strategy, with particular attention to the use of digital and social media, to enhance visibility and outreach to increase awareness of the WEPs among business leadership in Asia, targeting an increased number of CEO signatories at the country and regional levels. It will also help identify 'EU-Asia Champions' to serve as mentors and advocates for gender equality at work building on UN Women’s global HeforShe campaign, which includes an initiative to engage high-level political and business leaders to support gender equality and women’s empowerment.<sup>23</sup>

**3.3. Risks and assumptions**

Risk	Risk level (H/M/L)	Mitigating measure
The visibility of EU’s involvement and scoping the interventions to EU’s agenda could diminish and be taken over by the implementers' (UN Women) own agenda.	<b>M</b>	The governance structure will foresee a fully-fledged strategic role for the EU and ensure that EU’s visibility and interests are well balanced in the implementation of the action by keeping the EU Delegations informed and regularly updated on the implementation plans so as to guarantee that the EU’s agenda is adequately reflected in the programme interventions. Active engagement of EU representatives throughout the project implementation will be sought.
The project objectives and activities could concern a large number of actors in a target country at national, provincial and municipal levels. Organisation of activities could be challenging and time consuming if internationally managed.	<b>L</b>	The project team will facilitate cooperation with relevant authorities and stakeholders in targeted countries and will establish a management structure that includes local management capable of managing day-to-day operations.
The interest of business entities, government and local stakeholders	<b>M</b>	The project will develop a smart mix of advocacy, outreach and consultation

<sup>22</sup> See UN Secretary-General’s High-Level Panel on Women’s Economic Empowerment, Reports and Toolkits section, available at <http://hlp-wee.unwomen.org/en/reports-toolkits>

<sup>23</sup> <http://www.heforshe.org/en/impact>.

Risk	Risk level (H/M/L)	Mitigating measure
could be limited, thereby reducing the effectiveness and impact of the interventions. Agreements on specific activities with partner countries/other stakeholders could be delayed.		activities appealing enough to ensure buy-in and ownership of relevant constituencies.
Political and security situations could delay project implementation, including government commitments on the adoption of policies and laws.	L	The project will factor in security issues and the evolving political context in project planning, monitoring and implementations
Buy-in and active involvement in activities by relevant concerned actors could be limited if the intervention is purely based on external funding.	M	During the set-up of the annual plan of activities the project will seek progressive co-ownership of target countries and actors (shown also via direct co-funding or in-kind contributions) and will adapt its plans based on the interest and commitment.
Changing of laws, policies and regulations relating to economic empowerment of women may impact project strategies and their implementation.	M	The project team will update Governments timely on the implementation of the project through the National Women's Machineries. <sup>24</sup> Close monitoring and timely revision of project component will be ensured.
Companies will not undertake or will not sustain voluntary actions to improve the gender diversity of their workforce, either because of the lack of commitment from the company's leadership, or the lack of expertise amongst programme managers who execute gender policies.	M	The project will ensure close liaison, communication, innovative monitoring, and evaluation of progress, involving stakeholders.
<b>Assumptions:</b>		
The economic framework under which businesses operate will be sufficiently stable to allow for Women's Economic Empowerment to remain an area of important engagement for business		
Interest in this action so far expressed by relevant stakeholders remains stable over time.		

<sup>24</sup> National Women's Machineries (NWMs) are key institutional mechanisms for the advancement of women and play a critical role in promoting and ensuring implementation of CEDAW and Beijing Platform for Action (BPFA) at the national level. NWMs include government offices, departments, commissions or ministries that provide leadership and support to government efforts to achieve greater gender equality.

### 3.4. Stakeholders

The primary target groups consist of:

- major (multi-national and national) companies operating in the targeted countries, that will realize benefits, increase opportunity for inclusive and sustainable growth by achieving the expected results, with a focus on EU headquartered companies that source from the Asia-Pacific region;
- network of women entrepreneurs, particularly women’s organisations and associations, women-owned MSMEs, businesswomen and businessmen that will directly benefit from the proposed action;
- relevant national governments and public-sector institutions/agencies in the targeted countries that will contribute to the achievement of the SDGs, particularly on gender equality and women’s economic empowerment.

Considering the multi-stakeholder character of the proposed action, foreseen activities will involve close work with the following key actors in the targeted countries:

- Businesses, employers, employers’ organisations, women’s organisations and associations, chambers of commerce, businesses associations as well as trade union organisations at national, regional and international level.
- Relevant civil society organisations, in particular specific organisations/networks focusing on promoting Women economic empowerment. These include regional networks such as ASEAN Women Entrepreneurs Network (AWEN), International Women’s Rights Action Watch Asia Pacific (IWRAW AP), and grassroots organisations and networks of women from marginalised communities such as Self-Employed Women's Association (SEWA), Women in Informal Employment: Globalizing and Organizing (WIEGO), etc.
- Country specific highly qualified consultancy entities as well as academic institutions, research institutes and technology partners.
- International organisations: UN, including ILO, Global Compact and other relevant UN agencies, such as the United Nations Development Programme (UNDP), United Nations Industrial Development Organization (UNIDO), International Organization for Migration (IOM), United Nations Capital Development Fund (UNCDF), United Nations International Children's Emergency Fund (UNICEF), OECD, World Bank, Asian Development Bank.
- Regional actors: ASEAN Secretariat and relevant sectoral bodies, including ASEAN Committee on Women (ACW), the ASEAN Commission on the Promotion and Protection of the Rights of Women and Children (ACWC), Asia-Pacific Economic Cooperation (APEC) with particular attention to the Policy Partnership on Women and the Economy (PPWE) of APEC, ASEAN SME Agencies Working Group (SMEWG), ASEAN Chamber of Commerce and Industry (ASEAN ICC).
- European actors: European businesses operating in the region<sup>25</sup>, EU Member States active in the field of women's economic empowerment in the targeted countries, European chambers of commerce operating in the targeted countries.

In addition to the primary target groups, UN Women will continue to work closely with national women’s machineries and develop partnerships with different line ministries,

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<sup>25</sup> For instance, European companies that are already signatories to the WEPs, including but not limited to Intercos Cosmetic (Italy), Menshen Packaging (Germany), Schneider Electric (France), Danone (France), Nestlé (Switzerland), and Unilever (Netherlands and United Kingdom).

including finance, trade and industry, labour and statistical departments, and Chambers of Commerce to promote women's economic empowerment at the national level. UN Women will work with parliamentarians, civil society organizations, women's organizations, and academics. A full range of national partners will be defined, following the consultative process to identify synergies and linkages among different stakeholders, during the inception phase of the project.

#### **4. IMPLEMENTATION ISSUES**

##### **4.1. Method of implementation**

###### **4.1.1. Indirect management<sup>26</sup> with an international organisation**

This action may be implemented in indirect management with UN Women in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described in section 3 above, to achieve the objectives and expected results of the project. This implementation is justified because of the overarching mandate and specific expertise of UN Women on matters related to gender equality and women's empowerment, on which it has developed specific frameworks at UN level.

The action responds to the demand from key stakeholders, including public and private sector players, women's movement and gender equality advocates, towards advancing women's economic rights issues in the Asia region. UN Women's comparative advantage across its operations, as underscored by recently conducted evaluations processes, lies in its unique partnership with women's and gender equality advocates, and its ability to bring together rights holders and duty bearers on legal and policy issues related to the advancement of women. Partnerships will be expanded with UN agencies with which UN Women has a longstanding collaboration. At the global level, UN Women served as the Secretariat for the UN Secretary-General's High Level Panel (HLP) on Women's Economic Empowerment in 2016-2017, which successfully brought together a diverse set of stakeholders, in which private sector played an important role. The recommendations of the HLP have been adopted by UN Women's Strategic Plan 2018-21. At regional and country levels, the action will build on the UN Women's presence and initiatives (highlighted in the Complementary section of the document). Consequently, UN Women is best placed and constitute a logical choice for managing this complex EU intervention, due to a valuable combination of technical expertise and contacts with relevant authorities in governments of partner countries, with businesses and other stakeholders.

Since 2010, the EU and UN Women have developed a close partnership. Signed on 15 June 2016, the renewed *Memorandum of Understanding* between the EU and UN Women *Stepping it up for gender equality and women's empowerment worldwide* recalls the commitments for gender equality and women empowerment taken under the 2012 Strategic Partnership. The latter aimed to mutually develop and structure the cooperation between the EU and UN Women on gender equality and women's empowerment at global, regional and country level through joint policy dialogue, best practices exchanges, joint advocacy and programming.

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<sup>26</sup> Article 216 RAP (Article 139 FR) Selection of the entities entrusted with the implementation of financial instruments in indirect management

Budget-implementation tasks may include *inter alia* the provision of technical assistance involving key stakeholders (such as for instance governmental agencies and business society, business associations, individual enterprises, etc.), organisation of seminars/conferences/events, carrying out studies, analysis and research.

Indicative timing for the signature of the delegation agreement: 1st quarter 2019.

**4.2. Indicative budget**

Method of Implementation	Amount in EUR million
4.1.1. – Indirect management with international organisation	7.5
<b>Total</b>	<b>7.5</b>

**4.3. Organisational set-up and responsibilities**

The regional project office will be located in the UN Women Regional Office for Asia and the Pacific in Bangkok. The Project Management Team will be composed of UN Women staff including international and national team members located in regional and country offices respectively (composition of the team to be determined).

To ensure proper project governance and strategic orientation a Steering Committee reflecting the EU-UN bipartite nature of the action will be established.

It is envisaged that a Regional Project Advisory Committee and National Project Advisory Committees will be established in each target country.

**4.4. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity’s responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).



#### **4.5. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.4 above, will be funded from sources other than those allocated to this specific action.

#### **4.6. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>27</sup>

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<sup>27</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).

**ANNEX 8**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for Support to the development of Social and Solidarity Economy****1. IDENTIFICATION**

Title of the action	Support to the development of Social and Solidarity Economy			
Country(ies)/ Region	Global, in particular Brazil, Canada, India, Mexico, Republic of Korea, United States of America			
Total cost	Total estimated cost: EUR 5 800 000 Total amount of the EU budget contribution: EUR 5 700 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Indirect management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

The main characteristic of Social and Solidarity Economy (SSE) is doing business differently, by providing responses, often socially innovative, to social, societal and environmental challenges. While delivering economic results, the SSE's business models place social values at the forefront so as to produce social impact<sup>2</sup>, thus fostering inclusive and sustainable growth.

The action supports a clear interest for the EU as it intends to promote the EU's core value of inclusive growth, socially, societally and environmentally responsible business, as well as to facilitate the internationalisation of EU Social Enterprises (SSEs). This will be achieved by fostering partnerships with SSEs in selected target countries in order to increase their social innovation capabilities and their participation in the international flow of goods, services, social investments and information.

Following the positive outcome of a feasibility study carried out in 2017 aiming at identifying this action, the EU envisages working with the Organisation for Economic Co-operation and Development (OECD) to develop an international guide for SSE legislations / regulations and a global methodology for measurement of the social and economic impact of social enterprises for developing, emerging and developed countries (including for example Colombia, Costa Rica, Peru, Kenya and South Africa). In addition, through this action, the EU will support concrete partnerships with EU and local actors in selected partner countries (e.g. Brazil, Canada, India, Mexico, Republic of Korea, the United States of America (USA)) with tailor-made cooperation approaches.

### **2.2. Context**

#### *Social and Solidarity Economy and Social Entrepreneurship*

The growing interest in SSE as an economic actor is shown by recent efforts to embed social economy (and social entrepreneurship) in the post-2015 Development Agenda. In November 2013, a number of United Nations agencies created an interagency task force<sup>3</sup> to assist countries and mobilise political will and momentum towards mainstreaming issues related to the SSE in international and national policy frameworks and create enabling frameworks to support social enterprises and similar entities.

SSE actors have traditionally been very important actors in the economic and social spheres, as they provide not only employment and self-employment opportunities, including for disadvantaged individuals, but also because social impact is the main goal of their activities.

SSE has qualified itself over time as a mean of doing business which allows the more socially and inclusive innovative private and civil society stakeholders to play a decisive role for growth and development, in the Single Market and worldwide.

In the last 20 years SSE has been increasingly producing new ways to generate Social Impact, also by:

- Utilising technological resources and knowledge to facilitate the access to services of people

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<sup>2</sup> The idea of social impact is strictly related to the social value produced by organisations. The Group of Experts of the European Commission on Social Entrepreneurship (GECES) subgroup on social impact measurement refers to social impact as 'the reflection of social outcomes as measurement, both long-term and short-term, adjusted for the effects achieved by others (alternative attribution), for effects that would have happened anyway (deadweight), for negative consequences (displacement) and for effects declining over time (drop off)'.

<sup>3</sup> To which the OECD participates as full member.

with physical and social disadvantage or living in remote areas, or to offer customised and low-cost but high-quality solutions to social problems;

- Utilising new modalities or processes of production and distribution of products and services by adopting new organisational models and approaches which increase the participation of clients, providers, and other stakeholders in the value chain.

SSEs are increasingly being expected to contribute to finding effective solutions to important social and economic challenges, in both developed and developing countries.

### Policy framework

To address SSE issues, the EU has developed a comprehensive approach as set out in the Communication “Social Business Initiative - Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation”<sup>4</sup>, in which social economy and social innovation are placed at the heart of EU's concerns, both in terms of social and territorial cohesion and the search for new solutions to societal problems.

The “Single Market Act” underlines the importance of the following elements to support social enterprises as key actors delivering social innovation, inclusiveness and trust: A) to develop tools to enhance trust in, and visibility of, social enterprises; B) to develop a methodology to measure the socio-economic benefits created by social enterprises.

In May 2016, the Council adopted conclusions on responsible global value chains (GVCs). The EU can have a positive impact on sustainable development by promoting responsible management of GVCs, making them sustainable and inclusive, in line with the EU objective to ensure that inclusive economic growth is developed together with social justice and respect for human rights, including core labour standards and sustainable environmental practices.

On 22 November 2016 the Commission issued the "Start-up and Scale-up Initiative" Communication. Building on the Social Business Initiative, the Commission will encourage social start-ups to scale up, including through measures focussing on better access to finance, improved access to markets, and strengthening regulatory frameworks by advising Member States on policy design. The Commission will also explore measures to facilitate uptake of new technologies, use of new business models and to support impact financing of the social economy and social enterprises through EU development/neighbourhood policies and international fora.

The Communication "A renewed EU strategy 2011-14 for Corporate Social Responsibility"<sup>5</sup> underlines that CSR is increasingly important to the competitiveness of enterprises because it can bring benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity and enables enterprises to better anticipate and take advantage of fast changing societal expectations and operating conditions. By this way, it can drive the development of new markets and create opportunities for growth. On the same publication day of the previously mentioned Communication, the Commission adopted also "Next steps for a sustainable European future: European action for sustainability"<sup>6</sup> which identifies the European response to the Agenda 2030 by mapping the EU contribution to each one of the SDGs (many of which are fields of action for SSE), and defining the specific contribution of the Commission's 10 priorities to the 2030 Agenda.

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4 COM(2011) 682

5 COM (2011) 681

6 COM(2016) 739

As mentioned in the European Economic and Social Committee's opinion on "The external dimension of social economy" adopted on 5 July 2017<sup>7</sup>, the EU, through its Partnership Instrument could provide an opportunity for the EU social economy in its process of developing its international dimension, fostering competitiveness, innovation and research.

#### Current status and key challenges in the region / specific countries

The proposed action will help to advance the EU-Community of Latin American and Caribbean States (CELAC) bi-regional partnership, by contributing to 2015 EU-CELAC Action Plan (notably chapter 3 on Regional integration and interconnectivity to promote social inclusion and cohesion, chapter 5 on Education and employment to promote social inclusion and cohesion and chapter 8 on Investments and entrepreneurship for sustainable development) and will help to advance the EU-ASEAN bi-regional partnership by contributing to the implementation of the Joint Communication "The EU and ASEAN: a partnership with a strategic purpose"<sup>8</sup>:

In all the countries targeted by the action, policies and legislation are enacted on cooperatives, while only three of the countries have a specific legislation on SSEs. The common features among the targeted countries include:

- As for the Legislative and Policy issue, the regulations are either being defined or being reformed or facing implementation problems.
- Impact measurement is a common problem all over the world, since there are no widely adopted or endorsed methodologies. Countries that have established specific Agencies with this mission still adopt methodologies based only on quantitative indicators, with limited sophistication to capture also qualitative aspects.

The current state of affairs per country can be described as follows:

**BRAZIL:** There is no policy or law regulating SSE as a whole<sup>9</sup>. A big effort has been done to structure the Secretariat for Solidarity Economy (SENAES), but in spite of its efforts, no law has been approved so far and there is a pending Law Initiative tabled in the Parliament (Chamber of Deputies). Two laws regulate cooperatives: a) Law No. 5.764/1971, which defines national policies on cooperatives, and the legal characteristics of cooperatives; b) Workers' Cooperatives are regulated by the Law No.12690/2012. In the south-eastern area, the phenomenon of Enterprises with Social Impact is mushrooming and there are advocacy initiatives to promote specific regulations.

**CANADA:** Canada presents one of the most developed SSE ecosystems in the world. The federal Parliament approved by unanimity "Motion-100", requiring the government to produce a "federal co-operative strategy to promote and support Canada's co-operative sector". There is opportunity for changes to procurement processes because of the mandate given to the Minister of Public Services and Procurement by the Prime Minister in November 2015 to modernise procurement practices, including social procurement. In Ontario, there are two initiatives in the area of the reform of the legal framework: within the Ontario Social Enterprise Strategy, to address the issue of removing legislative barriers to impact investment and the inclusion of social clauses in public procurement. Quebec has recently passed a Law

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7 REX/472 – EESC-2017-00181-00-00-AC-TRA (ES)

8 JOIN (2015) 22 final

9 Although a proposed law is currently being approved following the approval of a bill in August 2017

on Social Economy, which could be considered as one of the most advanced, nevertheless, there are also processes related to the legal framework. These are related to: a) statistical portrait of SSEE; b) Reform of Cooperative Law. Besides the above-described processes there are also processes in the area of impact measurement methodologies on all three levels proposed and the EU is either implementing or preparing actions which could be complementary.

**INDIA:** Although SSEs are growing fast, there is no policy or legislative provision for them as such, and there are limitations related to legislative discipline for Impact Investment. Cooperatives are in their vast majority, regulated by State Laws. A Federal Law regulates cooperatives working in more than one state. SSEs are registered as standard enterprises under the Companies Act/2013, or under one of the following conditions: a) Charitable Trust; b) Society or NGOs; 3) Section-8 Company with special aims: According to section 8(1)(a), (b) and (c) of the Indian Companies Act, 2013.

**MEXICO:** presents an intermediate level of development with a modern SSE Law that was passed in 2012 and several policies developed within the general strategic framework of the National Development Plan. However, there is room for improvement when it comes to implementation of the law and the role of SSE actors in the economy. In the country two approaches to SSE coexist: a narrower one as vehicles to alleviate poverty vs a broader one as a variegated set of entrepreneurial vehicles with distinctive levels of social aims.

**REPUBLIC OF KOREA:** The Social Enterprises Promotion Act does exist since 2007. Cooperatives are regulated by the Framework Act on Cooperatives and by a specific Act (2011) for Agricultural Cooperatives. A Social Economy Framework Act aimed at updating regulations and reordering the sector of Social Enterprises is tabled in the Parliament.

**USA:** The main line of action at Federal level is taxes, so most interaction in terms of advocacy occurs around this subject. Legal statuses as Social Enterprises and/or cooperatives are dealt with at State level. There are initiatives to address the reform of some cooperative laws in different States. The first wave of new legislation at state-level regarding L3C seems to be in a standstill and the impetus regarding Benefit corporations is diminishing. In the area of impact measurement there are also relevant initiatives coming from URBAN institute, B LAB and CFDIs (Community Development Financial Institutions). There is room for the involvement of the municipal level.

### **2.3. Lessons learnt**

- The SSE sector and its ecosystems have reached a good level of maturity at international level with several initiatives from multilateral actors, iterative processes such as conferences, international networks (both formal and informal ones) or even singular actors such as Ashoka or Yunus foundation;
- Given its current level of development, SSE can contribute to finding effective solutions to important social and economic challenges, in both developed and developing countries, but in order to fulfil this potential they need friendlier and more interconnected ecosystems;
- The current development of SSE ecosystems shows that there exist relevant opportunities for internationalisation of EU SSE companies. Given the specific nature of SSEs and the characteristics of their business models, the focus has to be on a wider understanding of internationalisation, not just looking at trade perspectives, but able to include a major dimension related to the growth and qualitative improvement of the SSE international ecosystem. History of social business shows that enhancing the degree of internationalisation

of SSEs entails increasing their participation in the following international flows:

- Goods and/or services
- Investment
- Information
- Modalities of Social Impact.
  
- The emergence of SSEs has opened up the views on a previously monolithic subject (i.e. a company), and their inclusion in trade policy may open up a series of possibilities, starting by the fact that the first immediate goal can be an improvement in a key dimension of local welfare beyond GDP, as foreseen by the 4.2 objective of the “Trade for All” Communication: “A trade agenda to promote sustainable development, human rights and good governance.”
  
- SSE culture, legislative issues related to SSE, social impact measurement, as well as impact investment, need to become more familiar to the international business communities, law-makers, policy-makers, opinion-makers and the public. In several situations the debate has stimulated a good level of knowledge and awareness but this situation is not generalised.

#### **2.4. Complementary actions**

The action is complementary with the following global actions:

- The IADB-MIF Social Entrepreneurship programme<sup>10</sup>, which mainly focuses on collaboration with private stakeholders, will offer opportunity to create synergies with the action which will mainly focus on public partners and issues related to public policy and ecosystems;
- The OECD LEED programme<sup>11</sup> works with some of the countries targeted by this action on specific issues related to Social Entrepreneurship policies and has produced, in cooperation with the European Commission and with EU financial support, a vast array of materials with comparative analysis, policy insights, best practices assessment, country analyses, etc.;
- The ILO Social and Solidarity Economy Academy<sup>12</sup> which is producing a series of tools to facilitate learning such as the virtual interactive space “collective brain”;
- The REVES Network of European Cities, provinces and regions supporting Social Economy and the C.I.T.I.E.S. Initiative issued from the GSEF are two complementary programmes on municipal and/or regional exchange of best practices;
- The Transnational Network on Social Economy of ESF Managing authorities is a mutual learning processes within the EU
- At country level, complementarity will be ensured with the following activities:
- BRAZIL: INCLUIR INICIATIVE jointly implemented by UNDP and SEBRAE ;the Brazil G20 Initiative on Inclusive Business; the forthcoming EU Initiative of Fair and Ethical Trade and the important initiative on CSR at sub-continental level, which can develop important synergies with the proposed Action;
- INDIA, with the Initiative carried out by several EU Member States such as the Deutsche Gesellschaft Fur Internationale Zusammenarbeit (GIZ) activities on Responsible Finance,

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10 <http://www.iadb.org/en/about-us/idb-financing/social-entrepreneurship-program,6064.html>

11 <http://www.oecd.org/cfe/leed/social-economy.htm>

12 <http://socialeconomy.itcilo.org/en>

Impact Investment and Support to Human-Oriented Start-Ups, the Department for International Development (DFID) recently started INVENT project, the INDUS FORUM (Indo-Dutch CSR & Sustainability Forum), an initiative on Responsible Value Chains by the Embassy of the Netherlands and the Venture Capital Management Fund of Agence Française de Développement (AFD) and of Private Sector support of the AFD subsidiary PROPARCO. The action will build on the findings and lessons learned of the activities developed by the British Council on the landscape of social enterprises in India<sup>13</sup>

- MEXICO, with the initiative Fortalecimiento de la Empresa Social (Strengthening of Social Enterprises) carried out by Spain in collaboration with PRODEMEX and INAES and different initiatives linked to Cooperation for Development of GIZ and German Cooperative and Raiffeisen Confederation (DGRV) in relation to cooperatives and social economy.

## **2.5. Cross-cutting issues**

Particular attention will be given to women's participation in SSE through meaningful gender-mainstreaming and specific activities focusing on gender equality and women's empowerment.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The action will address the Partnership Instrument Objective 2, namely "implementing the international dimension of Europe 2020".

The general objective of this action is to promote EU's core value related to inclusive growth, socially, societally and environmentally responsible business as well as facilitate the internationalisation of EU SSEEs. This will be achieved by fostering the supportive ecosystems for social enterprises at international level, in order to increase the social innovation capabilities of SSEEs and their participation in the international flow of goods, services, social investments and information.

The specific objectives of this action are:

- To develop an international guide on legal and institutional frameworks for SSEEs creation and growth and promote it among law-, policy- and opinion-makers as well as other key stakeholders (see section 3.4);
- To develop an international guide for methodologies and metrics for measurement of SSEE social impact;
- To support multi-actors partnerships and exchanges of experiences on SSEEs between the EU, its Member States and targeted countries i.e. Brazil, Canada, India, Mexico, Republic of Korea.

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<sup>13</sup> India Social Enterprise Landscape Report, <https://www.adb.org/sites/default/files/publication/29955/india-social-enterprise-landscape-report.pdf>



### **3.2. Expected results and main activities**

The expected results of the action are:

- advancing worldwide the values of the EU in fostering SSE as a possible alternative for new entrepreneurs, workers and consumers;
- establishing, in EU's strategic partner countries and with key partners, in Americas and Asia where SSE has a long and strong history, collaboration programmes that would enable social entrepreneurs to exchange lessons, experiences and methodologies with their EU peers, with a view to develop collaboration projects of mutual interests.

The methodology adopted for the action promotes transformational learning experiences that aim at bringing about a change in legislation, which will eventually contribute to improving SSE ecosystem at national and international level to be supportive and conducive for development.

The proposed action is made up of the following four components:

#### **Component 1/ WP 1 Creation of a network through multi-stakeholder partnerships:**

The first core component of the proposed action aims to support an international network of SSE stakeholders. This is the basis for the achievement of the goals, which requires the involvement also of different levels mirroring the three dimensions of the outputs: international, national and subnational. Thus, this network should include country-based partnerships and an international one. These partnerships require a low level of formalisation and will only require minimum funding for the designated coordinator of each one of the partnerships and for awareness raising activities. The different partnerships will be the instruments to propose the clusters beyond the elements already identified in the specific objectives (legal regulations, institutional frameworks, impact measurement methodologies, and metrics). The local partnerships should have a coordinator to also act as local node/representative of the implementer.

Activities envisaged under this component may include inter alia: creation of seven multi-stakeholder partnerships (one international and six at country level), elaboration of seven partnership's action plans that actively engage the partnership members in the activities of the action, face to face meeting using the face to face phase of the peer learning cycle and as many online meetings as needed. Finally it should also include awareness raising activities.

#### **Component 2/ WP 2 Organisation of exchange and peer learning activities and production of tools:**

The second component aims at enabling social entrepreneurs of targeted countries to exchange lessons, experiences and methodologies with their peers as well as attract seed and matching funds and develop collaboration projects via exchange and peer learning, the production of an international guide on SSEE legislations and of a methodology to measure SSEE impact.

Envisaged main activities: exchange and peer-learning cycles between EU and targeted countries on different SSEE issues according to the specificities and needs of the audience, pre- or post-conference open meetings; elaboration of studies, surveys, analysis, desk research, elaboration of the cases and related elements to feed the peer-learning cycle; secondment of experts, cross-evaluation between organisations, policy briefings and similar targeted papers; tools to facilitate the adaptation of practices and activities related to changes in policies, practices, frameworks, that will facilitate and foster the organisational learning.

This process should use a participatory approach aimed at enhancing learning. This process should also focus on the internationalisation of EU SSEs.

### **Component 3/ WP 3 Widening the impact of the action:**

The third component aims at widening the impact of the action through face to face consultations with and involvement of international/multilateral institutions such as for example of the IADB Social Entrepreneurship Programme/FOMIN; International Leading Group on SSE (ILGSSE); UN Inter-Agency Task Force on Social and Solidarity Economy (UNSSE); Global Inclusive Business Platform of the G20; Global Social Impact Investing steering group; Asian Development Bank (ADB); African Development Bank (AfDB); ILO. This will influence the development of international tools and standards in relation to legal statuses/institutional frameworks and/or impact measurement methodologies and metrics.

Activities could include: participation in conference and internal meetings, elaboration of ad-hoc documents, organisation of ad-hoc meetings, elaboration of common strategies with other actors participating on those organisations, etc.

### **Component 4/ WP4 Management and Communication**

This component aims at ensuring a smooth implementation of the action and relates to management and visibility aspects of the programme.

Activities envisaged under this component may include inter alia: Steering Committee meetings, Specific working plan with milestones; Dissemination plan with international and national activities (such as press releases, press conferences and inauguration events in every partner country, identification of different target groups both at national and international level and preparation of ad-hoc strategies for each one of them), sustainability plan aimed at ensuring that some of the activities and outputs can continue beyond the end of the lifespan of the project, an evaluation plan with baseline analysis; short qualitative evaluation analysis geared towards improving learning (formative) after each peer-learning cycle using an appropriate participatory evaluation approach; mid-term evaluation; final evaluation (summative); ex-post evaluation. Finally it should also include awareness raising activities on the Action and above mentioned activities.

In the case of this process, the communication will play a specific role in the dissemination and fostering the impact and/or collaborate with those international/multilateral institutions suitable to have an influence in the development of international tools and standards in relation to legal statuses/institutional frameworks and/or impact measurement methodologies and metrics.

Thus, the communication will be based on, inter alia:

- A proactive approach and continuous processing of information via the Action’s website by using interactive resources and via a regular bulletin forwarded to a mailing list that will be updated on a continuing basis;
- The publication of all main documents (in English);
- The diffusion given to the international legal and institutional framework guide;
- The organisation of events related to the dissemination of the results of national and international activities, including specific national events in all the countries.
- The production of suited visibility and communication products for relevant target audiences with an adequate media and social media coverage.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
Lack of awareness creates barriers to recognition of the SSE's economic and Social Innovation role	<b>M</b>	Organisation of awareness raising activities (meetings, press conferences) and specific interventions on opinion-makers about SSE specificity and potential.
Political will is not very firm and political decision-makers make only informal commitments	<b>M</b>	Produce formal and written commitments in the different pre-implementation and implementation stages.
Vested interest threatens the implementation of comprehensive policy framework.	<b>M</b>	Policy Guidelines produced at general level and supported at Country Level will be publicised and explained to all the stakeholders to underline the advantage and overcome resistance and deadweight.
Lack of agreement among the main stakeholders on the policy directions at country level and legislative guidelines at multi-country level.	<b>M</b>	The adopted peer-to-peer construction will be aimed (inter alia) at stimulating policy dialogue including different kind of stakeholders.

### 3.4. Stakeholders

The proposed action will involve many stakeholders that can be grouped in the following categories:

- National authorities such as: National Secretariat for Social and Solidarity Economy (SENAES) in Brazil, National Institute for Social Economy (INAES) in Mexico, City Administration of Minneapolis (USA), Social Innovation Unit of the Federal Government in Canada, Ministry of Skills Development and Entrepreneurship and Ministry of Corporate Affairs in India, Ministry of Employment and Labour- Directorate for Social Enterprises (inter alia)
- Civil society organisations such as: Institute for Entrepreneurial Citizenship in Brazil, CIESS/LAINES in Mexico, Ashoka in USA, Le Chantier de l'Economie Sociale in Canada, Yunus Social Business India, Ashoka in the Republic of Korea (inter alia)
- Research entities and universities such as: University of Campinas in Brazil, UNAM in Mexico, Democracy at Work Institute in USA, CCEDNET in Canada, Indian Institute of Management Calcutta - Calcutta Innovation Park in India, Busan National University Master's Degree Programme in Social Entrepreneurship in the Republic of Korea;
- Specialised Public Technical Bodies such as: SEBRAE (Brazilian Support Services for

- SMEs) in Brazil, KOSEA (Korean Agency for Social Enterprises) in the Republic of Korea
- Social Enterprises and their Associations and Representatives such as: International Cooperative Alliance at global level, OCB (Brazilian Cooperatives Organisation) and UNICOPAS in Brazil, MEXICOOP in Mexico, US Federation of Workers Cooperatives, Social Enterprise Alliance in USA, Cooperative and Mutuals Canada and MaRS Center for Impact Investing in Canada, National Cooperative Union of India, Impact Investors Council and National Association for Social Enterprises NASE in India, Seoul Social Economy Support Centre, MYSC Merry Year Social Company and NACF (National Agricultural Cooperative Federation) in the Republic of Korea (inter alia);
  - International Organisations: The World Bank, ETUC Basel Committee on Banking Supervision, International Leading Group on SSE (ILGSSE), ILO, UN Inter-Agency Task Force on Social and Solidarity Economy (UNSSE), Global Inclusive Business Platform of the G20; Global Social Impact Investing steering group; Asian Development Bank (ADB); African Development Bank (AfDB)
  - European Union Structures and Programmes: European Commission services, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB).
  - European networks and organisations representing social economy and social enterprises, such as Social Economy Enterprises (SEE), the Reves Network, the European Confederation of Workers' Co-operatives, Social Cooperatives and Participative (CECOP), Euclid Network, Reuse, the European Network of Social Integration Enterprises (ENSIE), etc.

#### **4. IMPLEMENTATION ISSUES**

##### **4.1. Method of implementation**

###### ***4.1.1. Indirect management<sup>14</sup> with an international organisation***

This action may be implemented in indirect management with the Organization for Economic Cooperation and Development (OECD) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described in section 3 above, to achieve the objectives and expected results of the project. This implementation modality is justified because of the technical competence of OECD in the field of SSE and their longstanding experience and solid engagement with the relevant authorities in the region, as described below.

The OECD, mainly through its LEED programme, has become an international reference on SSE policies. The OECD has been working on this issue for almost twenty years facilitating the dialogue and mutual learning<sup>15</sup>. Furthermore, it has become a relevant partner<sup>16</sup> for the EU collaborating in a series of projects and actions such as: In-depth country reviews; Policy briefs; Capacity building seminars; Compendium of good practices.

The OECD-LEED programme has also collaborated intensively with the Republic of Korea government on this issue and its policy review on 2009 was used to start a series of policy and legal changes. Furthermore, its senior staff member is a regular invited speaker in

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<sup>14</sup> Article 216 RAP (Article 139 FR) Selection of the entities entrusted with the implementation of financial instruments in indirect management

<sup>15</sup> <http://www.oecd.org/cfe/leed/social-economy.htm>

<sup>16</sup> <http://www.oecd.org/cfe/leed/social-entrepreneurship-oecd-ec.htm>

Conferences on this subject in some of the partner countries, for example the GSEF 2016 held in Montreal. In the case of Mexico, they are now negotiating to sign a contract to collaborate with the Federal government and in the case of the USA the government is one of the key funders of the Social Innovation forum, which always deals with SSE issues. Finally, four out of the six selected countries are OECD members while one has started the accession process to the Organisation.

The OECD/LEED is also an active member of the UN Taskforce on Social and Solidarity Economy, and regularly participate to the activities promoted by ILO and the International Leading Group on SSE (ILGSSE), is connected to the Global Social Impact Investing steering group, through the participation into the French National Advisory Board.

The proposed activities will not overlap but will build on the existing work and experience of the OECD in the field.

Relevant entities may be actively involved in implementation of the action; inter alia the stakeholders that may be given consideration are listed in section 3.4. In addition, to increase the manageability of the action, facilitate contacts and relationship at local level, the OECD will have to define a local partner whose designation will be approved by the Contracting Authority.

Budget implementation tasks may include inter alia: the provision of technical assistance<sup>17</sup> and consultancy services, seminars/conferences/events, carrying out studies and analysis and supporting specific partnerships.

Indicative timing for signature of the Delegation Agreement(s): 1st quarter 2019.

**4.2. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. – Indirect management with an international organisation	5.7
<b>Total</b>	<b>5.7</b>

**4.3. Organisational set-up and responsibilities**

To ensure proper project governance and strategic orientation, a Steering Committee including representatives from the EU (Commission services as relevant, EEAS) and the OECD will be established. The partnerships proposed in Component/WP1 will also function as advisory councils with the role of proposing clusters for the mutual learning cycles but also providing non-binding opinions on the different deliverables and key tasks of the components of the action. The OECD should consult the country coordinator appointed to this action to guarantee a decision-making process according to national priorities.

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<sup>17</sup> Advice, assistance and training pertaining to the fields covered by the action

#### **4.4. Performance Monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

This is a complex action implemented in countries among which there are shared characteristics of the SSE ecosystem, but also relevant differences related to the size of the countries, their regional position, internal dynamics and characteristics to be tackled by SSE producing social impact.

The above conditions require for a built-in Result-Based and Activity-Based Monitoring System, whose functions will be fundamentally based on three pillars:

- Pillar 1: Monitoring of the mutual transformational learning and of its effects on the SSE ecosystems and the creation of mutual transformations both in the partner countries and in EUMS;
- Pillar 2: Monitoring the actual achievement of modification of the existing situation at country level with regard to Legal and institutional Issues and Social Impact Measurement issues;
- Pillar 3: Monitoring the production of International Legislative Guidelines and of the International Methodological Guidelines on Social Impact Measurement

Thus, the monitoring system will:

- Track the activities and their level of implementation (to what extent activities are being implemented according to the schedule and according to the foreseen level of intensity);
- Document the mutual learning process with regard to: A) the establishment of foundational engagement; B) the sustained contact between countries and interaction within categories and between the categories of stakeholders involved in the mutual learning process; C) Level of

achievement of learning outcomes in the community of practices;

- Track the gradual introduction of modifications and progress in the legislative process, the level of participation into the debate and policy dialogue, the level to which the action will be influencing the policy making or legislative process in partners countries and EU Member States;
- Monitor the drafting of the shared methodological principles at international level and the work related to Impact Measurement at country level and to what extent the action is influencing the situation in partner countries and in the EU Member States;
- Track the definition of Multi-stakeholders Partnerships and of possible international platforms and the definition of business and investment relations.

#### **4.5. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.4 above, will be funded from sources other than those allocated to this specific action.

#### **4.6. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1 January 2018, and apply to all contracts signed from that date.<sup>18</sup>

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<sup>18</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).

**ANNEX 9**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for EU-China Cooperation on Employment, Social Affairs and Inclusion**

**1. IDENTIFICATION**

Title of the action	EU-China Cooperation on Employment, Social Affairs and Inclusion			
Country(ies)/ Region	China			
Total cost	Total estimated cost: EUR 5 000 000 <sup>1</sup> Total amount of the EU budget contribution: EUR 5 000 000			
Total duration <sup>2</sup>	42 months			
Method of implementation	Grants – call for proposals Procurement - direct management Indirect management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Chinese authorities will support the action by means of in-kind contributions.

<sup>2</sup> Maximum duration of the operational implementation period of the contract(s).



## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

It is of strategic importance to the EU to promote reform and innovation in support of transforming China's economic and social model into a more sustainable and inclusive one and to support the alignment of its national policies and standards with international principles.

This action aims to promote cooperation between the EU and China in the area of employment, social affairs and inclusion in a context of common challenges, such as demographic change, migration, or evolving employment patterns.

It is expected that improvements in China's employment, social affairs and inclusion will contribute to resilience within the EU as the promotion of fair and equal competition based on international social standards will mitigate the downward pressure on social conditions globally.

This action will consist of two components:

Component 1 will promote EU-China relations by supporting bilateral dialogues, joint activities and partnerships in key policy area of employment, social affairs and inclusion, including occupational safety and health (OSH). This component will also provide on-the-spot high-level technical assistance to the Chinese authorities to design and manage an inclusive, effective and sustainable social protection system as a means to reduce poverty, exclusion, vulnerability and inequalities;

Component 2 will support China in establishing a data collection and analysis system on accidents at work and other work related health problems as a prerequisite for evidence-based policy making in the field of decent work and occupational health and safety.

### **2.2. Context**

China and the EU have developed a strong cooperation in the field of employment and social issues. Over the past years, the European Commission has launched and developed structured policy dialogues with Chinese authorities in practically all of its areas of competence at a time when China introduced several major structural reforms, notably in the fields of labour law, social security and pensions, mobility of workers and occupational safety and health. These are areas for which the EU is regarded as a world benchmark and has provided expertise and shared experiences to Chinese policy makers in the design of these reforms.

China has already made significant advances in many areas, including broadening its social security coverage or improving occupational safety and health. However, many challenges remain in terms of China's commitment to decent work, universal social protection, poverty reduction, inequality or economic participation in the workplaces.

As China takes steps to try to avoid the middle income trap by moving up the value chain, Chinese firms continue to become stronger competitors in cutting-edge sectors (in addition to traditional sectors). It is important for the EU to work with China to promote fair and equal competition in each other's markets ensuring that China does not underwrite its companies' competitiveness through subsidies, protectionism or social dumping.

The establishment of a well-functioning labour market and welfare system is at the top of the Chinese political agenda as illustrated by its 13th Five Year Plan (2016-2020). Occupational safety and health has also been a consistent element of China's national five-year plans since

2006, emphasizing the growing importance of the concept and recognising the social and economic benefits of better safety and health at work.

Social protection could also be an important enhancer of economic transformation during a period where China is going through a process of economic transition, reducing the dependence on an export led model and increasing the relevance of domestic consumption. Consumption can be substantially boosted only by reducing the need for people to save for old-age security, health and education, by providing access to similar quality public services nationwide, and by ensuring employment opportunities for workers who become redundant as sectors suffering from overcapacity adjust. By enhancing domestic consumption and reducing the need for precautionary savings, social protection can play a role in contributing to a different commercial balance, too.

International Labour Organisation (ILO) standards, such as Convention 102 (C102, Social Security Minimum Standards Convention) and Recommendation 202 (Social Protection Floors), offer important guidelines towards the development of comprehensive, adequate and sustainable social protection systems. Indeed, China is currently working with the ILO in a gap analysis report toward China's ratification of C102. The study on the feasibility of China's ratification of the Convention and its actual application for ratification carries huge significance in terms of improving China's laws and regulations regarding social security, and of establishing a fairer and more sustainable social security system. Policy reform options are likely to focus on guaranteeing the financial sustainability and social adequacy of the pension schemes, reforming the employment injury insurance scheme or reinforcing the synergies between compensation and prevention measures.

Other priorities include the extension of long-term care services, development of models to extend social insurance coverage to non-standard forms of work, or extension of social coverage in branches where the system is still lagging behind in terms of coverage, such as maternity protection, especially in rural areas and in non-standard forms of work.

The Chinese social security system can be described as legally unified but administratively fragmented. Low level of social pooling on social security funds results in portability problems when workers move across provinces and further contributes to regional inequalities. A major concern is how to integrate different social security schemes thus providing a universal protection system for rural and urban workers especially for the migrant workers.

Multiple ILO Occupational Safety and Health (OSH) conventions also require ratifying member states to establish mechanisms to collect and use reliable OSH data for prevention purposes. These ILO instruments recognize that the collection and utilization of reliable OSH data are indispensable for the detection of new hazards and emerging risks, the identification of hazardous sectors, the development of preventive measures, as well as the implementation of policies, systems and programmes at international, national and enterprise levels. OSH data provide the basis for setting priorities and measuring progress.

On the EU side, it is important to remain vigilant on the evolution of existing OSH risks and develop policy actions related to new and emerging risks. In particular if new provisions are justified then accurate and reliable data is critical as part of a full-fledged assessment of their economic and social impact. The availability of comparable OSH data from China would provide additional confidence if the observed effects merit policy actions in the EU.

This action will enable the EU to get a fuller picture of the performance of its occupational safety and health in a more global context as well as providing additional statistical data.

Although working conditions in many sectors are currently different between China and EU Member States, it will be possible to follow trends in comparable sectors such as the automotive industry, manufacturing of IT hardware etc. In the longer term, as working methods and practices in other sectors become more harmonised, the range of comparable data will increase. Component 2 would also allow benchmarking of the relative performance of the OSH systems in force in both regions. In the longer term, the EU will get additional scientific evidence to develop its own policy options for example using occupational exposure data to decide if limit values should be introduced for certain chemical agents which would protect workers from harmful substances which in turn would result in fewer cases of work related health problems and eventual fatalities.

This action meets the objectives of the United Nations 2030 Agenda for Sustainable Development and in particular Sustainable Development Goal (SDG) 8, which provides for the promotion of “inclusive and sustainable economic growth, full and productive employment and decent work for all”. Its Target 8.8 focuses on the “protection of labour rights and promotion of safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment”. With its adoption, the capacity to collect and utilise reliable OSH data has also become indispensable for countries to fulfil their commitment on SDGs. SDG 1 includes also a specific target on social protection: “Implement nationally appropriate social protection systems and measures for all, including floors” (Target 1.3).

The action also fits with the overall political framework of the EU-China 2020 Strategic Agenda for Cooperation (2013) governing EU relations with China. Further, the Joint Communication on elements for a new EU strategy on China (2016) calls for the EU to actively support and encourage (economic, environmental and) social reforms in China towards a more open, sustainable and inclusive growth model.

Overall, the action will contribute to the EU's commitment to promote the decent work agenda globally expressed in a number of strategic documents, namely: Promoting decent work for all (2006), Trade, Growth and Development (2012), Trade for All (2016) and Next steps for a sustainable European future (2016) accompanied by the Commission Staff Working Document Key European actions supporting 2030 United Nation Sustainable Development Agenda and SDGs.

The Global Strategy of the European Union's Foreign and Security Policy<sup>3</sup> and the joint communication "A Strategic Approach to Resilience in the EU's external action" (June 2017)<sup>4</sup> calls on the EU to support our partner countries in developing economic resilience accompanied by measures aimed at promoting inclusive growth and mitigating the potential negative transitional impact on some groups in society.

### **2.3. Lessons learnt**

Through its three development cooperation projects in China<sup>5</sup> and policy dialogues under the existing Memorandum of Understanding (MoU) with the Chinese authorities, in the past the EU has already significantly strengthened China's institutional capacity in the field of employment and social affairs and OSH development and administration. The proposed

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<sup>3</sup> [https://eeas.europa.eu/headquarters/headquarters-homepage/17304/global-strategy-european-unions-foreign-and-security-policy-june-2016\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/17304/global-strategy-european-unions-foreign-and-security-policy-june-2016_en)

<sup>4</sup> [https://eeas.europa.eu/sites/eeas/files/join\\_2017\\_21\\_fl\\_communication\\_from\\_commission\\_to\\_inst\\_en\\_v7\\_p1\\_916039.pdf](https://eeas.europa.eu/sites/eeas/files/join_2017_21_fl_communication_from_commission_to_inst_en_v7_p1_916039.pdf)

<sup>5</sup> EU-China Social Security Reform Project (2006-2011), EU-China project on occupational safety and health in high risk sectors (2012-2016), and EU-China Social Protection Reform Project (2014-2018).

action will build on the solid foundations and good reputation accrued under these projects and policy dialogues to address outstanding or emerging challenges.

The implementation of the previous projects showed that successful implementation requires flexibility to accommodate the policy needs and strong support of all stakeholders involved. The combination of the implementation methods will ensure such flexibility for different components of the action. Close involvement and technical steer from the relevant European Commission services will ensure that the action stays in line with the EU's policy priorities in this area.

Previous experience has also showed the importance of social partners' involvement as a way to increase relevance and effectiveness of the employment and social policies and enhancing social cohesion.

#### **2.4. Complementary actions**

Synergy and complementarity will be sought with other ongoing projects like the Partnership Instrument funded actions on promoting responsible supply chains, action on migration and mobility and relevant actions of other donors (ILO, Organisation for Economic Cooperation and Development (OECD), and bilateral cooperation). Several EU Member States have also signed a MoU with China on labour, employment or social protection aspects and engaged in relevant cooperation.<sup>6</sup> The European Commission will use its mechanisms (e.g. policy committees) to exchange information with EU Member States to maximise synergies and impact of the activities undertaken under this action, build on good experiences and avoid duplications.

#### **2.5. Cross-cutting issues**

Gender equality: the female employment rates in China fell between 2005 and 2015 and available evidence on gender pay gaps suggests these are wider (and growing) in China than the OECD average. Women are also more likely to face vulnerable employment conditions, work in informal jobs, and therefore have lower access to social protection. Women also continue to bear the brunt of unpaid work in and around the house. The proposed action will analyse and make recommendations for key policy issues with a view to reduce inequality between men and women. The action will reconcile data by sex to take into account the gender perspective in analysis and policy development. The action should also contribute to improving working conditions and OSH standards and thus address occupational health and safety barriers and specific challenges faced by women.

Good governance: the proposed action should help to enhance the institutional capacity of the Chinese authorities by promoting evidence-based policy making, a consultative approach, as well as transparency and accountability in implementation. Specific attention will be paid to the inclusion and consultation of social partners to further develop social dialogue as well as civil society organisations as users of public services but also defenders of rights and social justice.

Human rights: vulnerable groups are at higher risk of poverty or social exclusion. An improved welfare system and more effective labour market instruments should help to reduce the risk of poverty or social exclusion for vulnerable groups such as people with disabilities, children, single parents, migrant workers and their families and elderly, consequently

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<sup>6</sup> Most relevant are Bulgaria's 2017 MoU on cooperation in labour and social security, and a longstanding cooperation between French social security school (l'Ecole Nationale Supérieure de Sécurité Sociale) and similar institutions in China.

contributing to further improving the economic and social aspects of the overall human rights situation in China.

Responsible global supply chains: China has the largest share of jobs associated with global supply chains with more than half of its workforce involved. Promoting decent work for the Chinese workers and their families will make global supply chains more responsible.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of the action is to enhance the EU-China dialogues and cooperation on employment, social affairs and inclusion in line with the external dimension of Europe 2020 and the decent work agenda.

The specific objectives are to promote fair and equal competition based on international social standards and mitigate downward pressure on social conditions globally, by enhancing the social protection system and improving health and safety at work in China.

#### **3.2. Expected results and main activities**

This action aims to achieve the following results:

Components 1 and 2:

R1. Active implementation of the EU-China MoU in the area of employment, social affairs and inclusion (component 1 and 2).

R2. Regulatory convergence to international standards in selected areas is promoted (1, 2).

R3. Improved basis for policy analysis, formulation, design and implementation of China's employment, social protection and OSH policies (1, 2).

Component 1:

R4. Improved coverage, adequacy and financial sustainability of the social protection systems in China (1).

Component 2:

R5. Data acquisition and analysis systems on accidents at work and other work related health problems are established and pilot-tested in China (2).

R6. Reliable data on accidents at work and other work related health problems are collected and used in policy analysis and policy making in China (2).

These results will be achieved through the following main indicative activities:

- Sharing of international best practices, with a particular focus on the European experiences (Components 1 and 2).
- Organising events (conferences, training, seminars, workshops, mutual technical visits or other exchange activities) within the scope of the policy dialogues (Component 1).
- Provision of specialised technical assistance to relevant stakeholders (Component 1).
- Production of technical reports and notes (Component 1).
- Development of structured programmes in specific areas, such as actuarial studies, through the promotion of linkages between training institutions in China and European training institutions and experts in this area (Component 1).

- Establishment of an inventory concerning the existing systems for acquisition and analysis of OSH relevant statistical data, acquisition measures on accidents at work and other work related health problems in China. The process will include the identification and assessment of available data and derived statistics on accidents at work and other work-related health problems, the drawing up of a proposal for the introduction of a revised or new methodology for data acquisition and analysis system on accidents and work related health problems in China with the aim of improving data quality, including coverage, reliability, comparability, and timeliness of data in the existing workplace and the selection and implementation of the new methodology in 8 cities/counties in China for pilot operations (Component 2).
- Development of a proposal for a mechanism to establish new methodologies of data collection and analysis relating to new and emerging risks arising due to the changing world of work in both the EU and China in order to protect workers in a timely manner against these risks (Component 2).

The output of component 2 (data collection and analysis system on accidents at work and other work related health problems) has the potential to be used in the EU and China to develop evidence based policies further which need high quality, comparable and timely data by mitigating data gaps where there is insufficient information available in the EU. The results will be used to draw statistically reliable conclusions, for example on new actions to reduce hazardous work for vulnerable workers in selected economic sectors or occupations, and improving production processes, products and services in the EU and in China.

### 3.3. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measures
Low uptake of the policy recommendations made under the action because of vested interest or short-term costs / political unpopularity.	M/H	Maximum uptake of the policy recommendations will be ensured by their high quality based on evidence and peer-to-peer nature. Moreover, information and communication activities will be supported to raise awareness and commitment of the Chinese authorities.
Inability of the State Administration of Work Safety (SAWS) to coordinate with and mobilise other Chinese counterparts in the 8 cities chosen for the pilot project for data collection.	M	Create a sense of joint purpose by setting up a joint project working group gearing all actors towards commonly endorsed activities and goals with a clearly defined time frame and attribution of responsibilities. Establish clear milestones and measurable project outcomes during the inception phase
Major changes in socio-economic parameters in China affecting the proposed project design.	L	Major socio-economic changes are not forecasted for the time limit of the project duration. However, the proposed action is intentionally designed in a way to be able to respond to unforeseen socio-economic developments or new policy challenges.
<b>Assumptions</b>		
The implementation of the action is based on the assumption of a continued political commitment on the side of the EU and China to cooperation on employment, social affairs and inclusion and engagement in concrete actions.		

### 3.4. Stakeholders

The main stakeholders from the EU are relevant services within the European Commission, European Agency for Safety and Health at Work, the European External Action Service and EU Delegation to China. The main stakeholders from the Chinese side are relevant national – National Development and Reform Commission (NDRC), Ministry of Human Resources and Social Security (MoHRSS), State Administration of Work Safety (SAWS), Chinese Academy of Social Sciences (CASS), Ministry of Finance (MoF), Ministry of Civil Affairs (MoCA) – and sub-national authorities. The project will also associate EU Member States as well as EU and China social partners and civil society.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

The action will be implemented by means of procurement – a service contract (component 1: policy dialogues with Chinese authorities), indirect management with an international organisation (component 1: on-the-spot technical assistance to the Chinese authorities) and a call for proposals – grant (component 2: data collection and analysis system on accidents at work).

#### **4.1.1. Grant: call for proposals<sup>7</sup> on establishing a data collection and analysis system on accidents at work and other work related health problems (direct management)**

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

Part of this action (component 2 - establishing a data collection and analysis system on accidents at work and other work related health problems) will be implemented through the award of grants. Indicatively, it is estimated that one call for proposals will be launched.

The objective of the call and its field of intervention will be to establish a data collection and analysis system on accidents at work and other work related health problems.

(b) Eligibility conditions

The call will be open to the applicants or a consortium of applicants of specialised bodies of the EU Member States. Proposals would be sought from an applicant or a consortium with specialised knowledge in the establishment of a data acquisition and analysis system on accidents and ill health at work.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing<sup>8</sup>

The maximum possible rate of co-financing for grants under this call is 80% of the eligible costs of the action.

The maximum possible rate of co-financing may be increased up to 100% in accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 if full funding is essential for the action to be carried out. Full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

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<sup>7</sup> Article 189 (RAP) (article 128 FR) – Content of calls for proposals

<sup>8</sup> Article 192 FR – full financing of an external action



- (e) Indicative trimester to launch the call: 3rd quarter 2018
- (f) Exception to the non-retroactivity of costs: N/A

#### **4.1.2. Procurement (direct management)**

(a) Part of the action (component 1 – policy dialogues with the Chinese authorities) will be implemented via service contract(s). Indicatively one service contract is expected to be concluded for the implementation of the action.

(b) Indicative timing: call(s) for tender expected to be launched in 3rd quarter 2018.

The contracting authority will be the European Commission Directorate General for Employment, Social Affairs and Inclusion (DG EMPL) through a cross sub-delegation of funds. If it is not possible for DG EMPL to manage the tendering procedure, the latter will be managed by the European Commission Service for Foreign Policy Instruments (FPI).

#### **4.1.3. Indirect management<sup>9</sup> with an international organization**

Part of this action (component 1 – on-the-spot technical assistance to the Chinese authorities) may be implemented in indirect management with the International Labour Organization (ILO) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the project. This implementation is justified because of the technical competence of ILO in the field of employment and social protection and their longstanding experience and solid engagement with the relevant authorities in the region, as described below.

This method of implementation would ensure the maximum expertise in the framework of a well-established mandate in this area, and in light of their local presence. ILO's national country office represents an additional advantage in terms of efficiency to deliver technical assistance, at the same time the Decent Work specialists based in Bangkok make high level technical expertise accessible at regional level. The ILO's International Standards, unique tripartite structure as well as global and regional long-term experience, including in the development of social security systems in China, provides ILO a particularly strong position to collaborate with China in the area of social security.

The ILO as a specialised UN agency provides capacity building, law and policy advice, advocacy, knowledge sharing, and training and pilot implementation of activities to governments (and social partners) in its members' states. It has comprehensive experience of supporting China's employment and social reforms.

Budget implementation tasks may include inter alia: the provision of technical analysis.

Indicative timing for signature of the Delegation Agreement(s): 1st quarter 2019.

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<sup>9</sup> Article 216 RAP (Article 139 FR) Selection of the entities entrusted with the implementation of financial instruments in indirect management.

#### 4.2. Scope of geographical eligibility for procurement and grants<sup>10</sup>

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### 4.3. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. Direct management – grant – call for proposals	2.3
4.1.2. Direct management – procurement – services	0.4
4.1.3. Indirect management with an international organisation	2.3
<b>Total</b>	<b>5</b>

#### 4.4. Organisational set-up and responsibilities

A Steering Committee will be set up in support of each action and will coordinate the implementation of the activities. It will consist at least of representatives of the EU Delegation, European Commission services, the European External Action Service and the implementing partner. The steering committee will meet at least annually to assess and approve annual work plans of the project.

For each action, the implementers will establish a project team responsible for the day-to-day operations of the action.

#### 4.5. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

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<sup>10</sup> Not applicable to indirect management

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>11</sup>

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<sup>11</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).

EN

**ANNEX 10**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for support to CETA implementation and EU Chambers' coordination in Canada - II**

**1. IDENTIFICATION**

Title of the action	Support to CETA Implementation and EU Chambers' Coordination in Canada – II			
Country(ies)/ Region	Canada			
Total cost	Total estimated cost: EUR 824 260.25 Total amount of the EU budget contribution: EUR 800 000			
Total duration <sup>1</sup>	24 months			
Method of implementation	Procurement - direct management Grants – direct award			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s)

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

The EU-Canada Comprehensive Economic and Trade Agreement (CETA)<sup>2</sup> goes deeper and further than any other free trade agreement either party has, setting up the conditions for a "win-win" outcome for both parties. It charts new territory and sets high expectations for success, as well as setting a standard for future trade agreements.

It is critical for the success of the CETA – and more broadly for the EU trade policy– that the agreement be (provisionally) implemented correctly and that EU businesses take full advantage of it. Rolling evidence of this is also necessary to ensure full ratification of the agreement across the EU Member States.

The proposed action - whose overall objective is to enable EU companies to take full advantage of the CETA - has two overarching specific objectives: to support, through legal analysis and advice, the targeted monitoring of the legal and practical implementation of the CETA in Canada, both at federal level and across the provinces, and to supply EU businesses with practical tools to take advantage of the CETA.

These objectives are fully in line with the mandate of better implementation of existing free trade agreements outlined in the "Trade for All" Strategy and constitute a follow-up to the ongoing action (action fiche adopted in 2015).

The proposed action is consistent with the European Economic Diplomacy and the Partnership Instrument<sup>3</sup> by focussing EU's action on strategic priorities and by allowing to work together closely with EU Member States, like-minded third countries and EU business in promoting EU interests.

### **2.2. Context**

The CETA free trade agreement between the EU and Canada (one of the EU's strategic partners) is a new generation agreement and the first of its scope that either the EU or Canada have committed to. For the EU, it is the first agreement to embody the "Trade for All" Strategy – its success is important not just for trade between the EU and Canada, but more broadly, as a litmus test for the EU's trade policy overall. Moreover, its early demonstrated success is vital for ensuring full ratification in the EU Member States, and eventually its full implementation.

The CETA entered provisionally into force on 21 September 2017, and the real work to make it a success begins now. In order for CETA to bring its promised benefits – to EU citizens, businesses and the economy more broadly – two conditions must be met.

First, the CETA must be correctly implemented in Canada, not just in law but also in practice. This of course depends on the Canadian authorities, but reinforced EU monitoring of the implementation will help to identify potential bumps in the road and allow for them to be addressed.

Second, EU businesses, and SMEs in particular, must use the agreement to the fullest. They need to know about the opportunities that the CETA provides as well as how to take advantage of the CETA in the Canadian market context.

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<sup>2</sup> OJ L 11, 14.1.2017, p. 23–1079

<sup>3</sup> Notably its objective of "improving access to partner country markets and boosting trade, investment and business opportunities...while eliminating barriers to market access and investment"

The proposed action would contribute to both conditions being met:

- As regards the CETA implementation in Canada, the EU Delegation in Ottawa routinely monitors developments but lacks the specific expertise or resources to carry out in-depth legal or operational checks across Canada's provinces. The ongoing project (financed under the Partnership Instrument Annual Action Plan 2015) delivered a first in-depth legal assessment of the situation, with a focus on the federal level of implementation, while also tackling some key aspects at the provincial level. The proposed action would allow for continued legal verification of implementation in Canada at both levels. Moreover, it could focus on key areas of concern, i.e. road bumps already identified during the ongoing project. With the information and analysis delivered through the proposed action, the EU Delegation and other EU stakeholders (Member States representations, trade promotion authorities, etc.) would be in a stronger position to discuss any issues with the Canadian authorities, thus helping to ensure correct implementation in Canada going forward.
- As regards EU business taking advantage of CETA, the key is ensuring access to business-relevant information, including on how to access the Canadian market under CETA. The ongoing project is supporting a centralised, business-oriented platform (including a communication channel for stakeholders) managed by the EU Chamber of Commerce in Canada (EUCCAN), mainly for EU business in Canada and EU companies interested in doing business in Canada. It also, to a smaller extent, promotes export projects by EU businesses to Canada among Member States associations and chambers of commerce in the EU and attends their events. It will also shortly deliver several business-relevant reports on CETA opportunities for EU business. The proposed action would ensure the continuity of the platform, with a view to its future self-sustainability. It would continue developing targeted information for EU businesses (as their needs become clearer) with a specific focus on SMEs looking to enter the Canadian market or aiming to take advantage of CETA.
- Canada is already very active in ensuring that CETA brings the promised benefits to Canadians. The EU should obviously do the same for EU business and citizens. While trade promotion is a prerogative of EU Member States, the EU is in a unique position to leverage and complement the actions of individual Member States and to add value through a concerted effort targeting all EU business, in particular EU Small and Medium Enterprises (SMEs). As such, it is important that the ongoing project is continued and adapts as necessary as CETA implementation progresses, to profit from the momentum created by the provisional entry into force of CETA in September 2017.

### **2.3. Lessons learnt**

The proposed action is a follow-up of the "Support to CETA implementation & EU Chambers' coordination" action adopted in 2015, and referred to in this document as the "ongoing project". The ongoing project is being implemented through two contracts which started in January 2017, namely:

- A direct grant to EUCCAN "Supporting cooperation and coordination of EU business interests in Canada alongside CETA implementation;" and
- A service contract on "Market access support for EU business in Canada in the CETA context".

Even though the ongoing project has been implemented for only one year, some tangible results can already be highlighted, such as the provision of key information to important stakeholders in a timely way around CETA provisional application launch:

- Organisation of a workshop in Toronto with participation of EU companies, EU Trade representatives/consuls, various bilateral Chambers of Commerce and the EU Chamber of Commerce (EUCCAN). The workshop was an opportunity to enrich EU business'/stakeholder knowledge on the opportunities of CETA, including practical aspects relevant immediately after provisional application. It also gave EU stakeholders, including the EU Delegation, invaluable and very timely insight into barriers/obstacles faced by EU companies in Canada;
- Organisation by EUCCAN of events throughout Canada supporting a better understanding of CETA by bilateral chambers of commerce and other EU multipliers;
- Organisation of CETA briefing sessions for EU MS present in Canada carried out by expert lawyers on different chapters of the agreement.
- Reports on the unique opportunities that EU businesses will get from CETA as compared with their competitors, as well as barriers still faced by EU business in Canada. Although both reports are still in their draft phases, they have already proven to be quite useful;
- Ad hoc report on market access barriers in the wines & spirits sector in Canada. Again, although this report is only in its draft phase, it has proven to be particularly useful given the ongoing discussions on wines & spirits between Canada and the EU.

#### **2.4. Complementary actions**

Moreover, as done under the ongoing project, synergies and coordination will be sought with the following EU-funded projects implemented in Canada:

- *EU Policy and Outreach Partnership in Canada,*
- Any follow-up of the on-going project *EU-Canada Mineral Cooperation,*
- *International Urban Cooperation Program for North America,* and in particular its Business to Business component,
- *Promoting economic empowerment of women at work through responsible business conduct – G7 countries,*
- *The Enterprise Europe Network Project*
- Any other initiatives with an economic or trade component being identified, such as the *Start-up Europe International Activities.*

#### **2.5. Cross-cutting issues**

A strong supporter of free trade, Canada has always been a natural ally for the EU. In 2016, Canada was the EU's 10th most important trading partner, accounting for 1.9 % of the total external trade with the EU. In turn, as Canada's second most important trading partner, the EU accounted for around 9.6 % of Canada's total external trade and the total value of the two-way trade between the EU and Canada was EUR 64.3 billion for goods and EUR 30.1 billion for services (2015). In order to enhance bilateral trade, the EU and Canada hold comprehensive dialogues on regulatory issues and non-technical barriers to trade, such as streamlined product conformity assessment procedures, open and fair environment in government procurement and increased market opening for agricultural trade.

In the context of the recent preparations of the CETA Committee for Trade and Sustainable Development and in the framework of Canada's Progressive Trade Agenda, possible cooperation and discussions on trade and gender issues will be explored throughout this action.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

Following up on the project adopted in 2015 and on the rationale for funding under the Partnership Instrument (see point 2 above), the proposed action overall objective is to enable EU companies to take full advantage of CETA and its "win-win" nature. This proposed action has two specific objectives:

- Objective 1: support, through legal analysis and advice, the targeted monitoring of the legal and practical implementation of CETA in Canada, including both at federal level and across provinces;
- Objective 2: to supply EU businesses with practical tools to take advantage of CETA.

#### **3.2. Expected results and main activities**

The expected results are a follow-up to those of the two ongoing contracts under the ongoing project, i.e.:

- EU business put in a better position to take advantage of CETA, and the EU in a better position to provide relevant support,
- Information platform for European businesses strengthened,
- Cooperation and coordination between EU Chambers of Commerce and business associations in Canada strengthened,
- Communication and networking between EU business, EU market access and institutional stakeholders strengthened.

The main proposed activities are the following:

- Information distribution on market access and market opportunities in Canada (e.g.: Study report update, participation in third party EU and CETA related events such as information sessions on CETA organised by the Member States Chambers of Commerce, to promote CETA in Canada and in the EU);
- Regular surveys and reports providing coordinated feedback from EU business and Chambers on market access issues and CETA implementation (e.g.: barriers report updates, Data base updates);
- Sector specific reports and recommendations (e.g.: ad-hoc reports);
- Annual meetings of relevant stakeholders (e.g.: annual workshop, annual CETA anniversary event, annual Europe Day events);
- Visibility/communication actions for the benefit of the EU and EUCCAN (e.g.: communication platform including newsletters, website, etc.).

Particular attention will be paid to gender considerations throughout the activities and to support, *inter alia*, EU businesses owned or managed by Women entrepreneurs.



### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
Non-ratification of CETA by one or several EU Member States: the agreement could face withdrawal	M	The consequences of such a potential event would likely only be felt after the completion of the action. The benefits obtained from the results of the action would not be impacted and will still be of value.

### 3.4. Stakeholders

Stakeholders in this project would be the European Chambers of Commerce based in Canada, EU businesses, in particular SMEs, interested in the Canadian market but facing difficulties in accessing it. The EU Chamber of commerce in Toronto has already experience, through the ongoing project, in bringing together other chambers of commerce across Canada, including collaborating with the EU Chamber of commerce in Vancouver to do so on the western coast of Canada. Partners of the different projects mentioned under point 2.4 would also be involved in this action.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### *4.1.1. Grants - direct award<sup>4</sup>: Supporting cooperation and coordination of EU business interests in Canada alongside CETA implementation (direct management)*

#### (a) Objectives of the grant

The grant aims to enhance cooperation, networking and coordination among the numerous EU Chambers in Canada.

#### (b) Justification for direct award

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the European Chamber of Commerce in Canada (EUCCAN) in accordance with the provisions of article 190(1)(c) of the RAP.

The EUCCAN is an umbrella organisation of bilateral European Union chambers and business associations with the aim to represent and do advocacy for EU business interest vis-à-vis Canada. With a membership of 23 Chambers of Commerce and Business Associations and four European associate members, it is the largest Canadian organization of its kind and enjoys the cooperation of European Union Embassies as well as Consulate Generals and Trade Commissions. It has de facto monopoly over the management of relationships between its 23 members on the grounds of their formal membership. This provides EUCCAN with a

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<sup>4</sup> Article 190 (RAP) (article 128 FR) - Exceptions to calls for proposals (awarding grants without call for proposals)

unique position for the support requested. EUCCAN has a proven track record of collaboration both between its members as well as with the economic/trade counsellors of the respective Member States.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant. The EUCCAN and its members shall have sufficient human resources and the necessary experience and professional knowledge to carry out the action.

The essential award criteria are relevance of the proposed action to the objectives of the project: design, effectiveness, feasibility, cost-effectiveness, expected impact, as well as the added value for the EU, including with regard to visibility.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 90% of the eligible costs of the action. The EUCCAN is to provide the remaining 10%.

(e) Indicative trimester to conclude the grant agreement

1st Quarter 2019

#### **4.1.2. Procurement (direct management)**

(a) The programme will be implemented via service contract(s). Indicatively one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tender expected to be launched 4th Quarter 2018.

#### **4.2. Scope of geographical eligibility for procurement and grants**

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 4.3. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. Grants – Direct award	0.22
4.1.2. Procurement (direct management)	0.58
<b>Totals</b>	<b>0.8</b>

### 4.4. Organisational set-up and responsibilities

A Steering Committee (SC) will be established and will indicatively be composed of relevant Commission services, the EEAS, the EU Delegation to Canada. Other stakeholders may be invited to join meetings.

The SC will meet at least once a year to review progress and provide guidance to the implementation of the action.

### 4.5. Performance monitoring

The EU Delegation will monitor regularly the implementation of the action, involving all relevant colleagues to discuss topics of interest, including issues to be covered by the surveys and the reports as well as the results of the reports themselves.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of the implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6. Evaluation and audit**

For this project the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to the contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the "N+1" applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>5</sup>

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<sup>5</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf) .

**ANNEX 11**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for Understanding Chinese Legal Economic Reform 2020 (EUCLERA)**

**1 IDENTIFICATION**

Title of the Action		Understanding Chinese Legal Economic Reform 2020		
Country(ies)/ Region		China		
Total cost		Total estimated cost: EUR 1 600 000 Total amount of the EU budget contribution: EUR 1 600 000		
Total duration <sup>1</sup>		36 months		
Method of implementation		Procurement - Direct management		
Markers (from CRIS DAC form)		Not targeted	Significant objective	Main objective
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## **2 RATIONALE AND CONTEXT**

### **2.1 Summary of the action and its objectives**

The action aims at reinforcing EU/China bilateral economic and trade relations by improving the policy and regulatory framework for trade and investment, facilitating bilateral dialogues and promoting a level-playing field for EU businesses.

Building on the EU-China 2020 Strategic agenda for Cooperation (EU-CN 2020 SAC)<sup>2</sup>, EU Strategy on China<sup>3</sup> and the European Commission "Trade for All" communication<sup>4</sup>, the project aims to help EU policymakers and stakeholders (including EU Member States, businesses, etc.) to better understand the policy and regulatory developments in China, adapt their strategies and advocacy as well as, whenever possible, positively influence the Chinese reform process. A thorough understanding of China's policy developments and regulatory landscape through the monitoring of relevant acts from the government and affiliated bodies that could impact EU-China trade relations will help facilitate policy dialogues with China.

By means of a web-based database, the proposed action will provide EU stakeholders with an overview of policy trends and regulatory developments in China, alerts on draft legislation and call for comments, in-depth analysis and context on specific topics, translations of relevant documents as well as ad hoc research.

### **2.2 Context**

The action will address the Partnership Instrument Objective 3, namely "improving access to partner country markets and boosting trade, investment and business opportunities for companies from the Union".

As noted in the EU-CN 2020 SAC, both sides share responsibilities for ensuring that their respective economies remain key drivers for global economic growth and provide prosperity for all.

During the Third Plenum conclusions in November 2013, China recognised the urgent need for a new growth model for its economy. It called for the market to play a "decisive" role in allocating resources within the framework of a "socialist market economy". China's 13<sup>th</sup> Five-Year Plan (2016-2020) further underlies and stresses these principles that are being laid out in specific legislation (e.g. Made in China 2025, State-owned enterprise reform, cybersecurity and supply side reform) and sets expectations for the upcoming years.

The EU delegation in China typically provides comments on 10 to 15 draft laws every year. To successfully achieve their objectives, EU officials dealing with China require up-to-date knowledge on the ongoing policy developments to understand the impact of China's reforms and in particular whether it is affecting a specific EU business sector, whether it is aligned with World Trade Organisation (WTO) commitments and whether it is providing a genuine level playing field to EU business.

The timely analysis of the various legislative and policy developments will enable the EU to assess and prepare for its implications and, if applicable, raise any concerns with relevant

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<sup>2</sup> The 'EU-China 2020 Strategic Agenda for Cooperation', jointly signed by the EU and China in 2013, covers the areas of: peace and security, prosperity, sustainable development, and people-to-people exchanges. Bilateral relations are conducted at the highest level through the annual EU-China Summit

<sup>3</sup> The Joint Communication on elements for a new EU strategy on China, adopted by the High Representative and the European Commission on 22 June 2016, together with the Council Conclusions adopted on 18 July 2016, form the EU Strategy on China

<sup>4</sup> EC Communication - Trade for All - Towards a more responsible trade and investment policy, 14 October 2015.

Chinese authorities. Commenting draft laws or discussing policy moves at an early stage can make a difference.

This monitoring of legislative developments and trends will also provide material for preparing coherent and up-to-date briefings for expert and high-level encounters. Also, a solid understanding of the policy and regulatory landscape in China will allow EU policymakers to adapt their strategies and better identify key upcoming market access and investment barriers, as well as support processes related to the negotiation, implementation or enforcement of bilateral trade and investment agreements.

The primary focus of the project concerns trade and investment policies (which fall under the exclusive competence of the EU as part of the foreign commercial policy). The range of policy areas concerned by reforms and monitored by this project is however much wider, therefore the proposed project will directly or indirectly benefit to a much wider array of stakeholders. In practice, both in Headquarters and in Beijing, the EU has a crucial role in ensuring that close cooperation between the Commission, the Member States and EU business is taking place to ensure consistency in our respective intelligence gathering and advocacy actions as well as to prevent the dispersion of resources and efforts.

### **2.3 Lessons learnt**

This action builds upon the successful experience gained with two previous projects funded under the Partnership Instrument's (PI) Policy Support Facility (PSF): a one-year action launched in October 2015 ("*Understanding Chinese Legal Economic Reform*") and a second 15-month project ("*Understanding Chinese Legal Economic Reform II*") which runs until February 2018. A "bridging action" is in the pipeline under the PSF to ensure continuity until the start of the proposed project.

From the beginning of the first PSF action back in October 2015 up to mid-January 2018, about 11 500 'posts' on new legislation, policy moves, public consultation documents and industry associations press releases have been recorded in the corresponding web-based application. Out of these, close to 350 announcements deemed of high relevance / sensitivity for EU-China trade relations have been further analysed by the current service provider. Finally, close to 50 translations of policy or regulatory documents were performed at the request of the EU Delegation. It is expected that this intense activity will step up over the next years.

Hence, the current proposal is firmly building up on previous experience and lessons learnt. It is suggested that the proposed action continues using the web-based approach, with daily alerts by e-mails and monthly rounds-up. The option of on-demand further analysis, translations and *ad hoc* presentations should also be kept. A number of features of the web-database application should be further improved to make it more user-friendly and more tailored to each user's profile. Also, it is desirable to devote more resources to translations as this has been one of the main limitations of the aforementioned actions.

### **2.4 Complementary actions**

There are a number of other EU-funded trade-related projects monitoring or analysing a range of policy developments in China, notably the EU-China Economic Observatory and several other projects under the PI's Policy Support Facility (Anticipating the impact of China's trade policies on the EU; EU-China expert groups on the economic impact of cybersecurity challenges and digital economy; Advance EU Access to Financial Incentives for Innovation in China; or the support to the EU-China Legal Affairs Dialogue).

While those projects are producing useful results, they are however very technical and typically focus on specific policy aspects, e.g. competition policy, innovation, environmental policies, food safety, intellectual property right (IPR), etc. This project would provide an overview of the broader policy and regulatory developments, with – where deemed necessary – translations of the relevant documents.

## **2.5 Cross-cutting issues**

Although the action is primarily focused on trade-related issues, 'posts' on regulatory and policy developments also touch upon broader cross-cutting issues such as gender, democracy, rule of law, human rights and fundamental freedoms, climate and biodiversity.

## **3 DETAILED DESCRIPTION**

### **3.1 Objectives**

The proposed project aims at supporting the implementation of the EU Strategy on China by providing EU policymakers with an up-to-date and comprehensive overview of the policy and regulatory developments in China. It will also support Member States and EU businesses with interests in China by drawing their attention to any major policy move or legislation affecting EU-China trade and, when required, by providing coordinated translation efforts, thus strengthening their advocacy and compliance.

Other EU-funded projects will also benefit from this tool when compiling information on Chinese legal and economic developments. This will save resources to collect information from other actions and facilitate the follow up of relevant sectoral legislation.

#### **Specific objectives:**

- i) to help European policymakers and officials (including EU Bilateral Investment Agreement negotiators, and other trade-related areas –e.g. agriculture, financial markets, etc.) and more broadly EU stakeholders (Trade Counsellors and EU business) to understand the policy and regulatory developments and improve their interactions with the Chinese economy and its ongoing reform process,
- ii) to provide factual evidence of new legislative and/or regulatory measures which may impact market access for EU business or discriminate against EU business in China with a view to promote reciprocity, a level playing field and fair competition in all aspects of EU's trade and investment relationship with China;
- iii) to influence the reform process by providing information on the EU approach in a number of economic policy areas that are being reshaped.

The project will provide a valuable up-to-date input to the 50+ bilateral dialogues that the EU and China have established in various policy areas. While there are many ongoing bilateral trade-related dialogues (on IPR, High Tech, Steel, etc.), the main ones covering trade and investment issues with China are:

- The annual EU-China Summit, including the Business Summit, chaired at heads of state and government level.
- The annual High Level Economic and Trade Dialogue (HED) chaired by a EC Vice President on the EU side and a Vice-Premier on the Chinese side;
- The Joint Committee (JC) meeting annually at Commissioner/Minister level;
- The Trade and Investment Policy Dialogue (TIPD) meeting also annually at DG level;



- The Economic and Trade Working Group (ETWG) meeting annually at Director level

Moreover, there are numerous negotiations and fora in multilateral organisations, including within the WTO and G20 frameworks, in which China and the EU have a direct dialogue and need to align strategies - notwithstanding current and potential future disagreements on market opening, regulatory approaches and investment discussions.

By fostering an enhanced understanding of the ongoing Chinese reform process, the proposed action supports the political framework by:

- (1) supporting on-going EU-China investment negotiations and other negotiations (e.g. on export credits);
- (2) supporting the design of appropriate EU policy measures and advocacy actions in a vast area of policy domains such as Intellectual Property Rights (IPR), Services, Industrial Policy, Public Procurement, Competition laws, State Aid, State Owned Enterprises (SOE) Reform, anti-corruption, national security legislation, supply-side reform, legal affairs;
- (3) enabling EU to contribute in a timely manner to the shaping of the Chinese regulatory framework in the context of public calls for comments as well as to the longer term regulatory cooperation; and
- (4) strengthening the collaboration between the EU, Member States and EU businesses.

### **3.2 Expected results and main activities**

#### **Expected results**

The project will generate a detailed corpus of information on Chinese legal economic reform and its potential impact on the EU-China Trade relations and EU business and industry.

In the short-term, it will provide elements to:

- closely follow and allow for an accurate assessment of the policy and regulatory developments and react to the Chinese measures that could hamper trade with the EU, or are not in line with investment negotiation talks or China WTO commitments; special attention will be dedicated to those policies that could create situations of clear discrimination against EU business
- to influence, where possible, the reform process by facilitating EU comments on draft laws and explaining international and EU rules and practices,

In the medium-term, the project will offer a powerful knowledge tool that provides a complete outlook of the covered period. It will provide EU Delegation, EEAS, and Commission departments with exhaustive material for analysing a specific sector in retrospective and understand the developments and reform directions in the key policy area as well as government reactions.

#### **Main activities**

The project will assemble a team of experts in order to:

- Follow on a daily basis all policy developments, legislative acts and proposals as well as announcements from central government, relevant provinces / municipalities (notably Shanghai, Guangdong) and major Industry Associations, with a particular focus on those initiatives that could potentially affect trade and investment position of EU companies in China and/or that are not in line with China's WTO commitments.

- Provide a short description and analysis of the selected announcements / proposals where the main potentially “conflicting” elements are identified.
- Timely draw users' attention to ongoing calls for comments and their corresponding timeframe.
- When required, provide translations and further detailed analysis of the impact of specific announcements / proposals.
- Provide a monthly overview of the trade and economic policy and legal trends.
- Perform *ad-hoc* researches and/or provide information sessions to EUDEL, European Commission services, and - directly or indirectly - other stakeholders on any relevant element identified that could significantly affect trade and investment between the EU and China.
- Maintain and continuously improve the web-database application to make it more user-friendly (notably for queries) and more tailored to each user's profile.

The project should build its knowledge-based products on an already existing web-based database accessible to all EU officials. Besides alerting in a timely manner on the policy and regulatory developments and providing short analyses, this database also serves as a valuable repository accessible to all EU staff providing an overview of the governmental actions in a given sector.

### 3.3 Risk assessment and management

Risk description	Risk level (H, M, L)	Mitigating measure
Insufficient access to the relevant information sources: key documents (in particular when it comes to implementing measures) are not systematically published on the Chinese authorities' websites and their distribution can be at times restricted to a limited number of recipients.	M	EUDEL will use its official network to access those documents and make them available to the project team whenever possible. The contractor is expected to have in-depth knowledge of Chinese context and know where to find documents that are not available in the most obvious public resources.
Underperformance by the Service provider	L	The selection of the contractor will be done very carefully as this action requires intensive desk work and the challenge is to produce quality content within a short period of time. Any experts failing to meet EU quality standards should be quickly replaced.

### 3.4 Stakeholders

EU officials and policymakers working on China are the primary stakeholders. Given that economic and legal reform should be understood in a very broad sense, the action supports EEAS and European Commission services as well as EU Agencies active in China (EASA and EUIPO).

This action will also - directly or indirectly - benefit Member States representatives in China as well EU business in China, as it provides a powerful knowledge tool for informing them about any major policy move or legislation affecting EU-China trade, comparing notes and sharing the translation burden.

Finally, the quality of the law-making process by the Chinese authorities will also indirectly benefit from timely comments by the EU.

## 4 IMPLEMENTATION ISSUES

### 4.1 Method of implementation

#### *4.1.1 Procurement (direct management)*

(a) The programme will be implemented via service contract(s). Indicatively one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tender expected to be launched 3rd Quarter 2018.

### 4.2 Scope of geographical eligibility for procurement and grants

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 4.3 Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. – Procurement (direct management)	1.6
<b>Total</b>	<b>1.6</b>

### 4.4 Organisational set-up and responsibilities

The service contract will be managed by the EU Delegation to China.

#### **4.5 Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6 Evaluation and audit**

For this action, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the "N+1" rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

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**ANNEX 12**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for European Business and Regulatory Cooperation Programme (EBRC 2)**

**1. IDENTIFICATION**

Title of the action	European Business and Regulatory Cooperation Programme (EBRC 2)			
Country	Taiwan			
Total cost	Total estimated cost: EUR 800 000 Total amount of the EU budget contribution: EUR 800 000			
Total duration <sup>1</sup>	48 months			
Method of implementation	Procurement - direct management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

This action aims to advance the EU's trade and economic interests in Taiwan and in the broader East Asian region by building on the success of the European Business and Regulatory Cooperation programme 2014-2017 (hereinafter referred to as EBRC 1). In accordance with the guidelines of the European Economic Diplomacy and the Partnership Instrument (PI), the EBRC 2 pursues three specific objectives:

First, the project shall reinforce the EU's influence on global challenges (ref: Objective 1 of the Partnership Instrument), in particular on climate change, energy security and environmental protection. This objective mirrors Taiwan's policy priorities on energy transition, increased use of renewable energy and its move towards a circular economy.

Second, EBRC 2 shall promote a predictable and secure environment for investment and business by promoting EU regulatory principles and standards (ref: Objective 3.2 of the Partnership Instrument), in particular in the areas of Intellectual Property protection, food safety, non-tariff barriers to trade, organic agriculture and other mutually identified areas. In this context, EBRC 2 will further support the EU's agenda on digitalisation and on addressing digital challenges, e.g. on cyber security and data protection, as well as improve the bilateral investment framework in line with the 2015 Commission Communication "Trade for All"<sup>2</sup>. In doing so, EBRC 2 will build on the multiple existing bilateral EU-Taiwan dialogues, including the EU-Taiwan Industrial Policy Dialogue.

Third, EBRC 2 shall continue to enhance knowledge about the EU by conducting public diplomacy and outreach activities (ref: Objective 4.2 of the Partnership Instrument) with policymakers and relevant stakeholders, including civil society organisations, academia, EU Member States and other countries in the region.

### **2.2. Context**

Taiwan is the 22<sup>nd</sup> largest economy in the world and the EU's 7<sup>th</sup> trading partner in Asia with EUR 52.79 billion of goods and services traded in 2016. The current stock in bilateral foreign direct investment is 43.1bn EUR. The EU is Taiwan's 5th trading partner and the largest investor on the island. Despite its limited international space, Taiwan is a full member of the World Trade Organisation (WTO) in its own right and closely integrated into the world economy and into global value-added chains. The EU actively cooperates with Taiwan on regulatory issues within the WTO framework.

Taiwan is promoting the further development of key economic policy areas such as the Internet of Things, Green Energy, Smart Machinery, New Agriculture and Circular Economy. These areas are of interest to the EU, its Member States and EU companies. Since Taiwan has recently revised its public procurement regulations to facilitate participation of foreign enterprises, this creates considerable business opportunities for EU companies, including in the field of infrastructure.

Taiwan's economic strength and efficient administration are attractive for EU companies which are interested in getting a foothold in the domestic market, in particular with respect to high-end products and advanced technologies, and in using Taiwan as a regional hub. The

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<sup>2</sup> [http://trade.ec.europa.eu/doclib/docs/2015/october/tradoc\\_153846.pdf](http://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153846.pdf)

Commission Communication "Trade for All" recognised Taiwan's potential by opening the prospect of an enhanced bilateral investment framework.

The main obstacles for EU companies result from a diverging regulatory environment, in particular as regards standards and other non-tariff barriers. These obstacles are partly due to Taiwan's constrained international space as Taiwan is not a member of international standard setting and regulatory bodies, many of which operate under the UN framework. While Taiwan often aligns itself with the EU regulatory framework, there is a continuous need to influence regulations and non-tariff measures, including on new issues such as electric vehicles, autonomous driving and offshore windfarms. This is particularly important since Taiwan is a technological leader, for example 70% of all semi-conductors in the world are produced in Taiwan.

The EU has a broad trade and economic dialogue with Taiwan, including two different Annual Consultations and Mid-term reviews on trade and non-trade issues. Five sectoral working groups exist, i.e. on Sanitary and Phyto-Sanitary (SPS); pharma; intellectual property rights; Technical Barriers to Trade (TBT) and investment. These are complemented by *ad-hoc* regulatory dialogues. The EU and Taiwan also hold an annual Industrial Policy Dialogue, addressing ICT, circular economy and B2B.

The EU has a representative office in Taipei (EETO) which implements EU policy objectives, maintains dialogues with Taiwan's government and other stakeholders and cooperates in areas of mutual interest. The office works closely with the 16 EU Member States that are present in Taiwan, with the European Chamber of Commerce (ECCT) and third countries.

### **2.3. Lessons learnt**

Over the past 4 years, EBRC 1 has been the platform to promote EU's policy objectives such as on regulatory reform, removing non-tariff barriers and to improve the business environment for EU companies, including SMEs, in Taiwan. EBRC 1 has been the key tool to facilitate dialogue and direct communication with the public, stakeholders and opinion leaders. EETO has worked closely with EU Member States, third countries as well as with Taiwan's government in co-hosting events.

Several events organised under EBRC 1 illustrate the success of this programme:

- With regard to trade barriers in the SPS area, annual food safety events enhanced the trust of Taiwan consumers in EU food products. These events allowed the EU to communicate effectively with legislators, opinion leaders and civil society groups on difficult products, for example on beef. In 2017, Taiwan's government announced the opening of the market for veal from the Netherlands, beef from Sweden and pork from Austria.
- Seminars on public procurement setting out the EU's regulatory approach led to a change in the government procurement policies from the lowest-tender approach to the most-advantageous-tender approach. Starting from 2016, Taiwan announced a trial project to use the new (EU) approach for government procurement projects above €5.5 million.
- After a series of meetings and a public seminar on non-tariff barriers for the export of high-voltage electrical products Taiwan changed its regulations in line with the EU's suggestions.

EBRC 1 has been crucial to promote the EU's 2020 Strategy and to strengthen the EU's reputation as a leading global R&D and innovation region. Since Taiwan is one of the most important producers of ICT products in the world, as part of the global value-added chain, it is essential to raise awareness of the EU's innovation and R&D capabilities and showcase EU companies' innovation strengths.

In 2015 and 2016, in the framework of the first two EU-Taiwan Industrial Policy Dialogues, a series of outreach events and the European Innovation Week were organised under EBRC 1 to demonstrate the EU's strength on high-technology. These events helped to bridge the gap between academia and business, to share know-how and best practices and to offer a stage for policy makers to share regulations on developing innovation. By working with the Enterprise Europe Network in Taiwan, EBRC 1 helped to support the objective of internationalisation of EU SMEs.

EBRC 1 has proven to be a good platform for cooperation between EETO, EU Member States and EU business. Under the EBRC 1 programme EETO has worked actively together with EU Member States, e.g. on ICT outreach events, to advance the EU interests in a unified way. EU Member States appreciate the EBRC programme for targeting regulatory issues and promoting business cooperation between the EU and Taiwan. EBRC activities provided opportunities, in particular for smaller EU Member States, to engage in dialogues with Taiwanese authorities and the public, which were complimentary to and coherent with their individual missions.

#### **2.4. Complementary actions**

There are no other stand-alone EU projects for Taiwan which could directly complement the envisaged actions. Synergies can be explored, where appropriate, with the Europe Enterprise Network and Horizon 2020 activities.

EBRC 2 is consistent with the European Economic Diplomacy and the Partnership Instrument by focussing EU's action on strategic priorities and by allowing to work together closely with EU Member States, like-minded third countries and EU business in promoting EU interests.

#### **2.5. Cross-cutting issues**

##### *Climate change mitigation*

Taiwan was listed as one of the top 21 carbon emission countries in 2014. As an island with 23 million, Taiwan emitted about 0.77% of the global total emissions in 2014. Since Taiwan cannot become a member the United Nations and related organizations and treaties, including the UN Framework Convention on Climate Change (UNFCCC), it is not bound by any international agreement to reduce its greenhouse gas (GHG) emissions.

Despite this constraint Taiwan passed the Greenhouse Gas Reduction and Management Act in 2015, setting a target to cut carbon emissions by 2030 to a level equal to 80% of the island's total carbon emissions in 2005. In November 2017, the government further set a target to reduce GHG emissions by 2020 to a level 2 percent lower than in 2005. To achieve this objective, one of Taiwan's priorities is to expand renewable energy. According to Taiwan government's plan, renewable energy generation will reach 20% of total power output by 2025.



For the EU, Taiwan's energy transformation is not only important for combatting climate change. More than 10 EU companies explore offshore wind power business opportunities in Taiwan. It is important to engage in the policy-making via formal and informal policy dialogues/exchanges at this stage. Public seminars will strengthen the image of EU as a global leader. The closed door meeting/roundtable discussions and study tours with government officials and local experts will provide opportunities to shape these policies.

### *Trade development*

EU-Taiwan cooperation on trade issues is good and bilateral trade continues to expand. The inclusion of Taiwan in the 2015 Commission Communication "Trade for all" showed the commitment of the EU to further deepen the trade and investment relations with Taiwan. In order to enhance bilateral trade, the EU and Taiwan hold comprehensive dialogues on regulatory issues and non-technical barriers to trade, such as streamlined product conformity assessment procedures, open and fair environment in government procurement and increased market opening for agricultural trade.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of this action is to advance the EU's trade and economic interests in Taiwan and in the broader East Asian region by building on the success of the preceding phase of the programme (EBRC1).

To achieve this objective the action will build on the success of the preceding programme (EBRC1). Against this background, the project will focus on the following specific objectives:

Specific Objective 1: Developing an economic diplomacy approach to address new challenges of global concern, in particular climate change, energy security and environmental protection

Taiwan's government and business have shown strong interest to learn from the EU's policies and work with EU companies. Due to Taiwan's economic strength and integration into global added-value chains, cooperation with Taiwan would have a multiplying effect increasing EU influence and by promoting technological solutions to global challenges.

Specific Objective 2: Promoting a predictable and secure environment for investment and business

European solutions and best practices shall be advocated while promoting the EU's regulatory framework and EU's goods and services, in particular in areas where European companies have a competitive advantage, namely high-end and technologically advanced products. Activities shall also support the enhancement of the bilateral EU-Taiwan investment framework in line with the Commission's Communication "Trade for All". Under this objective, EBRC 2 shall also promote the EU's agenda on digitalisation. In addition, Taiwan's renewable energy plans provide vast business opportunities for EU companies. EBRC 2 shall support the EU's regulatory approaches and support EU companies which are the biggest players in Taiwan's renewable energy area.

Specific Objective 3: Raising the EU's profile and public diplomacy

For the EU, Taiwan is a good regional hub for raising the EU's profile due to the open and vibrant Taiwanese society. There is a strong interest in Europe, and EU events are very popular. Taiwan's government and business society are also very interested in European excellence e.g. in areas of circular economy, low carbon economy, renewable energy, design and creativity and ICT. This objective would be served by enhancing the European Economic Diplomacy through joint EU and EU Member States actions.

### **3.2. Expected results and main activities**

#### *Expected results*

- Enhanced bilateral cooperation on climate change and environmental policies, thereby providing improved business opportunities for EU companies, including SMEs;
- Improved regulatory environment for EU business by promoting EU and international standards;
- Reinforced domestic investment regimes to attract further investment;
- New EU-Taiwan business links, including in the global value-added chain, are established;
- EU's visibility is promoted and profile of the EU is progressively raised.

#### *Main Activities*

- Seminars, conferences, roundtables and workshops with administration, legislators, experts, academia, non-governmental organisations (NGOs) and other relevant stakeholders;
- Study tours and business missions;
- Media and outreach events;
- Participation in fairs;
- Research and support of other academic activities;
- Joint actions with EU MS and third countries.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
Commitment of the TW host government and other relevant stakeholders decreases over time	L	This risk is considered low as Taiwanese stakeholders, including at local level, have shown full commitment and have a high level of administrative and regulatory capacity. Constant contacts will be kept by the EU with Taiwanese counterparts to mitigate any risk of progressively fading commitment and ensure necessary political support from the authorities.

### 3.4. Stakeholders

The main stakeholders to be involved in the proposed activities under each objective include: the Taiwanese central and local governments (mainly the Ministry of Economic Affairs, the Ministry of Transportation and Communications, the Ministry of Science and Technology, the Ministry of Health and Welfare, the Council of Agriculture, the Public Construction Commission, and the Environmental Protection Agency), Taiwanese policy- and lawmakers, EU and Taiwanese companies as well as business associations, opinion makers and academia, such as the European Chamber of Commerce Taiwan, the Enterprise Europe Network, Silicon Europe, Europe Chamber, IPR Helpdesk in China and Taiwan External Trade Development Council, National Applied Research Laboratories, Industrial Technology Research Institute, Chinese National Federation of Industries and the EU Centre in Taiwan.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1. Procurement (direct management)

- The programme will be implemented through the procurement of services. Indicatively, one service contract is expected to be concluded for the implementation of the programme.
- Indicative timing to launch the call for tender: 3rd quarter 2018

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

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### 4.3. Indicative budget

<i>Method of Implementation</i>	<b>Amount in EUR million</b>
4.1.1 - Procurement (Direct Management)	0.8
<b>Total</b>	<b>0.8</b>

#### 4.4. Organisational set-up and responsibilities

A Steering Committee (SC) will be established and will indicatively be composed of relevant Commission services, EEAS, EETO. Other stakeholders may be invited to join meetings.

The SC will meet at least once a year to review progress and provide guidance to the implementation of the action.

#### 4.5. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of the implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### 4.6. Evaluation and audit

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in the procurement contract. This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1 January 2018, and apply to all contracts signed from that date.<sup>3</sup>

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<sup>3</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf) .

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**ANNEX 13**

of the Commission Implementing Decision on the 2018 Annual Action program for the Partnership Instrument

**Action Fiche for Support facility for the implementation of EU-Japan Economic Partnership Agreement (EPA)**

**1. IDENTIFICATION**

Title of the action	Support facility for the implementation of EU-Japan EPA			
Country(ies)/ Region	Japan			
Total cost	Total estimated cost: EUR 1 000 000 Total amount of the EU budget contribution: EUR 1 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Procurement - direct management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## **2. RATIONALE AND CONTEXT**

### **Summary of the action and its objectives**

The proposed action aims at providing support to ensure proper functioning of the EU-Japan EPA and its optimal use by EU operators. The activities supported by the project will cover preparation of outreach material and guides on how to use the EPA, sectoral analysis and studies to identify market access opportunities as well as possible emerging trade barriers, promotional events and technical support in the form of legal analysis and translation of legislative and administrative measures relevant for Japan's compliance with and implementation of the EPA.

The comprehensive and ambitious nature of the EPA will require close and regular consultation with EU industry trading with and investing in Japan. The action will produce EPA progress reports as well as sectoral and thematic studies in line with the EPA's diverse coverage and provisions for progressive liberalisation; it will also support the EU in its core task of monitoring compliance by Japan and allow for early detection of implementation issues, including possible new non-tariff barriers. As a result, the action will contribute to enhanced EU-Japan trade and investment flows, and will encourage EU companies to take full advantage of the new opportunities resulting from the changes in the Japanese regulatory regime.

The ultimate objective of the project is to ensure that the EU will achieve the best possible outcome from the EPA, that the EPA will be used by the largest number of EU operators and that it delivers the negotiated benefits to the EU operators. The action will also contribute to enhancing the competitiveness of EU companies venturing into the Japanese market. Companies in the knowledge and innovation industries will especially benefit due to the relatively higher barriers to trade in the services sector. For these reasons, the action contributes directly to the EU policy priority of ensuring effective implementation of EU FTAs.

### **2.2. Context**

The action will address the Partnership Instrument Objective 3, namely "improving access to partner country markets and boosting trade, investment and business opportunities for companies from the Union". It will facilitate economic growth and jobs through increased EU exports to and investments in Japan. It has been estimated that an effectively implemented EU-Japan EPA could create 420,000 additional jobs in the EU alone. Furthermore, the EPA is expected to boost EU's economy by 0.8%, and EU exports to Japan could increase by as much as 32.7%<sup>2</sup>.

Japan is the EU's seventh largest trade partner and its attractive market offers vast business opportunities for EU companies. However, these have been often hindered by tariff and non-tariff barriers, whose removal is one of the main goals of the EU-Japan EPA, concluded in December 2017.

Close coordination with industry by direct consultation both with EU companies established in Japan and with the European Business Council (EBC) have contributed to the definition of the EU negotiating position. Consultations with EU industry are expected to remain a source of valuable information for monitoring the functioning of the EPA and ensuring continuous compliance with its provisions. The action will also directly feed into the various formal

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<sup>2</sup> [http://trade.ec.europa.eu/doclib/docs/2012/july/tradoc\\_149809.pdf](http://trade.ec.europa.eu/doclib/docs/2012/july/tradoc_149809.pdf)

dialogues established between the EU and Japan, and will provide inputs into the EU-Japan Business Roundtable.

At a time when both political and commercial EU-Japan relations become more intense, there is a need for the EU to reach out to the relevant stakeholders to communicate on the EPA, and the new opportunities it brings to EU operators. To this end, a significant effort in communication will be required. Various outreach activities, ranging from speaker lunches to breakfasts, conferences and seminars are foreseen.

Most of the activities covered by the action require local knowledge including local legislation and language. So far, support to EPA implementation around the world has typically been financed under the Partnership Instrument as short-term Policy Support Facility (PSF) projects. Considering the scale and importance of the EU-Japan EPA for the EU's economic and trade agenda, a larger and longer stand-alone project will ensure better continuity and depth. Moreover, a comprehensive overview on the degree of success of the implementation of the EPA is needed as of 2019.

### 2.3. Lessons learnt

Capitalizing on the lessons from recent projects<sup>3</sup> in Japan it is important to stress that the systematic consultation of EU business operating in Japan across a broad spectrum of European industries remains key. The success of the action will therefore depend on the ability to tap into local knowledge including EU business and its operating environment.

The action will take into account the insights provided in the Commission report “Implementation of Free Trade Agreements”<sup>4</sup> with a view to ensuring a high utilization rate of the EU-Japan EPA by EU companies.

### 2.4. Complementary actions

The trade policy and regulatory focus of the action will be complemented by other activities undertaken by the EU-Japan Centre for Industrial Cooperation (CIC) which, in its 30 years of existence has developed a wide range of activities, as summarised below:

- **The focus on SMEs:** CIC provides information on the Japanese business environment and sectoral aspects to EU companies, prioritising the needs of SMEs. Through its focus on SMEs CIC has an important complementary function to the activities developed by the EBC and will be an important partner in reaching out to relevant Japanese stakeholders.
- **Policy seminars:** on topics of importance for the EU and Japan (trade, green economy regulatory aspects, industrial aspects, IPR, etc.) organised in both Europe and Japan for a wide range of audiences, from general public to policy makers and industry experts.
- **Information support and policy analysis:** CIC hosts a traditional info helpdesk and has an extensive web portal on doing business in Japan. For more extensive analytical reports, CIC is supporting a fellowship scheme (MINERVA) providing scholarships for research on topics relating to EU and Japan trade and investment.

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<sup>3</sup> PSF Actions: (i) TPP-related legislation in Japan; (ii) Utilities & Public Procurement in Japan; (iii) EU-Japan FTA: Food Additives; (iv) EU-Japan EPA Implementation Roadmap

<sup>4</sup> Report from the Commission to the European Parliament, the Council, the European Economic and social committee and the Committee of the Regions on Implementation of Free Trade Agreements (C/2017/654 final of 9.11.2017).



- **Managerial Training courses and cluster support missions:** Every year CIC is providing three (1-2 weeks) managerial training courses in Japan and three cluster support missions for about 120 companies/managers. Specific presentation on the EPA and its expected impact will be included starting from next year
- **Tax and Public Procurement Helpdesk:** CIC has developed a comprehensive info service particularly on Public Procurement in Japan, including monthly news digest, automatic translation service, quick scan and assistance with the documentation required for the bidding. It is also providing regular seminars on public procurement.
- **EU-Japan Business Round Table (BRT):** a gathering of 50 EU and Japanese CEOs which releases annual “joint recommendations” to the Commission and the Japanese Government.

## 2.5 Cross-cutting issues

In line with the EU Economic Diplomacy guidelines recently issued by the EEAS, the Delegation will coordinate and involve the EU Member States present in Japan to monitor changes on the ground and convey, when appropriate, messages and lines to take to relevant Japanese interlocutors.

## 3. DETAILED DESCRIPTION

### 3.1. Objectives

#### *Global Objective:*

To improve conditions for EU companies accessing the Japanese market.

#### *Specific Objective:*

To contribute to the effective and efficient implementation of the EU-Japan EPA by influencing policy-making.

### 3.2. Expected results and main activities

Throughout the action, the legislative and regulatory changes stemming from the commitments undertaken by Japan will be carefully analysed to ensure compliance with the EPA. The dynamic scrutiny of legislative and regulatory changes carried out with the help of technical assistance needed to overcome the language barrier will ensure that developments that may conflict with the EPA commitments and new market access barriers are closely monitored and remedy action is swiftly undertaken.

In the course of the negotiations Japan already addressed the bulk of a list of non-tariff barriers (NTBs) that were identified by the EU industry, and removed relevant legislative obstacles. Removal of past NTBs does not however guarantee regulatory stability, or commitment to the further removal of barriers. For this reason, the program will assist the EU Delegation in its core task of monitoring compliance by Japan and prevention of new NTBs.

Another major area covered by the project will be in-depth sectoral analysis and studies with a view to provide market intelligence in key priority areas, defined as those holding the largest market access potential for EU business, and those for which opportunities offered by the EPA are most significant.

Another major component of the project will be the outreach of the EPA, oriented to the business with the aim to facilitate and encourage new business ventures in Japan. Step-by-step guides for businesses on how to use the EPA in practice are foreseen, in particular since lack

of these instruments in other Free Trade Agreements (FTAs) have been identified as a potential factor contributing to a low utilisation rates by EU companies of the opportunities provided by these FTAs. The project will also produce more general outreach material to spread information on the EPA and the new opportunities it creates for businesses that can also be used by Member States and EU business organisations in their own outreach activities. These actions contribute to the objectives of communication of EU policy and approaches.

R1: High utilisation rate of EPA by EU companies and increased trade and investment flows from the EU to Japan.

- Preparation of outreach material on the EPA.
- Preparation of a practical step-by step guide for businesses on how to use the EPA in the EU languages.
- Organisation of annual FTA Progress Seminars
- Dissemination of FTA Progress Reports
- Organisation of three sectoral and three thematic outreach events focusing on key market access opportunities.
- Organisation of promotion and outreach events to spread the knowledge on the EPA and the opportunities it brings.

R2: Remaining trade barriers are removed by the government of Japan in line with the provisions and deadlines set out in the EPA, thanks to the action providing support such as:

- Sectoral and thematic analysis reports
- Organisation of meetings with business organisations, trade associations and EU companies

R3: New trade barriers are identified and discussed with Government of Japan, with a view to their removal, thanks to the action providing support such as:

- Provision of technical assistance to monitoring compliance with the none tariff barriers (NTB) outcome of the EPA and prevention of new NTBs.
- Provision of technical support to monitoring of compliance in Japan with the EPA, for example following local legislative and administrative processes in order to make sure that no measures are passed that would be in breach with the EPA (legal analysis).
- Provision of technical support to monitor the implementation in particular in the areas of public procurement, investment, services. Monitoring should quantify the value of additionally induced market access to the extent possible.
- Translation of new legislative and administrative measures.

### 3.3 Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
Commitment of the host government and other relevant stakeholders on EPA decreases over time	L	This risk is considered low as Japanese stakeholders, including at local level, have shown full commitment and have a high level of administrative and regulatory capacity. Constant contacts will be kept by the EU with Japanese counterparts to mitigate any risk of progressively fading commitment and ensure necessary political support from the authorities.

### 3.4. Stakeholders

Close coordination between Commission services and the EEAS, the EU-Japan Centre for Industrial Cooperation and the EU Delegation will be necessary throughout the action.

Close cooperation will also be sought with the European Business Council (EBC) in Japan, in view of the access it provides, through its industry committees, to EU business on the ground in Japan, major beneficiaries of the action.

The action will target relevant Ministries of the Government of Japan, Japanese business organisations and trade associations.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1 Procurement (direct management)

(a) The programme will be implemented by means of service contract(s). Indicatively one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tender expected to be launched 3rd Quarter 2018.

### 4.2 Scope of geographical eligibility for procurement and grants

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 4.3. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. – Procurement (direct management)	1
<b>Total</b>	<b>1</b>

### 4.4. Organisational set-up and responsibilities

The proposed action will be implemented by the EU Delegation in Japan. A Project Steering Committee (PSC) will be set up, which will include the EEAS, and several Commission services. This combination will contribute to aligned objectives, effective implementation and complementarity.

The action also foresees the recruitment of a Team Leader, who will work under supervision and in regular consultation and coordination with the Commission.

### 4.5. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

The Delegation will organise monthly coordination meetings with the contractor to review the implementation strategies, activities and tasks foreseen.

Coordination meetings shall also be organised internally where guidance shall be provided by several Commission services and the CIC to enhance project impact and ensure the action's continued alignment with the EU's policy developments.

#### **4.6. Evaluation and audit**

A mid-term internal evaluation shall be carried out on the methodology used to enhance awareness and the utilisation rate of the EPA. Depending on the outcome, the action methodology outlook would be adjusted accordingly

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

A high level of transparency of the EPA process is a core aim of the project. As such, communication activities will be prioritised in the action. Through numerous public events including EPA progress seminars, sectoral and thematic outreach events, EU visibility will be substantial.

Numerous reports, EPA progress reports as well as sectoral and thematic reports shall be widely disseminated and made available on electronic means both in Brussels and in Japan.

Key stakeholders groups shall be actively targeted including EU and Japanese business as well as national and local authorities in Japan.

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1 January 2018, and apply to all contracts signed from that date.<sup>5</sup>

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<sup>5</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf) .

**ANNEX 14**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for EU Asia cooperation on (Phyto-)Sanitary (SPS) and Food Safety Regulation**

**1. IDENTIFICATION**

Title of the action	EU Asia cooperation on (Phyto-)Sanitary (SPS) and Food Safety Regulation			
Country(ies)/ Region	China, India, Indonesia, Japan, Malaysia, Philippines, Republic of Korea, Thailand, Vietnam			
Total cost	Total estimated cost: EUR 2 000 000 Total amount of the EU budget contribution: EUR 2 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Procurement - Direct management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

The action intends to deepen the cooperation between the EU and selected Association of Southeast Asian Nations (ASEAN) and Asian trade partners through a regulatory dialogue on food safety, sanitary and phytosanitary measures with a view to expand economic opportunities for EU businesses in Asia. The proposed target countries are China, India, Indonesia, Japan, Malaysia, the Philippines, Republic of Korea, Thailand and Vietnam. These priority countries for market access have been selected by means of an extended consultation exercise with Member States and relevant industry associations. Several among these countries are also partners of bilateral trade agreements with the EU, in whose context market access and the generation of benefits to the EU food sector depends on adequately addressing and removing non-tariff, sanitary and phytosanitary barriers.

### **2.2. Context**

The action will address the Partnership Instrument (PI) Objective 3, namely "improving access to partner country markets and boosting trade, investment and business opportunities for companies from the Union".

Sanitary and Phytosanitary (SPS) issues rank high amongst the likely trade irritants. Such barriers to trade can be quickly established from one day to another, leading to highly adverse consequences for the EU food sector exports. Under current arrangements, an outbreak of animal disease anywhere in the EU can overnight cancel exports from an entire Member State and affect operators far away from the actual outbreak area. This can translate into large financial losses for EU exporters (e.g. exports of pork from one big Member State alone to China, Republic of Korea and Japan amount to EUR 800 million annually). In parallel, intra-Asian trade in food and drink is increasing which could contribute to adversely affect EU exports. Safety (in terms of animal and plant disease control and control of human pathogens in food and food ingredients) is of paramount importance for the sustainability of this trade, which is of vital importance for both the EU and the Asian agriculture-food sectors. Promoting, by means of dialogue, the EU regulatory model as a basis for this trade will help supporting and/or increasing the EU share in global value chains in the food and drink sector.

Animal diseases, plant pests or food hygiene issues are occasionally unavoidable even when the best efforts are deployed. Such occasional incidents can have immediate and potentially huge consequences on international trade. The EU has the policy instruments and the capacity to manage these incidents and maintain safe trade in the single market. It is essential to effectively inform trade partners about this fact. If trade partners are confident that the EU is capable of adequately managing such issues, over-reactions can be avoided. This is the main objective of the proposed project. Exporting and promoting the liberal but health-protective regulatory model of the EU is another objective with the aim to reduce transaction cost for EU-Asia, but also for intra-Asia, trade and help to strengthen global value chains that involve the EU industry.

A well-structured regulatory dialogue on topics of mutual interest and in a framework provided by the EU Commission will help the EU, in particular small Member States and small and medium enterprises (SMEs), to influence Asian regulators' decisions and avoid unfounded trade constraints from certain sanitary and phytosanitary control measures.

### **2.3. Lessons learnt**

The action is conceived as a follow up and expansion of the project "EU-China cooperation on Food Safety regulation", financed under the Partnership Instrument, which is still ongoing at the moment of writing and has so far been highly successful. Three of the four planned seminars have already taken place and fully delivered on expectations. For example, the recent seminar on Animal Health / Regionalisation gave the EU the opportunity of one full day of direct interaction with the Head of the Veterinary Bureau, Deputy Director General and senior staff in the Chinese Ministry of Agriculture, which led to high-level agreement on several follow-up activities.

### **2.4. Complementary actions**

The proposed action is complementary to actions targeted at technical experts and aims at resolving concrete and specific, technical issues through scientific, technical level dialogue. Under this framework contract, participants are invited to study EU practices through field trips that demonstrate different aspects of the EU control system and showcase the high standards offered.

The action is also complementary to the 'Better Training for Safer Food' (BTSF) Programme. The main objective of BTSF is capacity building to allow third countries to meet the EU market access requirements. In addition, BTSF seminars are targeted for technical experts and not for high-level officials. Topics of shared interest between BTSF and the proposed project (for example e-commerce) will be addressed in close coordination.

Finally, the action is complementary to promotion activities for EU agricultural products that are financed under Regulation (EU) No 1144/2014<sup>2</sup> and implemented through the Consumers, Health, Agriculture and Food Executive Agency (CHAFAEA). The focus of these activities is the promotion of the EU quality image in the global agri-business community. Also in this case it may be possible to exploit synergies with the proposed project, for example by organising back-to-back seminars.

### **2.5. Cross-cutting issues**

The project is fully in-line with the Trade for All Communication<sup>3</sup> of the Commission.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of the action is to improve regulatory cooperation on SPS and food safety between partners and expand economic opportunities for EU businesses in Asia. The action aims at avoiding unjustified restrictions in trade resulting from sanitary and phytosanitary control measures and facilitating the access of EU food and drink products to the respective markets.

#### **Specific objectives:**

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<sup>2</sup> Regulation (EU) No 1144/2014 of the European Parliament and of the Council of 22 October 2014 on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and repealing Council Regulation (EC) No 3/2008, (OJ L 317, 4.11.2014)

<sup>3</sup> COM/2015/497



- a) Strengthen the regulatory dialogue on food safety between the EU and selected Asian governments on (phyto-)sanitary and food safety-related issues and establish an avenue for cooperation between local administrations and EU Commission, Member States and industry together;
- b) Ensure the respect of the international standard provisions on regionalisation, and reach agreement on the recognition of regionalisation measures taken by EU in order to maintain trade in the event of an animal disease outbreak;
- c) Ensure the possibility of listing of establishments on the basis of guarantees provided by the exporting government without prior inspection by the importing party (i.e. the so-called pre-listing);
- d) Help reducing transaction cost of EU food and drink trade with Asia;
- e) Enhance the impact of the Commission, Member States and EU industry on the local administrations and strengthen the perception of the EU as one entity;
- f) Identify and share with European stakeholders the conditions which will result in better access to Asian food and drink markets.

### **3.2. Expected results and main activities**

**Results** will include

- a) Significantly expanded and intensified regulatory dialogue between the EU and target governments in the area of animal health, plant health and food safety, which is an area of shared interest;
- b) Increased awareness of EU business operators, Member States and the Commission of regulatory developments in the region that may have an impact on trade of EU food and drink products which is a fast-growing, economically significant sector;
- c) Enhanced impact of the Commission, Member States and EU industry on the local administrations and strengthening the perception of the EU as one entity;
- d) Regulatory harmonisation effort in Asia is informed of the EU model.

**Activities** will thus be clustered around three components, each based on the above specific objectives:

a) Organize **18 seminars** that bring mainly senior technical level representatives of local governments and food safety / health administrations together with Member States, industry and the Commission to discuss regulatory policies and their trade impact. The exact topics of the seminars will be defined in cooperation with the respective administrations. It is essential to retain flexibility throughout the duration of the project and allow giving priority to suddenly emerging, unforeseen issues that EU delegations may be facing in target countries.

A maximum of 18 seminars have tentatively been identified based on the following estimation over 36 months:

- 6-8 seminars in China,
- 4 seminars for India,
- 6-8 seminars for other countries covered.

b) Organize **eight expert-level visits** in the EU or the partner country, aimed at addressing specific procedural and technical questions that stand in the way of bilateral trade of food,

feed or drink products, such as laboratory methods, diagnostics, risk assessment methodology, best practices etc.

The expert visits have tentatively been identified based on the following estimation:

- 4 visits from / to China;
- 2 visits from / to India;
- 2 visits for other countries covered.

c) Produce **eight Guides for Applicants** to summarise regulatory requirements and administrative procedures applicable to a number of products and countries that are of particular interest. The guides are intended to help applicants (i.e. EU business operators and EU Member State administrators acting in support of their industries) in their efforts to penetrate markets in Asia.

The following tentative topics were selected in cooperation with Member States and industry associations:

- Import of fruit and vegetables into China;
- Import of fruit and vegetables into Indonesia;
- Import of fruit and vegetables into Japan.
- Import of meat and meat products into Malaysia;
- Import of fruit and vegetables into the Philippines;
- Import of fruit and vegetables into Thailand;
- Import of pork and pork products into Thailand;
- Import of fruit and vegetables into Vietnam.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
The administrations in Asia might not be willing to take up the offer and refuse to participate in the planned events or visits.	L	This can be prevented by timely planning, careful selection of pertinent, mutually relevant topics leading to win-win situations and the mobilisation of support among EU and local stakeholders in cooperation with the EU delegations. The project will allow for some flexibility in terms of timing, location and subject to ensure that events are indeed relevant.
The contractor might be unable to identify and motivate the target audience for the seminars.	M	This can be mitigated through the selection of a Contractor with experience in organising the planned type of events. The contractor must also have a well-established network in Asia either directly or via affiliated organisations.
It is assumed that deepening the dialogue with the EU is also in the interest of Asian partners.	L	The EU regulatory model is effective and efficient. The EU food and drink products enjoy a very good reputation among Asian

Risk	Risk level (H/M/L)	Mitigating measure
		consumers. The interest of Asian partners can be further enhanced through close cooperation between Commission services to signal that also trade interests of Asian partners are properly addressed.
It is assumed that SPS-related issues can indeed be resolved through regulatory dialogue and science-based, rational arguments.	M	This is not always the case because trade-related questions are also subject to political considerations. However, in the SPS field, the technical dialogue is indispensable to support any resolution at political-level. Information exchange and cooperation with country desks and Cabinets will help to mobilise political impetus, if necessary.

### 3.4. Stakeholders

For the seminars, the main target group are senior-level administrators from the relevant branches of the respective governments in Asia and senior representatives of EU governments and the Commission. The target audience must also include expert level administrators that are responsible for the technical implementation of SPS policies. Another important target will be Member States and industry associations to take advantage of networking opportunities and get direct access to senior officials in target countries that may otherwise not be available, in particular to smaller Member States.

For the study visits, the target groups are senior technical experts from governments and / or affiliated laboratories and institutes.

For the Guides for applicants, the target group is the EU industry and industry associations.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1. Procurement (direct management)

(a) The programme will be implemented via service contract(s). Indicatively one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tenders expected to be launched 3rd Quarter 2018.

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

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

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### **4.3. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. – Procurement (direct management)	2
<b>Total</b>	<b>2</b>

#### **4.4. Organisational set-up and responsibilities**

The proposed action will be implemented under the guidance of the Project Steering Committee (PSC), which will include the EEAS, several Commission services and the relevant EU Delegations. This combination will contribute to aligned objectives, effective implementation and complementarity with other Commission programmes and projects.

The action also foresees the establishment of a project implementation unit composed of a Team Leader, who will work under supervision and in regular consultation and coordination with the Commission.

Key partners in the implementation of the project will be EU Business Chambers and EU delegations in the respective countries. The EU Chambers as well as EU Member States will also be helping to define priorities and deliverables of the project, primarily at the level of EU Economic Counsellors, but also EU Heads of Mission, if and when appropriate.

#### **4.5. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity’s responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1 January 2018, and apply to all contracts signed from that date.<sup>4</sup>

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<sup>4</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf) .

EN

**ANNEX 15**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for Enhancing EU-China Strategic Cooperation in Respect of the Made in China 2025 Initiative**

**1. IDENTIFICATION**

Title of the action	Enhancing EU-China Strategic Cooperation in Respect of the Made in China 2025 Initiative			
Country(ies)/ Region	China			
Total cost	Total estimated cost: EUR 4 000 000 Total amount of the EU budget contribution: EUR 4 000 0000			
Total duration <sup>1</sup>	24 months			
Method of implementation	Procurement – Direct management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the action(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

The overall objective of the action is to provide a basis for enhancing strategic cooperation between the EU and China, by maximising business opportunity, inter alia by achieving a level playing field, fair competition and investment conditions for EU companies commercialising goods, services, and technologies in our four priority sectors (new energy vehicles, semiconductors, robotics, medical devices) out of the ten sectors earmarked overall by the Chinese industrial plan Made in China 2025 (MIC 2025).

### **2.2. Context**

The accelerated process of economic development experienced by China over the last 15 years has made it the second largest world economy in GDP terms and the largest trading nation in the world. After years of double-digit growth, China has seen its growth rate stabilise at more than 6% a year. As a result, China is - and will remain - a country rich in "opportunities for business". The size of its internal market, the dynamism of its companies and research centres and the sheer growth rate of its economy attract foreign companies.

However, a critical question for China – and for the rest of the world - is how to implement structural reforms necessary for longer-term growth. In line with the outcomes of the Communist Party Congress of October 2017, the Party's control over State Owned Enterprises ("SOEs") and the economy in general has been significantly reinforced, contrasting with the need for the Chinese economy to become more competitive, including through much more significant participation of EU companies in the Chinese economic fabric, which necessitates more market opening and a more level playing field.

The EU and China are crucially interlinked: China is the EU's second largest trading partner and the EU is China's first trading partner. The EU has a significant stock of investment in China and Europe has recently developed as a priority destination for Chinese Foreign Direct Investment (FDI), notably in high-tech sectors. It is essential for both sides that we make it work. For the EU, the long-term economic and trade relationship with China is key to the build-up and success of a partnership which has become an integral part to our own economic growth and welfare.

China has launched over the last two years a series of industrial plans and initiatives aimed at strengthening the Chinese manufacturing sector in a comprehensive and long term way. Among such initiatives, we have identified as particularly significant the "Made in China 2025" (MIC 2025) initiative.

MIC 2025 is an initiative to comprehensively upgrade Chinese industry in ten strategic sectors: 1) New advanced information technology; 2) Automated machine tools & robotics; 3) Aerospace and aeronautical equipment; 4) Maritime equipment and high-tech shipping; 5) Modern rail transport equipment; 6) New-energy vehicles and equipment; 7) Power equipment; 8) Agricultural equipment; 9) New materials; and 10) Bio-pharma and advanced medical products.

The sectors include important high-tech sectors with a crosscutting digital thread, which are not only vital pillars for the employment, competitiveness and growth in the EU but also bear a strategic importance considering the key technologies they produce. With the further expansion of the digital and high-tech economy, it is essential to further strengthen the position of EU industry in the Chinese market as well as globally. EU companies can provide best practices with regard to industry development based on free and fair market principles.

### 2.3. Lessons learnt

Information from the ground indicates that MIC 2025 could potentially represent sizeable business opportunities for EU companies, as our technology, products, services and investment can make a unique contribution to China's efforts to upgrade manufacturing. Experience shows that the identification of these opportunities -which may present themselves on different levels of government – is often a very challenging exercise which requires an in-depth knowledge of the Chinese system and of where to find documents that are not public.

### 2.4. Complementary actions

“Understanding Chinese Legal Economic Reform” funded under the Partnership Instrument provides monitoring of the government's daily announcements, analyses, translations, presentations etc. While producing useful results, they were too general to neither identify and activate concrete cooperation in the context of MIC 2025, nor navigate through the laws and regulations and its implementation in the specificity required by this current project.

Another project "Anticipating the impact of China's trade policies on the EU" was launched in 2015. This action supports EU trade policy-making vis-à-vis China through the production of dedicated studies on Chinese overcapacity and subsidies in selected industries. In addition, there is an ongoing project undertaken by the Commission, focussing on a different scope (only on traditional sectors such as steel and aluminium) and exclusively on subsidies.

In addition, several complementary China-related projects are currently undertaken by other services of the Commission with no overlap identified. On the contrary, these projects are fully expected to reinforce each other and provide synergies for better understanding of Chinese policies in different areas.

## 3. DETAILED DESCRIPTION

### 3.1. Objectives

The specific objectives of the action are to identify specific business opportunities, contribute to ensure a level playing field in China and gather substantial information about the nature of all trade related practices, as well as about possibilities and/or conditions for EU companies to apply for and obtain both *de jure* or *de facto* support measures or to participate in public procurement. The action must cover the following four priority sectors: a) New Energy Vehicle; b) Semiconductors<sup>2</sup>; c) Robotics<sup>3</sup>; d) Medical devices.

### 3.2. Expected results and main activities

The project will produce a regular reporting (periodic, interim and final sectoral reports) in each of the four selected sectors, covering all relevant practices undertaken by China in those sectors. In particular, the project will:

- Identify specific areas where EU business can directly benefit from programmes under MIC 2025.
- Analyse existing rules and implementing measures applicable to the four priority sectors under MIC 2025 (new energy vehicles, semiconductors, robotics, medical devices).

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<sup>2</sup> As a first element of the broader ICT sector

<sup>3</sup> Including automated machine tools



- Analyse on a daily basis all MIC 2025 related policy developments, legislative acts and proposals as well as announcements from central government, relevant provinces / municipalities and major industry associations, with a particular focus on those initiatives that could potentially affect trade and investment position of EU companies in China. Identify ways for China to move forward its reform agenda (including via the removal of unwarranted barriers to trade) and the improvement of the protection of intellectual property rights for EU companies operating in China.

- Perform a comprehensive analysis (economic, legal and political) of Chinese governmental measures and practices with a view to identifying specific ways to address them.

The project outputs shall also create a running and regularly updated database of all relevant public measures at all government levels, as well as other relevant aspects of the Chinese industrial policy with a view to maximising business opportunities for EU companies and ensuring a level playing field between the EU and China and between our industries.

### **3.3. Risks and assumptions**

External risks: key documents are not always published and their distribution can be restricted to a limited number of recipients. The contractor will be required to adequately cover all sectors in the scope of this project. The contractor is expected to have in-depth knowledge of Chinese system and of where to find documents that are not readily available. Consequently, this risk shall be alleviated to the maximum.

Internal risks: the team selection should be done very carefully as this action requires intensive work and the challenge is to produce quality content within a short period of time. Should experts working in the team fail to meet the required quality standards, they will be replaced. Therefore, the risk of hampering this activity is low.

### **3.4. Stakeholders**

The project will support the political framework by providing a valuable up-to-date input in the four selected priority sectors of Made in China 2025 in view of the several bilateral dialogues that the EU and China have established in various policy areas. While there are many ongoing bilateral trade and trade-related dialogues (on IPR, steel, etc.), some of the main ones covering trade and investment issues with China are:

- The annual EU-China Summit, including the Business Summit, chaired at heads of state and government level;
- The annual High Level Economic and Trade Dialogue (HED) chaired by a Commission Vice President on the EU side and a Vice-Premier on the Chinese side;
- The Joint Committee (JC) meeting annually at Commissioner/Minister level;
- The Trade and Investment Policy Dialogue (TIPD) meeting also annually at Director-General level;
- The Economic and Trade Working Group (ETWG) meeting annually at Director level;
- The High-Tech Working Group (HTWG) meeting annually at Director Level.

Moreover, there are numerous negotiations and fora in multilateral organisations, including the WTO and G20 frameworks, in which China and the EU have a direct dialogue and need to align strategies.

In addition, the project will also support the numerous dialogues Commission services and the EEAS are undertaking with China. Such dialogues include, for example, the Industrial Policy

Dialogue, the ICT Dialogue, the High Level Innovation Cooperation Dialogue (ICD), the State Aid Dialogue, the Cyber Task Force, the Energy Roadmap, the Maritime and Rail Dialogues and Connectivity Platform, as well as all other relevant dialogues undertaken by Commission services and the EEAS.

**4. IMPLEMENTATION ISSUES**

**4.1. Method of implementation**

**4.1.1. Procurement (direct management)**

(a) The programme will be implemented via service contract(s). Indicatively one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tender expected to be launched 2nd Quarter 2018.

The contracting authority will be the European Commission Directorate General for Trade through a cross sub-delegation of funds.

**4.2. Scope of geographical eligibility for procurement and grants**

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

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

**4.3. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. – Procurement (direct management)	4
<b>Total</b>	<b>4</b>

**4.4. Organisational set-up and responsibilities**

A Steering Committee (SC) will be established and will indicatively be composed of relevant Commission services and the EEAS. Other stakeholders may be invited to join meetings.

The SC will meet at least once a year to review progress and provide guidance to the implementation of the action.

**4.5. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity’s responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators, which will include relevant indicators from the list of common Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, based on a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

**ANNEX 16**

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for Public and Cultural Diplomacy****1. IDENTIFICATION**

Title of the action	Public and Cultural Diplomacy			
Country(ies) <sup>1</sup> / Region	Global			
Total cost	Total estimated cost: EUR 15 500 000 Total amount of the EU budget contribution: EUR 14 500 000			
Total duration <sup>2</sup>	36 months			
Method of implementation	Grants - call(s) for proposals Procurement – direct management			
Markers (from CRIS DAC form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> The envisaged assistance to the concerned countries is deemed to strictly follow the conditions and procedures set out by the restrictive measures concerning the said countries.

<sup>2</sup> Maximum duration of the operational implementation period of contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

The proposed action aims to support actors in their endeavours to globally develop EU's soft power by enhancing widespread understanding and visibility of the EU and its role on the world scene, through public diplomacy and outreach activities on themes of bilateral relevance or on EU themes such as Global Challenges, Europe 2020 strategy, Economic Partnership and Fundamental Rights.

In 2018, the Partnership Instrument (PI) will invest in public diplomacy activities reinforcing the study, research, teaching and debate on EU-related-issues among students and academics through Jean Monnet Actions in a selection of priority countries. The indicative list includes Argentina, Brazil, Canada, Hong-Kong, Iran, Japan, Republic of Korea, Macao, Mexico, Russia, Singapore and the United States of America (USA).

Secondly, funds will be provided to reinforce the capacity of the EU Delegations to do outreach and develop partnerships with local stakeholders in South and Central America, Association of Southeast Asian Nations (ASEAN), Republic of Korea, Russia and the USA by using a methodology already applied in other EU strategic partner countries.

Finally, renewed support will be made available to the people to people contacts and civil society dialogue in India and Japan. Should the need arise and budget be available, additional activities may be included later in the year.

### **2.2. Context**

As the Global Strategy for the European Union's Foreign and Security Policy<sup>3</sup> notes, we live today in a more connected, complex and contested world. It follows that the way the EU engages with citizens in third countries needs to adapt. Public diplomacy under the Partnership Instrument supports the implementation of EU Foreign Policy objectives by strengthening the EU's ability to engage meaningfully with selected audiences in third countries (i.e. students/academics, multipliers/influencers, civil society and cultural operators/artists) in order to increase mutual understanding, improve the perception of the EU and of its policies and, ultimately, facilitate future cooperation.

This action refers to objective d) set out in article 1(2) of the Partnership Instrument (PI) Regulation<sup>4</sup> as further defined in multi-annual indicative programme 2014-2020 (objective 4)<sup>5</sup>: *Enhancing widespread understanding and visibility of the Union and its role on the world scene through 1) Education/academic co-operation; 2) Public Diplomacy and outreach activities to promote the Union's values and interests.*

The EU study "Analysis of the perception of the EU and EU's policies abroad" was published on 18 March 2016<sup>6</sup> and recommended "establishing a centralised EU public diplomacy strategy comprising a finite set of core messages with the implementation adjusted to local specificities, context and capacities". Its findings enabled the EU to tailor the development of public diplomacy initiatives to the local perceptions of the EU and its policies. Activities included in this action, in particular messages and target audience, will be fine-tuned according to the study results.

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<sup>3</sup> <https://europa.eu/globalstrategy/en/global-strategy-foreign-and-security-policy-european-union>

<sup>4</sup> Regulation (EU) No 234/2014 of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries, JO L77/77 15 March 2014.

<sup>5</sup> Decision C(2014)4453 of 3 July 2014, [http://ec.europa.eu/dgs/fpi/key-documents/2014-annual-reports\\_en.htm](http://ec.europa.eu/dgs/fpi/key-documents/2014-annual-reports_en.htm)

<sup>6</sup> [http://ec.europa.eu/dgs/fpi/showcases/eu\\_perceptions\\_study\\_en.htm](http://ec.europa.eu/dgs/fpi/showcases/eu_perceptions_study_en.htm)

### **2.3. Lessons learnt**

The key lessons that can be drawn from the experience of the previous and on-going Partnership Instrument actions supporting public diplomacy are the following:

- avoid a piecemeal approach in order to ensure the manageability of the actions and adequate measurement of results thanks to a streamlined programming process based on a clear set of strands adapted to the various target audiences (i.e. think tank, academia, civil society, cultural stakeholders) and implementation modalities (i.e. grant, service contract);
- ensure that the programming of public diplomacy actions reflect strategic prioritisation from the EEAS at the appropriate level.
- ensure that implemented actions focus on issues that resonate among local target audiences.

### **2.4. Complementary actions**

Subsidiarity and complementarity with other interventions in the field of (or related to) public diplomacy at country and global levels will be ensured by the relevant EU Delegations and by the Commission. The EU Delegations and the Commission will regularly update a mapping of public diplomacy-related activities funded under the Partnership Instrument and ensure complementarity and cross-fertilisation with other relevant activities implemented at the country, regional and global levels. In particular, coordination will be sought for activities funded through the EEAS' managed Press & Information budget. Where possible, joint "Public Diplomacy Mapping" for engagement with civil society in third countries will be developed.

In line with the "Information and Communication Handbook for EU Delegations"<sup>7</sup>, EU Delegations will ensure complementarity and added value of selected projects with on-going and planned initiatives supported by EU Member States and other relevant actors.

Complementarity will be sought with projects currently running under the Partnership Instrument's Annual Action Programmes 2014, 2015, 2016 and 2017.

Complementarity could also be considered via EU science diplomacy activities on ocean related sustainable development goals, public outreach and engagement.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The Annex of the Partnership Instrument Regulation sets out a general framework for programming in line with thematic priorities and objectives set out in point (d) of Article 1(2):

- 1) Enhancing cooperation in higher education: enhancing student and academic staff mobility, leading to the creation of partnerships aimed at improving the quality of higher education and of joint degrees leading to academic recognition ('Erasmus+ Programme').
- 2) Enhancing widespread knowledge of the Union and raising its profile: promoting the Union's values and interests in partner countries through enhanced public diplomacy and outreach activities in support of the objectives of the instrument.

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<sup>7</sup> [http://eeas.europa.eu/delegations/ghana/documents/press\\_corner/20121231\\_en.pdf](http://eeas.europa.eu/delegations/ghana/documents/press_corner/20121231_en.pdf)

To achieve these objectives, under the Annual Action Programme 2018, it is envisaged to support actions to strengthen stakeholders' institutional, operational and networking capacity in four **strands** relating to Public Diplomacy<sup>8</sup>:

***STRAND 1: Academic outreach through Jean Monnet activities***

The proposed action envisages continued support to Jean Monnet activities. The latter aims to increase knowledge about European integration in strategic countries by promoting teaching research and debate and are funded under Erasmus+. The discontinuation of the previously Commission-funded EU Centres Programme and the streamlining of EU's academic outreach in the field of EU affairs through the Jean Monnet will reinforce the dialogue between academics, students and decision makers in the EU and abroad, and will increase widespread understanding and visibility of the EU and its role on the world scene. Funds under the Partnership Instrument will be used to open a "Partnership Instrument Window" in the Jean Monnet activities that for 2018 will indicatively include the following countries/regions: Argentina, Brazil, Canada, Hong-Kong, Iran, Japan, Republic of Korea, Macao, Mexico, Russia, Singapore and the USA.

***STRAND 2: EU Policy and Outreach Partnerships***

This strand will allow engaging directly with think tanks in partnership with other key stakeholders (e.g. medias, business organisations, universities, and other opinion-makers/influencers) in the partner countries, as well as in the EU, on policies of common interest, related *inter alia* to Global Challenges, Europe 2020 strategy, Economic Partnership and Fundamental Rights. The areas covered will depend both on the local perception and on the EU policy priorities.

To ensure that the EU can engage with local audiences directly and on specific key areas of concern, partnerships will be developed through service contracts managed by selected delegations at local and regional level (i.e., South and Central America, ASEAN, Republic of Korea, Russia and the USA).

The following actions under strand 2 'EU Policy and Outreach Partnerships' are proposed:

1. EU Policy and Outreach Partnership in ASEAN

Building on existing actions worldwide and to ensure that the EU can engage with local audiences in ASEAN directly and on specific key areas of concern, partnership for 2018 will be developed through a service contract managed by the EU Delegation in Bangkok.

This action aims at increasing the awareness of the EU's policies and foreign policy objectives and positions, through targeted and relevant engagement with key public policy makers, media/opinion leaders, and the wider public at the ASEAN regional level and more specifically in the following indicative list of countries: Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

It will support the bilateral engagement of the EU with the above mentioned five target countries and enhance mutual understanding in the build-up of an EU-ASEAN Regional Strategic Partnership, by strengthening partnerships and exchanges and building trust amongst peers in the sectors of security; regional integration; trade; human rights; environment and climate change (including oceans); and cultural diversity.

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<sup>8</sup> The strand on 'Cultural Diplomacy' is currently funded under Annex 14 of the Partnership Instrument Annual Action Programme 2015.

To achieve the objectives of this action, activities will be adapted to the specific needs and contexts of the target countries. They will be conducted, whenever possible, in cooperation with the EU Member States present in each of the target countries.

Generally, the action will encourage bilateral and regional policy dialogues, people-to-people interactions, and outreach activities that can draw EU-ASEAN stakeholders closer in addressing challenges of regional and global scale.

More specifically, the action will increase trust and positively influence the convergence of policy objectives between the two regions to facilitate trade, investment, market access, combat climate change, preserve the environment, further develop connectivity, and uphold human rights values.

Ultimately, the action, including through cultural partnerships, will improve the perception and image of the EU in the ASEAN countries and region.

## 2. Continued support to EU Policy and Outreach Partnerships in South and Central America, Republic of Korea and Russia

Building on existing actions funded through Partnership Instrument AAPs 2015 and 2016, it is proposed to renew the actions due to expire between 2018 and the first half of 2019, namely the EU Policy and Outreach Partnerships South America – including Brazil, Argentina, Peru and Colombia; the EU Policy and Outreach Partnerships Central America – including Mexico, Panama and Costa Rica; EU Policy and Outreach Partnerships Russia and the EU Policy and Outreach Partnerships in the Republic of Korea.

In light of its positive outcome, the EU Policy and Outreach Partnerships South America will be also expanded geographically to include i.a. Uruguay and Chile.

The implementation and activities that have been carried out in the different countries include diplomatic trainings, roadshows, business breakfast, workshops, roundtables etc., that have proved being an excellent opportunity for the EU to discuss with its counterparts on different topics of mutual interest, thereby helping forwarding the Global Strategy agenda.

While feedback from the stakeholders on the implementation is very positive, it is important to stress that it is difficult to assess impact on the target audiences, since efforts under public diplomacy tend to produce their effects in the long term.

## 3. EU@SXSW – South by South West

Building on the two positive previous experiences funded under the Partnership Instrument's Policy Support Facility, this action seeks to support the EU and its Delegation in the USA to organise and host an official EU-dedicated space at the annual South by South West (SXSW) Conference in Austin, Texas. This annual 10-day interactive conference and festival is devoted to the convergence of the digital and creative industries. Since its founding in 1987, SXSW has earned a reputation as the foremost US national event fostering dialogue between artists, musicians, filmmakers, actors, technology innovators, start-ups, and most recently State and Federal level government policymakers. The plethora of activities includes keynote speeches, panel discussions, tradeshow exhibitions, music concerts, film screenings, and technology demonstrations.

EU@SXSW created an environment dedicated to the discussion of EU policies, creativity and facilitated a transatlantic exchange of ideas and knowledge on areas of common interest. Given the large attendance of both the digital industry and policy officials, SXSW is one of the most effective venues to communicate information about the objectives and timeline of



various key EU initiatives, including the Digital Single Market (DSM) strategy, our international digital trade priorities and the support we give to EU culture and creative industries. This focus on the tech industry and the digital economy also has cross-cutting relevance for many other policy areas in which the EU is playing a leading role; including culture, antitrust/competition, data privacy, sustainability and climate action, urbanisation, research/innovation, and the future of work.

SXSW offers a unique opportunity to engage directly and simultaneously with a variety of US stakeholders from the public, private, and civil society sectors becoming a strategic component of the EU's overall engagement within the US, to advance its interests by building cooperation and alliances with key stakeholders that are not easily found in Washington, DC.

Many EU Member States have participated in SXSW for years as an opportunity for foreign investment and trade promotion. An EU presence would complement and support all EU Member States that participate in SXSW by highlighting their activities at the conference and offering them a platform for policy-focused discussions or related activities, while also showcasing to SXSW audiences a European Union that is united in its diversity.

Whilst SXSW is the centrepiece of this initiative, the EU's engagement at such an event will create opportunities for follow-up conversations, dialogues, and cooperation across all policies/themes that will also be supported by activity taking place throughout the duration of the action. Through a series of mutually reinforcing events that harness the spirit of SXSW, 'EU@SXSW' will become a brand in itself indicative of multi-stakeholder conversations about EU policy and culture priorities.

### **STRAND 3: Civil Society engagement**

Engagement with civil society is crucial for the EU to be (and to be perceived as) an open and receptive foreign policy actor. The primary objective of this strand is to strengthen and stimulate genuine dialogues among EU and strategic partner countries' civil society organisations in areas of common interest, with a particular focus on the fields of Global Challenges, Europe 2020 Strategy, Economic Partnership and Fundamental Rights.

The following actions under strand 3 'Civil society engagement' are proposed:

#### **1. India**

In complementarity with existing actions funded through AAP 2016, the proposed action aims to facilitate the exchange of knowledge and ideas on the main areas of strategic importance for EU-India Strategic Partnership through structured and systematic engagement with Indian CSOs, to increase mutual understanding among the wider audiences in India and the EU, and to thereby further consolidate the EU-India Strategic Partnership through people-to-people contacts.

#### **2. Japan**

Building on existing actions funded through AAP 2015, such as the "Japan Social Justice Initiative" the EU will extend its support to Civil Society engagement initiatives on Fundamental Rights in Japan to be implemented through grant(s) managed by the EU Delegation.

### 3.2. Expected results and main activities

The Action aims to achieve the following expected results:

R.1: For the strand 'Academic outreach through Jean Monnet activities': wider knowledge and understanding of the EU and its policies within academic circles (including students and professors);

R.2: For the strand 'EU Policy and Outreach Partnership': improved networking, advocacy and outreach capabilities jointly with key actors in policy areas of strategic interest for the EU; development of platforms providing relevant policy inputs;

R.3: For the strand 'Civil Society engagement': established or enhanced dialogues between civil society actors and local, national, regional or international institutions on policy areas of common interest to the EU and its strategic partners;

These results will be achieved through the following main indicative activities:

- For the strand 'Academic outreach through Jean Monnet activities': organising and coordinating human and documentary resources related to EU studies; leading research activities in specific EU subjects developing content and tools on EU subjects; update and complement the current courses and curricula; enhancing the debate, network and exchange of experiences about the EU; publication of the results of research activities; organisation of academic outreach activities also involving local communities, such as debates, information activities and publications.

- For the strand 'EU Policy and Outreach Partnership': Providing technical assistance to the EU to run public diplomacy activities focusing on targeted audience in areas of interest for the EU. Activities will include: organising and coordinating round-tables, seminars, visitors programmes, "travelling" debates, platform for high level opinion makers and business leaders' interaction, conferences, workshops, briefing sessions, webinars and forums; EU talks supported by audio-visual products; social-media campaigning; media programmes advocacy and awareness raising campaigns; media and other forms of campaigns in support of specific EU trade priorities or market access issues; documentary screenings; sectorial dialogues; exchanges of best practice; networking events, elaboration and dissemination of studies, policy papers, public opinion polls, creation of databases.

- For the strand 'Civil Society engagement': civil society organisations-led activities such as dialogues, round-tables, conferences, seminars, etc. involving civil society actors that can play multiplier effects.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
In general, there is a possible risk of change of priorities as well as changes in political relations with the concerned partner countries.	M	The development of an overarching EU Public Diplomacy strategy significantly reduces such risk.
A major incident occurs (e.g. economic crisis) that severely influences the attitudes of foreign audiences towards the European	M	Adapting actions planning if unforeseen or changing circumstances occur is crucial and ensure that the spectrum of EU policies does not get submerged by one isolated

Risk	Risk level (H/M/L)	Mitigating measure
Union.		sector.
Difficulty to measure the real effects of public diplomacy activities, which reduces the informed basis for EU action.	M	Development of EU public diplomacy indicators.
Limited interest by local target audiences of the initiatives implemented by the EU	M	Following the suggestions outlined in the above mentioned EC "Perception Study" to ensure that the content of the initiatives resonates among local target audiences will significantly reduce such risk.

**3.4. Stakeholders**

The main stakeholders are: international and national civil society organisations, universities, academics, students at all levels, non-governmental organisations, think tanks, opinion makers, research centres, cultural organisations and operators (both formal and informal), foundations, community structures including a range of actors such as media, leaders, local governments, trade, youth, children and women’s associations, private sector organisations and business community, as well as individuals and the general public, national and local authorities, parliamentarians and other politicians, diplomatic corps, EU institutions, artists, alumni of EU programmes etc.

**4. IMPLEMENTATION ISSUES**

**4.1. Method of implementation**

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

***4.1.1. Grants: call for proposal<sup>9</sup> (direct management)***  
***4.1.1.1. Call for proposals - Jean Monnet activities***

(a) Objectives of the grants

These grants fall into strand 'Academic outreach through Jean Monnet activities' (see infra section 3.1).

Grants covering three years for either: i) Modules: a short teaching programme in the field of European Union studies of 40 teaching hours; ii) Chairs: teaching posts with a specialisation in European Union studies for university professors or senior lecturers; iii) Centre of Excellence: a focal point of competence and knowledge on European Union subjects; iv)

<sup>9</sup> Article 189 (RAP) (article 128 FR) – Content of calls for proposals

Networks: support the creation and development of consortia of international players (universities and other higher education institutions, Centres of Excellence, departments, etc.) in area of EU studies; v) Projects: support for innovation, cross-fertilisation and the spreading of the EU content; and vi) Support to Associations: contribution to support the study of the EU integration process. These actions will be based on unilateral proposals - although the proposed activities may involve other partners – and may last up to 36 months.

(b) Eligibility conditions

A higher education institution established in any country of the world or other organisations active in the European Union studies subject.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant:

- Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out and to participate in its funding.
- Applicants must have the professional competences and qualifications required to complete the proposed action.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action. Essential award criteria are:

- Quality of the project design and implementation;
- Quality of the project team and cooperation arrangements;
- Impact and dissemination.

(d) Maximum rate of co-financing<sup>10</sup>

The maximum possible rate of co-financing for grants under this call depends on the activities funded: i) Modules: the maximum grant that can be awarded is EUR 30,000 that can represent the maximum of 75% of the total costs of the Jean Monnet Module; ii) Chair: the maximum grant that can be awarded is EUR 50,000 that can represent the maximum of 75% of the total cost of the Jean Monnet Chair; iii) Centre of Excellence: the maximum grant that can be awarded is EUR 100,000 that can represent the maximum of 80% of the total eligible costs; iv) Networks: the maximum grant that can be awarded is EUR 300,000 that can represent the maximum of 80% of the total costs; v) Projects: the maximum grant that can be awarded is EUR 60,000 that can represent the maximum of 75% of the total costs; vi) Support to Association: the maximum grant that can be awarded is EUR 50,000 that can represent the maximum of 80% of the total costs.

(e) Indicative trimester to launch the call

3rd quarter 2018. The call will be launched by the Education, Audiovisual and Culture Executive Agency (EACEA) based on the co-delegation in force between FPI and EACEA.

(f) Exception to the non-retroactivity of costs: NA

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<sup>10</sup> Article 192 FR – full financing of an external action

#### 4.1.1.2. Call for proposals – Engagement with Civil Society in Japan and India

(a) Objectives of the grants

Part of the public diplomacy envelope in the AAP 2018 will be implemented through the award of grants. Indicatively, it is estimated that two calls for proposals will be launched.

Grant agreements resulting from the above mentioned call will fall under strand 'Civil Society engagement' (see *infra* section 3.1).

Action/Countries	EUR million
Jean Monnet activities	3.50 <sup>11</sup>
Japan	0.15
India	0.55
<b>Total</b>	<b>4.20</b>

In the event that it does not prove possible to conclude the grant agreements related to the above-mentioned actions managed by the Delegations, the implementation of the calls for proposals will be ensured at HQ level by the Service for Foreign Policy Instruments.

(b) Eligibility conditions

Civil Society Organisations established in the EU and in eligible countries according to CIR article 8.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are the relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing<sup>12</sup>

The maximum possible rate of co-financing for grants under this call is 80% of the eligible costs of the action.

(e) Indicative trimester to launch the calls for proposals: 3rd quarter 2018.

(f) Exception to the non-retroactivity of costs: NA

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<sup>11</sup> On the basis of the following indicative allocations: EUR 1 million for USA; EUR 1 million for Russia; EUR 1.5 million for the remaining countries

<sup>12</sup> Article 192 FR – full financing of an external action

#### **4.1.2. Procurement (direct management)**

##### **4.1.2.1 Procurement – EU Policy and Outreach Partnership**

(a) The project will be implemented via service contract(s). Indicatively six service contracts are expected to be concluded for the implementation of the programme.

(b) Indicative timing to launch the calls: 3rd quarter 2018.

<b>Action/Countries</b>	<b>EUR million</b>
EU Policy and Outreach Partnership in ASEAN	2.50
EU Policy and Outreach Partnership in South America	1.60
EU Policy and Outreach Partnership in Republic of Korea	0.75
EU Policy and Outreach Partnership in Central America	1.00
EU Policy and Outreach Partnership in Russia	2.00
EU@SXS	2.00
<b>Total</b>	<b>9.85</b>

This list may be adapted pending the results of the call for tenders, the satisfactory performance of ongoing service contracts, the development of the EU Public Diplomacy Strategy, or the evolution of political relations with the concerned partner countries.

In the event that it does not prove possible to conclude such service contracts from the EU Delegations, the implementation of the calls for tenders will be ensured at headquarters level by the Service for Foreign Policy Instrument.

##### **4.1.2.2 Procurement – EU-China Interpreters Training Programme**

Part of the Public Diplomacy envelope in the AAP 2018 (EUR 0.45 million) will be implemented through a cross sub-delegation of funds to DG SCIC to support for a limited period a new phase of the EU-China Interpreters Training Programme.

The above mentioned programme falls under the strand 'EU Policy and Outreach Partnership' (see infra section 3.1 above).

#### **4.2. Scope of geographical eligibility for procurement and grants**

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 4.3. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
<b>4.1.1. – Call for proposals (direct management)</b>	<b>4.20</b>
4.1.1.1. Call for proposals Jean Monnet activities (launched by EACEA)	3.50
4.1.1.2. Call for proposals – CSO engagement in Japan and India	0.70
<b>4.1.2 – Procurement (direct management)</b>	<b>10.30</b>
4.1.2.1. Procurement – EU Policy and Outreach Partnerships actions	9.85
4.1.2.2 Procurement –EU-China Interpreters Training Programme (through cross sub-delegation to DG SCIC)	0.45
<b>Total</b>	<b>14.50</b>

### 4.4. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

### 4.5. Evaluation and audit

For this action or its components the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the "N+1" applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.4 above, will be funded from sources other than those allocated to this specific action.

#### **4.6. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1 January 2018, and apply to all contracts signed from that date.<sup>13</sup>

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<sup>13</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf)



EN

ANNEX 17

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

**Action Fiche for EU – Indonesia and Vietnam Partnership Facility**

**1. IDENTIFICATION**

Title of the action	EU-Indonesia and Vietnam Partnership Facility			
Country(ies)/ Region	Indonesia and Vietnam			
Total cost	Total estimated cost: EUR 4 000 000 Total amount of the EU budget contribution: EUR 4 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Procurement - direct management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

This action aims to strengthen the EU-Indonesia relations and the EU-Vietnam relations by supporting the implementation of the Partnership and Cooperation Agreements (PCAs) in key priority areas for the EU and in areas of mutual interest with the partner countries.

It will contribute to advance the existing bilateral dialogues and sectoral working groups, and open avenues to expand the political relations to new areas and domains under the PCAs, in coherence with the priorities of the Global Strategy for the European Union's Foreign and Security Policy<sup>2</sup>.

Through the provision of experts, the exchange of knowledge, and logistical support, the proposed action will serve as an instrument to translate political commitments into concrete actions.

### **2.2. Context**

#### Indonesia

Indonesia is a significant partner with growing importance for the EU due to its size, location, and its rapidly emerging role in the international arena such as the United Nations (UN), G20 or Association of Southeast Asian Nations (ASEAN). As the world's 4<sup>th</sup> most populated country (265 million) and the 3<sup>rd</sup> largest democracy, and the 8th largest (in PPP) economy, it is the weightiest member state of the ASEAN endorsing greater regional integration.

Given the country's emerging role in the world arena, the vast business opportunities and size of its market, the EU and its Member States have substantial political and economic interest in Indonesia. However, Indonesia continues to face a number of challenges of concern to the EU, marked by extreme poverty, rising inequalities, the threat of radicalisation, legal uncertainty, entrenched corruption, and limited protection of human rights, and climate challenges.

As any deterioration of environmental/climate, social and political/security situation in such a largely populated country would directly impact the EU and its member states, it is in the EU's interest to actively engage to address those challenges and work towards sustainable solutions in coherence with the values and principles of the European Union.

The EU-Indonesian bilateral relations are gradually intensifying, and political dialogue is swiftly replacing traditional development cooperation. Indonesia has graduated from bilateral EU development assistance and is now evolving towards a peer-to-peer driven political partnership with the European Union.

Currently, the EU and Indonesia bilateral relations are guided by a Partnership and Cooperation Agreement (PCA)<sup>3</sup>, which is the first one to be ratified in Southeast Asia and entered into force in 2014. The PCA sets out to strengthen the bilateral EU - Indonesia relationship and to promote cooperation in all sectors of mutual interest.

Under the umbrella of the PCA, key annual political and sectorial dialogues were established on Security, Human Rights, Oceans, as well as working groups on Development cooperation,

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<sup>2</sup> [https://europa.eu/globalstrategy/sites/globalstrategy/files/pages/files/eugs\\_review\\_web\\_13.pdf](https://europa.eu/globalstrategy/sites/globalstrategy/files/pages/files/eugs_review_web_13.pdf)

<sup>3</sup> [http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc\\_154810.pdf](http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154810.pdf)

Trade and Investment, and the Environment and Climate Change. A Joint Committee to review and decide of priorities for the implementation of the PCA also takes place annually.

As both sides are keen to develop the EU-Indonesia relationship into a multi-faceted partnership, the Partnership Facility would provide a tool to advance the dialogues and support the tasks of the working groups.

### Vietnam

Vietnam is now entering a new phase of its national development and the country has set the objective to become industrialised by 2020. For this, Vietnam needs to move from a growth model based on low-cost labour to one based on innovation and productivity growth. This calls for major structural changes in the economy, continued investments in infrastructure and human capital, as well as strengthening its governance capacity and the role of civil society, as a response to rising inequalities and social tensions.

The very young and dynamic population, the increasingly affluent urban middle class, the widespread use of social media and internet, and the increasing demand for accountability (particularly on health, education, public services, corruption, environmental issues and gender) are some of the key factors that will inevitably force the regime to evolve.

EU-Vietnam political relations were established in 1990 and have been deepened through the entrance into force of the Partnership and Cooperation Agreement (PCA)<sup>4</sup> in 2016, the second one to be signed in Southeast Asia.

The year 2018 will be a test to both the EU and Vietnam's commitment as the institutional framework and set up of the dialogues under the PCA, and as the ratification of the Free Trade Agreement (EVFTA)<sup>5</sup> is discussed by the European Parliament (EP), in an overall context of tightened power from the single-party regime and increased crackdown on human rights defenders.

The PCA broadens the scope of the EU-Vietnam dialogue and cooperation in the areas of multilateralism, international security and defence, trade, environment, energy, science and technology, good governance, human rights, tourism, education, culture, migration and the fight against corruption and organised crime.

As the Action Plan is planned to be adapted in early 2018, the priorities jointly identified will need to be supported by concrete projects and activities.

In this sense this Partnership Facility will provide an essential tool to transform the potentialities of the EU-Vietnam partnership into tangible reality.

### **2.3. Lessons learnt**

Lessons learnt from other similar programmes in China, Thailand, or Brazil as well as from past cooperation between the EU and Indonesia and Vietnam show that transforming general agreements and political dialogues into concrete actions is labour intensive.

In this sense, the relevant and responsible national counterparts and line Directorate Generals (DGs) must actively engage in the high level dialogues, joint committees, and other

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<sup>4</sup> <https://eeas.europa.eu/sites/eeas/files/pca.pdf>

<sup>5</sup> <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1437>

mechanisms of consultation and political and trade exchanges. They should also take part in the design, implementation, and evaluation of results as to ensure that these actions contribute to the EU political and sectorial objectives with Indonesia and Vietnam.

It is difficult to forecast priorities and allocations of funds for the actions, as the natural evolution of political relationships imply that priorities are reviewed from year to year.

The Facility must maintain a flexible approach as to support activities that will be defined on a dialogue-driven basis according to the orientations and priorities set by EU, Indonesian, and Vietnamese partners in the framework of the dialogues.

Other lessons learnt from similar programmes show that ensuring continuity of some actions is vital to reach concrete results for the political dialogues. A regular dialogue often raises new questions and issues and continued financial and technical support allows building blocks and results that contribute to achieve its overall objectives.

Finally, all actions must present a logical structure and sequence and not be limited to isolated studies, missions, or conferences.

#### **2.4. Complementary actions**

For both Indonesia and Vietnam, complementarities and synergies will be sought with all relevant ongoing and future Partnership Instrument actions and bilateral development programmes in Indonesia, Vietnam, and the region, implemented either as standalone actions or through the Policy Support Facility (PSF), Technical Assistance and Information Exchange instrument (TAIEX) or other facilities, as far as they have impact on the political dialogue with Indonesia and Vietnam.

The proposed action is complementary to the PSF action "Support to the Negotiations for an EU-Indonesia Comprehensive Economic Partnership Agreement (CEPA)".

It will also be complementary to the "EU Policy and Outreach Partnership Indonesia" (EUPOP Indonesia) and "EUPOP ASEAN" for which Vietnam is one of the target countries. EUPOP Indonesia and EUPOP ASEAN support the achievement of EU foreign policy objectives through public and cultural diplomacy activities that build long-term peer-to-peer engagement and mutual trusts in strategic sectors of EU- Indonesia and EU-Vietnam political and economic relations.

Complementarities and synergies will be explored with ongoing DEVCO and other line DGs' projects (H2020, COSME, EEN, etc.), especially those which are linked to sector dialogues and specific policy objectives, in particular with the projects funded under Development Cooperation Instrument (DCI) and Instrument for Cooperation with Industrialised Countries (ICI+) in the sectors of the environment, climate change, good governance, or business support such as: "Support to Indonesia's climate change response", "EU support to justice sector reform (SUSTAIN)", and "Support to European business in Southeast Asian markets (SEBESAM)".

The "Enhanced Regional EU-ASEAN Dialogue Instrument (E-READI)" is a similar policy dialogue facility with the Secretariat of ASEAN with which interaction will be sought, as regards to actions with a regional scope, as it will support the implementation of the ASEAN Community blueprints, drawing on European experience and know-how through sectoral policy dialogues.

EU Member States will be invited to contribute with their know-how and initiatives in order to increase the coherence and impact of EU actions under this facility, and orient them towards a stronger impact of the EU policy objectives.

In specific sectors of interests, synergies will be sought with other relevant interventions developed by international organisations, UN Agencies, or Regional Development Banks, as to ensure that the mutual interests guiding the implementation of specific actions is aligned with international commitments, the multilateral agenda, and regional integration.

## **2.5. Cross-cutting issues**

At formulation stage, no specific cross-cutting issues needs to be further addressed.

In line with the internal, multilateral, and international political commitments and objectives of the EU, the action will consistently mainstream cross-cutting issues, including gender, environmental sustainability, and sustainable economic growth. Cross-cutting issues will be addressed when designing and implementing activities in support of the dialogues.

The actions will also be monitored for their capacity to influence and advance on the issues of gender equality, climate change, the environment, and trade development in the in relation to international conventions and agreements to which the involved parties are signatories, including the **Sustainable Development Goals (SDG)** agenda<sup>6</sup>, the Paris Agreement on Climate Change<sup>7</sup>, and the New Global Urban Agenda<sup>8</sup>.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of this action is to contribute to the strengthening and enlargement of EU relations with Indonesia and Vietnam, in line with the strategic framework represented by the EU Global Strategy, the EU-Indonesia Partnership and Cooperation Agreement, the EU - Vietnam Partnership and Cooperation Agreement, the upcoming EU-Vietnam Free Trade Agreement (EVFTA)<sup>9</sup> and other relevant bilateral agreements.

The specific objective is to help advance the implementation of the EU-Indonesia and EU-Vietnam Partnership and Cooperation Agreements and the bilateral dialogues and working groups in specific priority areas of EU and mutual interest.

The proposed action shall respond to priorities and needs on a dialogue-driven basis, when they relate to priorities and decisions taken in the framework of political dialogues, working groups, country team meetings, and joint committees.

### **3.2. Expected results and main activities**

Whilst the action will be implemented bilaterally, the main expected results (R), and indicative activities for the use of the facility in both Indonesia and Vietnam are:

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<sup>6</sup> [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/RES/70/1&Lang=E](http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E)

<sup>7</sup> [http://www.un.org/ga/search/view\\_doc.asp?symbol=FCCC/CP/2015/L.9/Rev.1&Lang=E](http://www.un.org/ga/search/view_doc.asp?symbol=FCCC/CP/2015/L.9/Rev.1&Lang=E)

<sup>8</sup> <http://habitat3.org/wp-content/uploads/NUA-English.pdf>

<sup>9</sup> <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1437>

R.1: Extended and strengthened basis for the EU-Indonesia and EU-Vietnam relationships in the framework of the Partnership and Cooperation Agreements and the upcoming EU-Vietnam Free Trade Agreement (EVFTA).

R.2: The external dimension of a number of key EU policies is promoted with the ultimate aim of influencing decision making processes by Indonesian and Vietnamese institutions in relevant policy areas of EU and of mutual interest.

R.3: Cooperation in priority areas is reinforced and concrete follow-up measures to sector dialogues and working groups are put in place and implemented.

R.4: New areas of partnership and cooperation of EU and mutual interest are identified and developed. New dialogues and working groups under the PCA are supported.

R.5: Updated information available and regularly disseminated on the evolution, contents and results of the different activities implementing the PCA.

For both Indonesia and Vietnam, the *indicative activities* of the proposed action will include:

- Preparation of baselines, benchmarking and specific sector studies on issues that are relevant for the dialogues and partnership;
- Organisation of events (conferences, seminars, workshops, mutual technical visits and other exchange activities, etc.) within the scope of the dialogues;
- Provision of specialised technical assistance and expertise to relevant stakeholders;
- Consolidation and further development of monitoring, communication and visibility tools, including technical publications.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
Decline in the overarching political commitment in Indonesia to share the EU's more assertive approach to the partnership	L	Continuous assessment of the political situation in Indonesia and increased engagement activities with key partners and individuals
Political dialogue deteriorates over domestic situation in partner countries.	L	Continuous dialogue and monitoring of the situation. If a crisis emerges, the existence of the programme can become a mitigating measure itself, carrying out activities aimed at addressing the causes or consequences of the situation.
Engagement and availability of staff of Indonesian counterparts to implement PCA not sufficient or decreases over time	M	The proposed activities have to meet the interest of the Indonesian counterpart authorities, be assessed critically and secure the support from both dialogue partners.

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Wrong/inadequate personnel attends meetings	M	Clear identification and description of the Indonesian and Vietnamese official participants to activities. High quality preparation and negotiation of the events with partner stakeholders.
Poor availability of EU institutions to get involved in the activities, including the provision of necessary human resources to steer them	M	Strategic selection of the areas of intervention, in line with the EU's interest and policy priorities. Extensive internal coordination among services
Irritants coming from political developments, disputes or human rights issues negatively affect bilateral relations	M	Carefully monitoring the bilateral agendas and continuous engagement with counterparts. Project activities shall adapt to evolving circumstances.
Negative perceptions within Indonesia of EU-driven dialogue	H	Link the project activities to the areas of priority and interest of the Indonesian government
Frustrations if activity proposals are rejected	L	Extensive coordination, dissemination and preparatory work with counterparts so as to manage expectations properly
Excessive last minute changes to work programme rendering actual implementation problematic.	L	Good identification, preparation and negotiation of actions and work-plans discussed and agreed upon by relevant stakeholders

### **3.4. Stakeholders**

The main stakeholders of the proposed action include:

- EU Institutions including the EEAS, European Commission services, EU sectoral Agencies where appropriate
- EU Member States and their relevant institutions
- Indonesian and Vietnamese Ministries and national government agencies
- EU, Indonesian, and Vietnamese civil society, academia, private sector, local governments, and other actors will be associated when appropriate and relevant

#### 4. IMPLEMENTATION ISSUES

##### 4.1. Method of implementation

###### 4.1.1. Procurement (direct management)

- (a) The programme will be implemented via service contract(s). Indicatively, one service contract is expected to be concluded for the implementation of the programme.
- (b) Indicative timing to launch the call for tender: 3rd quarter 2018.

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

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014<sup>10</sup> on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

##### 4.3. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1 Procurement (direct management)	4
<b>Total</b>	<b>4</b>

##### 4.4. Organisational set-up and responsibilities

The action shall be implemented separately with one bilateral component for Indonesia and one component for Vietnam.

Flexibility will guarantee the success of this Facility as the actions will respond to priorities reviewed and agreed yearly and according to the evolution of the political relationships between the EU and Indonesia and between the EU and Vietnam.

The actions will thus be decided according to priorities set during the high level sectorial dialogues, working groups, country team meetings, and usually endorsed in the framework of the joint committees.

The Facility will be steered and guided by the Delegations of the European Union to Indonesia and to Vietnam, with the support of the Service for Foreign Policy Instruments (FPI) Regional Team for Asia and Pacific (FPI RT ASIAPAC). The technical assistance provided under this facility will be completely independent from the partner Governments.

EU line DGs, EU Delegations and Indonesian and Vietnamese counterparts involved in the dialogues and working groups will have a right to initiative and presentation of the actions.

<sup>10</sup> [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial\\_assistance/ipa/2014/236-2014\\_cir.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/ipa/2014/236-2014_cir.pdf)



They will have to confirm their engagement and contribute to the design and implementation of the action, and they will be responsible to report on the results in the following policy dialogues.

The final decision on which actions can be funded and their implementation modalities will be taken by an ad hoc Screening Committee composed of the EU Delegation's sections, the FPI RT ASIAPAC, and the respective resident coordinator of the service provider for each country (part of the service provider's team). Line DGs may be invited to participate in this Committee when relevant.

The service provider's team will be composed of one resident coordinator to manage the component for Indonesia and one resident coordinator to manage the component for Vietnam. This will allow to understand the specific needs and constraints and to adjust the actions to the real possibilities of implementation in the respective national contexts, and to closely coordinate with the EU Delegations and the national counterparts.

One Team Leader/ General Coordinator of the action will be in charge of providing backstopping to the resident coordinators, oversee the coherence of the overall facility, draw synergies, monitor the actions, identify good practices, and implement all communication and visibility aspects for both components.

All 3 experts shall have the capacity and sufficient backstopping to call on specific expertise of non-key experts for the individual activities of the facility.

#### **4.5. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>11</sup>

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<sup>11</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).

**EN**  
**ANNEX 18**

of the Commission Implementing Decision on the 2018 Annual Action program for the Partnership Instrument

**Action Fiche for Support Facility for the implementation of the EU-Japan Strategic Partnership Agreement (SPA)**

**1. IDENTIFICATION**

Title of the action	Support Facility for the implementation of the EU-Japan Strategic Partnership Agreement (SPA)			
Country(ies)/ Region	Japan			
Total cost	Total estimated cost: EUR 2 000 000 Total amount of the EU budget contribution: EUR 2 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Procurement – direct management			
Markers (from CRIS DAC form)		Not targeted	Significant objective	Main objective
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

The overall aim of the action is to deepen EU-Japan relations on priority themes of EU and mutual interest.

The action will support the preparatory phase and the implementation of the EU–Japan Strategic Partnership Agreement (SPA), which aims to quantitatively and qualitatively upgrade bilateral relations by enhancing the wide range of on-going policy dialogues with Japan as well as rapidly responding to emerging issues of concern.

The action will contribute to widely promoting EU interests in Japan and it is expected that it will also contribute to the increasing alignment of the EU and Japan's policy positions and approaches including in multilateral fora<sup>2</sup> as well as the increasing harmonisation of legal frameworks in the policy areas addressed through the action.

The Country Team Meetings, coordinated by the EEAS and organised two-to-three times per year, will be the forum to select the policy areas/dialogues to be supported by the action, which will be in line with the political priorities established in the annual EU-Japan Summit. The number of policy areas/dialogues selected will reflect the considerable breadth of the SPA.

### **2.2. Context**

At a time of unprecedented globalisation and worldwide interdependence, the need for international co-operation has never been greater. At a time when the domestic challenges we face in the EU invariably comprise an international dimension, we must seek likeminded global partners and encourage responsible global governance with a view to ensuring a just and stable international in order to achieve global peace, stability and prosperity of the world as well as human security. Indeed the EU-Japan SPA has been negotiated precisely for such principled reasons.

The SPA is a far-reaching agreement, which will enable the parties to work closely to address bilateral and major global challenges that the international community has to face, such as the proliferation of weapons of mass destruction, terrorism, climate change, poverty and infectious diseases, threats to common interest in the maritime domain, cyberspace and outer space.

The SPA provides a legal framework for deep cooperation; its unprecedented scope represents a paradigm shift as compared to the framework that has hitherto regulated EU-Japan relations, namely the Strategic Partnership Agreement of 2001.

The SPA will enable the EU to both expand and deepen its relations with Japan, currently characterised by a culture of dialogue, and move towards a culture of deep cooperation through joint activities including with other European and Japanese stakeholders.

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<sup>2</sup> Japan will preside the G20 in 2019.

The already extensive and numerous dialogues<sup>3</sup> will be strengthened and an inclusive approach will help address a deficit in terms of the awareness of the SPA beyond the main Japanese stakeholders, namely the Ministries and the Diet. Such an approach will also help to provide local stakeholders, at times critical of EU policies and policy approaches, with information and opportunities to directly interact with EU representatives. Existing dialogues will be followed by more concrete actions with scope to launch pilot activities in new areas, as necessary.

The signature of the SPA is foreseen to take place at the 25th EU-Japan Summit. The proposed action has been formulated to cover the preparatory phase of the SPA; implementation is therefore also foreseen during the provisional application of the Agreement.

The action will support all four objectives<sup>4</sup> of the Partnership Instrument (PI).

### **2.3. Lessons learnt**

During the parallel SPA and Economic Partnership Agreement (EPA) negotiations over the last four years, Japanese stakeholders from the GoJ and beyond have consistently demonstrated a greater understanding, knowledge and interest in the EPA over the SPA.

This action provides an opportunity not only to rebalance relations with Japan, hitherto characterised as primarily commercial, but to widely disseminate the understanding that the EU is not just a trade partner to Japan, but also a partner to address and resolve global challenges of a political, social and environmental nature. The message will be appropriately conveyed in the activities to be implemented.

### **2.4. Complementary actions**

The SPA Facility-approved activities will be supporting the core of the EEAS and Commission's work, namely its dialogues with Japan's ministries and agencies.

The SPA Facility will complement the numerous other Partnership Instrument projects<sup>5</sup> managed by the EU Delegation to Japan, FPI/4 and the FPI Regional Team in Bangkok, both on-going and in the pipeline<sup>6</sup>. Particular attention shall be paid to ensure coordination with the proposed EPA Support Facility project with its core focus on market access issues. The action will also be in line with the activities of the EU-Japan Centre for Industrial Cooperation, which in its 30 years of existence has developed a wide range of activities from managerial training to information support to policy analysis to logistics support and R&D cooperation.

Measures will be undertaken to ensure that the activities are in line with those of the EU Member States in Japan. The Head of Delegation will provide updates to the EU Ambassadors in the framework of the monthly EU Heads of Mission meetings.

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<sup>3</sup> Approximately 40 dialogues as of 2018.

<sup>4</sup> (i) Global Challenges and policy support; (ii) The external dimension of Europe 2020 Strategy; (iii) Market access, trade, investment and business opportunities; (iv) Academic cooperation, public diplomacy and outreach

<sup>5</sup> EPA Facility; Green Gateway to Japan; Public Diplomacy in Japan; International Urban Cooperation; Women Economic Empowerment; CSR; Competition policy; Liquefied Natural Gas, International Digital Cooperation; Implementation of the Paris Agreement, etc.

<sup>6</sup> Including; bilateral, regional and global stand alone projects; Policy Support Facility actions; TAIEX activities.

In line with the European Economic Diplomacy guidelines recently issued by the EEAS, the Delegation will coordinate and involve the EU Member States present in Japan to monitor changes on the ground, convey, when appropriate, messages and lines to take to relevant Japanese interlocutors.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

##### ***Overall Objective:***

The overall objective of this action is to contribute to the strengthening and enlargement of EU relations with Japan.

##### ***Specific Objectives/Outcomes:***

###### Specific objective 1:

To support the effective implementation the Strategic Partnership between the EU and Japan.

###### Specific objective 2:

To build a strong culture of cooperation in selected policy areas of EU-Japan mutual interest.

#### **3.2. Expected results and main activities**

The specific activities will be in accordance with, and contribute to, the implementation or to the definition of EU priorities in relations with Japan. The specific activities to be supported by the action are broadly categorised as (i) EU interest /advocacy activities or (ii) joint activities, to be implemented with the active participation of the authorities of the Government of Japan (GoJ). The specific activities will be identified by the Commission and the EEAS, including in the framework of the EU-Japan dialogues and also, where appropriate, with the Japanese counterparts in the Joint Committee (yet to be established by the SPA).

The specific activities indicatively include the organisation of conferences, workshops, technical seminars, technical visits, studies, (comparative, technical, etc.), legal analysis, translation, promotional material, the development of media/social media campaigns as well as other innovative activities deemed suitable to enhance EU-Japan relations and enrich EU-Japan dialogues.

R1: Awareness, understanding and transparency of the EU-Japan SPA are enhanced amongst different stakeholders and the general public.

R2: EU-Japan dialogues in priority areas are reinforced and concrete follow-up measures to dialogues are put in place and implemented.

R3: EU-Japan dialogues and discussions are increasingly inclusive and enriched by the participation of a wide variety of stakeholders and ideas to enhance cooperation generated through a bottom-up approach.

R4: New policy areas of mutual interest for dialogue and partnership are identified and pilot initiatives undertaken.

R5: Policies and policy approaches on global challenges in international fora are increasingly aligned.

R6: Legislative and policy approaches in selected areas of mutual interest are increasingly harmonised.

***Indicative Activities***

The following list provides a non-exhaustive guide of the type of activities that could be implemented to support EU-Japan relations in the policy areas/dialogues to be selected for support by the action:

- Preparation of outreach material, in Japanese, on the SPA, its aims and its benefits.
- Organisation and promotion of outreach events to spread knowledge on the SPA, EU policies and the opportunities they bring.
- Organisation of events relating to EU-Japan dialogues: conferences, seminars, meetings, missions, technical visits and other measures of institutional exchange involving EU and Japanese partners relevant to jointly identified priority issues under the SPA.
- Organisation of media/social media campaigns.
- Legal analysis of Japanese legislation, including translation.
- Studies (comparative EU-Japan, technical, etc.).
- Activities targeting relevant stakeholders to involve them in the SPA.
- Establishment of an effective monitoring system of the progress of the SPA

The above activities will be either driven by EU interest or joint activities in case of mutual interest.

**3.3. Risks and assumptions**

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
GoJ may have different priority areas for implementation of SPA than those promoted through the SPA Facility.	M	Decisions regarding the specific activities to be implemented will reflect discussions and joint activities identified in the EU-Japan dialogues or by the Joint Committee established by the SPA. Ensure that the specific activities approved reflect the interest of Japan as well as the EU.
The selection of priority policy areas does not fully reflect the EU's political objectives	L	The mechanism for selection of priority policy areas is placed at a sufficiently high level. Priorities will also be taken from EU-Japan Summit declarations.

Risk	Risk level (H/M/L)	Mitigating measure
Bottom-up approach is not fully in line with EU Strategic priorities.	L	Careful consideration by the EU (and where relevant including by the Japanese authorities in the dialogues and SPA Joint Committee), of the policy areas/dialogues where a wider group of stakeholders shall be given the opportunity to enhance EU-Japan dialogues through calls for participation.
Limited availability and/or mission funds of EU colleagues from EEAS and COM to travel to Japan to lead and participate in the specific activities to be organised.	M	Careful planning of specific activities in Japan in line with the availability of HQ colleagues, identification and agreement of priority policy areas before the project start; Approval of specific activities in a wide range of high priority policy areas.

### 3.4. Stakeholders

With a view to making the SPA relevant to groups beyond the Government of Japan (GoJ), it is also foreseen that relevant stakeholders will be given the opportunity to both propose and implement activities to enrich the EU-Japan dialogues, on the basis of criteria and priorities coherent with the rest of the action and following parameters set in the dialogues and/or by the corresponding COM Services and EEAS.

In view of the breadth of the SPA and the intention to enrich certain EU-Japan dialogues through the inclusion of a wider group of stakeholders, the following is a non-exhaustive list of the groups that could take part in the action:

- EEAS
- Relevant Services of the European Commission
- European Parliament
- EU Agencies
- EU Member States and their relevant Institutions
- Ministry of Foreign Affairs of Japan
- Other relevant Ministries and Agencies of the Government of Japan
- Members of the Japanese Diet
- Local authorities of Japan
- EU and Japanese think tanks
- European and Japanese private sector, academia, NGOs.
- EU social partners
- Members of the media



In view of the numerous entities involved in the various phases of decision-making in the selection of policy-dialogues to be supported and specific activities to be implemented, the principal roles of those entities are set out below:

Entity	Principal Role
EU-Japan Leaders' Summit	Set political priorities for EU-Japan relations
SPA Joint Committee	Identify and endorse joint activities, identify implementation gaps
Country Team Japan	Commission Services and the EEAS <i>agree</i> on the dialogues and policy areas to be supported by the action
Commission Services	<i>Identify</i> , including in the dialogues with the GoJ, specific activities to enhance dialogue in question
EU Delegation to Japan	Overall management of the action and principal conduit for relations with the Contractor
Contractor	Facilitate all aspects of the implementation of approved activities (organisation of events, selection of venues, identification of experts, organization of calls for participation, design and execute communication campaigns, monitoring, etc.).

**4. IMPLEMENTATION ISSUES**

**4.1. Method of implementation**

**4.1.1. Procurement (direct management)**

- (a) The programme will be implemented via service contract(s). Indicatively, one service contract is expected to be concluded for the implementation of the programme.
- (b) Indicative timing to launch the call for tender: 3rd quarter 2018

**4.2. Scope of geographical eligibility for procurement and grants**

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

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in

other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

**4.3. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. – Procurement (direct management)	2
<b>Total</b>	<b>2</b>

**4.4. Organisational set-up and responsibilities**

The action will be managed by the EU Delegation to Japan.

The Delegation will organise monthly coordination meetings with the contractor to review the implementation strategies, activities and tasks foreseen.

The Country Team Meetings will take place two-to-three times per year, and in addition to being the forum for the selection of policy areas/dialogues to be supported, the EEAS and the Commission will have an opportunity to provide feedback on the implementation of the specific activities relating to their respective policy areas/dialogues.

Whilst the SPA Joint Committee will not monitor the activities funded in the framework of the action per se, it will be responsible for assessing the gaps in the implementation of the SPA. The Committee's assessment may therefore contribute to the improvement of the effectiveness of the action.

**4.5. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity’s responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional action monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.6. Evaluation and audit**

A mid-term evaluation shall be carried out on the methodology used to enhance awareness of the SPA. Depending on the outcome, the action methodology would be adjusted accordingly.

A final study will independently evaluate the project, taking into account the experience and views of different stakeholders. Success will be measured against key indicators such as joint activities, alignment of EU and Japan policies and policy approaches.

For this action, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

Communication and visibility activities will constitute a core part of the action. A high level of transparency of the SPA process is a core aim of the project. As such, communication activities will be prioritised in the action. Through numerous public events including SPA progress seminars, sectoral and thematic outreach events, EU visibility will be substantial. Activities will be undertaken to promote the SPA generally including its benefits communication shall be an integral part of each event organised in the framework of this action.

Comprehensive and timely information will be regularly sent to key stakeholders (including media, think tank representatives) alerting on the outcomes of the actions and diffusing background information on key issues. Specific materials shall be created and media/social media campaigns launched on relevant policy areas/topics. Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

Appropriate contractual obligations shall be included in the procurement contract. This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>7</sup>

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<sup>7</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf) .

EN

ANNEX 19

of the Commission Implementing Decision on the 2018 Annual Action Programme for the Partnership Instrument

**Action Fiche for Policy Support Facility (PSF)**

**1. IDENTIFICATION**

Title of the action	Policy Support Facility (PSF)			
Country(ies)/ Region	Global			
Total cost	Total estimated cost: EUR 4 000 000 Total amount of the EU budget contribution: EUR 4 000 000			
Total duration <sup>1</sup>	18 months			
Method of implementation	Procurement – direct management Grants – call(s) for proposals			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

The overall aim of the Policy Support Facility (PSF) is to support the EU's priorities and to positively influence the partner countries/regions' agenda, so that it aligns as much as possible with the EU's policies, objectives and values (especially when it relates to values, governance, standards, consumer protection including consumer product safety, climate change or the protection of the environment); an active and engaging policy dialogue will foster mutual understanding as well as common responses to global challenges.

### **2.2. Context**

The Partnership Instrument (PI) includes, amongst its thematic priorities, support for the implementation of Partnership and Cooperation Agreements, Action Plans and similar bilateral instruments, strengthening the political and economic dialogue with third countries of particular relevance in world affairs, including in foreign policy; support for negotiation and implementation of Economic Partnership Agreements; supporting engagement with relevant third countries on bilateral and global issues of common concern; enhancing policy dialogues and cooperation with relevant third countries, taking into consideration all areas within the scope of the Europe 2020 strategy; promoting the Union's internal policies with key partner countries and supporting regulatory convergence in this regard.

In order to address these priorities, a Policy Support Facility was created by the Partnership Instrument Annual Action Programme (AAP) 2014 to respond to the dynamic and fast-changing global environment that EU policies have been confronted to in terms of partner countries'/regions' approaches to these policies and to promote EU interests.

The Annual Action Programmes 2015, 2016 and 2017 included further allocations for the PSF which allowed the continuation of the implementation of the facility. An individual measure for 4 million EUR has been presented in early 2018 to ensure that there would be no funding gap between the end of the 2017 budget and the adoption of the AAP2018.

This PSF is conceived as a rapid-response tool enabling targeted, flexible and tailor-made short-term actions. As such, it is implemented primarily through a multiple Global Framework Contract with three lots; in duly justified cases however, services may be contracted through other existing framework contracts managed by other DGs upon agreement by the responsible service and/or tendered outside existing framework contracts. For some activities under this facility, in particular those targeting multilateral relations of the EU, grants under direct management are the most suitable implementation method.

### **2.3. Lessons learnt**

The design of the PSF and its internal processes was based on lessons from existing similar dialogue facilities that point to the importance of identifying priority areas for enhancing the partnerships, allowing the facility's efforts to be concentrated in sectors with clear strategic interest, specific engagements and foreseeable EU or mutual benefits. However, some PSF actions have not succeeded in serving the policy dialogue in the long-run due to a lack of vision, lack of follow-up and/or unwillingness by partners to engage. The Service for Foreign Policy Instruments (FPI) strives to avoid the repetition of these shortcomings by an enhanced proposal assessment processes under the PSF.

Previous projects have shown the importance of maintaining a high degree of flexibility to respond to changing priorities or political commitments, while also planning and ensuring continuity of activities in a number of key priority areas. Careful planning will also be essential to help manage the financial and logistic uncertainties derived from the demand-driven approach of the action. It will also be essential to ensure the active participation of relevant DGs responsible for each dialogue in the very labour intensive follow-up of political engagements.

#### **2.4. Complementary actions**

This global Policy Support Facility co-exists with several country-specific policy dialogue facilities funded through the Partnership Instrument (for Brazil under AAP 2015, China and Mexico under the AAP 2017, Japan proposed under the AAP 2018). The overall objective of those country-specific actions is to contribute to strengthening and further enlarging bilateral relations through supporting sector dialogues on priority themes of mutual interest in order to enhance the Strategic Partnership between EU and the countries concerned. Complementarities and synergies will be sought with projects covered under these bilateral facilities.

#### **2.5. Cross-cutting issues**

Each individual action under the Policy Support Facility will identify its respective cross-cutting issues during the identification of the specific action.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

To support policy dialogues between the EU and partner countries on bilateral and global issues of common concern and to facilitate economic and trade relations with partner countries.

It will complement/support the external dimension of internal policies conducted under the other EU political programmes and instruments.

#### **3.2. Expected results and main activities**

R1: Improved bases for policy dialogues of the EU with partner countries and the improvement of the quality of co-operation with those partner countries in areas of common interest.

R2: Improved bases for activating or renewing debates relevant to EU, international or joint agendas.

R3: Improved bases for adoption/approximation to EU and international standards.

For the purpose of the PSF a Global Framework Contract was tendered, consisting of the following three Lots:

- Lot 1 – Event organisation: logistics, travel and accommodation associated to conferences, forums, workshops, study visits, incl. logistical support for working sessions on policy dialogues (in Europe or partner country), etc.
- Lot 3 – Information and communication: information and communication actions of the EU.
- Lot 4 – Market Access and Trade & Investment Agreement Negotiation & Implementation: legal analysis and advice, expertise to support Delegations coordinating Market Access Teams, translations, statistics and collection of data and analysis, expert seminars, workshops, technical assistance to support partner countries implement necessary reforms, monitoring of trade agreements.

An additional Lot 2 on technical expertise was eventually not awarded. The related needs are covered by Framework Contracts managed by other DGs, primarily DEVCO.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
The activity is an isolated event and does not contribute to deepening the policy dialogue.	M	A proposal has to be presented for approval of the activity and one of the requirements for approval is that the proposal makes it clear how this activity is embedded in a policy dialogue and/or agenda.
The activity overlaps with or duplicates activities carried out by other Commission services.	L	As part of the approval process, all relevant European Commission services are consulted on the proposed activity.
Insufficient absorption capacity of the users (EEAS, line DGs) to provide the technical and policy steer of the activity.	M	A proposal has to be presented along with an endorsement letter at an appropriate level of hierarchy; the endorsement letter specifically appoints a focal person in charge of the technical and/or policy steer.

### 3.4. Stakeholders

Direct stakeholders and partners of the different activities within the facility are partner country administrations involved in the dialogues, together with the corresponding services of the European Commission, the EEAS and other partner country and European public and private institutions interested in the policy dialogues (regional and local governments, universities and research centres, business and socio-professional associations, NGOs, cultural institutions etc.).

Indirect stakeholders are EU Member States, all private and institutional/public stakeholders at different levels in Europe and partner countries that may be consulted or involved in the implementation of the different activities.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1 Procurement (direct management)

- (a) Service contracts: A Global Framework Contract consisting of 3 Lots was concluded in order to implement this facility. In duly justified cases, for a particular activity, services may be contracted through other existing framework contracts managed by other DGs upon agreement by the responsible service and/or tendered outside existing framework contracts.
- (b) Indicative number of specific contracts to be signed under the Global Framework Contract : 25
- (c) Indicative number of direct contracts under calls for tenders: 5
- (d) Indicative timing: Proposals are being received on an ongoing basis.

#### 4.1.2 Grants: call for proposals<sup>2</sup> (direct management)

In duly justified cases, grants may be deemed the most suitable implementation method for a particular activity under this facility.

- (a) Objectives of the grants

Grants may be used to support organisations such as civil society organisations or international organisations in their activities that underpin policy dialogues.

- (b) Eligibility conditions

Legal entities active in the field established in the EU and in eligible countries according to CIR Article 8<sup>3</sup>.

- (c) Essential selection and award criteria

The essential selection criteria will be financial and operational capacity of the applicant.

The essential award criteria will be relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

- (d) Maximum rate of co-financing

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Commission's

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<sup>2</sup> Article 189 (RAP) (article 128 FR) – Content of calls for proposals

<sup>3</sup> REGULATION (EU) No 236/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action



authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to launch the call

It will be further developed if and when required.

(f) Exception to the non-retroactivity of costs: NA

#### **4.2. Scope of geographical eligibility for procurement and grants**

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### **4.3. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1 – Procurement (direct management)	3.5
4.1.2 – Grants (direct management)	0.5
<b>Total</b>	<b>4.0</b>

#### **4.4. Organisational set-up and responsibilities**

The use of the PSF is managed by FPI with a step by step approach for submission of concept notes, assessment and screening of the proposed actions among the concerned services of the Commission, EEAS and the EU Delegations. Following this screening the proposals are either approved, asked to be resubmitted with issues addressed, or rejected. Implementation will be ensured mainly in EU Delegations, or in HQ when issues are of global nature.

#### **4.5. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The

progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>4</sup>

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<sup>4</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).



Brussels, 27.11.2018  
C(2018) 7731 final

**COMMISSION IMPLEMENTING DECISION**

**of 27.11.2018**

**amending the Commission Implementing Decision C(2018)4074 of 4.7.2018 on the 2018 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union**

# COMMISSION IMPLEMENTING DECISION

of 27.11.2018

## **amending the Commission Implementing Decision C(2018)4074 of 4.7.2018 on the 2018 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Regulation (EU) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012<sup>1</sup>, and in particular Article 110 thereof,

Having regard to the Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action<sup>2</sup>, and in particular Article 2(1) thereof,

Whereas:

- (1) The objectives pursued by the annual action programme to be financed under the Partnership Instrument<sup>3</sup> are to advance and promote Union and mutual interests through cooperation with third countries. The Commission has adopted an Implementing Decision on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020<sup>4</sup>. In line with the Multiannual Indicative Programme, this annual action programme includes measures in the following areas: support for the Union's cooperation partnership strategies, cooperation on global challenges, implementation of the international dimension of the "Europe 2020" strategy and promotion of the Union's internal policies abroad, support for economic and trade relations as well as promotion of the Union's values and interests;
- (2) The 2018 Partnership Instrument AAP should now be adapted by the adoption of a Phase II amendment, which includes four new actions to be included in the existing AAP.
- (3) The action entitled "EU-South East Asia cooperation on mitigating Climate Change impact from Civil Aviation (EU-SEA CCCA)" aims to address aviation emissions in South East Asia. The action will be implemented in indirect management with an EU agency, notably the European Aviation Safety Agency (EASA);

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<sup>1</sup> OJ L 193, 30.7.2018, p. 1–222

<sup>2</sup> OJ L 77, 15.3.2014, p. 95

<sup>3</sup> Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (OJ L 77, 15.3.2014, p. 77).

<sup>4</sup> C(2018) 4001

- (4) The action entitled "International Urban Cooperation – IUC (Additional Funding and Extension of the Implementation Period)" aims to complement the first phase of IUC Programme in order to strengthen the city-to-city cooperation in the fields of sustainable urban development and sustainable energy cooperation, and to support the development and operationalisation of the Partnership for Smart and Sustainable Urbanisation for India and the EU. The action will be implemented in direct management through the procurement of services;
- (5) The action entitled "Working Together to Fight Antimicrobial Resistance (AMR)" in the Latin American region aims at engaging with selected partner countries and International Organisations, in the fight against Antimicrobial Resistance. The action will be implemented in indirect management with international organisations, notably the World Health Organisation (WHO), the Food and Agriculture Organization of the United Nations (FAO) and the World Organisation for Animal Health (OIE);
- (6) The action entitled "EU-China (Asia) action on Consumer protection and non-food product safety" aims to enhance cooperation between the EU and Asian countries, in particular China, on consumer protection and product safety. The action will be implemented in direct management through the procurement of services;
- (7) The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union;
- (8) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in the Annexes 20 and 22 to this Decision, subject to the conclusion of delegation agreements.
- (9) The measures provided for in this Decision are in accordance with the opinion of the Partnership Instrument Committee established under Article 7 of Regulation (EU) No 234/2014;

HAS DECIDED AS FOLLOWS:

*Sole Article*

Commission Implementing Decision C(2018/4074 of 4.7.2018 on the 2018 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union is amended as follows:

- (1) In Article 1, first paragraph, after the words "Annual Action Programme", the following words are added: "(Phase I and Phase II)".
- (2) In Article 1, at the end of second paragraph, the following words are added:
  - "– Annex 20: EU-South East Asia cooperation on mitigating Climate Change impact from Civil Aviation (EU-SEA CCCA)
  - Annex 21: International Urban Cooperation – IUC (Additional Funding and Extension of the Implementation Period)
  - Annex 22: Working Together to Fight Antimicrobial Resistance (AMR)
  - Annex 23: EU-China (Asia) action on Consumer protection and non-food product safety".
- (3) In Article 2, first paragraph, the words "EUR 81,900,000" are replaced by the following: "EUR 108 800 000".

(4 ) In Article 3, first paragraph, the words "1, 3, 6, 7, 8 and 9" are replaced by the following:  
"1, 3, 6, 7, 8, 9, 20 and 22".

(5 ) After Annex 19, Annexes 20, 21, 22 and 23 to this Decision are added. .

Done at Brussels, 27.11.2018

*For the Commission*  
*Federica MOGHERINI*  
*Vice-President*

**EN**

**ANNEX 20**

of the Commission Implementing Decision  
on the 2018 Partnership Instrument Annual Action Programme

**Action Fiche for EU-South East Asia Cooperation on Mitigating Climate  
Change impact from Civil Aviation**

**1. IDENTIFICATION**

Title of the action	EU-South East Asia cooperation on mitigating Climate Change impact from Civil Aviation (EU-SEA CCCA)			
Country(ies)/ Region <sup>1</sup>	Association of South-East Asian Nations (ASEAN) Member States: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam			
Total cost	Total estimated cost: EUR 4 000 000 Total amount of the EU budget contribution: EUR 4 000 000			
Total duration <sup>2</sup>	48 months			
Method of implementation	Indirect management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> The envisaged assistance to the concerned countries is deemed to strictly follow the conditions and procedures set out by the restrictive measures concerning the said countries

<sup>2</sup> Maximum duration of the operational implementation period of the contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

This project aims to address aviation emissions in South East Asia by supporting the region's participation in and implementation of international instruments that pursue this objective. These are namely the United Nations International Civil Aviation Organization's (ICAO) *State Action Plans on CO<sub>2</sub> Emissions Reduction Activities for International Aviation* and ICAO's *Carbon Offsetting Scheme for International Aviation* (CORSIA). These EU-backed policies will be supported transversally by increasing knowledge and strengthening institutional capacities to address aviation and climate change.

### **2.2. Context**

#### **ASEAN**

The ASEAN is a political and economic organisation of ten South East Asian countries and represents a fast-growing aviation market of a population of more than 600 million.

Air travel to, from, and within South East Asia is projected to grow at an average of 6.6% annually over the next 20 years to reach by 2030 a market share of 38%. Both the growth potential and integration of the ASEAN aviation market provides significant political, economic and business opportunities, which, in order to be sustainable, must be underpinned by high standards of environmental protection.

#### **EU**

Building on 2020 targets, the EU agreed on the 2030 climate and energy policy objectives, which include 40% domestic cuts in greenhouse gas emissions (from 1990 levels). Since 1997, the EU has been endeavouring to make progress towards reaching an international agreement to reduce greenhouse gas impacts from aviation. In 2008, the EU adopted a legislation to limit the climate change impacts from aviation activities through the EU ETS Directive. The EU has continuously been supportive of addressing emissions at the global level, influencing the ICAO to develop a market-based measure to address international aviation's CO<sub>2</sub> emissions. In June 2017, the ICAO Council adopted a new Annex 16 Volume III standard and recommended practices (SARP) containing an aeroplane CO<sub>2</sub> standard, and on the 27th June 2018 the ICAO Council adopted a new Annex 16 Volume IV SARP on CORSIA.

#### **Rationale**

The Carbon Offsetting and Reduction Scheme for International Aviation, or CORSIA is a global market-based measure and forms part of the broader basket of measures (including, inter alia, aircraft technologies, operational improvements, sustainable alternative fuels) to achieve ICAO's global aspirational goal of carbon-neutral growth from 2020 onwards. CORSIA aims at stabilising CO<sub>2</sub> emissions at 2020 levels by requiring airlines to offset the growth of their emissions after 2020. The Scheme will be implemented in 3 phases, starting from 2021 to 2023, with participation of States on a voluntary basis in a pilot phase. CORSIA includes three implementation phases: the pilot phase (2021-2023), a first phase (2024-2026) and a second phase (2027-2035). During CORSIA's pilot phase and first phase,



participation from States is voluntary. As of June 2018, 73 States have agreed to participate in the pilot and first phase of CORSIA, and they represent approximately 76% of international aviation activity. As from January 2019 until December 2020, Airlines will be required to monitor and report emissions on all international routes. As from 2021, airlines registered in the countries having volunteered, will have to offset their emissions from routes included in the scheme by purchasing eligible emission units approved under the scheme. As from 2027, all international routes will be covered by the scheme (unless falling under exceptions rules).

Therefore, it is fundamental to have as many States as possible joining the scheme in its first phase, as a route is only covered by the scheme if both States connecting the departure and the destination are participating.<sup>3</sup>

As a head start, four countries (Indonesia, Malaysia, Singapore and Thailand) have already published their State Action Plan and even committed to an early voluntary implementation of CORSIA in 2021. Some four other countries (Cambodia, Philippines, Laos and Vietnam) are considering joining at a later stage and Vietnam has already published a State Action Plan showing willingness to progress on the same path.

In figures, ASEAN represents:

- 8% of the world aviation traffic in 2015 following constant growth since 1990.
- An estimated 90 million tonnes of CO<sub>2</sub> emitted by the aviation sector in this region during 2021.

This project could therefore cover 18% of total global emissions for aviation under CORSIA.

The EU is committed to scaling up its cooperation with ASEAN, as decided at the ASEAN-EU Ministerial Meeting in July 2014 (Brussels) and at the first Informal Leaders' Meeting in Milan in October 2014. In October 2017, the EU and ASEAN launched their region-to-region transport dialogue with annual meetings taking place in the future. This project for CORSIA will support the Union's bilateral and regional cooperation partnership strategies, by promoting policy dialogue and by developing collective approaches and responses to challenges of global concern.

Additionally, on 7 June 2016 the Council authorised the Commission to open comprehensive air transport negotiations with ASEAN. The EU-ASEAN comprehensive air transport agreement (CATA) would be the first bloc-to-bloc air transport agreement and should cover market access as well as a wide range of areas (safety, security, air traffic management, social, consumer and environmental protection, fair competition etc.) where regulatory convergence should gradually be established.

### **2.3. Lessons learnt**

Lessons have been learnt from the on-going joint ICAO and EU assistance project on *Capacity building for CO<sub>2</sub> mitigation from international aviation*.

This project, ending mid-2018, aimed at providing assistance to a selected group of 14 States in Africa and the Caribbean to support their efforts in developing and

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<sup>3</sup> See: <https://www.icao.int/environmental-protection/Pages/market-based-measures.aspx>

implementing their States' Action Plans on CO<sub>2</sub> emissions reduction from international aviation. This included the establishment of aviation environmental systems for emissions monitoring at the State level, and to identify, evaluate and implement mitigation measures in selected States.

It will provide synergies and complementarity with this proposed action, from another region of the globe, facilitating the coverage of the scheme by having a significant amount of air traffic included under CORSIA. The EU-SEA CCCA project will benefit from the lessons learned under this first project that covers the same topic. A second similar project for the same geographical area is currently under construction.

Lessons will be learned equally from the EU-South East Asia Aviation Partnership Project and ARISE Plus Civil Aviation project, which cover the same countries as this proposed action.

These two projects, launched in 2018, focus on improving safety, regulatory capability, developing institutional relations and enhancing standards for the environmental protection in the civil aviation sector in South East Asia. Particularly their work on the latter will provide important information and lessons learned to support the planning of the EU-SEA CCCA project's activities.

#### **2.4. Complementarity**

The overall timeline for CORSIA preparation and implementation is very short. The projects below provide genuine benefit to maximise the chances of achieving the objectives as well as minimising the risks.

- a) A first complementarity factor exists with the ARISE Plus Civil Aviation Project. It started in January 2018 and will be implemented by EASA in the ASEAN region over the next four years. The timing of this project and the EU-SEA CCCA project is coherent and relevant, as both will end at the starting phase of CORSIA in 2021.

While the overall objective of the ARISE Plus Civil Aviation project is focused on enhancing connectivity and the ASEAN Single Aviation Market, the EU-SEA CCCA project will focus on increasing the readiness of partner countries to adopt a higher standard of environmental protection and climate change. This will require effective coordination with the ARISE Plus Civil Aviation project's activities under result 3 - '*strengthened national capabilities of individual ASEAN Members States and aligned measures with ICAO SARPs*'. Under ARISE Plus, in 2018, workshops and technical assistance, especially for the development or enhancement of actions plans will be organised for selected partner countries. This will provide a genuine opportunity to pave the way for an effective implementation of the assistance under the EU-SEA CCCA project and foster partner countries' readiness with view to their first national aviation emission report at the end of 2020.

- b) EASA is also implementing Aviation Partnership Projects (APPs) in China, South Asia, South East Asia, Latin America and the Caribbean funded under the Partnership Instrument. This can enable the EU to form a holistic view of progress on CORSIA implementation worldwide.

In terms of synergies, the China, South Asia and South East Asia environmental workshops could engage with key regional stakeholders (ICAO Asia Pacific office, regulatory authorities, airline operators, verification bodies), and thereby assess the level of readiness for CORSIA on wider scale in the Asia Pacific region. This preparatory work would help focus the EU-SEA CCCA project and create economies of scale in order to maximise the benefits of the project, which needs to be implemented within an ambitious timescale.

- c) A last important complementarity is linked to the Council of the European Union authorisation, on 7 June 2016, allowing the European Commission to open negotiations on a comprehensive bloc-to-bloc EU-ASEAN Air Transport Agreement (other key partners are Qatar, the United Arab Emirates and Turkey).

The Agreement shall bring significant economic benefits to both regions in terms of additional direct traffic but also improved regulatory cooperation in the areas of aviation safety, security, air traffic management, aviation infrastructure, environmental standards, competition, investment in air carriers, consumer protection, computer reservation systems and social aspects. This project, in addition to the ongoing civil aviation projects with ASEAN Member countries will positively contribute to these discussions.

Assistance for CORSIA implementation will support the current negotiations on the agreement, and complement EU-SEA APP result – 1. *Enhanced policy dialogue and stronger institutional links, including adoption of a comprehensive EU-ASEAN comprehensive air transport agreement*, and ARISE Plus result – 5. *Strengthened ASEAN-EU cooperation in air transport*.

## **2.5. Cross-cutting issues**

Whenever meaningful, gender-mainstreaming and specific activities focusing on gender equality and women's empowerment will be included in the action.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of the project is to enhance political, economic and environmental partnership between the EU and partner countries in South East Asia in the areas of civil aviation environment and climate change.

The specific objectives are listed as:

**SO1:** To develop or support existing policy dialogues with partner countries in South East Asia on mitigating Greenhouse Gas (GHG) emissions from civil aviation.

**SO2:** To contribute to the 'CORSIA readiness' process of partner countries in South East Asia to implement CORSIA in line with the agreed international schedule and to join the voluntary phase by 2021 or at the earliest time possible.

### **3.2. Expected results**

Following the above specific objectives, the expected results supported by the activities are the following:

**Result 1:** Depending on the partner countries' situation:

Efforts to deliver on pre-existing commitments by partner countries to GHG policies in civil aviation, and to the implementation of CORSIA offsetting obligations from the pilot phase starting in 2021 are supported.

*or*

Commitments by partner countries that have not yet volunteered to implement CORSIA offsetting obligations from its pilot phase in 2021 are formalised.

**Result 2:** Awareness, understanding and knowledge on GHG emissions from aviation in South East Asia's partner countries and stakeholders through the implementation of State Action Plans is enhanced

**Result 3:** Skills of South East Asia's partner countries and stakeholders in terms of (1) Monitoring, Reporting and Verification (MRV) systems and (2) CO<sub>2</sub> data collection (registries) are strengthened

### 3.3. Main activities

**Area of activity 1:** Enhanced awareness and commitment by partner countries to GHG policies in civil aviation and the implementation of CORSIA from its pilot phase starting in 2021

- On-site consultancy and ad hoc training targeted to the different needs of the heterogeneous countries in the region<sup>4</sup>.
- Conferences and high-level meetings to develop a policy dialogue and regulatory framework on CO<sub>2</sub> emissions from the aviation sector with particular focus on CORSIA. This includes inter-agency collaboration (transport & environment/climate entities) and workshops.
- Assessment studies to identify best solutions in meeting agreed policies.
- Alignment of national domestic legislation to support the definition of long-term aviation environmental policy and application of CORSIA.

**Area of activity 2:** Development or update of ICAO State Action Plan.

Where a State action plan exists, the activities will concentrate on updating and implementing the plan in line with ICAO requirements:

- Annual regional workshop organised with the participation of key personnel from States, ICAO Regional Office, the ASEAN Secretariat and other stakeholders;
- Regular bilateral interaction and communication with South East Asia's partner countries and their Directorates General for Civil Aviation (DGCAs).

Where a State Action Plan does not exist, the activities will concentrate on strengthening capacities to create, implement and later update the plan in line with ICAO requirements:

- An annual regional workshop organised to enable regional synergies and interaction between partner countries in South East Asia, ICAO Regional Office, ASEAN Secretariat and other stakeholders to provide necessary

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<sup>4</sup> This type of activity will cover the three areas

guidance and tools for the development and submission of action plans by partner countries;

- Individual national workshops organised with the participation of key personnel from ministries, national aviation authorities and other stakeholders to assess existing knowledge and skills and develop a plan;
- Regular bilateral interaction and communication with ministries of partner countries in South East Asia and Directorates General of Civil Aviation (DGCAs) through workshops and other fora;
- Assistance and technical trainings for the elaboration of ICAO State Action Plans. As agreed by the 2010 ICAO Assembly, an action plan has to contain as a minimum:
  - **Contact information** for the officially nominated State Action Plan Focal Point;
  - **Baseline Scenario:** Projected international aviation traffic for the State, fuel consumption and CO<sub>2</sub> emissions for the State until 2050 (without action);
  - List of **selected measures** proposed for mitigating CO<sub>2</sub> emissions from international civil aviation
  - **Expected Results:** Estimated impact of the selected mitigation measures on the baseline until 2050;
  - Identification of any **assistance needs** (financial, technological, training, etc.) for the State

**Area of activity 3:** Setting up of national aviation CO<sub>2</sub> data collection and reporting systems.

Enable partner countries to meet CORSIA registry requirements, and to facilitate its implementation. Registries are a fundamental piece of the system, and need to be built in a coherent and solid manner to ensure credibility and trust in the overall scheme.

Enable partner countries to develop and implement monitoring, reporting and verification (MRV) systems to facilitate CORSIA implementation (of the relevant Standards and Recommended Practices and Guidance), the reporting of international aviation emissions to ICAO and the reporting of domestic aviation emissions to the United Nations Framework Convention on Climate Change (UNFCCC).

Activities include:

- Regional<sup>5</sup> workshops (at least one) on relevant monitoring and reporting methodologies and the data collection tool;
- Support to the systematic analysis and validation of available emissions/air traffic data/fuel consumption data;
- Support to the design and setting up of a CO<sub>2</sub> emissions data reporting mechanism and national emissions inventory;
- Training on IT data collection tools, installation, data importing and extraction procedures.

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<sup>5</sup> "Regional" is meant at the supranational level, i.e. at ASEAN level or when involving more than one country.

### 3.4. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measures
Not all partner countries have well-established national civil aviation and airport authorities to execute the project's activities	<b>L</b>	Preliminary assessment of each countries' aviation sector to determine gaps and potential obstacles; (ARISE + and EU-SEA APP projects will provide baseline) Guidance provided to the CORSIA national focal point on the constitution of an Action Plan team that is representative of the aviation sector, given its local specificities;
The priorities of partner countries governments are poor or change, including their commitment to reduce CO <sub>2</sub> emissions from international aviation and to submit an Action Plan.	<b>M</b>	Selection of countries which expressed political willingness to mitigate emissions from aviation prior to the project; Request for an official letter of engagement from each State in the early stage of the project; Role of ASEAN Secretariat to foster engagement from its Member States.
Political instability and/ or resource issues prevent normal progress and leads to personnel changes in the Action Plan teams.	<b>M</b>	Close contact with the CORSIA National Focal Points and local project team to detect political troubles or health issues at an early stage and organise contingency measures; Training of at least two members of each country to secure long-term capacity transfer; High-level political awareness and outreach activities on the project at a regional scale.
Travel restrictions due to disease outbreaks prevent the planned participants to attend the training and local consultants to perform the planned activities in the affected countries.	<b>L</b>	Close contact with the CORSIA National Focal Points and local project teams to be aware at an early stage of potential issues and plan contingency measures; Provision of training material in an online form for distance learning; Conduct meetings and contacts remotely via alternative communications tools when necessary.
The objectives of the project eventually prove to be too ambitious and the availability of project resources and the government resources too low to initiate the changes required by the project strategy.	<b>L</b>	Implementation of an effective monitoring and evaluation plan with frequent updates and progress assessments to detect changing circumstances in an early stage and adjust the project deliverables and timeframe accordingly. Benefit and lessons learned from the precedent Capacity Building program would allow a better sizing of activities
Action Plans are submitted within the timeframe of the project, but their content and quality do not meet ICAO's	<b>L</b>	Support a step-wise submission of Action Plans on the APER website, allowing progressive improvement of the Action Plan within the project timeframe.

recommendations.		Continuous on-site and remote support provided by project consultants and tailored to each selected State. Project work plan designed to leave sufficient time to review and improve the Action Plan before the end of the project. Benefit and lessons learned from the precedent Capacity Building program would allow a better sizing of activities
Lack of appropriate aviation legislation or regulatory framework to set up an efficient data management system with the relevant national stakeholders.	<b>L</b>	Provision of legal expertise and sharing of experience on efficient and proven regulations in the region; Involvement of representatives from key stakeholders in the aviation sector in the Action Plan team, to improve sectorial coordination and commitment to national objectives.
Despite the preparation of an Action Plan, countries do not have enough institutional, operational and/or financial capacity to implement the plan.	<b>L</b>	Elaboration of comprehensive feasibility studies for the identified priority mitigation measures, quantifying their cost-effectiveness and potential impacts on the aviation sector as a whole to trigger sectorial interest; Close support of the project team to identify and overcome technical and/or institutional gaps before the end of the project, and to set up an effective fund-raising strategy for project continuity.

### 3.5. Stakeholders

Indicative stakeholders are:

<b>Interest / roles</b>	<b>EU</b>	<b>Non-EU</b>
Political and technical oversight	European Commission EU Member State Ministries of Transport, Ministries of the Environment, Ministries of Trade and Finance	South East Asian Ministries of Transport, Ministries of the Environment, Ministries of Trade and Finance ASEAN Secretariat
Main aviation related institutions	EASA, EU National Aviation Authorities, Accident Investigation Bodies, Air Navigation Service Providers, Eurocontrol, SESAR-JU, CLEAN SKY-JU	SEA National Aviation Authorities, Accident Investigation Bodies, Air Navigation Service Providers
Main end stakeholders	Manufacturing industry (ASD), airlines (AEA, A4E), airports (ACI), educational institutions, passenger protection groups, environmental protection groups (T&E, UECNA), trade bodies	Manufacturing industry, airlines (IATA, AAPA), low-cost airlines, educational institutions, passenger protection groups, environmental protection groups, trade bodies

<b>Interest / roles</b>	<b>EU</b>	<b>Non-EU</b>
Relevant regional institutions	ICAO EUR/NAT office, ECAC	ICAO Asia Pacific office, COSCAP-SEA

#### **4. IMPLEMENTATION ISSUES**

##### **4.1. Method of implementation**

###### ***4.1.1. Indirect management (with an EU specialised agency)***

This action may be implemented in indirect management with the European Aviation Safety Agency (EASA) in accordance with Article 62(1)(c) of Regulation (EU) No 2018/1046.

This implementation entails undertaking all necessary actions, including the main indicative activities described in section 3 above, to achieve the objectives and expected results of the project. This implementation is justified because of the technical competence of EASA in the field of aviation safety and their longstanding experience and solid engagement with the relevant authorities in the region, as described below.

EASA is a key player in the European Union’s aviation safety system established by Regulation (EC) no 216/2008. Its mission is to promote the highest common standards of safety and environmental protection in civil aviation. The Agency develops common safety and environmental rules, carries out standardisation checks and provides technical expertise and training. In accordance with its Basic Regulation, it assists the Union and the Member States in their relations with third countries and cooperates with their aeronautical authorities.

EASA is already engaged with the ARISE Plus Civil Aviation project, with the EU-South East Asia Aviation Partnership Project and Aviation Partnership Projects (APPs) in China and South Asia. This local presence will facilitate the need for exchanges on an authority-to-authority level, between EASA and the partner national aviation authorities, with a remit that is broader than the Agency’s core tasks but where it has obtained internationally recognised expertise.

EASA is the sole organisation at European level working on aviation safety and environmental protection based on a total system approach, covering all major aviation domains. EASA’s administrative set-up and status will allow this project to offer South East Asian partners a single point of entry to the whole remit of EU aviation experience.

The entrusted entity would carry out the following budget implementation tasks: inter alia the provision of technical assistance<sup>6</sup> and consultancy services, seminars/conferences/events, carrying out studies and analysis and supporting specific partnerships.

If negotiations with the above-mentioned entrusted entity fail, this action may be implemented in direct management mode.

The Delegation Agreement will indicatively be concluded in the Q1 2019.

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<sup>6</sup> Advice, assistance and training pertaining to the fields covered by the action.



## 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Indirect management	4
<b>Totals</b>	<b>4</b>

## 4.3. Organisational set-up and responsibilities

A project steering committee will be constituted, consisting of at least EASA, relevant services of the European Commission and the European External Action Service. The project will seek to involve partner countries benefiting from the project, EU industry and other stakeholders when relevant.

## 4.4. Performance monitoring

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 end, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and develop progress reports and final reports.

The implementing partner is requested to apply the Partnership Instrument Monitoring System (PIMS) Guidelines, to collect relevant data and to monitor and report half-yearly the progress of the project using the Partnership Instrument Indicator Reporting Template. The implementing partner will be responsible for the timely and relevant collection of information and data from participants in project activities (in compliance with EU data protection policies) for the purpose of reporting.

The implementing partner must verify regularly and update the set of indicators, including quantitative and qualitative indicators that are already proposed in the indicative logframe of the project. The RACER<sup>7</sup> indicators will serve as the main tools for measuring the achievements of the expected results, the outcomes and impact of the project.

During the inception phase, the logical framework matrix shall be reviewed and suitable indicators and sources of verification will be agreed between the Contractor and the Contracting Authority based on the PIMS methodology.

Result-Oriented Monitoring, Project Evaluation and Audit exercises may be performed during the project implementation by an external service provider contracted by the EU for such purposes.

## 4.5. Evaluation and audit

EASA is an EU agency which is subject to scrutiny by multiple actors including the EASA internal audit section, the Commission's Internal Audit Service, the Court of

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<sup>7</sup> RACER = Relevant, Acceptable, Credible, Easy and Robust.

Auditors and other external auditors such as those in the scope of its ISO9001 certification.

For this action or its components, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

#### **4.6. Communication and visibility**

Communication and visibility will be an integral part of the project. A communication plan shall be prepared by the implementing partner and implemented in line with relevant guidelines<sup>8</sup>. This shall, inter alia, define the key messages and specific communication actions to be taken. All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that the EU finances it<sup>9</sup>.

The implementation of the project by EASA, an agency of the European Union, will multiply the EU’s overall visibility.

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<sup>8</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf)

<sup>9</sup> Should it be deemed necessary for the success of the action, the Contracting Authority may grant derogations to this rule upon request from EASA. Requests for derogations will be considered on a case by case basis and only when duly justified.

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**ANNEX 21**

of the Commission Implementing Decision  
on the 2018 Partnership Instrument Annual Action Programme

**Action Fiche for International Urban Cooperation – IUC (Additional Funding  
and Extension of the Implementation Period)**

**1. IDENTIFICATION**

Title of the action	International Urban Cooperation – IUC (Additional Funding and Extension of the Implementation Period)			
Country(ies)/ Region	Global (Americas, Asia)			
Total cost	Total estimated cost: EUR 10 000 000 Total amount of the EU budget contribution: EUR 10 000 000			
Total duration <sup>1</sup>	50 months (20 months of extension through this Action)			
Method of implementation	Direct management - procurement			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
General policy	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## 2. RATIONALE AND CONTEXT

### 2.1 Summary of the action and its objectives

The three-year EU's International Urban Cooperation Programme (IUC) was adopted by the European Commission as part of the Partnership Instrument (PI) Annual Action Programme 2015 with a total budget of €20,200,000.

This Action will complement the International Urban Cooperation Programme – IUC by increasing the actual budget and by allowing the implementation duration to be extended up to the end of 2020. This complementary funding will allow the IUC programme to deliver the expected results by consolidating the methodologies which are being piloted on this first phase of the programme as well as to manage expectations created to beneficiary cities which could not be met otherwise. This extension will facilitate as well a smooth transition towards a second phase of the IUC programme, allowing time for an assessment of the first phase and avoiding implementation gaps.

The IUC programme aims to lead and develop international urban co-operation in key partner countries and regions in Asia and the Americas and contribute to the delivery of international commitments articulated in the 2030 Agenda for Sustainable Development, the New Urban Agenda adopted in Quito in October 2016 and the COP-21 Paris Agreement of 2015.

The programme forms part of a strategy of fostering urban diplomacy as a vehicle of EU's external relations. Cities have a key role in tackling global challenges, such as climate change, and in promoting sustainable development. The urbanisation process, when efficiently managed, can contribute not only to economic growth but also to environmental sustainability, social inclusion and citizen participation. The programme has proven to play a positive role in policy-making through concrete actions.

This action will strengthen two components of the IUC programme:

- Component 1: City-to-city cooperation in the field of sustainable urban development. This cooperation will expand on existing or planned initial cooperation on urbanisation between the EU on one hand and China, India, Japan, North America (Canada and the United States) and Latin American and Caribbean countries on the other; if appropriate, cities from other Asian countries could participate in some activities of this component.
- Component 2: City-to-city cooperation in the field of sustainable energy cooperation, building upon the success and prestige of the EU Covenant of Mayors initiative and upon the creation of the Global Covenant of Mayors.

This action will not add resources for component 3:

- Component 3 of the current IUC programme which supports Region to Region cooperation for implementation of innovation strategies is expected to achieve the results by the end of 2019 and therefore no additional resources from this extension will be allocated to this component.

This action will also add a new component for India:

- Component 4: Support the development and operationalisation of the Partnership for Smart and Sustainable Urbanisation for India and the EU.

The most logical way to implement the proposed action is to extend the existing PI project supporting the International Urban Cooperation, albeit with changes in actions and to update the Logical Framework according to the Partnership Instrument monitoring methodology. This will ensure that the good work of the current project is maintained without major gaps and that further action solidifies and builds upon the results achieved in the 2017-2019 period.

## 2.2 Context

The premises according to which the IUC programme was conceived remain valid. The urbanisation process constitutes a clear global trend. More than 50% of the global population is urban. The corresponding figure for Europe is about 75%. 60% of the global GDP is generated by 600 urban centres.

The economic growth of China and India is occurring in parallel with rapid urbanisation and there is a large demand for expertise in urban policy and development. India's urban population is expected to grow to about 600 million for the year 2031, i.e. implying an increase of over 200 million in just 20 years.

Latin America is more urbanised than any other region in the developing world, with 80% of its population living in cities today, a share expected to raise to 85% by 2025 and 90% by 2050 (UN-Habitat estimate). Brazil and Mexico in particular are home to 81 of the region's large cities.

Canada with an urbanisation rate exceeding 80% has in recent years positioned itself as a champion of urban resilience pursuing a green urban economy. The current US federal administration is not advancing broad climate change actions. There is, however, a broad swathe of US sub-federal governmental and civil society entities committed to a greener agenda. This includes federal states, cities, individual districts and communities, and private companies that pursue their own climate, renewable energy and energy conservation policies.

Japan with an urbanisation rate of 92% has as a wealth of experience with establishing urban structures able to adapt to medium and long-term socio-economic changes such as an ageing and declining population, a key challenge shared with the EU.

South Korea is a growing economy and urban areas have been key drivers of economic growth, with seven metropolitan cities accounting for nearly half of national population.

With regard to sustainable energy globally, cities are responsible for about two third of national energy consumption and have a high carbon footprint. Working with cities to reduce CO2 emissions in the sectors of buildings, mobility, local energy infrastructure, urban planning and governance is a sensible decision which has proved to be successful over recent years in Europe. This is the rationale behind the European Covenant of Mayors (CoM).

EU cities have made great strides in the development of a model where sectoral and transversal challenges (including governance issues) are tackled all together in an integrated manner. The role-model recognition gained by many European cities refers to this integrated approach, and not only to the excellence of the technological/sectoral solutions applied.

The EU is uniquely positioned to support other countries tackling urbanisation challenges, and as a consequence EU companies and service providers can reap significant benefits. Expected investments in urbanisation are close to €8 trillion (€3.6 trillion in China alone). The BRIC countries are expected to offer strong growth opportunities.

## **Global Agenda**

During the implementation of the IUC programme the political framework at global level has changed:

- 1) The New Urban Agenda (NUA) was approved by the Habitat III conference in Quito in October 2016. The European Commission presented three voluntary commitments to the NUA, one of which was to enhance cooperation between cities in the field of sustainable urban development. The IUC is now framed to support this commitment by developing city-to-city cooperation.
- 2) The Paris Agreement, which for the first time brings all nations together into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects, entered into force on November 2016: cities are crucial actors to implement it.
- 3) The Covenant of Mayors initiative, which had served as the backbone of the IUC programme component 2, announced a merger with the Compact of Mayors initiative in June 2016 to form the Global Covenant of Mayors for Climate & Energy (GCoM) as of January 2017. GCoM was to be a single global initiative to support cities and local authorities in shifting towards a low-carbon, resource-efficient and resilient economy. [The GCoM objectives are to support access to secure sustainable and affordable energy, climate change mitigation and adaptation.](#) By having the aim to create national and regional covenants, the IUC programme component 2 came to be seen as a key piece of the implementation puzzle of GCoM together with other EU funded Covenant initiatives.

As a consequence, the implementation of IUC needs to be better aligned to this new international context.

## **Bilateral Dialogue**

In bilateral contexts, cooperation on sustainable urban development and the Covenant of Mayors are also becoming more relevant in the EU strategic partnerships with Asia and the Americas

The EU is increasing regional and urban policy dialogues as well as climate change dialogues with the countries in both regions and this Action contributes to the definition of concrete actions in the context of those dialogues.

The Global Covenant of Mayors aims to be a world reference for cities that voluntarily commit to setting up climate change targets on mitigation, adaptation and access to sustainable energy. There is tremendous potential in broadening the scope of the Covenant with clear benefits for the climate agenda and to be included in the bilateral policy dialogues.

## 2.3 Lessons learnt

Implementation of the IUC programme commenced in earnest in 2017. In the first year of implementation, the main achievements of the programme have been:

- IUC programme was established and promoted
- Cooperation on local action plans was developed under component 1. Over 50 city-to-city pairings have been approved on joint urban priorities, such as access to water, transport or health, sharing knowledge and best practices to reach their common goals.
- Covenant of Mayors initiatives were developed in all regions of the programme, in setting up regional and national covenants focused on identifying and engaging existing Compact stakeholders and local city actors, networks and supporters into the definition and implementation of a common, local vision of the covenant. Funding was also aimed at setting up local governance structures supported by secretariats with a strong helpdesk function for cities.
- Peer-level information sharing and exchange of best practice was enhanced. The programme support unit organised the first IUC city event for networking in 2017 and put in place the knowledge platform for cities.

As for lessons learnt, it will be vital to strengthen city pairings by supporting local action planning and extending the collaboration timeframe. For the Covenant of Mayors initiatives it will be essential to increase technical capacity building, advisory services and to support a select number of cities for the development of emission inventories, climate risks and vulnerability assessments and Climate and Energy Action Plans. Increased focus will be put on developing the business aspect of the IUC programme with the help of a database of expertise to be established centrally.

The complementary budget and extended duration of the implementation of the IUC programme will be important to fully adapt to the changing global context and to meet critical implementation shortages such as technical support to cities (which was underestimated in the first phase), capacity for city-to-city pairings and policy support activities (particularly in China and India).

The programme will draw on lessons learned through the implementation of the Urban Agenda for the European Union.

## 2.4 Complementary actions

The IUC programme will complement many other Partnership Instrument funded actions where cities plays a role, inter alia those on EU Public Diplomacy, or supporting low carbon technologies in enterprises, other projects that support sustainable cities actions or the implementation of the Paris Agreement (e.g. FPI Partnership Instrument Action: Cooperation with major economies for the implementation of the Paris Agreement, etc.).

Close coordination with DEVCO will take place to ensure complementarities with their programmes in this same area, as well as to promote the use of blending facilities to finance some of the action plans resulting from IUC. At the same time,

and especially for the implementation of the Covenant of Mayors, close cooperation will continue to be developed with DG DEVCO, RTD and NEAR.

Close coordination will also ensure complementarities with Horizon 2020 projects for sustainable cities and urban development, **in particular in partnerships with China, CELAC (including Brazil) and India**. The programme will build upon DG RTD experience in developing a strategic innovation and research agenda on cities in Europe and worldwide.

DG REGIO, DG ENER and DG CLIMA will continue ensuring complementarity between the external actions undertaken by their services and the IUC programme.

The European External Action Service will ensure coordination with the urban and climate diplomacy actions in the targeted regions.

## **2.5 Cross-cutting issues**

Climate change, sustainable business promotion and gender balance will continue to be at the heart of the IUC implementation.

## **3. DETAILED DESCRIPTION**

### **3.1 Objectives**

The overall objective of the project is to contribute to strengthen EU climate and urban diplomacy and leadership in the context of the implementation of the new Urban Agenda and the Paris Agreement.

The action will aim to achieve **two specific objectives for all the regions involved**:

- 1) To contribute to improve the basis for cities to implement sustainable urban development through city-to-city cooperation in all targeted regions.
- 2) To contribute to increasing and promoting city engagement on climate change mitigation and adaptation and access to sustainable energy through effective implementation of the Global Covenant of Mayors.

In addition, and for India exclusively the action will pursue the following specific objective:

- 3) To develop and operationalise the Partnership for Smart and Sustainable Urbanisation for India and the EU.

The cooperation will contribute shaping policy-making and increase the reach of EU policies and actions in the relevant areas, as well as multiply the impact of EU urban diplomacy. The programme will support policy development, the EU's political dialogue with partner countries and includes an important element of EU economic growth through promotion of business opportunities.

### **3.2 Expected results and main activities**

**Result 1:** Wider impact of EU urban and climate diplomacy adapted to country specificities through strengthened coherence of the programme with its different components and regions.



**Result 2:** Enhanced Peer-level information and knowledge generation and sharing and greater exchange of best practice on sustainable urban development, through capacity building actions and through the support to the design of Action Plans in the framework of the three components of this Action.

**Result 3:** Implementation of pilot joint innovative actions in the field of sustainable urban development.

**Result 4:** Increased private sector participation in the programme.

**Result 5:** Increased visibility and greater awareness.

#### Indicative Activities:

##### **Component 1: City to City Cooperation**

- Activities leading to an increase in the number and/or duration of pairings in the different countries.
- Activities to develop and implement Local Action Plans
- Activities leading to increase the support to city pairings in the development and implementation of the action plans, including through the implementation of joint innovative pilot activities in the field of sustainable urban development.
- Supporting joint policy studies to strengthen the EU-China Urbanisation Partnership

Some activities of Component 1 may be extended to other Asian countries not previously targeted within IUC.

##### **Component 2: Global Covenant of Mayors (GCoM)**

- To shape the Regional Covenant of Mayors structures and competences as framed by the EU-Global Covenant of Mayors and taking into consideration the Paris Agreement and the EU Climate Diplomacy strategy.
- To enhance promotion, coordination, technical support (help desks) and training activities for signatory cities of the GCoM at national and regional level in coherence with the EU's bilateral climate and energy dialogues.
- To develop regional capacities for scientific validation of inventories and Sustainable Energy and Climate Action Plans (SECAPS).
- Support for the inclusion of SECAPS into Nationally Determined Contributions (NDCs) strategies and their implementation plans.

If the budget allows for it, some activities of Component 2 may be extended to other Asian countries to align the geographical scope of IUC with the one of the GCoM's.

##### **Component 3: Region to Region cooperation**

Not covered under the proposed action

#### **Component 4: Support the development and operationalisation of the Partnership for Smart and Sustainable Urbanisation for India and the EU**

- Management of the Partnership on Smart and Sustainable Urbanisation and coordination with the other components of IUC in order to avoid overlaps and maximise complementarities.
- Regular update and definition of a 3-year rolling work programme for the Partnership
- Support to the EU-India high level dialogue that will monitor the implementation of the Partnership
- Exchange of experiences, views and positions between EU and Indian government stakeholders in the areas of smart and sustainable urbanisation
- Develop, organise and support high level visibility events on urbanisation in India
- Ensure representation of EU and EU Member States in Indian national and local events
- Coordination with other EU and EU MS initiative in India to feed into the high level urbanisation dialogue and other EU-India dialogues, namely in the field of water, air quality, resource efficiency and circular economy, clean energy, energy efficiency, greening urban transport, ICT solutions and climate change mitigation and adaptation in cities.
- Support policy development and implementation and capacity building of Indian stakeholders through studies, training, speakers events, webinars, workshops and study tours presenting EU best practices in smart and sustainable urbanisation

#### **Horizontal activities:**

- To organise a Global Cities event in 2019 and 2020.
- To organise regional and national events for implementation (exchanges, raising awareness) of the IUC programme.
- To support visibility and communication activities and training (including IT knowledge platforms).

The programme will continue to seek to promote business opportunities, including innovative solutions and technologies and facilitate access for EU companies in the growing market and investment fields of sustainable urbanisation and innovation. The programme will also allow EU cities to access best practices on urbanisation from relevant partner cities in third countries. The win-win nature of this initiative as well as its high visibility will strengthen the position of the EU as an international actor on key global challenges.

### **3.3 Risks and assumptions**

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Lack of support by central governments	M/L	EU Delegations will continue promoting IUC in the different countries/regions and adapting it

		to the national political context
Changes with the selected local governments or within the national government partners in terms of personnel or political priorities	M/L	Flexibility in reaction and finding appropriate and individual solutions. Try to engage technical staff in the activities to ensure continuity beyond changes at political level
Unwillingness or poor collaboration of regional and local stakeholders	M/L	Appropriate selection process and intensification of efforts to support the regions and cities during implementation
Cities loose interest if no funding is available for design of action plans, nor for the investments needed for their implementation.	L	The close co-operation of cities with financial institutions should be facilitated. This is a risk but also an opportunity for the sustainability of the action
Low EU visibility, especially for Component 2.	M/L	Ensuring EU's visibility in all actions, e.g. by signing contracts including visibility conditions with the contractor, logo and visual identity for the action (while respecting communication and visual identity rules for EU external actions) to be used at all occasions. Close coordination with the Secretariat of the Global Covenant of Mayors
Unclear position of the EU as regards its role within the EU Global Covenant of Mayors which may create lack of coordination between the Global Secretariat and the IUC supported regional covenants entailing some reputational risks.	H	The EU is due to take a decision on its involvement on the Global Covenant of Mayors at the latest in September.

### 3.4 Stakeholders

Main beneficiaries are cities and the private sector from across the EU and third countries in Asia and the Americas with an interest in developing international partnerships and being exposed to best practices in urban planning for the development of local policies that contribute to the sustainability of cities and improving the quality of life of citizens. Other stakeholders include regions, city networks, national authorities, international financial institutions and UN agencies.

## 4. IMPLEMENTATION ISSUES

### 4.1 Method of implementation

#### 4.1.1 Procurement (direct management)

(a) The programme will be implemented by means of service contract(s). Indicatively five ongoing service contracts will be extended in terms of time and budget (two in the Americas and three in Asia) and a new service contract is to be concluded for the implementation of Component 4 of the programme.

(b) Indicative timing: extension of existing contracts at the end of 2018; call for tender to be launched by the EU Delegation to India at the end of 2018.

(c) DG ENER is the contracting authority for contract with the secretariat of the IUC programme, which ensures coherence and visibility for the whole programme. FPI will transfer an indicative amount of EUR 700,000 to DG ENER to extend this contract.

### 4.2 Scope of geographical eligibility for procurement and grants

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 4.3 Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Procurement (direct management)	10
4.1.2 - Grant- Direct award (direct management)	0
<b>Totals</b>	<b>10</b>

### 4.4 Organisational set-up and responsibilities

The relevant services of the European Commission responsible for urban, climate change and energy policies will exercise the overall coordination of the IUC project. The European External Action Service will ensure the coherence of the programme within the External Action of the European Union specifically on Urban and Climate Diplomacy.

EU Delegations in the regions are responsible for the implementation of the regional contracts. The European Commission at headquarters ensures coherence and alignment with EU policies, through a service contract to provide secretarial services for the whole programme, and through a grant contract with UN Habitat which provides advisory support to the IUC programme at global level.

Steering committees will be organized for each contract including the more relevant stakeholders. Coordination meetings will be organized internally between the relevant European Commission services, the European External Action Service and the relevant EU Delegations in third countries.

#### **4.5 Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6 Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

An assessment of the IUC programme carried out by external consultants is taking place in 2018. This assessment will serve to inform the implementation of the current Action and to establish lessons learned to be used in the design of the second phase of the IUC programme, foreseen for the second phase of the AAP 2019.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the "N+1" rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7 Communication and visibility**

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

This action shall contain communication and visibility measures which shall be based on the specific Communication and Visibility Plan of the Action, which is ensured by the IUC secretariat.

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>2</sup>

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<sup>2</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf) .

EN

**ANNEX 22**

of the Commission Implementing Decision  
on the 2018 Partnership Instrument Annual Action Programme

**Action Fiche for Working Together to Fight Antimicrobial Resistance (AMR)**

**1. IDENTIFICATION**

Title of the action	Working Together to Fight Antimicrobial Resistance (AMR)			
Country(ies)/ Region	Argentina, Brazil, Chile, Colombia, Paraguay, Peru and Uruguay (when relevant other countries in the region will participate in the activities)			
Total cost	Total estimated cost: EUR 9 000 000 Total amount of the EU budget contribution: EUR 9 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Indirect management with International Organisations			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT**

**2.1. Summary of the action and its objectives**

The EU recognises the threat of Anti-Microbial Resistance (AMR) and addresses this issue at the highest political level. Many countries outside of the EU, as well as

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

international organisations, are tackling this issue. International cooperation is a key element of the AMR action plan.

The EU has been active in this field for more than 15 years. The Commission Action Plan against the rising threats from AMR (2011-2016) contained actions for implementation with EU Member States, including cooperation with international partners. The evaluation of this Action Plan showed that it had a clear added value acting as a symbol of political commitment, stimulating several actions within Member States, and reinforcing international cooperation.

The EU is strengthening its commitment against AMR with the launch in 2017 of a second Action Plan, with the aim to strengthen its leading role in global fora and contribute to regional and global action on AMR with international organisations and major trade partners.

Building upon an ongoing Partnership Instrument (PI) funded Policy Support Facility, the proposed PI action aims at engaging with the Latin American countries Argentina, Brazil, Chile, Colombia, Paraguay, Peru, and Uruguay while at the same time reinforcing the role of the relevant International Organisations, the the World Health Organisation (WHO)/the Food and Agriculture Organization of the United Nations (FAO)/the World Organisation for Animal Health (OIE) tripartite in the fight against AMR in the region by:

1. Supporting the development and evaluating the implementation of national One Health AMR action plans, in line with the WHO Global Action Plan, OIE Strategy and FAO Action Plan;
2. Strengthening surveillance and monitoring of AMR and consumption of human and veterinary antimicrobials;
3. Stimulating the private sector in the fight against AMR, with the signing of a voluntary food industry charter and technical assistance on prudent use of antimicrobials;
4. Strengthening research and innovation on AMR, and fostering international cooperation in these areas.

If successful the proposed PI action could serve as an example for possible future EU regional AMR activities in other regions e.g.in Asia or South-East Asia.

## **2.2. Context**

Antimicrobial resistance (AMR) is nothing new. In fact, this natural phenomenon was mentioned by Alexander Fleming when he received the Nobel Prize for the discovery of penicillin in 1945. An accumulation of factors, in particular the excessive and inappropriate use of antimicrobials and poor infection control practices, have progressively turned AMR into a serious threat for humans and animals. This threat, if left unchecked, could nullify much of the medical progress of recent decades, effectively turning back the clock to the pre-antibiotic era, with massive negative consequences for people's health and the economy, not only in Europe, but across the world.

Antimicrobials: include antibiotics, antivirals, antifungals and antiprotozoals. They are active substances of synthetic or natural origin which kill or inhibit the growth of microorganisms. Used in every-day medicine (e.g. urinary tract infections, surgery



and care of premature babies), they are vital to preventing and treating infections in humans and animals.

Antimicrobial resistance (AMR) is the ability of microorganisms, such as bacteria, to become increasingly resistant to an antimicrobial to which they were previously susceptible. AMR is a consequence of natural selection and genetic mutation. Such mutation is then passed on conferring resistance. This natural selection process is exacerbated by human factors such as inappropriate use of antimicrobials in human and veterinary medicine, poor hygiene conditions and practices in healthcare settings or in the food chain facilitating the transmission of resistant microorganisms. Over time, this makes antimicrobials less effective and ultimately useless.

Fighting AMR has long been a priority for the European Commission which launched a 5-year 'Action Plan against the rising threats from AMR' in November 2011. The evaluation of the 2011 EU action plan identified that international activities and cooperation should be strengthened. Building on many years of extensive experience and the evaluation of the 2011 EU action plan, the EU in June 2017 has reaffirmed its commitment in tackling AMR with the new ambitious and comprehensive 'European One Health Action Plan against Antimicrobial Resistance (AMR)' having stronger EU international presence as one of its three pillars. The actions of the international pillar include stronger EU presence in normative global fora, stronger bilateral partnerships, cooperation with developing countries and developing a global research agenda.

A high level of political commitment has also been mobilised within the G7, G20, United Nations (UN) and within several international organisations, including the World Health Organization (WHO), World Organisation for Animal Health (OIE), Food and Agriculture Organization (FAO) and Organisation for Economic Co-operation and Development (OECD).

### **Social and economic burden of AMR**

AMR is a global health threat crossing borders and causing serious social and economic burden. Internationally, the cost of inaction is projected to result in 10 million deaths annually and a cumulative loss of over EUR 88 trillion to the world economy by 2050<sup>2</sup>. In addition to increased mortality and morbidity of currently treatable infectious diseases and causing additional suffering, AMR results in higher treatment costs as well as loss of productivity and income. Preventable drivers for AMR include excessive and inappropriate use of antimicrobials in both humans and animals. This together with market failures, including the slowing down of new antimicrobials emerging from research, entering the market and reaching patients have led to worrying projections, such as that of the World Bank, which has warned that, by 2050, drug-resistant infections could cause global economic damage on a par with the 2008 financial crisis. On a wider picture, AMR also threatens the achievement of several of the UN sustainable development goals, particularly the targets for good health and well-being.

### **Major global commitments and milestones**

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<sup>2</sup> The review on antimicrobial resistance chaired by Jim O'Neill May 2016 [https://amr-review.org/sites/default/files/160525\\_Final%20paper\\_with%20cover.pdf](https://amr-review.org/sites/default/files/160525_Final%20paper_with%20cover.pdf)

Urgent action is needed and several important steps have been made, including the 2015 WHO Global Action Plan on AMR which serves as the global blue-print for AMR activities, the FAO Action Plan, and the OIE Strategy. The Political Declaration of 21 September 2016 in the 71st UN General Assembly gave high-level support to the international implementation of the WHO Global Action Plan on AMR, as did the political commitments in the G7 and G20.

### **EU action on AMR (international) and overarching aims**

The EU and its Member States are part of an increasingly interconnected world characterized by an intensive exchange of people and commodities where policies implemented in one region can have significant impact elsewhere. The EU has gained valuable expertise and experience in relation to AMR, while some of its trading partners have taken different approaches and chosen different priorities in this regard.

The 2017 EU One Health action plan is built around three pillars for action. Having recognised that strengthened international cooperation is a key element in tackling AMR, the third pillar focuses on international action (i.e. activities outside of the EU) and aims to make a contribution towards globally addressing the threat. The 2017 EU action plan specifically sets out to 'engage with major global players and strategic countries' and 'contributing towards achieving objectives of the WHO Global Action Plan on AMR by sharing experiences, advocating best practices and stimulating actions outside the EU'. As there is common interest internationally in curbing AMR, there is scope for more collaboration and closer ties with these seven partner countries to align approaches and to build consensual activities, for the benefit of all sides. This should apply to research cooperation and activities in international standard setting bodies as well, e.g. the Codex Alimentarius and OIE.

As one of the world's largest markets for agricultural products, the EU can play a major role in promoting its AMR-related standards, measures in food production, and standards on animal welfare, e.g. through its bilateral Free Trade Agreements (FTAs). The systematic inclusion of AMR-related provisions is now a current practice for the Commission in all new FTAs. Further actions may also be considered to ensure a level playing field between EU producers and EU trading partners, e.g. so that efforts made by EU farmers are not compromised by the non-prudent use of antimicrobials in EU trading partners. This could include linking concessions made to EU trading partners with compliance with specific EU AMR policy objectives<sup>1</sup>.

Areas where the EU has particular strength, experience and added value include (i) surveillance and monitoring, (ii) research and development, (iii) implementation of good practices in prevention and control (e.g. the EU-wide ban on use of antibiotics as growth promoters in feed for food-producing animals since 2006), (iv) scientific assessments and guidelines, as well as (v) trade-related aspects.

Further ongoing international activities include EU action within the Global Health Security Agenda (GHSA) under the steering group for the action packages on AMR and cooperation with the USA, Canada and Norway under the Transatlantic Taskforce on AMR (TATFAR).

### **EU and South American partner countries**

While maintaining a global perspective, the 2017 EU action plan has specific reference to partnering with major global players (e.g. Brazil, China and India), taking into account a regional approach.

Brazil is not only a major global player as a BRIC country and an emerging economy, but it is also a major EU trade partner with regional influence. Some partner countries, such as Brazil, Uruguay, and Argentina are major exporters of products of animal origin in the international markets, representing a substantial percentage of global bovine meat production and international trade. Collaborating on human and animal health issues will help strengthen ties, as the EU continues to build the relationship with those countries as trading partners through bilateral agreements.

This PI action partnering with Argentina, Brazil, Chile, Colombia, Paraguay, Peru, and Uruguay follows up a preceding PI action funded by the Policy Support Facility, comprising of an initial AMR conference in March 2017 followed by technical seminars in cooperation with the seven South American partner countries.

### **Major ongoing AMR activities in South American partner countries**

While working within the blue-print of the WHO Global Action Plan and other international commitments, the seven South American partner countries are at different stages in developing and implementing their NAPs on AMR.

Argentina was one of the first countries to approve their NAP in 2015. It defines critical actions including surveillance of AMR and antimicrobial consumption in humans and animals, pharmaceutical protocols, infection prevention and control programmes in human health and agricultural production establishments. Argentina also set 2019 as a deadline for banning the use of antibiotics for growth promotion in animal production sectors (except for poultry). Argentina is a member of the Joint Programming Initiative on AMR (JPIAMR) which supports and coordinates national research efforts.

Peru, Brazil, and Chile concluded national reviews and analyses of their individual AMR situations and developed NAPs in 2017, with Chile and Peru presenting their NAP in end 2017 and publication of the Brazilian NAP being imminent. Through multisector planning processes, these countries integrated existing national sectoral initiatives, norms and policy issues from different sectors, while developing specific integrated actions to deal with emerging AMR issues. For these countries, the next challenges are to ensure effective NAP implementation.

Colombia is in the earlier stages of developing their NAP. The Ministry of Health has initiated a national planning process that is expected to involve further government sectors in 2018.

Paraguay is in the very early stages of developing their NAP, where the government has developed and published background documents related to human and animal health.

Uruguay is also in the very early stages and has recently appointed the Ministry of Public Health as focal point for AMR to initiate the preparation of its NAP. Key national stakeholders are the ministries of health and agriculture, and NAP coordination groups, which have broad representation from national government sectors, coming from the environment, economic, education and communication

areas. Professional associations, health-care professionals, academic institutions and the private animal sector also play an important stakeholder role.

### **Ongoing regional tripartite coordination mechanism**

Noting that this PI action takes a targeted approach, partnering with seven South American countries, it is important to take stock of the major ongoing regional activities amongst the WHO/OIE/FAO tripartite, which also engage with a wider scope of Latin American countries. In line with the coordination at Headquarters level, the regional offices of the tripartite in the Americas and Caribbean have a successful coordination mechanism with meetings that include the most relevant regional international organisations including those from the private sector.

For 2018-2019, the regional tripartite plan to (i) coordinate support for countries in developing their NAPs, (ii) support countries in reporting on their NAPs and also to elaborate and implement the plans where necessary, and (iii) start a project on the evaluation of animal production systems with and without the use of antibiotics.

The tripartite have identified the following needs in the region:

- a) NAP governance. Insufficient or lack of coordination at national level is one of the main constraints. Coordination requires clear knowledge of existing international standards and guidelines by all the stakeholders. Political support is also a need for the development of NAPs and sustainability in the operation of individual NAPs.
- b) Member States need support in the implementation and monitoring of their NAPs. While some countries have adopted their NAPs, some need technical support for its implementation.
- c) Integrated surveillance including environmental surveillance.
- d) Regulatory and accreditation aspects of testing methods (both in the human health sector and agriculture) on the use of antimicrobials and on AMR.
- e) Surveillance on the use of antimicrobials both in humans and in agriculture.
- f) Include more countries in ongoing technical cooperation projects.

The financial support of the EU will ensure that the AMR work will increase in quantity and quality. Taking into consideration that the tripartite count now with a budget of around USD 1 740 000 per year for the whole region, the impact of this Action should be considerable.

### **2.3. Lessons learnt**

This PI action builds on the experience gathered from the PI action "EU and South America: Working together on Antimicrobial Resistance", comprising of an initial AMR international conference in March 2017 followed by six technical seminars in cooperation with the seven South American partner countries. The technical seminars discussed the topics of human health, animal health, research and innovation, international cooperation and engagement with international organizations, trade aspects, and environmental aspects. The events contributed to create a momentum among the involved countries, and to increase their interest and commitment to work on AMR with the EU. All seven partner countries and the EU have endorsed the UN Political Declaration on AMR and the action plans/strategies of the WHO, OIE and FAO and have published or are developing national action plans (NAPs) on AMR,

making this PI action a timely activity. The preparatory work done with the seven countries during the workshops represent an important basis to develop the work proposed by this action which fully takes into consideration the recommendations made by the countries during the workshops.

Recommendations and lessons learnt from these seminars indicate that the PI action should consider the following:

- A smart mix approach including voluntary measures and regulatory frameworks,
- The inclusion of EU good practices in the human and animal health sectors, experiences on integrated surveillance, implementation and evaluations of NAPs,
- Awareness raising in the professional and private sectors on AMR,
- A consistent and coherent regional approach,
- Have an impact at political level,
- Consider activities on research and innovation,
- Focus on actions that can have immediate practical positive consequences on AMR issues

#### **2.4. Complementary actions**

Complementarity and coordination will be sought with relevant EU initiatives funded at bilateral and regional level, such as the current pilot project on mapping the global threat of AMR in sub-Saharan countries and ongoing relevant work of the EU in developing countries. Other projects funded by the EU in our partner countries that offer synergies include the activity on (i) environment friendly, energy efficiency and sustainable urban development in Argentina, (ii) agricultural innovation for food security in Peru and sub-Andean region, and (iii) strengthening the capacity and management of sustainable enterprises in post-conflict Colombia, each at various levels of implementation.

The PI action particularly complements the previous and ongoing AMR events in seven South American countries, funded by the EU, which promote the One Health approach for tackling AMR in humans, animals and the environment amongst our partner countries.

The PI action should also seek synergies with other ongoing and foreseen PI funded initiatives, engaging private and public sectors, namely Environmental Diplomacy in G7/G20, Responsible business conduct in Latin America and Caribbean, Public and Cultural Diplomacy as well as the EU-Brazil Sector Dialogue.

The PI action will provide technical assistance for the development and implementation of NAPs through regional and country level actions, complementing the ongoing actions in Latin America and the Caribbean Region implemented by the PAHO-WHO/FAO/OIE tripartite collaboration (overview of tripartite activities in the background section).

The Regional Team in Brasilia and the EU Delegations to the beneficiary countries will ensure complementarity with other Member State actions in those countries.

## 2.5. Cross-cutting issues

AMR presents a serious challenge to human and animal health, food safety and security, economy and development. The 2017 EU One Health action plan aims to link various sectors and actors in defence of human, animal and environmental health and rights.

By promoting efficient development and implementation of NAPs, the PI action will promote good governance in the human and animal health sectors as well as in the public administration as a whole. It will also reinforce capacities across other sectors to address AMR and counteract its grave social and economic burden, which have stronger consequences on less informed and educated consumers both in the EU and in Latin America. Finally it will contribute to better health and well-being.

## 3. DETAILED DESCRIPTION

### 3.1. Objectives

The **overall objective** of this PI action is to tackle AMR as outlined in the 2017 EU action plan, engaging with 'major global players and strategic countries' and 'contributing towards achieving objectives of the WHO Global Action Plan on AMR by sharing experiences, advocating best practices and stimulating actions outside the EU', by working with targeted Latin American partner countries.

In order to contribute towards the overall objective, this PI action establishes four **specific objectives**:

1. Supporting the development and evaluating the implementation of national One Health AMR action plans, in line with the WHO Global Action Plan, OIE Strategy and FAO Action Plan;
2. Strengthening surveillance and monitoring of AMR and consumption of antimicrobials;
3. Stimulating the private sector in the fight against AMR, with the signing of a voluntary food industry charter and technical assistance on prudent use of human and veterinary antimicrobials.
4. Strengthening research and innovation on AMR, and fostering international cooperation in these areas.

### 3.2. Expected results and main activities

**Result 1: NAPs are established and implemented. Effective evaluations of One Health NAPs are carried out.**

This result will take into consideration the different stages of NAP development and implementation in the seven partner countries. Colombia, Paraguay, and Uruguay will be supported in the design and development of their NAPs, while Argentina, Brazil, Chile, and Peru will be supported by focusing on the implementation, monitoring and evaluation of their NAPs.

In order for an effective implementation of the NAPs it will be important for the PI Action to support 1) the strengthening of the governance structure of the NAPs; 2) the establishment and formalization of national inter-ministerial committees for the coordination of integrated AMR policies; and 3) the consolidation of the regulatory

capacities of the seven partner countries in human health, animal health and food safety.

Under R1 indicative activities may include:

- Technical assistance to support the countries with the finalization of the NAPs (where necessary)
- Study visits and exchange of experiences between South American and EU experts on the establishment of NAPs and their implementation
- Technical collaboration to share, discuss and support the adaptation of monitoring and evaluation methodologies and/or tools for NAPs
- Design and provision of training activities on effective evaluation of NAPs
- Technical advice on the governance structure of the NAPs
- National seminars on the regulatory framework
- Support to the creation and formalization of national inter-ministerial committees

**Result 2: Integrated surveillance and monitoring of AMR trends and consumption of antimicrobials are strengthened by improved data collection, management, and analysis and reporting in the human and animal health sectors. Regional Reference Laboratories (for human health and animal health) are strengthened.**

Strong and efficient integrated surveillance and monitoring systems are key for analysing the local, regional and national situation, identifying outbreaks and negative trends to enable corrective actions to be taken, monitoring and adjusting policies and reporting on evidence-based measures.

The Regional Reference Laboratories would allow for comparative analysis of national AMR data in the region and will provide support for the verification or identification of emerging resistance mechanisms in the participating countries and will maintain the coordination of the External Quality Assurance Programs. To achieve this result existing selected national reference laboratories will need to be strengthened and scaled-up, to act as Regional Reference Laboratories for all regional AMR samples and to support the accreditation process. The PI action will also support the coordination for inter-sectorial integration (human health, animal health, food, and environment). Regarding human health, the INEI ANLIS, Malbran Institute, Buenos Aires, Argentina, is serving as Regional Reference Laboratory to the Latin American Network on AMR Surveillance (ReLAVRA by its Spanish acronym) since 1996. The increasing demand to provide technical guidance, verification of emerging resistance mechanisms, and external quality control, highlight the need to strengthen its capacity to better respond to regional needs.

Regarding animal health and food safety, it will be necessary to evaluate capacities in the seven partner countries to choose and establish a reference laboratory for these sectors (maybe one for each sector). The region has the Inter American Food Analysis Laboratory Network (INFAL) since 1997 that is formed by national food

analysis laboratories that can also provide support to this PI action. This network is under PANAFTOSA/PAHO-WHO secretariat.

In this framework, the PI action would support the partner countries to acquire the laboratory and epidemiological capacities to be able (if they consider appropriate) to participate in the Global Antimicrobial Resistance Surveillance System (GLASS), including the support for adapting their information systems. GLASS is a system that enables standardised global reporting of official national AMR data and promotes the use of globally agreed and standardised methods for compiling data both locally and nationally, and the gathering of information on selected AMR indicators in a harmonised way across and within countries. This would allow the countries to strengthen their surveillance systems and enhance the capacities of their laboratories.

Misuse of antimicrobials both regarding human consumption and use in the animal sector is one of the main determinants of AMR. Several methodologies to monitor antimicrobial consumption in humans and animals have been developed to facilitate national policies to reduce it. Surveillance of antimicrobial consumption quantifies the selection pressure on microbial populations and permits benchmarking comparisons at national or healthcare facility level and evaluation of the impact of educational or regulatory interventions. The partner countries have uneven capacities to monitor antimicrobial consumption.

Surveillance of antimicrobial use tracks how and why antimicrobials are being used and misused. Monitoring antimicrobial prescription and consumption behaviour provides insights and tools needed to inform therapy decisions, to assess the public health consequences of antimicrobial misuse, and to evaluate the impact of resistance containment interventions. The point prevalence surveys on hospital antimicrobial use (PPS-HAMU) constitute a robust methodology to provide evidence that support the measures for adequate use of antimicrobials at hospital level.

As advocacy resources at local or national level, the European Surveillance of Antimicrobial Consumption Network (ESAC-net) and the European Surveillance of Veterinary Antimicrobial Consumption (ESVAC) project has demonstrated that monitoring antimicrobial use patterns and costs can prove the crucial factor driving political commitment to successful campaigns to contain AMR, especially when surveillance of consumption is enhanced by surveillance of resistance.

The evaluation of the use and consumption of antimicrobials in food-producing animals is crucial as many of them are identical, or closely related, to those used in humans. Antimicrobials can be used in food-producing animals to treat and control bacterial infections in the presence of disease and for prevention and growth promotion purposes in the absence of disease. The use of antimicrobials in food-producing animals can select and disseminate resistant bacteria in food-producing animals, which can then be transmitted to humans via food, the environment and other transmission routes.

Under R2 indicative activities may include:

- Technical assistance to support the designation process and increased capacity of Regional Reference Laboratories (one for human health and one for animal health and food safety)
- Technical assistance to strengthen the capacity of countries to analyse data on AMR



- Support a pilot on integrated molecular surveillance (food, animals, humans and environment)
- Targeted support for laboratories developing capacity for detection of emerging AMR mechanisms, including molecular surveillance capacity (i.e. laboratory consumable and reagents to install new phenotypic or genotypic microbiologic methods)
- Transfer methodology for surveillance of antimicrobial consumption, and support adaptation to Latin America, using the experiences and lessons learnt of the European Surveillance of Antimicrobial Consumption Network (ESAC-net) and the European Surveillance of Veterinary Antimicrobial Consumption (ESVAC) project
- Training for health professionals on AMR surveillance and monitoring
- Technical assistance to support the establishment of effective mechanisms for national laboratories to work as a network, as well as possible certification of procedures (ISO, etc.) and workers to guarantee regional and international recognition of analysis
- Exchange of experience with European Centre for Disease Prevention and Control (ECDC) on the European Antimicrobial Resistance Surveillance System (EARSS) and Point Prevalence Survey and support the implementation of Point Prevalence Survey in the different countries
- Support surveillance on AMR regarding human consumption as well as use in the animal health and agriculture sectors
- Regional and national seminars to promote exchange of experiences and horizontal technical cooperation

**Result 3: Participation of the private sector in the fight against AMR is increased, with the signing of a voluntary food industry charter and capacity building on prudent use of antimicrobials.**

For an effective strategy on AMR, the private sector is pivotal. Private sector encompasses various fields of both human and animal health, from pharmaceutical industry to food and feed production and professionals and stakeholders in the human health, animal health, academic and research sectors etc. Discussions were held at country level during the development of the NAPs to better integrate the private sector in those; however, the lack of documented experience and the different political and economic scenarios challenge the development of standardized guidelines in this regard. The tripartite is already working with some private sector organisations (e.g. pharmaceutical and animal food production) but the project will allow to strengthen and expand the engagement.

There is a strong resistance from the food-producing animal sector to adopt alternative measures as good production practices and biosecurity measures, so it is necessary to raise awareness in this sector on the importance of the adequate use of antimicrobials.

Under R3 indicative activities may include:

- Mapping of relevant food industries in the region

- Collection of data on AMR-relevant food products
- Regional and national seminars and awareness raising campaign with the relevant industries/private sectors
- Technical seminars for the drafting of a voluntary food industry charter
- Collection of data on AMR-relevant food products
- Create links and share experience with the AMR Industry Alliance  
Regional and national seminars and awareness campaign for the private sectors
- Organization of Regional Seminar(s), to facilitate drawing and signing a voluntary private-sector “Food-industry charter” on AMR with actions they can take to act against AMR
- Capacity building for private sector stakeholders on prudent use of antimicrobials in food, animal food production and feed
- Exchange of experiences with the European Food Safety Authority-EFSA

**Result 4: Research and innovation on AMR are strengthened, and international cooperation in these areas has improved.**

A stronger, more interconnected research environment is needed. Benefits can be gained from a further coordination of efforts in this area, supporting the G20 aim to maximise the impact of existing and new antimicrobial basic and clinical research initiatives as well as product development, including therapeutics, vaccines and diagnostics.

Under R4 indicative activities may include:

- Support the establishment of AMR research networks (in collaboration with the JPIAMR Virtual research institute)
- Technical assistance to facilitate research on the environmental impacts of AMR, the development of new antimicrobials or their alternatives diagnostics, the economic impact of prudent antimicrobial use in production practises, public health systems, etc.
- Create a database of institutes performing AMR research (in collaboration with JPIAMR)
- Regional Scientific workshops
- Support existing initiatives or forums for exchange of scientific information, results or initiatives

During the inception phase, the different stage of maturity of the partner countries will be assessed and activities will be designed accordingly. Regional activities may also include representatives of other Latin American countries not targeted by the PI action. The European scientific agencies EMA, EFSA and ECDC will also be involved in the implementation of activities according to their expertise.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
Ensuring buy-in of the competent authorities during the development and / or evaluation of NAP.	L	Previous EU and South America AMR conference and seminars have raised political awareness of EU cooperation activities on AMR. All partner countries have been consulted and involved in the conceptualization of this PI action from an early stage via an identification mission.
National coordination groups that developed NAPs may not have sufficient capacity to effectively manage the implementation of key technical components which may compromise the quality of execution.	L	Sharing of EU experience and support via the implementing international organizations will be adapted to the national situation of each of the partner countries. The tripartite have extensive experience in scaling activities according to national situation, hence mitigating this risk.
Insufficient buy-in from the private sector for the 'food industry charter' due to multiple and diverse business needs and interests.	L	The private sector is constantly looking for new opportunities to engage with government and voice their business needs. The food industry charter will operate on a voluntary basis and a key assumption is that all relevant stakeholders do their part in addressing AMR.
Laboratory staff may not have sufficient capacity to conduct AMR diagnostics.	L	The tripartite will mitigate this risk by supporting training through regional and national laboratories and assist in strengthening the capacity of laboratory professionals.
Lack of political will at the national level to adopt new policies.	L	Partner countries have affirmed their political will as outlined in the existing WHO Global Action Plan on AMR, FAO Action Plan, OIE Strategy and political commitments in the UN Declaration on AMR as well as the G20.

### 3.4. Stakeholders

The main stakeholders involved in articulating the AMR policies and implementation in the seven partner countries are:

**Argentina:** Ministerio de Salud, Ministerio de Agroindustria, Servicio Nacional de Sanidad y Calidad Agroalimentaria (SENASA), Universidad de Buenos Aires, Administración Nacional de Medicamentos, Alimentos y Tecnología Médica.

**Brazil:** Ministério da Saúde, Ministério da Agricultura, Pecuária e Abastecimento, Agência Nacional de Vigilância Sanitária (ANVISA)

**Chile:** Ministerio de Salud, Ministerio de Agricultura, Instituto de Salud Pública de Chile, Instituto de Investigaciones Agropecuarias, Servicio Nacional de Sanidad y Calidad Agroalimentaria.

**Colombia:** Ministerio de Salud y Protección Social, Ministerio de Agricultura y Desarrollo Rural, Instituto Nacional de Salud, Laboratorio Central de Salud Pública, Instituto Colombiano Agropecuario – ICA, Instituto Nacional de Vigilancia de Medicamento.

**Paraguay:** Ministerio de Salud Pública y Bienestar Social, Ministerio de Agricultura y Ganadería, Instituto Nacional de Salud – INS.

**Perú:** Ministerio de Salud, Ministerio de Agricultura, Servicio Nacional de Sanidad Agraria – SENASA.

**Uruguay:** Ministerio de Salud Pública, Ministerio de Ganadería, Agricultura y Pesca, Servicio Nacional de Sanidad y Calidad Agroalimentaria, Academia Nacional de Veterinaria, Administración Nacional de Medicamentos, Alimentos y Tecnología Médica.

Mexican Authorities may join the initiative at a later stage.

Other important stakeholders for the implementation of the proposed PI action are the European Medicines Agency (EMA), European Food Safety Authority (EFSA), European Centre for Disease Prevention and Control (ECDC), Joint Programming Initiative on AMR (JPIAMR), Organisation for Economic Co-operation and Development (OECD) and Inter-American Institute for Cooperation on Agriculture (IICA). The academics, researchers, professionals and consumers associations working on AMR should be associated to the action as well as the pharma industry and the agroindustry.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Method of implementation**

#### ***4.1.1. Indirect management (with an international organisation)***

This action may be implemented in indirect management with the World Health Organisation (WHO)/Pan American Health Organization (PAHO)<sup>3</sup>, the Food and Agriculture Organization of the United Nations (FAO) and the World Organisation for Animal Health (OIE) in accordance with Article 62(1)(c) of Regulation (EU) No 2018/1046.

The entrusted entity would carry out the following budget implementation tasks: inter alia the provision of technical assistance<sup>4</sup> and consultancy services, seminars/conferences/events, carrying out studies and analysis and supporting specific partnerships.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and

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<sup>3</sup> Serving as the Regional Office for the Americas of the World Health Organization.

<sup>4</sup> Advice, assistance and training pertaining to the fields covered by the action.

expected results of the PI action. This implementation is justified because of the specific technical competence of WHO/PAHO, FAO and OIE on matters related to AMR. The three organisations have established a Regional Tripartite group internationally recognized with the mandate to strengthen the development and implementation of the NAPs, through regional action plans and technical assistance projects.

Consequently, the WHO/PAHO, FAO and OIE are best placed and constitute a logical choice for managing this complex EU intervention, due to the unique combination of technical expertise and contacts with relevant authorities in governments of partner countries, with businesses and other stakeholders.

The Pan American Health Organization (PAHO) is the specialized international health agency for the Americas (regional office for WHO). It works with countries throughout the region to improve and protect people's health. PAHO is responsible for the human health approach and coordinates all the activities related to AMR, working with PANAFTOSA in the topics related to the interface human-animal. The Panamerican Centre of Aftose Fever -PANAFTOSA is the specialized PAHO centre for Veterinary Public Health (VPH). Its activities are related to AMR in the interface human-animal and in the food chain. The VPH center is also responsible for PAHO coordination and communication with the other agencies. PAHO activities planned for 2018-2019 include support to countries on the development and implementation of National Action Plans to tackle AMR and on technical cooperation for integrated surveillance. PAHO has been working in many awareness campaigns related to the WHO Global Action Plan on AMR, as hand washing awareness campaigns, immunization awareness campaigns and activities, and many other activities and campaigns focused on the reduction of infections and on the adequate use of antimicrobials, development and strengthening of national AMR surveillance, and coordinates the collection of AMR data in foodborne pathogens from humans, the development of guidelines and other technical documents, the development, implementation and monitoring of NAPs from a One Health perspective and in collaboration with FAO and OIE, using M&E indicators. During 2017, several multi-country meetings/workshops were organized in the Americas to support Member States with the implementation of their NAPs. These multi-country workshops from a One Health perspective will be continued to further support the implementation and monitoring of the national action plans (including the specified countries).

WHO has a group of experts on AMR, which is called AGISAR-Advisory Group on Integrated Surveillance of AMR. Its activities include:

1. assistance to member states with development and strengthening of integrated surveillance of AMR in foodborne bacteria by providing protocols and guidance, training workshops and support countries with setting up pilot projects.
2. elaboration of guidelines as the WHO List of critically important antimicrobials (CIA list) for human medicine, the WHO guide on integrated surveillance of AMR in foodborne bacteria – One Health approach, and the WHO guidelines on use of medically important antimicrobials in food-producing animals;
3. support to FAO/OIE/WHO tripartite and Codex Alimentarius activities related to AMR and food safety. It is involved in the Codex work on draft Guidelines

on Integrated Surveillance of Antimicrobial Resistance, an electronic working group (eWG) chaired by the Netherlands and co-chaired by New Zealand, Chile and China. The draft was discussed in the 5th Codex Task Force on AMR (TFAMR5), in conjunction with WHO-AGISAR "Integrated Surveillance of Antimicrobial Resistance in foodborne bacteria".

The Food and Agriculture Organization (FAO) is specialized agency of the United Nations that leads international efforts to defeat hunger. FAO, itself a multidisciplinary organization, brings into play its expertise in aquatic and terrestrial animal health and production, food safety and crop production, and natural resources' management, with due attention to all regulatory aspects in the fight against AMR. A focus area for FAO is critical information gaps. There are only a few networks that track data on AMR. Some countries lack laboratory facilities that can accurately identify resistant microorganisms. This impairs detection and response capabilities. Similarly, there is insufficient new research into new diagnostics to detect resistant microorganisms, and vaccines for preventing and controlling infections. FAO is already working in Latin America with a group of countries to validate and consolidate strategies and tools for integrated AMR risk management from food and agriculture approaches. Once the tools are adapted to the specific scenario of the region, they can be applicable to the rest of the countries of the region, facilitating technical interventions.

The World Organisation for Animal Health (OIE) is the intergovernmental organisation responsible for improving animal health worldwide. OIE is responsible for the intergovernmental codes for AMR for animal sector. It provides specific training on AMR to OIE National Focal Points for Veterinary Products through a global capacity-building program as well as global awareness campaigns on the topic, in line with the other international organizations forming the Tripartite Agreement. The OIE Regional Representation for the Americas participates in awareness activities reaching both technical and political levels, in many cases involving other organizations under the One Health approach. Specific yearly seminars on the topic have been organized since 2015, as well as electronic meetings providing training for the provision of information on antimicrobial usage data since 2015. The organization is responsible for the collection of information about the quantities and use of antimicrobials in all the member and non-member countries and analyses this information at global level. OIE Regional program covers the 31 OIE members from the Americas.

#### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Indirect management with international organisations	9
<b>Total</b>	<b>9</b>

### **4.3. Organisational set-up and responsibilities**

A steering committee will be set up. It will be composed of a representative of each of the national authorities responsible for the NAP, a representative of each of the three International Organisations of the Tripartite and representatives of relevant services of the European Commission, of the European External Action Service, and of European Medicines Agency (EMA), European Food Safety Authority (EFSA) and European Centre for Disease Prevention and Control (ECDC). Private sectors representatives and civil society organizations may participate as observers. The Steering Committee will provide general political guidance and oversight of progress.

A technical committee will be established to guarantee the translation of the political guidance of the Steering Committee into practical measures. The technical committee will be composed of a representative of the three international organizations of the Tripartite, representatives of relevant services of the European Commission. When relevant, the European agencies will also be invited to take part of the technical committee.

A national committee will be formed in each of the seven partner countries, with a representative of the main institutions related to AMR, the national representative of the tripartite group and a representative of the European Union. The national committee will coordinate the activities at national level and inform the Steering Committee on the implementation of the annual action plan.

A Project Management Team (PMT) will be established to ensure: 1) the execution of the project activities, 2) a smooth project implementation with timely input and output and coordination with all the stakeholders; and 3) the management of financial, personnel and administrative affairs. The PMT shall report to the Contracting Authority.

### **4.4. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.5. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.6. Communication and visibility**

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

Due the specific nature of this Action which pursues an improved cooperation between the EU and the targeted countries measures will be taken to make sure that implementers systematically ensure visibility of the European Union

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>5</sup>

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<sup>5</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf) .



EN

**ANNEX 23**

of the Commission Implementing Decision  
on the 2018 Partnership Instrument Annual Action Programme

**Action Fiche for EU-China (Asia) action on consumer protection and non-food product safety in Asia**

**1. IDENTIFICATION**

Title of the action	EU-China (Asia) action on Consumer protection and non-food product safety			
Country(ies)/ Region	Asia, in particular China			
Total cost	Total estimated cost: EUR 3 900 000 Total amount of the EU budget contribution: EUR 3 900 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Direct management Procurement – Call for Tenders			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of the contract(s).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

China is the EU's second biggest trading partner and many of the non-food consumer products sold in the EU come from China. With European consumers buying more and more online (57% of European citizens purchased online during 2017), including directly from China, product safety and consumer protection concerns become even more relevant. There is a trend of moving certain manufacturing zones to other countries of the Asian region. This seems to be the case of Vietnam, where the trend of exchanges with the EU is growing.

This action aims to enhance cooperation between the EU and Asian countries, in particular China, on consumer protection and product safety. It will underpin the EU's product safety dialogue with Chinese Authorities and increase awareness among Chinese companies (mainly SMEs) on European non-food product safety requirements. In addition the action will scope future similar activities in other relevant countries in Asia.

Concretely, the proposed action will support the EU-China dialogue on product safety, provide information resources and training on EU requirements on product safety relevant for both online and offline trade, targeting local manufacturers, buyers, exporters and e-commerce operators with a focus on the products most often detected as unsafe in the European market. Technical cooperation (seminars and workshops) will also be addressed to Chinese authorities, especially on risk assessment practices. Parallel activities envisaged consist in establishing an institutional dialogue in Vietnam and scoping future similar training activities in other countries of the region according to further market development and increasing number of products manufactured in Asian countries and sold on the EU market. If successful the proposed PI action could serve as an example for possible future EU activities in other countries of the region.

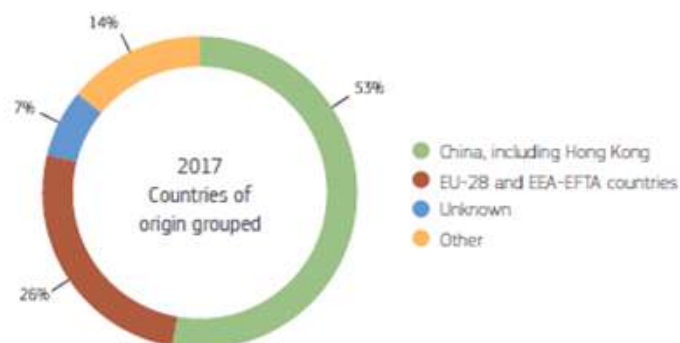
The action will benefit European consumers, companies and Member State authorities through safer products on the European market both sold offline and online. Since a consistent number of these products are bought and then sold by EU companies under their own brand, this is also an advantage for EU businesses. Moreover, the promotion of EU practices on product safety can potentially improve the access of EU businesses to Chinese and other Asian markets, as that promotion may bring the Chinese and Asian regulatory framework closer to the EU acquis. The action also promotes level playing field among EU and non-EU based businesses by encouraging investment in and the respect of EU product safety laws.

### **2.2. Context**

China is the EU's second biggest trading partner and many of the non-food consumer products sold in the EU come from China.

The EU Rapid Alert System for dangerous non-food products (RAPEX) is a system managed by the European Commission Directorate General for Justice and Consumer (DG JUST)'s Product Safety and Rapid Alert System Unit. In this system, Member States' Market Surveillance Authorities notify dangerous consumer products detected in the EU.

The penetration of Chinese made consumer products on the EU market is high and they account for more than half of the dangerous products notified in RAPEX. China therefore remains the number one country of origin for the notified dangerous products, in 2017 representing 53% of all notifications received:



For this reason, on the one hand strong cooperation with the Chinese authorities is needed to make product safety controls “at source” more effective and so that manufacturers comply with EU consumer product safety rules when they export to the EU. On the other hand, in the light of the Belt and Road Initiative aiming to expand the scope of action of Chinese products, preventive action such as training becomes more and more important so that manufacturers and exporters respect product safety rules.

With European consumers buying more and more online, including directly from China, product safety and consumer protection concerns become even more relevant. 57% of European citizens purchased online during 2017<sup>2</sup>, and this percentage is expected to increase in the coming years. When products are sold directly from China online to EU consumers, in addition to the requirements for products, there are obligations regarding price transparency, after sales services and guarantees that need to be respected. Normally a compliant product becomes therefore more costly, which in turn reduces the cost pressure on EU business.

There is a trend of moving certain manufacturing zones to other countries of the region. This seems to be the case of Vietnam where the trend of exchanges with the EU is growing:

### European Union, Trade with Vietnam

#### Trade flows by HS section 2014 - 2017

Source Eurostat Comext - Statistical regime 4

HS Sections	Imports Value Mio €				Exports Value Mio €			
	2014	2015	2016	2017	2014	2015	2016	2017
Total	22,187	29,998	33,148	37,018	6,180	8,430	9,503	10,622

In RAPEX, there are a number of notifications for products produced in Vietnam on a yearly basis. However no trend can be identified for the time being. This will be

<sup>2</sup> Source: Eurostat

monitored during the project to check the impact of a possible similar action in Vietnam.

The trends of other countries of the Region will also be analysed in this project.

### ***Political context***

The EU-China 2020 Strategic Agenda for Cooperation contains a specific reference to the willingness to "continue and strengthen cooperation in the consumer non-food product safety area, including the functioning of the RAPEX-China system. Intensify cooperation on product risk assessment, risk management and market surveillance to support the simplification of conformity assessment procedures". The EU Strategy on China also indicated that "the EU should build on the launch of the new Legal Affairs Dialogue which first took place in June 2016 focussing on e-commerce and consumer protection online".

This proposed action also fully matches the objectives of the new Communication COM(2018)183 from the Commission to the European Parliament, the Council and the European Economic and Social Committee "A New Deal for Consumers"<sup>3</sup> published on 11<sup>th</sup> April 2018. This builds on what the Juncker Commission has already achieved to improve consumer protection and aims to empower consumers, promote fairness and build trust across the single market. The New Deal also includes longer-term thinking on how to increase the effectiveness of enforcement, the role of consumer organisations and sustainable consumption. International cooperation features prominently in the Communication, especially with China: "The Commission will further improve cooperation with China and will raise awareness among manufacturers about EU product safety requirements. The Commission will also support international initiatives to improve globally the safety of products sold online."

Legal reform in China is precondition for the overall success of China's reforms. A transparent and impartial legal system is an essential part of the institutional bedrock for a market-based economy and would provide effective guarantees for EU and Chinese businesses alike. In this sense, the EU should continue to pursue dialogues with China on standards, regulation and conformity assessment procedures in key sectors in order to reduce costs and entry barriers, and to promote international standards in areas such consumer product safety. This in turn will increase opportunities for growth and jobs in both the EU and China, create mutual benefits for consumers, and improve market access for commodities. To this end, the EU encourages China to adhere to international standards and to act reciprocally to recognise the EU as a single entity. While strengthening the EU-China partnership, the EU should also continue to deepen its engagement in Asia with a view to multiplying and diversifying economic opportunities and sources of growth.

The EU has several official dialogues potentially dealing with related aspects of the action (economic and trade; regulatory dialogue; consumer protection; legal affairs). In addition to this, the European Commission also has specific dialogues with the Chinese authorities on consumer non-food product safety. The European Commission's Chinese Authority counterpart in the product safety area has been AQSIQ (General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China). AQSIQ was among others in charge of entry exit

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<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1523866913149&uri=COM:2018:183:FIN>

commodity inspection. The recently proposed new structure of the Chinese administrative units will give competences for quality supervision to the new Market Surveillance Authority and the inspection and quarantine (previously in the hands of CIQs) to the border control office. The proposed action will also contribute to strengthening cooperation with these new restructured units.

A Memorandum of Understanding (MoU) with AQSIQ provides the basis for the EU-China consumer product safety cooperation. It was signed in 2006 and updated twice since. Based on this MoU, regular technical meetings are held between authorities. It also sets up “RAPEX–China”, an information exchange system between the European Commission and the Chinese authority on dangerous non-food consumer products of Chinese origin found in the EU. As a follow-up, the competent Chinese authority investigates and reports back on investigation results to the European Commission. To date, AQSIQ has followed up 11,540 RAPEX notifications and has been able to take corrective measures over 3,700 cases. In many cases, tracing the source of the product and identifying the manufacturer still remain difficult.

The regulatory dialogue with AQSIQ has been running since 2001 and is held on a regular basis at working group level. Cooperation is very effective in the areas of standards and conformity assessment which can be a useful tool for reaching an adequate level of safety for many consumer products. In 2012 a web-based tool was launched, the Europe-China Standardization Information Platform, to offer businesses information about the standards that are applicable to highly-traded, regulated products. The platform can offer insight to small and medium-sized businesses (SMEs) in their quest to go international. In the area of conformity assessment, one priority is to increase exchanges on product risk assessment, risk management and market surveillance to support China’s work on simplifying the China 'compulsory certification scheme'. During a formal meeting between the EU and AQSIQ in September 2017, AQSIQ already confirmed their support and commitment to co-operate on this awareness raising project. Such support has been confirmed in different occasions, including during the Trilateral EU-China-US Summit in Washington in June 2018.

### **2.3. Lessons learnt**

The bilateral cooperation with the Chinese Authorities is complemented by trilateral cooperation among the European Commission, the US Consumer Product Safety Commission, and the Chinese Authorities. High level (Ministerial/Commissioner level) Trilateral Summits with the participation of the European Commission take place every two years. Since 2008, the central product safety authorities of the United States, China, and the European Union have pursued joint efforts to strengthen non-food consumer product safety and protect the end consumers. Previous Consumer Product Safety Trilateral Summits have led to improved information sharing and regulatory cooperation among the Tripartite Participants in order to promote high levels of consumer product safety. The need to strengthen regulatory cooperation on e-commerce transactions, including direct-to-consumer transactions, was highlighted at the Trilateral Summit between the European Commission, AQSIQ and the US Consumer Product Safety Commission, in 2016.

The 2018 Summit took place in Washington on 25<sup>th</sup> and 26<sup>th</sup> June and focused on the consumer product safety challenges presented by e-commerce, innovative products, and recurring product safety issues such as products using high energy batteries (e.g. lithium-ion).

The event also included discussions with a variety of stakeholders on consumer product safety matters of interest to them. As concrete measures to improve product safety information delivery to online sellers, the Participants are taking steps to ensure that in the near future, each of their jurisdictions allows easier access to information on jurisdiction's consumer product safety requirements that can be of use for e-commerce and other suppliers. The Tripartite Participants also welcomed third party platforms to enhance cooperation with public authorities and to take further voluntary commitments to improve the safety of products sold online. The Tripartite Participants renewed their commitment to encouraging the adoption of a culture of safety in product design, manufacturing, marketing, and in the supply chain. This includes exchange of information and appropriate actions on hazardous products. Another action is to continue to strengthen communication regarding consumer product safety requirements and policies among the Participants, especially on new rules and policies and significant changes.

The action proposed will therefore significantly contribute fulfilling these commitments.

#### **2.4. Complementary actions**

There are currently no other EU actions in the concerned sector. Nonetheless, complementarity and coordination will be sought to create synergies with EU relevant initiatives and cooperation, such as:

- the bilateral cooperation with the US Consumer Product Safety Commission (CPSC) that organises training events in China and Vietnam about US product requirements. In this context, the EU participates on an *ad hoc basis* providing training on EU requirements, raising awareness among Chinese companies about the difference of safety requirements for products in the EU and US.
- Product safety cooperation with Canada is currently under development linked to the CETA agreement. Canadian authorities showed their interest to join future training EU and US activities in China. This will help Chinese economic operators to better understand the different safety requirements products need to meet when accessing different markets.
- The action will capitalise on relevant existing EU tools, such as the Europe-China Standardisation Information Platform<sup>4</sup> and Trade Helpdesk<sup>5</sup> (see *infra* section 3.2);
- The action will take also advantage of the existing Switch Asia project in term of sustainable production, consumption and fair-trade in the textile industry, providing better products and ecolabels.

The EU Delegations to the beneficiary countries will ensure complementarity with other Member State actions in the targeted countries.

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<sup>4</sup> <https://webgate.ec.europa.eu/cesip/index.aspx>

<sup>5</sup> <http://trade.ec.europa.eu/tradehelp/>

## 2.5. Cross-cutting issues

In several of the priority sectors identified (such as textiles, child care products, leather, toys, etc.) there are distinct gender and age-based consumer patterns. For this reason, unsafe products in these (and potentially other) sectors are likely to have a differential impact on women, men, youth and children. Related training for companies selling or planning to sell their products in the EU need to include gender issues and concerns as a standard factor to be included in any risk assessment tools and case studies used. This assessment also needs to be conducted from the perspective of both consumers of different sexes and ages and of risks to market capture and penetration.

Many consumer decisions in several economic sectors and product lines are made by women. Studies have found that women and men also often have distinctly different consumer decision-making styles.<sup>6</sup> Different consumer groups also have differing priorities, needs and concerns with regard to product safety. Therefore a wide range of views needs to be represented adequately in related EU-China cooperation and dialogue. This can be done by ensuring the inclusion of different formal consumer groups representing different male/female and demographic groups and products in related events and dialogue on policy and cooperation. Training materials also need to include examples and case studies that represent the voice and views of different groups of women, men and youth with regard to product safety in specific sectors.

Additionally, men and women also often have different communication patterns and preferences. Thus communications regarding consumer product safety requirements and policies that target participants in events and on-line training supported by this action will need to develop communications tools that take these gender-based differences into account.

The project will also contribute to limiting potential damage to the environment, in so far as unsafe products on the market contribute to climate change. Product-group specific environmental aspects could also be taken into due consideration when appropriate and relevant.

## 3. DETAILED DESCRIPTION

### 3.1. Objectives

The **overall objective** of this action is to increase the protection of EU citizens by reducing the presence of unsafe products on the EU market through enhancing cooperation between the EU and China on consumer protection and product safety and raising awareness among Chinese economic operators about product safety and consumer protection requirements.

The **specific objectives** of the project are:

1. To further strengthen the cooperation and dialogue with Chinese authorities in the Product Safety and Consumer Protection policy area, including with the regional offices that are responsible for carrying out hands-on inspections and testing of products.

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<sup>6</sup> International Review of Retail, Distribution and Consumer Research

2. To raise awareness among manufacturers, retailers, exporters, distributors and online operators in the producer country about EU product safety and consumer protection requirements they need to meet in order to reduce the presence of unsafe products on the EU market.
3. To facilitate the market surveillance of EU and EEA countries due to improved safety of products at source meeting the EU requirements. The compliance with EU legislation will be easier if Chinese economic operators use the same benchmark (legal requirements, technical standards, procedures and tests, etc.) usually used by EU market surveillance authorities to assess safety of a product on the market.
4. To further strengthen the trilateral cooperation with the US and China and to tackle product safety concerns of common interest.

### **3.2. Expected results and main activities**

The expected results are:

R1: Cooperation and dialogue with Chinese authorities in the Product Safety and Consumer Protection policy area are strengthened

R2: Awareness about EU product safety and consumer protection requirements is raised among manufacturers, retailers, exporters, distributors and online operators in the producer country and the presence of unsafe products on the EU market is reduced.

R3: Market surveillance of EU and EEA countries is facilitated due to improved safety of products at source meeting the EU requirements.

R4: The trilateral cooperation with the US and China on product safety is strengthened.

The activities envisaged to achieve the above-mentioned results are:

#### **A1. Technical cooperation (R1, R2 and R4)**

Technical cooperation will aim at supporting the regulatory dialogue and the implementation of this action. This includes the organisation of workshops, conferences and other events to strengthen and enhance the EU's outreach, promote EU practices, policies and standards and facilitate a common understanding of both side's respective policies.

Whenever appropriate, synergies will be sought with US and Canadian authorities. This enables to highlight the differences in requirements businesses need to respect depending on the market they sell to.

#### **A.2. Training and e-learning activities (R2, R3, R4)**

As it will focus on obligations when selling directly to EU consumers, the trainings will be targeted for local manufacturers, buyers, exporters, e-commerce operators and Chinese authorities.



Training events will also be addressed to identified multipliers able to further spread knowledge during and after the project, including through a "train the trainer" approach and through the development of an e-learning platform.

Three specific training activities are proposed:

- **Trainings on EU product safety requirements:** These trainings would focus on non-food consumer products that are most often found as unsafe on the EU market (e.g. toys, electric accessories and appliances, childcare products, etc.). Contents of the training programmes will focus on legislation in place in the EU and relevant European standards and practices, including risk assessment. When product specific environmental requirements are also relevant for the particular product groups subject to the training, the training can take this into account. The training will also provide practical/ hands-on advices to economic operators to allow the identification and the avoidance of risks due to different hazards (mechanical, chemical, product information and other) by using real examples and case studies. The project will concentrate on certain regional manufacturing areas and clusters in China that are relevant for the targeted products (e.g. Demonstration areas).
- **Trainings on commercial practices:** These trainings aim at operators selling to consumers in the EU online. Training for online sellers will focus on pre-sale, post-sale and other obligations for sellers and platforms.
- **E-learning platform with learning and information material in English and Chinese:** To increase the impact and extend knowledge sharing as much as possible, training of trainers, including to Chinese authorities, as well as e-learning modules to complement the training, will be included. E-learning will support the face-to-face trainings but it will also be made available online to Chinese economic operators more widely (including ones that are more difficult to reach with face to face training). A number of e-learning modules and recorded lessons will be developed. The material should be easy to update so that it could be used after the end of the project. Cooperation should be sought with online marketplaces to make these training materials available to sellers targeting EU consumers. The material and e-learning modules will be available in English and Chinese and will be hosted on a website in Chinese specifically developed for this purpose.

The website will draw information and build upon already available information on product safety requirements in particular Europe-China Standardisation Information Platform (<https://webgate.ec.europa.eu/cesip/index.aspx>) and Trade Helpdesk (<http://trade.ec.europa.eu/tradehelp/>). It will remain available after the end of the project and updated in case.

Throughout the project implementation the increased level of understanding of EU safety and consumer protection requirements will be tested by a questionnaire and survey so as to have a clear understanding of the benefits and further needs.

The training modular structure proposed will allow easier replicability and possible continuation of the activities beyond the project duration: the aim is to keep the platform available after the end of the project, where the training material will be available and can be used as long as the legislation and other requirements do not change. They will anyway be developed in a way that an update is possible without

the need to develop completely new training material. Possible arrangements with the Chinese authorities will be discussed in order to keep the platform up to date in Chinese in the future.

### **A.3 Scoping future activities in the Region (R2, R3)**

The action would also involve other producer countries in the future, such as Vietnam. To further explore this possibility, an institutional dialogue will start with Vietnamese authorities. The contractor would provide assistance with an ad hoc analysis in support of such a dialogue.

In addition, a study will be carried out in relation to the changing geography of manufacturing zones possibly moving to other countries of the region. This study will assess the potential impact of similar activities in other countries identified through the study (for example India).

#### **Sectors and geographic scope**

There is still lack of awareness from the Chinese companies' side on the European product safety requirements they need to respect. Many of producer companies are SMEs which do not necessarily have the knowledge concerning the requirements to trade with the EU because of lack of available information in Chinese or because of lack of resources. Chinese authorities have also shown interest in learning more about risk assessment practices in Europe. Given the vast territory of China, it is difficult to ensure a homogeneous level of control of product safety and compliance. This is why the venues and structure of the training sessions have to be carefully considered (see point 4). There are more and more demonstration areas organised by sectors in China, which help create best practices and spread knowledge on requirements for products, safety and compliance. We will liaise with the most appropriate actors of these demonstrations zones to create synergies in cooperation with local offices of the Chinese authority.

Among Product categories presenting serious risks most often notified in RAPEX there are:

- Toys and childcare products
- Textiles
- Electrical appliances

There are also significant numbers of notifications for jewellery, lighting equipment, hobby and sports equipment, etc.

Those sectors will be taken into account for further definition of the geographical areas in China. The Chinese authorities (General Administration for China Customs GACC) agreed to help identifying the areas and events (trade fairs, demonstration sites, etc.) where to focus face-to-face events on, with the aim of reaching the companies operating in those priority sectors.

However, given the fact that the e-learning platform to be developed under this project will be available no matter where the Chinese company operates and no matter where the Chinese authority is located, the overall geographic scope will be wider.

There is also lack of awareness in China on obligations when selling directly to EU consumers via online trade. In addition, already now, but possibly more in the future,

production of consumer products can also be found in other countries neighbouring China (e.g. Vietnam).

With the growth of e-commerce, many Chinese manufactured products can also be bought online, including directly from Chinese websites/manufacturers. It is challenging for EU Member States to take enforcement actions against Chinese manufacturers when products are sold directly to EU consumers, and where there is no EU-based responsible economic operator present. Therefore, it is essential that cooperation is further reinforced with the new GACC and State Agency of Market Supervision (SAMR) , and that economic operators in China are aware and respect product safety requirements.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
Weak commitment from Chinese authorities either on national or regional level.	M	High level representatives of AQSIQ have already formally supported the project and single activities can be further negotiated to find the consensus area. There is cooperation with GACC on other aspects (Trilateral cooperation, RAPEX etc.) which can help mitigating this risk. Lack of cooperation from regional authorities can be mitigated by strong leadership from the new competent Chinese authority. In addition, some budget is available for the contractor to help identifying multipliers in China.
Weak commitment from the EU Member States.	L	Should MS not offer their cooperation despite the interest they have shown, experts funded though the action will ensure the training is effective.
Insufficient impact of the proposed activities.	M	Clear learning outcomes will be defined and knowledge will be tested ex ante and ex post to assess the efficacy of the training. Corrective measures will be put in place at each milestone to improve <i>in itinere</i> the impact of the training based on the attendees response (i.e. more material translated, more case studies etc.).
Major changes in socio-economic parameters in China affecting the proposed project design.	L	Major socio-economic changes are not forecasted for the time limit of the project duration. However, the proposed action is intentionally designed in a way to be able to respond to unforeseen socio-economic developments or new policy challenges.

### 3.4. Stakeholders

The main stakeholders that will actively be involved in the project implementation are:

- Chinese authorities, in particular GACC and its local units, Chinese manufacturers, retailers, distributors, exporters, online operators, testing laboratories, information multipliers;
- Relevant services of the European Commission and of the European External Action Service, EU Member States, EU Chambers of Commerce, the expert group Consumer Safety Network, European testing laboratories and EEA countries.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1. Procurement (direct management)

(a) The programme will be implemented via service contract(s). Indicatively, one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing to launch the call for tenders: 1st quarter 2019

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

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 4.3. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Procurement (direct management)	3.9
<b>Total</b>	<b>3.9</b>

### 4.4. Organisational set-up and responsibilities

A steering committee will be set up. It will be composed of a representative of national authorities relevant to the project, and representatives of relevant services of the European Commission and the European External Action Service. The service provider implementing the action and representatives of other stakeholder groups

listed under section 3.4 may participate as observers. The Steering Committee will provide general political guidance and oversight of progress.

#### **4.5. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the "N+1" rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

Due the specific nature of this Action which pursues an improved cooperation between the EU and the targeted countries measures will be taken to make sure that implementers systematically ensure visibility of the European Union

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.<sup>7</sup>

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<sup>7</sup> [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf) .



Brussels, 19.4.2018  
C(2018) 2260 final

**COMMISSION IMPLEMENTING DECISION**

**of 19.4.2018**

**on the 2018 Partnership Instrument individual measure for the Policy Support Facility  
to be financed from the general budget of the European Union**

## COMMISSION IMPLEMENTING DECISION

of 19.4.2018

### on the 2018 Partnership Instrument individual measure for the Policy Support Facility to be financed from the general budget of the European Union

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>1</sup>, and in particular Article 84(2) thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action<sup>2</sup>, and in particular Article 2(1) thereof,

Whereas:

- (1) The objectives pursued by the individual measure to be financed under the Partnership Instrument<sup>3</sup> are to advance and promote Union and mutual interest through cooperation with third countries. This measure will enable the Union to support the EU's policy priorities and to influence the partner countries agenda positively in a fast and flexible manner.
- (2) The action entitled 'Policy Support Facility' aims to support policy dialogues between the EU and partner countries on bilateral and global issues of common concern and to facilitate economic and trade relations with partner countries. The action will be implemented in direct management via procurement of services, and in limited case award of grants.
- (3) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012<sup>4</sup>.
- (4) It is necessary to adopt a work programme for grants in accordance with Article 128(1) of Regulation (EU, Euratom) No 966/2012 and Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is set out in the Annex.
- (5) The authorising officer responsible should be able to award grants without a call for proposals only in the exceptional cases set out in Article 190 of Delegated Regulation (EU) No 1268/2012.

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<sup>1</sup> OJ L 298, 26.10.2012, p. 1.

<sup>2</sup> OJ L 77, 15.3.2014, p. 95.

<sup>3</sup> Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (OJ L 77, 15.3.2014, p. 77).

<sup>4</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).



- (6) It is necessary to allow for the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (7) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, any substantial change to a financing decision that has already been adopted should follow the same procedure as the initial decision. It is therefore appropriate that the Commission defines the changes to this Decision that are considered non-substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (8) The measure provided for in this Decision does not fall within the categories of measures for which the prior opinion of the Committee is required. The European Parliament and the Partnership Instrument Committee established under Article 7 of Regulation (EU) No 234/2014 should be informed of this Decision within one month following its adoption.

HAS DECIDED AS FOLLOWS:

#### *Article 1*

##### **Adoption of the measure**

The Commission implementing decision on the 2018 Partnership Instrument individual measure for the Policy Support Facility, as set out in the Annex, is adopted.

The measure includes the following action: Policy Support Facility.

#### *Article 2*

##### **Financial contribution**

The maximum contribution of the European Union for the implementation of the measure referred to in Article 1 is set at EUR 4,000,000 and shall be financed from budget line 19.0501 of the general budget of the European Union for 2018.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

#### *Article 3*

##### **Methods of implementation**

The elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012 are set out in the Annex to this Decision.

Grants may be awarded without a call for proposals by the authorising officer responsible in accordance with Article 190 of Delegated Regulation (EU) No 1268/2012.

#### *Article 4*

##### **Non-substantial changes**

Increases or decreases not exceeding 20 % of the contribution set in the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20 % of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012 provided that they do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 19.4.2018

*For the Commission  
Federica MOGHERINI  
Vice-President*

EN

ANNEX

of the Commission Implementing Decision on the 2018 Individual Measure for the Partnership Instrument

**Action Fiche for Policy Support Facility (PSF)**

**INFORMATION FOR POTENTIAL GRANT APPLICANTS**

**WORK PROGRAMME FOR GRANTS**

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following section concerning calls for proposals: 4.1.2. “Grants: call for proposals (direct management)”.

**1. IDENTIFICATION**

Title of the action	Policy Support Facility (PSF)			
Country(ies)/ Region	Global			
Total cost	Total estimated cost: EUR 4 000 000 Total amount of the EU budget contribution: EUR 4 000 000			
Total duration <sup>1</sup>	18 months			
Method of implementation	Direct management Procurement – Services Grants – call for proposals			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## 2. RATIONALE AND CONTEXT

### 2.1. Summary of the action and its objectives

The overall aim of the Policy Support Facility (PSF) is to support the EU's priorities and to influence the partner countries/regions' agenda positively, so that it aligns as much as possible with the EU's policies, objectives and values (especially when it relates to values, governance, standards, consumer protection including consumer product safety, climate change or the protection of the environment); an active and engaging policy dialogue will foster mutual understanding as well as common responses to global challenges.

### 2.2. Context

The Partnership Instrument (PI) includes, amongst its thematic priorities, support for the implementation of Partnership and Cooperation Agreements, Action Plans and similar bilateral instruments, strengthening the political and economic dialogue with third countries of particular relevance in world affairs, including in foreign policy; support for negotiation and implementation of Economic Partnership Agreements; supporting engagement with relevant third countries on bilateral and global issues of common concern; enhancing policy dialogues and cooperation with relevant third countries, taking into consideration all areas within the scope of the Europe 2020 strategy; promoting the Union's internal policies with key partner countries and supporting regulatory convergence in this regard. The adoption of the 2030 Agenda and its shared universal set of Sustainable Development Goals provide an ambitious and bold new vision for the EU and its partners to address a range of global challenges.

In order to address these priorities, a Policy Support Facility was created by the Partnership Instrument Annual Action Programme (AAP) 2014 to respond to the dynamic and fast-changing global environment that European policies have been confronted with in terms of partner countries'/regions' approaches to these policies and to promote European interests.

The Annual Action Programmes 2015, 2016 and 2017 included a further allocations for the PSF which allowed the continuation of the implementation of the facility.

This PSF is conceived as a rapid- response tool enabling targeted, flexible and tailor-made short-term actions. As such, it is implemented primarily through a multiple Global Framework Contract with three lots; in duly justified cases, services may exceptionally be contracted through other existing framework contracts managed by other DGs upon agreement by the responsible service and/or tendered outside existing framework contracts. For some activities under the PSF, in particular those targeting multilateral relations of the European Union, a grant under direct management is the most suitable implementation method.

### **2.3. Lessons learnt**

The design of the PSF and its internal processes was based on lessons from existing similar dialogue facilities that point to the importance of identifying priority areas for enhancing the partnerships, allowing the facility's efforts to be concentrated in sectors with clear strategic interest, specific engagements and foreseeable EU or shared benefits. However, several actions under these different facilities have not necessarily served the policy dialogue in the long-run due to their isolation, a lack of vision and/or work programme of the dialogue and/or the unwillingness of one of the partners to implement the activity. The Service for Foreign Policy Instruments (FPI) strives to avoid the repetition of these short-comings by proposing to enhance assessment processes under the PSF.

Previous projects have shown the importance of maintaining a high degree of flexibility to respond to changing priorities or political commitments, while also planning and ensuring continuity of activities in a number of key priority areas. Careful planning will be also essential to help manage the financial and logistic uncertainties derived from the demand-driven approach of the action. It will be also essential to ensure the active participation of relevant DGs responsible for each dialogue in the follow-up of political engagements.

### **2.4. Complementary actions**

The Policy Support Facility co-exists with several country-specific policy dialogue facilities funded through the Partnership Instrument (for Brazil under AAP 2015, for China and Mexico under the AAP 2017). The overall objective of those country-specific actions is to contribute to strengthening and further enlarging bilateral relations through supporting sector dialogues on priority themes of mutual interest in order to enhance the strategic partnership between EU and the countries concerned. Complementarities and synergies will be sought with projects that will be covered under these facilities.

### **2.5. Cross-cutting issues**

Each individual action under the Policy Support Facility will identify its respective cross-cutting issues during the identification of the specific action.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

To support policy dialogues between the EU and partner countries on bilateral and global issues of common concern and to facilitate economic and trade relations with partner countries.

It will complement/support the external dimension of internal policies conducted under the other EU political programmes and instruments.

### **3.2. Expected results and main activities**

R1: Improved bases for policy dialogues of the EU with partner countries and the improvement of the quality of co-operation with those partner countries in areas of common interest.

R2: Improved bases for activating or renewing debates relevant to EU, international or joint agendas.

R3: Improved bases for adoption/approximation to EU and international standards.

For the purpose of the PSF a Global Framework Contract was tendered, consisting of the following three Lots:

- Lot 1 – Event organisation: logistics, travel and accommodation associated to conferences, forums, workshops, study visits, incl. logistical support for working sessions on policy dialogues (in Europe or partner country), etc.
- Lot 3 – Information and communication: information and communication actions of the EU.
- Lot 4 – Market Access and Trade & Investment Agreement Negotiation & Implementation: legal analysis and advice, expertise to support Delegations coordinating Market Access Teams, translations, statistics and collection of data and analysis, expert seminars, workshops, technical assistance to support partner countries implement necessary reforms, monitoring of trade agreements.

An additional Lot (Lot 2) on technical expertise was abandoned during the procurement procedure. The needs of this lot will be covered by the existing Framework Contracts managed by the Commission; this was rendered possible following an amendment of the Financial Regulation which came into force in January 2016.

### **3.3. Risks and assumptions**

- R.1. The activity is an isolated event and does not contribute to deepening the policy dialogue.
- M.1 A proposal has to be presented for approval of the activity and one of the requirements for approval is that the proposal makes it made clear how this activity is embedded in a policy dialogue and/or agenda.
- R2. The activity overlaps with or duplicates activities carried out by other Commission services.
- M2. As part of the approval process, all relevant European Commission services are consulted on the proposed activity.
- R3. Insufficient absorption capacity of the users (EEAS, European Commission services) to provide the technical and policy steer of the activity.
- R4. A proposal has to be presented along with an endorsement letter at an appropriate level of hierarchy; the endorsement letter specifically appoints a focal person in charge of the technical and/or policy steer.
- A1 Sufficient staff is available in the Service for Foreign Policy Instruments both at HQ level and in EU Delegations to manage the PSF.

### **3.4. Stakeholders**

Direct stakeholders and partners of the different activities within the facility are partner country administrations involved in the dialogues, together with the corresponding services of the European Commission, the EEAS and other partner country and European public and private institutions interested in the policy dialogues (regional and local governments, universities and research centres,

business and socio-professional associations, non-governmental organisations, cultural institutions etc.).

Indirect stakeholders are EU Member States, all private and institutional/public stakeholders at different levels in Europe and partner countries that may be consulted or involved in the implementation of the different activities.

#### **4. IMPLEMENTATION ISSUES**

##### **4.1. Method of implementation**

###### **4.1.1. Procurement (direct management)**

- (a) Contracts: A Global Framework Contract consisting of 3 Lots was concluded in order to implement this facility. In duly justified cases, for a particular activity services may be contracted through other existing framework contracts managed by the Commission upon agreement by the responsible service and/or tendered outside existing framework contracts.
- (b) Indicative number of specific contracts to be signed under the Global Framework Contract : 25
- (c) Indicative number of direct contracts under calls for tenders: 5
- (d) Indicative timing: Offers are being received on an ongoing basis.

###### **4.1.2. Grants: direct award (direct management)**

In duly justified cases, grants may be deemed the most suitable implementation method for a particular activity under this facility.

###### (a) Objectives of the grants

Grants may be used to support organisations such as civil society organisations or international organisations in their activities that underpin policy dialogues.

###### (b) Justification of a direct grant

Under the responsibility of the Commission's responsible authorising officer, the grant may be awarded without a call for proposals in accordance with the provisions of article 128 of the Financial Regulation and article 190 of the Rules of Application.

#### **4.2. Scope of geographical eligibility for procurement and grants**

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

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### 4.3. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1 – Procurement (direct management)	3.5
4.1.2 – Grants (direct management)	0.5
<b>Total</b>	<b>4</b>

#### 4.4. Organisational set-up and responsibilities

The use of the PSF is managed by the Service for Foreign Policy Instruments and with a step by step approach for submission of concept notes, assessment and screening of the proposed actions among the concerned services of the Commission, EEAS and the EU Delegation. Following this screening the proposals are either approved, asked to be resubmitted with issues addressed, or rejected. Implementation will be carried out mainly in Delegations or in HQ when issues are of global nature.

#### 4.5. Performance monitoring

Day-to-day technical and financial monitoring of the implementation of the facility is carried out by the Service for Foreign Policy Instruments. Furthermore, concerned Commission services/ EEAS are required to monitor closely the performance of activities that have been proposed by them. Common Partnership Instrument indicators will be used to monitor the performance of the actions under this facility. The Commission may undertake additional project monitoring visits through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### 4.6. Evaluation and audit

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

#### 4.7. Communication and visibility

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.



The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.



Brussels, 16.4.2018  
C(2018) 2162 final

**COMMISSION IMPLEMENTING DECISION**

**of 16.4.2018**

**on the 2018 Partnership Instrument individual measure in support to the Enhancing  
Cooperation with Indonesia on Trade in Wildlife Products to be financed from the  
general budget of the European Union**

## COMMISSION IMPLEMENTING DECISION

of 16.4.2018

### on the 2018 Partnership Instrument individual measure in support to the Enhancing Cooperation with Indonesia on Trade in Wildlife Products to be financed from the general budget of the European Union

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>1</sup> and in particular Article 84(2) thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing action<sup>2</sup>, and in particular Article 2(1) thereof,

Whereas:

- (1) The objectives pursued by the individual measure to be financed under the Partnership Instrument<sup>3</sup> are to advance the EU and Indonesia's engagement to implement the Convention on International Trade and Endangered Species of Wild Fauna and Flora (CITES) and to strengthen the EU's role in its international efforts on biodiversity protection, sustainable management and trade of wildlife. The measure will thereby contribute to the implementation of Sustainable Development Goal 15, the EU Biodiversity Strategy and EU Action Plan against Wildlife Trafficking.
- (2) The action entitled 'Enhancing cooperation with Indonesia on trade in wildlife products' aims to step up cooperation with Indonesia in the definition and realisation of its practises towards the implementation of existing and emerging commitments and requirements of CITES before and after the next Conference Of Parties (COP18).
- (3) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of the Commission Delegated Regulation (EU) No 1268/2012<sup>4</sup>
- (4) It is necessary to allow for the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (5) The measure provided for this Decision does not fall within the categories of measures for which the prior opinion of the Committee is required. The European Parliament

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<sup>1</sup> OJ L 298, 26.10.2012, p. 1

<sup>2</sup> OJ L 77, 15.3.2014, p. 95

<sup>3</sup> Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (OJ L 77, 15.3.2014, p. 77)

<sup>4</sup> Commission Delegated Regulation (EU) 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1)

and the Partnership Instrument Committee established under Article 7 of Regulation (EU) No 234/2014 should be informed of this Decision within one month following its adoption.

HAS DECIDED AS FOLLOWS:

#### *Article 1*

##### **Adoption of the measure**

The Commission decision on the 2018 Partnership Instrument individual measure as set out in the Annex, is adopted.

The measure shall include the following action ‘Enhancing cooperation with Indonesia on trade in wildlife products’.

#### *Article 2*

##### **Financial contribution**

The maximum contribution of the European Union for the implementation of the measure referred to in Article 1 is set at EUR 3,000,000 and shall be financed from budget line 19.0501 of the general budget of the European Union for 2018.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

#### *Article 3*

##### **Methods of implementation**

The elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012 are set out in the Annex to this Decision.

#### *Article 4*

##### **Non-substantial changes**

Increases or decreases not exceeding 20 % of the contribution set in the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20 % of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012 provided that they do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 16.4.2018

*For the Commission*  
*Federica Mogherini*  
*Vice-President*

EN

ANNEX

of the Commission Implementing Decision on the 2018 Individual Measure for the  
Partnership Instrument

**Action Fiche for "Enhancing cooperation with Indonesia on trade in wildlife  
products"**

**1. IDENTIFICATION**

Title of the action	<b>Enhancing cooperation with Indonesia on trade in wildlife products</b>			
Country(ies)/ Region	Indonesia			
Total cost	Total estimated cost: EUR 3 000 000 Total amount of the EU budget contribution: EUR 3 000 000			
Total duration	36 months			
Method of implementation	Procurement - Direct management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	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"/>
General policy objective	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

Indonesia is one of the largest suppliers of wildlife products in Asia and a significant exporter of wildlife worldwide, in particular to the EU. The need to step up dialogue and partnership with key source countries has been highlighted in the EU Action Plan against Wildlife Trafficking adopted in June 2016. With the objective to answer to this need, the proposed action will contribute to influence key governmental decision makers at central and local levels in Indonesia. It will encourage action by Indonesia in line with the EU's international objective of ensuring sustainable wildlife trade and addressing wildlife trafficking and its impact on endangered species. The objective of the action is to move forward engagement in the frame of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) by reinforcing policy dialogue and partnership between the EU and Indonesia on biodiversity protection and sustainable management and trade of wildlife and thereby contributing to the implementation of Sustainable Development Goal (SDG) 15<sup>1</sup>, the EU Biodiversity Strategy and the EU Action Plan against Wildlife Trafficking.

### **2.2. Context**

Indonesia is one of the largest suppliers of wildlife products in Asia and a significant exporter of wildlife worldwide, in particular to the EU. Wildlife exploitation and export including both terrestrial and marine species represent an important source of economic activities in the country. The EU is one of the main importers and transit hub for these products, in particular of wildlife used by the European luxury industry, species imported as exotic pets, of tropical timber, of corals and of species imported for the making of jewellery or home decors.

Indonesia is a Party to the CITES Convention since 1979 and is an important and relatively active player in the life of the Convention which is becoming an increasingly important tool for the country to manage and trade its precious wildlife sustainably and legally. When it comes to the implementation of the CITES, Indonesia faces some general challenges concerning the conservation, management and sustainable exports of wild species as well as with regards to the functioning and effectiveness of its CITES management, scientific and enforcement authorities. It is in the interest of both EU and Indonesia's public authorities and companies involved in wildlife trade to ensure compliance with the EU Wildlife Trade Regulations<sup>2</sup> and the provisions of the CITES convention so that trade in wildlife products can occur under a sustainable and stable framework.

This is an opportunity the EU should seize to promote shared engagement in the framework of CITES on disputed species which are not listed in the CITES Appendices despite of high levels of commercial exploitation threatening their survival, such as the Banggai cardinalfish (BCF) (*Pterapogon kauderni*).

In addition, wildlife trafficking has become one of the most profitable criminal activities worldwide, with devastating effects for biodiversity and negative impact on the rule of law due to its close links with corruption. While most of the EU Indonesia trade in wildlife products is deemed to be legal, a number of organizations have reported preoccupying levels of wildlife trafficking. Indonesia has been pointed out at a number of occasions in the context

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<sup>1</sup> SDG 15: Life on Land: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

<sup>2</sup> [Council Regulation \(EC\) No 338/97 and its implementing regulations](#)

of the CITES as a large exporter of specimens declared as "captive-bred", but which may actually correspond to wild specimens laundered via breeding farms and subsequently declared as bred in captivity. Challenges relating to wildlife trade and trafficking remain highly important in Indonesia as the country is one of the countries' most subject to EU import suspensions of CITES-listed species.

The need to strengthen actions to conserve and sustainably manage natural resources and biodiversity is explicitly identified in the EU – Indonesia Partnership and Cooperation Agreement (PCA). Article 27 of the PCA stipulates in particular a commitment by the EU and Indonesia to endeavour reinforcing capacity building for participating in and implementing multilateral environmental agreements, including the CITES Convention. Engaging into better cooperation with Indonesia and sharing expertise on sustainable wildlife trade would be of critical importance to enhance the EU Indonesia political dialogue on environmental issues. This issue was explicitly identified at the first Joint Committee of the PCA which took place in November 2016 in Brussels, and in the framework of the Working Group on Environment and Climate Change created under the PCA.

### **2.3. Lessons learnt**

Experience in Indonesia has shown that the most successful projects are those that enjoy keen buy-in and interest from the Indonesian side from the beginning of the identification phase. This action is clearly addressing a joint priority as confirmed by the Indonesian Ministry of Environment and Forestry and so its chances of success are considered high.

As this action will work with several different ministerial stakeholders and requires thus a high amount of coordination, lessons can be drawn from the SWITCH Policy Support Component Indonesia<sup>3</sup>, which revealed the importance of clearly allocating activities and budget to the different counterparts in the logframe of the action. This will assure a balanced and sufficient participation of all involved governmental counterparts from the beginning.

Lessons learned from the ASEAN Regional Centre for Biodiversity Conservation emphasize the significance of an internal monitoring system for the project, the constant consideration of socio-economic benefits and detriments in the planning of project activities and the adaptation of expected competency standards to local circumstances.

Lessons learned from the European Commission funded project "EC-Indonesia Forest Law Enforcement, Governance and Trade (FLEGT) Support Project" demonstrate the importance of establishing project implementation structures that have a certain degree of adaptability to changing circumstances. Moreover, if civil society is involved it is important to think about synergetic and complementary functions which (specialised) NGOs are able to deliver, for instance independent monitoring and socialisation of results. In addition, lessons from the work on a similar Commission funded FLEGT programme with China highlight the need of engaging with consumers as well as government bodies to support a faster move away from consumption of forest products from illegal sources or of products that might encourage demand for endangered and illegally traded wildlife.

### **2.4. Complementary actions**

The action will seek complementarity with an ongoing and a future Commission funded project. The ongoing action "**Law Enforcement and Demand management of wildlife in Asia**" is being implemented in a large number of countries in South- and Southeast Asia,

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<sup>3</sup> <http://www.switch-asia.eu/policy-support-components/psc-indonesia/>

including Indonesia. It has the purpose of strengthening the prevention, investigation and prosecution of wildlife crimes affecting key wildlife species, especially African and Asian elephants and rhinos, pangolins and tigers, hence mainly focussing on the law enforcement. The project implemented by indirect management with the United Nations Office for Drugs & Crime (UNODC) and given the regional scope planned the activities in Indonesia are limited. Therefore the action can add great value if both actions are well coordinated. The future project **"Reinforcing security, protecting biodiversity and improving livelihoods by combating wildlife and forest crime"** is a global programme working with the World Bank and International Consortium on Combating Wildlife Crime (ICWC) and proposing Indonesia as one targeted country among 32 for selected activities. The Commission's project complements this action as it addresses both the interregional/cross-border problem of wildlife crime as well as the needs of the local communities whose livelihoods depend on wildlife trade (legal or illegal) and looks at reducing the demand side of wildlife products.

The proposed action will further seek complementarities with the project **"Biodiversity Conservation and Management of Protected Areas in ASEAN"** which aims to enhance biodiversity conservation and effective management of protected areas in Southeast Asia. The project supports the Association of Southeast Asian Nations (ASEAN) Centre for Biodiversity and provides training of ASEAN heritage parks.

The proposed action will also seek complementarities with the project **"Support to Indonesia's Climate Change Response – Technical Assistance Component"** (SICCR-TAC). The project implements a training programme (PPNS) for civil servants from the Aceh Provincial Forest Service personnel in the field of forestry investigation. Lessons learned from such training programme shall be taken for the development of activities under the present proposal.

The project will seek further complementarities with the project **SUSTAIN "Support for Reform of the Justice Sector in Indonesia"** which in part of its components addresses the improvement of forest law and its enforcement and focuses on improving institutional and operational capacity of law enforcement and judicial bodies to investigate, prosecute and adjudicate serious crimes

Naturally, the proposed action will seek to coordinate with other projects funded by EU Member States and projects funded by other national and international donors including Wildlife Conservation Society, United States Agency for International Development (USAid) etc.

The proposed action can seek complementarities with the second component of the Partnership Instrument (PI) funded **"EU-China Cooperation on environment, green economy and wildlife protection"** which addresses the role of China as key destination for wildlife trafficking. Indonesia is one of the source countries for illegal trafficking of a number of protected and endangered species to China (e.g. pangolins who are used for consumption and medicines).

The proposed action will also create synergies with Forest Law Enforcement, Governance and Trade (**FLEGT**) to share lessons on regulatory approaches to prevent wildlife trafficking and illegal logging of timber and other forest products.

## **2.5. Cross-cutting issues**

Actions on stakeholder engagement in environmental issues such as biodiversity protection will help demonstrate the importance of civil society and civil society organisations (CSOs) in



supporting government goals. The activities that link the work of the local CSOs and the CITES management authorities in awareness raising and monitoring will be concrete example of this crucial cooperation.

This action will help address broader sustainable development objectives, by reducing damage to forests and species that communities rely on in Indonesia as a source country affected by wildlife trafficking.

Gender mainstreaming aspects will be considered throughout the project. Equal gender representation among participants and resource persons for the activities shall be ensured to the maximum extent possible. Any impact on women and vulnerable members of the society especially at local community level must be considered when for any activities and outreach activities.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The **overall objective** of the action is to advance the EU and Indonesia's engagement in the frame of the CITES and to strengthen the EU's role in its international efforts on biodiversity protection, sustainable management and trade of wildlife.

The action will thereby contribute to the implementation of SDG 15, the EU Biodiversity Strategy and the EU Action Plan against Wildlife Trafficking.

The **specific objective** of the action is to step up cooperation with Indonesia in the definition and realisation of its practices towards the implementation of existing and emerging commitments and requirements of CITES before and after the next Conference of Parties (COP18).

#### **3.2. Expected results and main activities**

##### **Result/output 1: Enhanced basis for the EU Indonesia policy dialogue on sustainable wildlife trade and biodiversity protection**

Specific activities linked to result/output 1:

- 1.1 Organisation of four (4) policy events and drafting of two (2) policy papers contributing to the EU Indonesia policy dialogue and working group on environment and climate change. Specific subjects of the events and papers relate to biodiversity protection and sustainable wildlife trade including on the volume, value and main commodities involved in the legal and illegal trade in wildlife products between Indonesia and the EU, traceability and on other topics to be jointly defined.
- 1.2 Participation in, communication and organisation of EU Indonesia side events at three (3) important international conferences and/or international meetings related to CITES, biodiversity protection and sustainable wildlife trade.
- 1.3 Three (3) week-long study visits for up to total ten (10) Indonesian officials to the EU in order to establish and nurture partnerships between the Indonesian CITES management/scientific/enforcement authorities and relevant authorities from one or more EU Member States as well as the EU.
- 1.4 One (1) high-level conference at Commissioner/Minister level to disseminate the results of the project in Indonesia.

##### **Result/output 2: Improved understanding among Indonesian stakeholders on monitoring and management of priority species in line with the CITES regulations**

Specific activities linked to result/output 2:

- 2.1 Joint implementation and support measures related to the monitoring and management of **a selected range wild terrestrial and marine species.**
  - 2.1.1 At least five (5) technical meetings in Indonesia to share EU expertise linked to the performance of the tasks of CITES management and scientific authorities.

The expertise to be shared with Indonesian institutions consists of skills and best practices on wildlife inventories, sustainable management plans and control measures, modus operandi of the CITES management and scientific institutions, realisation of non-detriment findings (NDF) and sustainable trade mechanisms etc.

2.1.2 Following the technical meetings, at least ten (10) joint expert missions to conduct concrete field work in line with the CITES requirements on the sustainable collection and export of a selected range wild terrestrial and marine species. The species to be selected for the fieldwork are among those impacted by legal or illegal trade. Species selected should focus on:

- 1) Species for which the EU adopted import suspensions following Indonesia's non-compliance with CITES requirements and the EU Wildlife Trade Regulations,
- 2) Species which are exported to the EU in high volumes (to be determined e.g. on the basis of a short wildlife trade analysis)
- 3) Species seriously threatened by illegal trade in Indonesia and
- 4) Commercially-exploited marine species recently included in CITES Appendix II, for which it remains unclear whether Indonesia has taken concrete steps to implement CITES requirements and the Xiamen declaration.

A tentative list of species proposed includes:

- Helmeted Hornbill
- Pangolins
- Live corals (species to be determined)
- Reptiles (species to be determined)
- Sharks
- Mobula
- Rosewood (*Dalbergia*).

2.2 Joint implementation and support measures related to conservation and sustainable trade in **Banggai cardinalfish** (BCF).

The joint implementation and support measures in line with the decisions proposed by the EU and adopted by CITES Conference of Parties (CoP) 17 are to be developed in cooperation with all relevant stakeholders (in particular local communities, authorities and relevant scientific experts).

2.2.1 At least four (4) technical meetings and four (4) joint expert missions related to conservation and sustainable trade in Banggai cardinalfish. Joint work includes establishment of a data inventory, a comprehensive survey of the species' populations and habitats, the establishment of conservation measures, as well as, where relevant, establishment of sustainable collection and trade measures. Such measures may include sustainable catch quotas, the establishment of Banggai cardinalfish protected areas or sanctuaries (in areas where native populations of the species are present), and the development of aquaculture activities in the Banggai region as an alternative to wild harvest.

- 2.2.2 Facilitation of three (3) coordination meetings of the Indonesian BCF task force with international (European) stakeholders.
- 2.2.3 Assistance to the national authorities in developing and implementing regulations limiting the harvesting of BCF and in the development of a listing proposal in view of CITES CoP18 in 2019 if relevant.

**Result/output 3: Improved understanding among Indonesian stakeholders on enforcement for detection and combatting of illegal wildlife trafficking**

Specific activities linked to result/output 3:

- 3.1 Collaboration with Indonesian authorities to conduct a mapping of illegal wildlife trade hotspots in Indonesia, and an evaluation of potential weaknesses, risks and gaps in relevant monitoring systems.
- 3.2 Organisation of five (5) expert workshops at local level in at least three (3) different provinces to share expertise on:
  - 1) Enforcement methods to detect and combat illegal online wildlife trafficking
  - 2) Inspection and control systems for breeding facilities to avoid the laundering of wild specimens via breeding farms and their subsequent export as specimens declared as captive-bred.
- 3.3 Coordination with other initiatives funded by the EU, EU Member States and other donors in the region to complement actions on law enforcement for illegal wildlife trade (see 7. Complementarities).

**Result/output 4: Increased awareness among targeted stakeholders in Indonesia about the risks of wildlife trafficking and the importance of biodiversity protection**

Specific activities linked to result/output 4:

- 4.1 Design and implement a comprehensive communication and awareness raising campaign at national level and among selected local governments and communities to increase public awareness on wildlife trade and endangered species. The campaign shall develop key messages, communication tools and materials and activate most popular communication channels among the local communities, adapting to preferred communication media. Cooperation between the Management Authorities and the institutions implementing the awareness campaign is of critical importance.

### 3.3. Risks and assumptions

#### Assumptions

The overarching political climate remains favourable for this action targeting wildlife trade.

The security situation remains sufficiently stable allowing for smooth implementation of the activities. This is in particular important for activities taking place at local and community level.

The government of Indonesia keeps raising its international profile leading to greater engagement and taking up of responsibilities in international fora and convention such as CITES.

#### Risks

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Engagement and availability of staff of Indonesian counterparts not sufficient or decrease over time.	Medium	The proposed activities have to meet the needs of the Indonesian authorities. Indonesian Ministry of Environment and Forestry as well as Ministry of Marine Affairs and Fisheries need to be fully involved in the steering of the action.
National and local governments lack the political will and enforcement power to prioritize and address the issues related to wildlife crime.	Medium	Awareness raising and <b>full involvement of national and local levels in the action</b> . Prioritise the topic of wildlife crime in the working group on climate and environment.
Reluctance of local communities to move away from illegal or unsustainable practices in wildlife trade.	High	Awareness raising about the benefits for their livelihoods and employment situation of trading wildlife legally. Encourage reward system for communities that actively participate in combatting illegal trade.

### 3.4. Stakeholders

The main stakeholders of the action include the Indonesian scientific, management and enforcement authorities including the Ministry of Environment and Forestry, the Ministry of Marine Affairs and Fisheries, the Indonesian Institute of Sciences (LIPI) and provincial and local authorities and governments. In general the Indonesian local communities whose livelihood depend on the income generated from wildlife trade as well as European and Indonesian industries, companies and civil society organisations active in the collection, breeding, processing, trading and distribution of wildlife species exported from Indonesia to the EU form important stakeholders.

Consumers and consumer organisation in the EU are indirect stakeholders seeking assurance to purchase legally sourced wildlife products.

**4. IMPLEMENTATION ISSUES**

**4.1. Method of implementation**

**4.1.1. Procurement (direct management)**

(a) The programme will be implemented via service contract. Indicatively one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tender expected to be launched 1st Quarter 2018.

**4.2. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. – Procurement – direct management	3
<b>Totals</b>	<b>3</b>

**4.3. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity’s responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress 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. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common PI indicators.

The reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

A steering committee shall be set up in support of the action. It will consist of representatives of relevant Commission services and the European External Action Service, with the EU Delegation in Jakarta.

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.

#### **4.4. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

#### **4.5. Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU and will therefore be an integral part of the action.

The implementing partner will establish a Communication and Visibility Plan at the start of implementation in line with relevant guidelines that inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the action shall bear the EU flag and mention that is financed by the EU.



Brussels, 8.5.2018  
C(2018) 2730 final

**COMMISSION IMPLEMENTING DECISION**

**of 8.5.2018**

**on the 2018 Partnership Instrument individual measure in support to the EU-Canada  
Policy Dialogues Support Facility to be financed from the general budget of the  
European Union**



# COMMISSION IMPLEMENTING DECISION

of 8.5.2018

## on the 2018 Partnership Instrument individual measure in support to the EU-Canada Policy Dialogues Support Facility to be financed from the general budget of the European Union

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>1</sup>, and in particular Article 84 (2) thereof,

Having regard to the Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action<sup>2</sup>, and in particular Article 2(1) thereof,

Whereas:

- (1) The objectives pursued by the individual measure to be financed under the Partnership Instrument<sup>3</sup> are to advance and promote Union and mutual interests through cooperation with third countries. The measure will enable the Union to deliver on its strategic partnership with Canada in line with the Strategic Partnership Agreement<sup>4</sup>.
- (2) The action entitled "EU-Canada Policy Dialogues Support Facility" aims to strengthen EU-Canada strategic partnership by supporting activities that will help advance bilateral dialogues in key priority areas. The action will be implemented in direct management via the procurement of services.
- (3) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012<sup>5</sup>.
- (4) It is necessary to allow for the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (5) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, any substantial change to a financing decision that has already been adopted should follow the same procedure as the initial decision. It is therefore appropriate that the Commission

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<sup>1</sup> OJ L 298, 26.10.2012, p. 1

<sup>2</sup> OJ L 77, 15.3.2014, p. 95

<sup>3</sup> Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (OJ L 77, 15.3.2014, p. 77).

<sup>4</sup> OJ L 329, 3.12.2016, p. 45–65. The EU signed with Canada a Strategic Partnership Agreement (SPA) which entered into force provisionally on 1.04.2017.

<sup>5</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

defines the changes to this Decision that are considered non substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.

- (6) The measure provided for in this Decision does not fall within the categories of measures for which the prior opinion of the Committee is required. The European Parliament and the Partnership Instrument Committee established under Article 7 of Regulation (EU) No 234/2014 should be informed of this Decision within one month following its adoption.

HAS DECIDED AS FOLLOWS:

#### *Article 1*

##### **Adoption of the measure**

The Commission decision on the 2018 Partnership Instrument individual measure in support to the EU-Canada Policy Dialogues Support Facility, as set out in the Annex, is adopted.

The measure shall include the following action: EU-Canada Policy Dialogues Support Facility.

#### *Article 2*

##### **Financial contribution**

The maximum contribution of the European Union for the implementation of the individual measure referred to in Article 1 is set at EUR 3,000,000 and shall be financed from budget line 19.0501 of the general budget of the European Union for 2018.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

#### *Article 3*

##### **Methods of implementation**

The elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012 are set out in the Annex to this Decision.

#### *Article 4*

##### **Non-substantial changes**

Increases or decreases not exceeding 20 % of the contribution set in the first paragraph of Article 2, or cumulated changes to the allocations of the specific action not exceeding 20 % of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012 provided that they do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 8.5.2018

*For the Commission  
Federica Mogherini  
Vice-President*

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## ANNEX

of the Commission Implementing Decision on the 2018 Annual Action programme for the Partnership Instrument

### Action Fiche for the EU-Canada Policy Dialogues Support Facility

#### 1. IDENTIFICATION

Title of the action	EU-Canada Policy Dialogues Support Facility (PDSF)			
Country(ies)/ Region	Canada			
Total cost	Total estimated cost: EUR 3 000 000 Total amount of the EU budget contribution: EUR 3 000 000			
Total duration	36 months			
Method of implementation	Procurement - Direct management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	✓	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input type="checkbox"/>	✓	<input type="checkbox"/>
	Gender equality	<input type="checkbox"/>	✓	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	✓	<input type="checkbox"/>

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

This action will strengthen EU-Canada strategic partnership by supporting activities that will help advance bilateral dialogues in key priority areas. Notably it will facilitate existing EU – Canada dialogues in attaining their objectives and support the establishment of new ones as foreseen in the EU – Canada Strategic Partnership Agreement.

Dialogue between EU and Canada is rich including summit level, ministerial, senior officials, Members of Parliament and working levels. Consultations are held in a wide array of issues such as political cooperation, foreign policy, security and defence, trade and trade related matters, geographical and thematic issues. In line with the overall strategic framework defined by the Global Strategy for Foreign and Security Policy ('Global Strategy')<sup>1</sup>, the project will support, through expert and logistical assistance in targeted interventions, the implementation of the Global Strategy, the Strategic Partnership Agreement (SPA)<sup>2</sup> and, where relevant, the Comprehensive and Economic Trade Agreement (CETA)<sup>3</sup>.

### **2.2. Context**

The SPA was signed in October 2016 and entered into force provisionally on 1 April 2017. The Agreement enshrines EU and Canada's shared democratic values and aims to intensify and expand political dialogue and cooperation across the board, including on international peace and security, multilateralism, economic and sustainable development, justice, freedom and security.

The SPA acknowledges structural and institutional changes stemming from the 2009 Lisbon Treaty and provides an institutional platform which allows a coherent and ambitious collaboration between EU and Canada. Notably, the Agreement sets-up two bodies: the Joint Ministerial Committee and the Joint Cooperation Committee with the aim to review the overall cooperation, to provide strategic guidance and to assess the implementation of the Agreement.

The SPA institutionalises an already strong EU-Canada collaboration and constitutes an essential framework covering a wide range of sectoral agreements.

The first meetings under the SPA were the EU-Canada Joint Cooperation Committee (JCC) in June 2017 in Ottawa and the Joint Ministerial Committee in December 2017 in Brussels.

The JMC and the JCC meetings provided an opportunity for the European Union and Canada to take stock of developments in the EU – Canada relationship, including on a number of issues linked to the thematic and foreign policy dialogues that had taken place. The dialogues allow the European Union and Canada not only to exchange information but also to ensure coordination whenever possible and to explore ways to expand the areas in which we concretely work together. Political Dialogues and consultation between EU and Canada exist on a wide range of

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<sup>1</sup> COM(2017)650

<sup>2</sup> OJ L 329, 3.12.2016, p. 45–65

<sup>3</sup> OJ L 11, 14.1.2017, p. 23–1079

matters, including on Africa, Asia, Eastern Europe and Central Asia, Latin America, Middle East, Human Rights, UN matters, non-proliferation and disarmament, counter terrorism, and sectoral dialogues on environment, climate change, migration and asylum, consular affairs, agriculture, fisheries and maritime affairs, macroeconomic policy take place. The JCC also proposed recommendations for the establishment of new areas of cooperation, including on employment and social affairs, development, gender issues, with a possibility of establishing cooperation in other areas of common interest.

This project could be used to support activities in the above mentioned areas as well as in new fields of EU and Canada dialogues and cooperation.

**CETA** has entered into force provisionally on 21 September 2017. It reflects a shared commitment by the EU and Canada to open, fair and sustainable trade. CETA creates a unique opportunity to boost Canadian and European economic ties but also to set a new standard for progressive trade that is in line with our values.

In order to implement CETA effectively and ensure correct oversight on the agreement, CETA establishes an institutional structure composed of the CETA Joint Committee and a number of Specialised Committees and other bodies. After the CETA institutional structure is put in place, CETA committees may wish to seek additional expertise or support to their work that could be reinforced by this project, such as for example (non-exhaustive) in respect of the implementation of the Trade and Sustainable Development provisions in CETA (Chapters on Trade and Sustainable Development, Trade and Labour and Trade and Environment).

### **2.3. Lessons learnt**

The proposed action will prove to be very useful for the implementation of the recently signed EU-Canada agreements, allowing broad and concrete follow-up actions.

For example, in order to implement the action plan stemming from the High level Energy dialogue, a TAIEX (Technical Assistance and Information Exchange instrument of the European Commission workshop was held in June 2017 in Ottawa, bringing together experts from the Commission and from EU Member States and civil servants from Canadian Federal Government, Provinces and Cities. This workshop proved to be very useful to strengthen the dialogue on Energy between the EU and Canada. The stakeholders agreed on following up with further workshops, expert exchanges, etc., which would be made possible through this project.

Supporting the EU-Canada Dialogue on Consular Affairs, a TAIEX workshop on EU-Canada Consular Crisis Management Cooperation, took place in Brussels in September 2017. Consular Representatives from Canada, the EU Member States, the United States, New Zealand and Australia, in addition to colleagues working on Consular issues from the EU institutions, came together to share information and best practices. This two-day event proved very useful in promoting consular crisis management cooperation between the EU and Canada through enhanced understanding of the structures in Canada, the EU and its Member States and other like-minded countries, as well as through sharing experience from concrete crises

responses, and proved a successful way to feed into preparations for the EU-Canada Consular Dialogue which will take place in November 2017.

At the 2016 Summit EU and Canada committed to deepening bilateral cooperation on refugee and migration issues. Alongside existing cooperation arrangements, EU and Canada launched in 2017 a new migration platform involving Canada, the EU and its Member States to share best practices and technical expertise on themes which may include effective border management, integration and resettlement programmes, asylum systems, return policies and tackling illegal migration, and legal migration, as appropriate. The EU-Canada Policy Dialogues Support Facility may facilitate the operation of such an experts' platform.

The proposed action also builds on the experience and the evaluations drawn from similar facilities in China and in Brazil:

- Although the PDSF will be designed to follow a flexible approach, experience from the previous and existing Sector Dialogue Support Facilities (SDSF) has shown that translating agreements reached in the context of political dialogues into concrete actions is often not straightforward. Therefore, it is recommended that the agreements reached at political level include operational aspects. The services responsible for each dialogue should participate actively in this process.
- The financial continuity of actions is vital for sustaining sectorial dialogues and for reaching concrete results. At the same time, it is to be ensured that the result of these actions feed into the high level political dialogue.
- Finally, the China/Brazil SDSFs have shown that the actions undertaken should have a comprehensive logical structure and be embedded in the wider cooperation framework between the EU and Canada, rather than being limited to isolated events, such as missions or conferences.

#### **2.4. Complementary actions**

Complementarities will be sought with ongoing Partnership Instrument (PI) actions such as the following ongoing service contracts and projects: the *Feasibility Study for an EU-Canada mineral investment facility*, *Market access support for EU business in Canada in the CETA context*, *the Support civil society participation in the implementation of EU trade agreements*, *the International Urbanization Cooperation program*, *the EU Policy and Outreach Partnership*, *the Promoting economic empowerment of women at work through responsible business conduct in G7 countries* project, *the Cooperation with major economies for the implementation of the Paris Agreement*, *the Environmental Diplomacy in G7/G20*, possible TAIEX initiatives and other future PI actions in Canada.

Complementarity will also be sought with any programme / project funded by the EU (Horizon 2020, COSME, etc.) and activity implemented by the Member States in the priority areas.

All ongoing actions relevant to the identified priority areas will be closely monitored in order to ensure complementarity and to build on good experiences while avoiding duplications.

## **2.5. Cross-cutting issues**

The EU and Canada are key strategic partners in some issues such as gender equality, human rights, inclusion and diversity, climate change and environment, where dialogues have already taken place or could take place in the near future.

Moreover, as already implemented for the ongoing PI actions in Canada, gender equality, human rights, inclusion and diversity, climate change and environment will be taken into account when relevant, when supporting dialogues on other priority topics.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of this action is to contribute to strengthening and further enlarging the strategic partnership between the EU and Canada.

Its specific objectives are to foster dialogue in specific priority areas<sup>4</sup> of EU and mutual interest and to support the implementation of the EU-Canada SPA and, where appropriate, CETA, but also other relevant agreements concluded between the EU and the Canadian Government.

### **3.2. Expected results and main activities**

The main expected results of the project are:

R.1: Cooperation in shared priority areas is reinforced and concrete follow-up measures to sector dialogues are put in place and implemented;

R.2: The external dimension of EU policies in shared priority areas is promoted efficiently in the dialogue with Canadian authorities;

R.3: Updated information is available and regularly disseminated on the evolution and "state of the art", contents and results of the different dialogues;

R.4: Bilateral cooperation in support of initiatives to facilitate and support the implementation of CETA, such as for instance regarding the Trade and Sustainable Development

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<sup>4</sup> The list of priority areas include but it is non-exhaustive: security and defence, foreign policy, non-proliferation and disarmament, trade, energy, environment, climate change, oceans, Arctic, migration and asylum, employment, social affairs and decent work, macroeconomic policy, consular issues, gender and women empowerment, democracy and human rights, United Nations, development, transport, raw materials, and forest products.



R.5. Synergies in terms of business opportunities for EU companies in Canada are created in the context of the dialogues.

The indicative project activities -implemented on issues that are relevant for the dialogues and partnership and in close partnership with Member States- will include:

- The preparation of baselines, benchmarking, specific sector studies, polls, etc.;
- The organisation of events (conferences, seminars, workshops, mutual technical visits and other exchange activities, press conferences, etc.) within the scope of the dialogues, including horizontal business-related events;
- The provision of specialised technical assistance to relevant stakeholders;
- The support of exchanges between Canadian and EU stakeholders, experts, civil society and social partners;
- The consolidation and further development of monitoring, communication and visibility tools.

### 3.3. Risks and assumptions

The main assumption is that Canadian and European authorities are committed to implement the SPA and the CETA, engaging in concrete actions to foster dialogues in key priority areas.

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Lack or decreasing commitment to implement the EU-Canada SPA and CETA	L	Ensure involvement at the highest level from the EU and Canadian side
Poor availability of EU institutions and services to get involved in the actions, including the necessary provision of human resources needed to steer them.	M	Strategic selection of the areas of intervention, in line with EU's interests and policy priorities. Extensive internal coordination among EU services.
Irritants coming from political developments, trade-related disputes or others, negatively affecting bilateral relations	L	Careful monitoring of the bilateral agenda and continuous engagement with Canadian counterparts by the EU Delegation. The project will be informed by the EU Delegation of relevant political developments so as to adapt to evolving circumstances.
Overlaps with activities from other DGs or EU Member States	L	Internal monitoring and informal coordination with MS through the EU Delegation in Ottawa and through the EEAS in Brussels; ensure enough flexibility to avoid overlaps.

Frustration in counterparts when specific proposals are rejected	L	Extensive coordination, dissemination and preparatory work with relevant counterparts, linked to the bilateral policy dialogues.
Scattered activities can dilute the impact of the facility	M	A strategy will be elaborated to constantly monitor, during the implementation, the risk of excessive dispersion of efforts resulting in limited impact.

### 3.4. Stakeholders

The key stakeholders are:

- EU and Canadian Federal government, institutions, agencies, services and other relevant bodies;
- EU Member States and Canadian provincial institutions and bodies, according to subject area;
- European and Canadian Academia and Civil Society including social partners (trade unions and employer organisations) as well as youth organisations, the private sector, according to subject area;
- Local governments, professional organisations or other similar bodies, as appropriate and according to subject area.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### ***4.1.1. Procurement (direct management)***

(a) The programme will be implemented via service contracts. Indicatively one (1) service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: this call for tender is expected to be launched during the 1st Quarter 2018.

## 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Procurement (direct management)	3
Totals	3

## 4.3. Organisational set-up and responsibilities

The organisational set-up and responsibilities will be further developed and agreed.

However, it is foreseen that the basic structure will consist of

- A Steering Committee which will provide strategic guidance to the project, in compliance with the decisions taken and agreements made at high political level, and will ensure the regular monitoring of the project and appraise the results achieved; This steering committee should be composed of representatives from the EEAS and the Commission services as well as representatives from Global Affairs Canada, , and the relevant sectorial Canadian Ministries. Member States could be invited to participate to these meetings as Observers. The participation of Commission services in the Steering Committee will also ensure complementarity and consistency with any actions undertaken directly under CETA.

This steering committee shall meet twice a year in Ottawa or in Brussels, with Video Conference connections to respectively Brussels or Ottawa.

- A Project Coordination Unit, that should indicatively include the team leader, any other relevant expert/staff from the project, the project manager in the EU Delegation in Ottawa, and possibly a representative from Global Affairs Canada. This project coordination unit will ensure the day-to-day management of the project, the visibility of the project, promotion of the activities and dissemination of information and support to the Steering Committee.

## 4.4. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators

from the list of common PI indicators. These reports shall also clearly highlight the link between the project activities and the dialogues held.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

Based on this monitoring, the Delegation will report when relevant to the Member States through the monthly Economic Counsellor Representatives or Deputy Head of Missions meetings.

#### **4.5. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

#### **4.6. Communication and visibility**

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

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

Furthermore, this action will represent an opportunity to communicate and give appropriate visibility in Canada about the EU-Canada strong partnership in particular within the scope of the selected priority areas.

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.



Brussels, 12.1.2018  
C(2018) 32 final

**COMMISSION IMPLEMENTING DECISION**

**of 12.1.2018**

**on the 2018 Partnership Instrument individual measure in support to the EU-South Africa Strategic Economic Partnership to be financed from the general budget of the European Union**

## COMMISSION IMPLEMENTING DECISION

of 12.1.2018

### **on the 2018 Partnership Instrument individual measure in support to the EU-South Africa Strategic Economic Partnership to be financed from the general budget of the European Union**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>1</sup>, and in particular Article 84 (2) thereof,

Having regard to the Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action<sup>2</sup>, and in particular Article 2(1) thereof,

Whereas:

- (1) The objectives pursued by the individual measure to be financed under the Partnership Instrument<sup>3</sup> are to advance and promote Union and mutual interests through cooperation with third countries. The measure will enable the Union to deliver on its strategic partnership with South Africa in line with the Economic Partnership Agreement<sup>4</sup>.
- (2) The action entitled "Support to the EU-South Africa Strategic Economic Partnership" aims to contribute to implementation of multilateral and bilateral agreements with regards to economic and trade aspects; to consolidate ability and capacity of the EU and EU business to influence policy processes in South Africa and at regional level. The action will be implemented in direct management via the procurement of services.
- (3) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012<sup>5</sup>.
- (4) It is necessary to allow for the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.

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<sup>1</sup> OJ L 298, 26.10.2012, p. 1

<sup>2</sup> OJ L 77, 15.3.2014, p. 95

<sup>3</sup> Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (OJ L 77, 15.3.2014, p. 77).

<sup>4</sup> The EU signed an Economic Partnership Agreement (EPA) on 10.6.2016 with the Southern African Development Community EPA group composing Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland.

<sup>5</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

- (5) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, any substantial change to a financing decision that has already been adopted should follow the same procedure as the initial decision. It is therefore appropriate that the Commission defines the changes to this Decision that are considered non substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (6) The measure provided for in this Decision does not fall within the categories of measures for which the prior opinion of the Committee is required. The European Parliament and the Partnership Instrument Committee established under Article 7 of Regulation (EU) No 234/2014 should be informed of this Decision within one month following its adoption.

HAS DECIDED AS FOLLOWS:

#### *Article 1*

##### **Adoption of the measure**

The Commission Implementing Decision on the 2018 Partnership Instrument individual measure in support to the EU-South Africa Strategic Economic Partnership, as set out in the Annex, is adopted.

The measure shall include the action in support to the EU-South Africa Strategic Economic Partnership.

#### *Article 2*

##### **Financial contribution**

The maximum contribution of the European Union for the implementation of the individual measure referred to in Article 1 is set at EUR 3,500,000 and shall be financed from budget line 19.0501 of the general budget of the European Union for 2018.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

The implementation of this Decision is subject to the availability of the appropriations provided for in the draft budget for 2018 following the adoption of that budget by the budgetary authority or as provided for in the system of provisional twelfths.

#### *Article 3*

##### **Methods of implementation**

The elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012 are set out in the Annex to this Decision.

#### *Article 4*

##### **Non-substantial changes**

Increases or decreases not exceeding 20 % of the contribution set in the first paragraph of Article 2, or cumulated changes to the allocations of the specific action not exceeding 20 % of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012 provided that they do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 12.1.2018

*For the Commission*  
*Federica MOGHERINI*  
*Vice-President*



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## Annex

### to the Commission Implementing Decision on the 2018 Partnership Instrument individual measure in support to the EU-South Africa Strategic Economic Partnership to be financed from the general budget of the European Union

#### 1. IDENTIFICATION

Title of the action	<b>Support to the EU-South Africa Strategic Economic Partnership</b>			
Country(ies)/ Region	South Africa			
Total cost	Total estimated cost: EUR 3 500 000 Total amount of the EU budget contribution: EUR 3 500 000			
Total duration	60 months <sup>1</sup>			
Method of implementation	Procurement – Direct management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological Diveristy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<sup>1</sup> The total duration is calculated as from the adoption of the Financing Decision. As a result it takes into account of: (i) the contracting phase (indicatively 12 months); (ii) start of the implementation of the action (36 months) to; (iii) the closure phase of the action (indicatively 12 months).

## **2. RATIONALE AND CONTEXT**

### **2.1. Summary of the action and its objectives**

The action is intended to enable the EU to deliver on the economic/trade/investment dimension of its strategic partnership with South Africa by promoting its own interests and, in turn, maximise its trade and investment flows there. This includes ensuring proactive and responsive activities aiming at: **1)** supporting the negotiation, conclusion and implementation of multilateral and bilateral agreements and processes when it comes to economic and trade aspects (Southern African Development Community, Economic Partnership Agreement (SADC EPA), the United Nations Framework Convention on Climate Change (UNFCCC), the World Trade Organisation (WTO), the International Civil Aviation Organisation (ICAO), the International Maritime Organisation (IMO), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the 2030 Agenda for Sustainable Development, the United National Conference on Trade and Development (UNCTAD), G20, the Organisation for Economic Co-operation and Development (OECD), etc.); **2)** consolidating the ability and capacity of the EU and EU business to influence policy processes in both South Africa and at regional SADC level; **3)** ensuring EU visibility in the framework of the strategic economic partnership with South Africa through communication, exchanges, events and other appropriate platforms.

### **2.2. Context**

South Africa is the only Strategic Partner country in Africa. The value of EU-South Africa Strategic Partnership is rooted in shared democratic values and in the critical role that country plays in all regional and multilateral affairs. The economic dimension of such relationship is fundamental. Both the EU and South Africa need to grow faster and see Africa's rising as an essential drive towards greater prosperity.

The bilateral trade and investment agenda is marked by a number of positive factors. EU remains the SA's undisputed dominant trade and investment partner (representing 78% of FDI stocks and some 25% of SA's total trade). The ratification and implementation of the Economic Partnership Agreement (EPA) is thus expected to strengthen a relation which already produces hundreds of thousands of direct jobs both in South Africa and EU.

The bilateral dimension is further enriched by a wide number of economic and trade-related co-operation strategic frameworks, notably in the area of science and technology, macro-economics, climate change, environment (with an emphasis on, circular economy), energy, space and mining, which are taking place in the overall framework provided by the EU-South Africa Strategic Partnership. In all these fora, the EU-South Africa Partnership aligns itself with the 2030 Agenda for Sustainable Development Goals (SDG).

At regional level, South Africa remains the largest the biggest investor in individual states in the SADC region and holds the lead with regard to regional integration efforts. It also exerts political influence on African Union matters, making it an essential partner on the continent for the EU.

At multilateral level, whether at WTO, UNFCCC, ICAO, IMO, G20, CITES, UN, and OECD level, South Africa's positions have a major impact, notably on BRIC and ACP countries. In certain fora, EU and South Africa have been able to effectively

work together towards a global agreement (e.g. UNFCCC 17<sup>th</sup> Conference of Parties (CoP17) and the 20<sup>th</sup> Conference of Parties (CoP20)) and present joint decisions (CITES CoP17).

Nonetheless, difficulties and irritants persist. These encompass EPA implementation (e.g. recent problems with poultry safeguards and textiles but also sanitary and phyto-sanitary as well as conformity certification), green economy agenda (notably implementation of Renewable Energy Independent Power Producer Programme), and the transformation agenda (e.g. investment protection, property rights, local content and economic empowerment).

The aim of the proposed action is to see pro-growth policies being duly pursued in South Africa, in line with the SDGs agenda, in order to facilitate continued European investments in the country resulting in the creation of jobs and growth both in the EU and in our partner countries.

The catalytic role played by South Africa in the region and Africa on all relevant matters should also be addressed.

The proposed action would also help foster a progressive role by South Africa in multilateral fora, aligned with EU positions.

### **2.3. Lessons learnt**

The proposed action builds on the previous two Partnership Instrument funded projects: i) 'Support to the EU Market Access Team'; and ii) 'EPA Outreach Project'. Both of the projects have been effective tools for policy advocacy and stakeholder engagement. They have been an important interface with various stakeholders and allowed for business policy advocacy.

Support to the EU Market Access Team project specifically showed that EU Business Chamber is a useful and reliable tool to carry out business-related policy advocacy. EU Business Chamber has been able to engage high-level government officials, South African Parliament, business and civil society sectors and attract media coverage.

The proposed action will draw from the activities and the objectives of the previous two projects while expanding their scope and scale. More issues will be analysed through specialised expertise; more stakeholders will be engaged and more partnerships will be established; more events will be organised for greater policy advocacy and EU positive visibility in the country. By doing so, the present action will provide the EU with an effective and coherent set of tools enabling it to deliver on the objectives of its economic diplomacy in South Africa.

### **2.4. Complementary actions**

In the 2014-2020 financial framework South Africa continues to benefit from the EU development co-operation funds (DCI), though at a reduced scale, targeting key priorities of South Africa's National Development Plan 2030, namely 'employment creation', 'education/training/innovation' and 'building a capable and developmental state'.

Programmes have been developed that have relevance to economic/trade/investment-related dimension of the EU-South Africa strategic partnership, but their primary

focus is on South Africa's medium- to long-term developmental objectives. Relevant programmes include:

- The small, medium and micro enterprises' (SMME) development programme supporting value chains and supplier development, favouring the development of an innovation-friendly environment including through access to finance;
- The South Africa-EU Dialogue Facility, which allows to carry out dialogue activities and tap into EU expertise on priority subjects of the South Africa government departments;
- Following the Mid-Term Review of the 2014-2020 Multiannual Indicative Programme for South Africa under the Development Co-operation Instrument, a decision is likely to be taken on the allocation of an additional amount of funds for a dedicated programme to support EPA implementation with focus on productive sectors and supply chains;
- A self-standing programme is being developed to support restructuring of the South African wines & spirits sector.

The proposed action, on the other hand, has EU interests at its core and will support targeted actions to facilitate EU immediate priorities in the country. It will reinforce EU Delegation's ability to exercise policy advocacy, improve EU visibility and extend outreach activities.

While there might be certain actions that could be eligible under both the Development Cooperation (DCI) and Partnership Instrument (PI) projects, these cases will be carefully considered to avoid duplications and decide on the most appropriate instrument for funding.

## **2.5. Cross-cutting issues**

The proposed action will contribute to the following cross-cutting issues:

- Key focus will be on improving SA business and innovation climate, which will in turn strengthen EU and EU business roles in promoting sustainable growth in South Africa through employment creation, promotion of knowledge-based and innovation capacities and social empowerment.
- A number of activities will have strong links to SDGs' agenda and the benefits of climate action and circular economy.
- Foreseen outreach and visibility activities will seek to bring various stakeholders on board, including government, business, civil society and international partners thereby facilitating a more inclusive South African society.
- On gender equality, EU outreach and visibility activities will aim at high women participation. Feasibility of dedicated activities will be considered.

### 3. DETAILED DESCRIPTION

#### 3.1. Objectives

The overall objective will enable the EU to deliver on its strategic economic partnership with SA, and, in turn, maximise its trade flows and investments in South Africa.

##### **Specific objectives:**

- a) Support the negotiations, conclusion and/or implementation of multilateral and bilateral agreements when it comes to economic and trade aspects;
- b) Consolidate the ability and capacity of the EU and EU business to influence policy processes in South Africa and at regional level, through the appropriate identification and promotion of robust positions;
- c) Provide high visibility and credibility to the actions of the EU in the framework of the strategic economic partnership.

#### 3.2. Expected results and main activities

**Results** will include: Implementation of EPA substantially accelerated, Paris Agreement and other Agreements satisfactorily implemented, WTO processes advanced, South African legislation taking due account of EU and EU business positions, ability of EU business to operate in South Africa improved; jobs connected to EU FDI in South Africa increased.

**Activities** will thus be clustered around three components, each based on the above three specific objectives:

- a) **technical component**: this will include short and long term technical assistance to relevant stakeholders (both EU, South Africans or SADC more in general) as well as the organisation of events, seminars, workshops, roundtables with the purpose of ensuring successful co-operation and resolution of differences in the context of the negotiations, conclusion and implementation of all major trade and economics-related negotiations as well as national (South Africa) and a regional (SADC or wider) policy processes, mainly but not exclusively in the context of the implementation of the SADC-EU EPA Agreement, the UNFCCC Paris Agreement, WTO matters, ICAO, IMO, CITES, Agenda 2030, UNCTAD, G20, OCED to include all matters identified as relevant for the purpose of the EU strategic economic partnership with South Africa;
- b) **advocacy component**: this will include technical support to the EU Market Access Team including the provision of expertise for the provision of inputs that can be incorporated in the formulation and operationalisation of EU wide policy positions;
- c) **visibility component**: this will provide for logistical and communication support to promote the visibility of EU positions, policies and stances.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
Political and economic uncertainty	L	The project itself aims at addressing this uncertainty. EU Delegation will continue to monitor the situation. ANC electoral conference at the end of 2017 will give an indication of likely future policy directions.
Currency volatility	H	It will depend on political and economic situation, which will be monitored.
Sustainability of EU Business Chamber	L	EU Delegation will continue its engagement with EU Chamber's Board to monitor governance and sustainability issues and facilitate their improvement through diplomatic channels.
Quality and impartiality of experts	L	EU Delegation will work to ensure effective tender procedure and selection of high-quality experts; and then regularly engage with the experts to facilitate high-quality deliverables.

### 3.4. Stakeholders

Key stakeholders that would benefit directly or indirectly from the project are: the existing Market Access Team (i.e. EU Delegation, EU Member States and EU business), South African business associations, Government Departments and other associated agencies, Parliament, judiciary as well as provincial and municipal authorities. Learning institutions, CSOs, media and think tanks will also be included.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### ***4.1.1. Procurement (direct management)***

(a) The programme will be implemented via service contract(s). Indicatively one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tender expected to be launched in the first Quarter of 2018, unless a decision is adopted to launch it earlier subject to approval of the programme.

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

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

#### 4.3. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Procurement (direct management)	3.5
Totals	3.5

#### 4.4. Organisational set-up and responsibilities

The proposed action will be implemented under the guidance of the Project Steering Committee (PSC), which will include several services of the Commission, and the EEAS, and the EU Delegation. This combination will contribute to aligned objectives, effective implementation and complementarity with the DCI programmes and projects.

The action also foresees the establishment of a project implementation unit composed of a Team Leader and Communication Expert (part time), who will work under supervision and in regular consultation and coordination with the EU Delegation.

Key partners in the implementation of the project will be EU Business Chamber. The EU Chamber as well as EU Member States will also be engaged on priorities and deliverables of the project, primarily at the level of EU Economic Counsellors, but also EU Heads of Mission, if and when appropriate.

#### 4.5. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing entity's responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators, which will include relevant indicators from the list of common Partnership Instrument indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

#### **4.6. Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

#### **4.7. Communication and visibility**

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.