



Brussels, 6.5.2019
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COMMISSION IMPLEMENTING DECISION

of 6.5.2019

**on the financing of the 2019 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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THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU, Euratom) 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 966/2012¹, and in particular Article 110 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 action², and in particular Article 2(1) thereof,

Whereas:

- (1) In order to ensure the implementation of the 2019 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union, it is necessary to adopt an annual financing decision, which constitutes the annual work programme, for 2019. Article 110 of Regulation (EU, Euratom) 2018/1046 establishes detailed rules on financing decisions.
- (2) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.
- (3) The Commission has adopted an Implementing Decision on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020⁴. In line with the Multiannual Indicative Programme, the objectives pursued by the Annual Action Programme to be financed under the Partnership Instrument⁵ are: 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.

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 77, 15.3.2014, p. 95.

³ www.sanctionsmap.eu. Note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy, the OJ prevails.

⁴ C(2018) 4001

⁵ 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.

- (4) The action entitled ‘Towards a liquid, flexible and transparent global Liquefied Natural Gas (LNG) market’ aims to contribute to the EU Energy Union objectives, in particular on secure, diverse and competitive gas supplies by supporting the establishment of a liquid, flexible and transparent global LNG market.
- (5) The action entitled ‘EU-GCC Clean Energy Technology Network – III’ aims to strengthen political and technical relations between the EU and GCC in the field of clean energy at regional and bilateral levels, to enable the EU to contribute to GCC decision-making on sustainable energy policies and to facilitate the uptake of EU innovative technology in GCC countries.
- (6) The action entitled ‘Security cooperation in and with Asia’ aims to enhance the EU's security and defence cooperation in and with Asia by supporting deeper and more operational security dialogues with partner countries, promoting greater convergence of the policies and practices of partner countries with those of the EU and by increasing international awareness and acknowledgement of the EU as a security provider.
- (7) The action entitled ‘International alliance for a human-centric approach to Artificial Intelligence’ aims to contribute to the setting up of a framework for ethics and trust to enable the growth of AI in accordance with EU and universally recognised values and to prepare the ground for global alliance building in this field.
- (8) The action entitled ‘Business and Human Rights in Asia’ aims to promote through an EU-UN partnership the agenda on Business and Human Rights and to ensure that it is further taken up by Asian governments and business, thereby also contributing to creating a more level playing field.
- (9) The action entitled ‘Low Carbon and Circular Economy Business Action in the Americas’ aims to contribute to enhancing the EU’s position as a leader in tackling climate change by promoting the decoupling of economic growth and CO2 emissions in the Americas.
- (10) The action entitled ‘EU Americas Partnership on Raw Materials’ aims to contribute to the secure, sustainable and ethical supply of raw materials for EU industrial value chains (from EU and non-EU countries), promoting at the same time EU technologies and services for mining and the values of responsible and sustainable mining.
- (11) The action entitled ‘Public and Cultural Diplomacy’ aims to continue long-term engagement to support actors in their endeavours to globally develop EU's soft power by building alliances and better-informed decision-making on priority EU themes such as response to global challenges, the central role of multilateralism, EU values and principles, and economic partnerships. It will also enhance understanding and visibility of the EU and its role on the world scene.
- (12) The action entitled ‘Policy Dialogue Support Facility India’ aims to contribute to strengthening and expanding of the EU-India strategic relationship.
- (13) The action entitled ‘EU-Republic of Korea (RoK) Policy Dialogue Support Facility’ aims at strengthening and enlarging EU-RoK strategic partnership through fostering bilateral dialogues and partnerships in key priority areas.
- (14) The action entitled ‘Enhanced EU-GCC political dialogue, cooperation and outreach’ aims to contribute to a stronger relationship and to help strengthen the alliance between the EU and the GCC countries and the region on the basis of mutual interest.

- (15) The action entitled ‘EU-Malaysia and EU-Singapore Partnership Facility’ aims to contribute to the strengthening and enlargement of EU relations with Malaysia and Singapore.
- (16) The action entitled ‘EU - Brazil Sector Dialogues Support Facility’ aims to contribute to strengthening and further enlarging EU-Brazil bilateral relations by fostering new and existing sector dialogues and other cooperation initiatives on priority themes of mutual interest.
- (17) The action entitled ‘Support to project cycle management’ aims to maximise the relevance, efficiency, effectiveness, sustainability and impact of the projects and programmes carried out under the Partnership Instrument.
- (18) The action entitled ‘Policy Support Facility’ aims to support short-term actions that underpin fast changing policy priorities or emerging political commitments.
- (19) The Partnership Instrument will contribute to cooperation to reinforce respect for geographical indications relating to wine and spirits in South Africa, through a contribution to the Development Cooperation Instrument. Implementation through budget support to the South African (SA) authorities will fulfil the political commitment made by the EU to provide assistance of EUR 15 000 000 for the restructuring of the South African wines and spirits sector and for marketing and distribution of South African wines and spirits products. This commitment originates in the SA-EU Trade, Development and Cooperation Agreement⁶, under the Agreement on Trade in Wines and Spirits under geographical indications negotiations, and is captured in its Annex X.
- (20) It is appropriate to authorise the award of grants without a call for proposals and to provide for the conditions for awarding those grants.
- (21) The Commission should authorise the launch of a call for tender by means of a suspensive clause before the adoption of this Decision.
- (22) Pursuant to Article 4(7) of Regulation (EU) No 236/2014 indirect management is to be used for the implementation of the programme.
- (23) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of Regulation (EU, Euratom) 2018/1046.
- (24) To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of Regulation (EU, Euratom) 2018/1046⁷ and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of Regulation (EU, Euratom) 2018/1046 before a contribution agreement can be signed.
- (25) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (26) In order to allow for flexibility in the implementation of the programme, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.

⁶ Council Decision of 26 April 2004 (2004/441/EC)

⁷ Except for the cases of Article 154(6) of Regulation (EU, Euratom) 2018/1046, where the Commission may decide, not to require an ex-ante assessment.

- (27) The actions 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
The programme

The annual financing decision, constituting the 2019 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union, as set out in the Annexes, is adopted.

The programme shall include the following actions:

- (a) 'Towards a liquid, flexible and transparent global Liquefied Natural Gas (LNG) market' set out in Annex 1;
- (b) 'EU-GCC Clean Energy Technology Network – III' set out in Annex 2;
- (c) 'Security cooperation in and with Asia' set out in Annex 3;
- (d) 'International alliance for a human-centric approach to Artificial Intelligence' set out in Annex 4;
- (e) 'Business and Human Rights in Asia' set out in Annex 5;
- (f) 'Low Carbon and Circular Economy Business Action in the Americas' set out in Annex 6;
- (g) 'EU Americas Partnership on Raw Materials' set out in Annex 7;
- (h) 'Public and Cultural Diplomacy' set out in Annex 8;
- (i) 'Policy Dialogue Support Facility India' set out in Annex 9;
- (j) 'EU-Republic of Korea Policy Dialogue Support Facility (PDSF)' set out in Annex 10;
- (k) 'Enhanced EU-GCC political dialogue, cooperation and outreach' set out in Annex 11;
- (l) 'EU-Malaysia and EU-Singapore Partnership Facility' set out in Annex 12;
- (m) 'EU - Brazil Sector Dialogues Support Facility' set out in Annex 13;
- (n) 'Support to project cycle management' set out in Annex 14.
- (o) 'Policy Support Facility (PSF)' set out in Annex 15.

Article 2
Union contribution

The maximum Union contribution for the implementation of the programme for 2019 is set at EUR 87 300 000, and shall be financed from the appropriations entered in the following lines of the general budget of the Union:

- budget line Article 19 05 01: EUR 87 300 000;

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

Article 3

Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annexes 3, 5 and 8, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 4.1 of the Annexes 3, 5 and 8.

Article 4

Flexibility clause

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 changes⁸ 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 for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046, provided that these changes do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Article 5

Grants

Grants may be awarded without a call for proposals in accordance with the conditions set out in the Annex 15. Grants may be awarded to the bodies referred to in the Annex 15.

Article 6

Procurement

Launching a call for tender under a suspensive clause before the adoption of this Decision shall be authorised as of the date set out in point 4.1 of the Annexes 7 and 8.

Done at Brussels, 6.5.2019

For the Commission

Federica MOGHERINI

Vice-President

⁸ These changes can come from assigned revenue made available after the adoption of the financing decision.

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for a liquid, flexible and transparent global Liquefied Natural Gas (LNG) market

1 KEY IDENTIFICATION DATA

Title of the Action	Towards a liquid, flexible and transparent global Liquefied Natural Gas (LNG) market			
Country/region/global	Global			
Sector of intervention	Sustainable Energy			
Indicative budget	Total: EUR 4 000 000 EC contribution: EUR 4 000 000 (100 %) Other contributions: NA			
Duration and target start date of implementation	36 months - January 2020			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

The European Union's energy policies aim to ensure that European citizens can access secure, affordable and sustainable energy supply. The EU imports 70% of the gas consumed. Many EU countries are heavily reliant on a single gas supplier. This dependence leaves them vulnerable to supply disruptions. Thus accessing more diversified natural gas resources is a priority for the EU. The arrival of Liquefied Natural Gas (LNG) as an alternative gas source has already resulted in lower prices and contributes to increasing competition between gas and coal on the European market.

As identified in the **EU's Strategy for LNG and Gas Storage**¹, and in line with the objective of increasing the share of EU gas demand covered by competitively-priced LNG imports, the EU has a strong interest in promoting a transparent, flexible and liquid global LNG market which can quickly and efficiently reflect the actual value of LNG, based on gas market fundamentals and ensuing price signals.

Building on the first phase² of the EU-Japan cooperation on global LNG markets, the overall objective of the action is **to contribute to the EU Energy Union objectives, in particular on secure, diverse and competitive gas supplies by supporting the establishment of a liquid, flexible and transparent global LNG market.**

The action will further implement the international dimension of the EU Strategy for LNG and Gas Storage, by deepening engagement with LNG importing and exporting countries.

The action will contribute to the establishment of a more flexible and transparent LNG market by creating greater awareness, understanding and consensus among major producer and consumer countries as well as among emerging producers and consumers. It will also promote EU's approach and experience and help the EU play a leadership role in the shaping of the LNG market. This will be done through technical working groups, workshops and a high-level political event to be organised in Europe. Moreover, the project will work closely with emerging producer and consumer countries to share EU approach and best practices for effective participation in a flexible global LNG market.

2.2 Background/Context/Rationale for PI funding

The EU imports more than half of all the energy it consumes. Its imports dependence is particularly high for crude oil and gas. The total import bill is more than €1 billion per day. Imports represent some 70% of the gas consumed in the EU. In 2017, 37% of gas imports by volume came from Russia, 37% from Norway and 14% from North Africa (Algeria and Libya)³. In 2017 as a whole, LNG imports covered 14 % of total extra-EU gas imports⁴.

Globally, the imports of LNG rose in 2017 by 9% and the demand is expected to grow 4-7% annually. China will still lead in terms of this growth in demand. Demand from South Asia, in particular India, and Southeast Asia is also growing fast. There is a growing number of LNG importing countries globally, currently standing at 40.

International LNG markets are set for major change, with substantial new liquefaction capacity expected to come on-stream by 2020 from North America, Australia, Qatar and, in future, several African countries. Swing producers, equally able to reach the Atlantic and the Pacific LNG markets, react to price developments in both markets and have helped LNG prices across the world to converge. In the EU, the last decade has seen the development of multiple liquid gas hubs and underlying

¹ https://ec.europa.eu/energy/sites/ener/files/documents/1_EN_ACT_part1_v10-1.pdf

² This cooperation was supported by Partnership Instrument Policy Support action – “Promoting a flexible, liquid and transparent global LNG market”

³ https://ec.europa.eu/eurostat/statistics-explained/index.php/EU_imports_of_energy_products_-_recent_developments

⁴ https://ec.europa.eu/energy/sites/ener/files/documents/quarterly_report_on_european_gas_markets_q4_2017_fi nal_20180323.pdf

interconnected sub-regional gas markets. The LNG market is gradually moving towards higher liquidity and flexibility, as – next to long term contracts – spot transactions and shorter-term contracts have become increasingly common.

The current context offers a window of opportunity to firmly establish the building blocks for a global liquid and flexible LNG market, and to support the conditions that will allow producers and consumers to equally meet such market environment with confidence.

The European Union's energy policies aim to ensure that European citizens can access secure, affordable and sustainable energy supplies. Many EU countries are heavily reliant on a single supplier, including some that rely entirely on Russia for their natural gas. This dependence leaves them vulnerable to supply disruptions, whether caused by political or commercial disputes, or infrastructure failure. The **EU Energy Security Strategy (COM(2014)330)**⁵, developed in May 2014, presents both short and long-term measures to shore up EU's security of energy supply. Among its five key areas, one is related to diversifying supplier countries, routes and energy sources.

Accessing more diversified natural gas resources whilst maintaining significant import volumes from reliable suppliers, is a priority for the EU. The arrival of LNG as an alternative gas source in previously single supplier dependent EU member states has already brought lower prices⁶ and contributes to increasing gas to coal competition on the European market. LNG will remain and further grow as a major potential source of diversification in the years to come, including in the transport sector. As identified in the **EU's strategy for LNG and gas storage (COM(2016) 49 final)**, the EU has a strong interest in a transparent, free and liquid global LNG market which can quickly and efficiently react to market changes.

This action is in line with the EU's energy policies as reflected in the **2015 Energy Union Strategy**, a key political priority of the Juncker Commission and the Partnership Instrument (PI) is best placed to support such action.

This action is aligned with the PI Regulation, namely with its Objective 1: To enhance EU bilateral, regional, inter-regional and multilateral cooperation and partnership strategies through 1) reinforcement of policy dialogues and 2) Development/adoption/implementation of collective approaches and responses to challenges of global and/or mutual concern, in particular in the areas of climate change, energy and the protection of the environment.

In addition, the project contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priority "Environment, climate and energy" and mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, Resilience and Innovation.

2.3 Lesson learnt

To promote transparent and liquid global LNG markets, the EU has signed a Memorandum of Cooperation with Japan in 2017. The MoC was implemented through the PI-funded PSF action **Promoting a flexible, liquid and transparent global LNG market** in cooperation with Japan.

Throughout 2018, the PSF action organised various workshops, open to participants from all LNG producers and consumers. The workshops dealt with flexibility provisions in LNG sale and purchase contracts, well-functioning gas hubs in consumer markets, LNG price transparency and reporting, financial trade in LNG-based products, among other topics. The proposed action will use the experience accumulated in 2018 and widen the reach and scope of that initiative.

The PSF action demonstrated that good quality outcomes can be achieved with the format of workshops with ± 70-80 participants of senior technical level. The workshops indeed led to a sound

⁵ <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52014DC0330&qid=1407855611566>

⁶ Ten Member States (Bulgaria, the Czech Republic, Estonia, Latvia, Austria, Poland, Romania, Slovenia, Slovakia and Finland) imported more than 75 % of total national imports of natural gas from Russia.

shared understanding of all the building blocks for a liquid, flexible and transparent market, which could be presented in a coherent framework.

The EU-Japan workshops series also confirmed the added value of looking deeper and at a more technical level at some issues of crucial importance for the global LNG market. The workings of an expert group was facilitated by the project, leading to the development of a model clause on LNG cargo diversion and profit sharing.

Based on these successful experiences, the present action will continue to organise both yearly workshops at senior technical level as well as small-scale specialised working groups on important topical issues.

While, overall, the workshops saw good participation by nearly all important consuming and producing countries, on some occasions stakeholders' participation to workshops was hampered due to agenda conflict with international fora on gas and LNG that take place regularly across the world. Therefore the present action will be designed to complement those international events and the activities planning will take into account the global calendar on gas and LNG.

Finally, following the workshops, the need is now felt for a heightened political visibility for this type of activity led by the EU. Based on this, the proposed action will organise a high-level political event which will be held in the EU. It will be crucial that such political outreach on the type of LNG market developments that are judged desirable by the EU, will duly present the related messages in the frame of the EU's integrated climate and energy policies, in particular its long-term goals for a de-carbonised energy system.

2.4 Coherence and complementarity

The action proposed is coherent with EU's energy policies as reflected in the 2015 Energy Union Strategy⁷, a key political priority of the Juncker Commission. More specifically, the action will deliver on the "EU strategy for liquefied natural gas and gas storage", where better access to LNG is expected to increase security of supply, reduce dependence on Russian gas and allow European consumers to take advantage of the global 'gas glut' and the availability of competitively priced LNG, with strong considerations for sustainability of the gas value chain.

The action will also contribute to the implementation of the Joint Communication "Connecting Europe and Asia – Building blocks for an EU Strategy"⁸ and the objective of promoting market integration whilst improving energy security.

The action will promote EU's approach and experience and provide a leadership role in the shaping of the LNG market. The activities and their recommendation will feed into the existing bilateral energy dialogue that the EU maintains with strategic partners such as USA, Japan, China, India, South Korea, Australia, Algeria and others, as well as in the framework of the Eastern Neighbourhood.

The action will also benefit from existing dialogues and platforms such as the EU-China Energy Cooperation Platform or the EU-India Energy and Climate Partnership, as well as regional energy connectivity platforms that may be established in the context of the Europe-Asia Connectivity Strategy and the Eastern Partnership. Actions could become mutually reinforcing in presenting the EU external action on energy and as such could lead to strengthening of EU energy diplomacy.

In 2017, 13 Member States imported 14% of total extra-EU gas imports through LNG, 12% more than the year before. Spain is EU's largest LNG importer with 31% of total EU LNG imports in 2017, followed by France (20%), Italy (15%) and the UK (12%). The EU's overall LNG import capacity is significant – enough to meet around 43% of total current gas demand (2015). However, in south-east of Europe, central-eastern Europe and the Baltic, many countries do not have access to LNG. Based on the list of EU 'projects of common interest' the LNG strategy includes a list of key infrastructure projects which are essential for ensuring that all Member States of the EU can benefit from LNG.

⁷ https://ec.europa.eu/commission/sites/beta-political/files/presentation-juncker-energy-union_en.pdf

⁸ JOIN(2018) 31.

Poland's Minister of Energy and Spain's Regulator have participated in the EU-Japan organised events. Relevant expertise is available in EU Member States through independent scholars, consultancies, the industry and academia and public research and training institutes. In particular the Florence School of Regulation was very involved in the development of workshops. This new action intends to increase the participation of the European public sector as the private sector is already widely involved.

2.5 EU added value

The mid to longer term possibilities for increased and competitively priced LNG supplies to the EU will depend on the global LNG market sustainably finding the right balance between increased flexibilities as requested by major consumers (EU, Japan, Korea,...), and the concerns of revenue certainty of investors in liquefaction projects. Through continued work with its international partners, the EU can help facilitating the market conditions that will enhance confidence among LNG consumers and producers that such balance will be achieved. There is no international organisation that can do this on the EU's behalf.

The EU's messages and sharing of practices in support of transparent and liquid global LNG markets will benefit from the experience gained with developing, implementing and compliance-checking of gas market legislation in the EU, the transposition of the EU's gas market legislation in the EU member states as well as with market organisation and regulatory frameworks enacted in the EU member states. The EU and its Member States have extensive experience with regional approaches to gas market integration which can be highly relevant for other parts of the world and which the present action will actively disseminate.

2.6 Cross-cutting issues

Sustainability aspects as part of the EU's decarbonisation efforts are gaining ever more importance. By promoting the good functioning of the global LNG market, this action will support positive impacts on sustainability and environmental quality.

Flexible trade of competitively priced LNG can enhance new uses of LNG and open new potential markets, including : small-scale LNG for local industry and islands, contributing to sustainable growth and jobs for both women and men; gas replacing oil and coal in power production, resulting in lower harmful emissions; use of gas in households, improving air quality.

The present action will give due attention to decreasing the climate impact along the LNG value chain, in particular through raising awareness of the issues of venting, flaring and methane leakage and promoting the dissemination of effective approaches to deal with them. The long-term economic viability and profitability of gas infrastructure will also be addressed from a perspective of ever more ambitious climate change mitigation policies, thereby taking into account potential developments in synthetic gas and liquefied bio-methane. The action will also mainstream innovation in the LNG sectors, when it comes to LNG use in transport (maritime, inland navigation, heavy duty vehicles) and innovative approaches to reduce costs and environmental impacts of LNG production, transport and use.

Overall, international and EU best practices will be promoted, favouring the respect of the rule of law and EU values globally. This will include best practices related to inclusion of women's and environmental organizations and Civil Society Organizations in related policy dialogue. Cross cutting issues will be mainstreamed throughout the implementation of the action by aiming at gender mainstreaming (e.g. by ensuring gender balanced speaker panels, round tables and working groups, including at high level representation). Measures will be taken to reduce the environmental impact of the action's activities⁹. Efforts will be made towards more accessible project resources, e.g. accessible event venues, accessible project website, etc.

⁹<https://myintracomm.ec.europa.eu/serv/en/scic/conference/Documents/Checklist%20for%20Greener%20Conferences%20Aug%202018.pdf>

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of the action is to contribute to the EU Energy Union objectives, in particular on secure, diverse and competitive gas supplies by supporting the establishment of a liquid, flexible and transparent global LNG market. The action will further implement the international dimension of the EU Strategy for LNG and Gas Storage, published in 2016.

The **specific objective** is to deepen engagement with LNG consumer countries as well as emerging LNG producer and consumer countries, to promote a liquid, flexible and transparent global LNG market.

The planned results of the action will be:

1. EU approach and best practices to gas and LNG markets are promoted and recognised as best practices
2. Dialogue on LNG markets contributes to the development of market-based gas systems in third countries and to enhanced flexible LNG trade
3. Knowledge on liquid, flexible and transparent LNG market development is raised among emerging producer and consumer countries
4. Regional approaches to the development of the LNG market in Asia will be promoted, in line with the EU's strategy on Asia connectivity.

These results will be achieved by implementing the following indicative activities:

- One high-level ministerial LNG event under EU leadership
- Two international workshops
- At least 10 Specialised working groups meetings
- At least five progress reports on specific issues related to the global LNG market functioning and five final detailed studies on these.
- At least nine Knowledge exchange workshops at regional or bilateral level on LNG
 - Gas/LNG trading,
 - Development of gas/LNG hubs and price discovery trading,
 - Investment in LNG sector including financing,
 - Environmental and sustainable operations of LNG (extraction, liquefaction, transport), etc.
- Specific technical assistance in targeted countries in Asia and Africa (needs basis).

The action will capitalize and sustain the cooperation with Japanese partners such as the Ministry of Economy, Trade and Investment (METI) on the global LNG market. With this action, the EU will lead the implementation of international LNG workshops focused on the key drivers to promote the liquidity, flexibility and transparency of the global LNG market as well as a high level ministerial meeting in Brussels to set the political agenda.

Through the support to Specialised Working Groups (SWGs), including participation of European experts and businesses, EU approaches and best practices will be promoted and influence the shaping of the global LNG market.

Last, for a truly flexible global LNG market to function well, reforms to achieve liquid domestic gas consuming markets are essential to provide flexibility at the receiving end of the LNG value chain. Through technical workshops, it is expected that participants will increase their confidence in the good functioning of a liquid global LNG market and its contribution to security of supply strategies. It is estimated that the planned results will be achieved partly during the implementation period of this action. They will contribute to shape the global LNG market and to develop adequate regulatory framework of various LNG consumer and producer countries, thus contributing to a sustainable impact.

For emerging countries, sufficient and timely upstream investment will also be crucial for the liquidity of the global LNG market. In some countries, the regulatory and investment regime could be enhanced through this action to facilitate such upstream investment, which in turns could accelerate the drop in LNG prices across the world.

3.2 Stakeholders

The EU has signed a Memorandum of Cooperation with Japan in 2017 to promote and establish a liquid, flexible and transparent global LNG market. Together, Japan and the EU account for nearly 50% of overall global LNG consumption. Both want to promote the liquidity, transparency and flexibility of the global LNG market, as the best condition for durable competitive LNG supplies and for improving the resilience of the international market and its capacity to respond to unexpected events. Throughout 2018, various workshops have been organised in cooperation with Japan and the present action will continue to foster this bilateral dialogue with Japan.

However, the proposed project is a global action open to any country having an interest in the global LNG market. It will focus on major LNG consuming countries in Asia such as Japan, India, South Korea or China as well as major producers such as USA, Australia or Algeria. The action also aims at further involving emerging LNG importing countries such as Pakistan, Bangladesh, Thailand, Morocco, South Africa, etc. and emerging LNG exporting countries such as Mauritania, Mozambique, Senegal, Tanzania, etc. The action also aims at involving the Eastern Neighbourhood, such as Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine.

The main stakeholders of the action will be Ministries and public bodies responsible for regulation of the LNG markets in producer and consumer countries.

Another group of stakeholders will include representatives from the industry (including traders, buyers, sellers, terminal and underground storage operators, shipping) as well as the LNG financial market stakeholders and experts from independent consultancy and academia, in particular from EU Member States.

Where appropriate and relevant, the action will seek synergies with the International Energy Agency (IEA) or with the G7/G20 agenda on LNG, in particular to enhance promotion of best practices of the emerging global LNG market and identify complementarities of actions.

3.3 Risk assessment and management

Description of Risk	L/M/H	Mitigation/Comment
Perception amongst LNG producer countries that the EU and Japan are trying to unduly influence the market.	L	Continuing the practice from the previous PI-supported action, the workshops shall be organized in a way that is transparent to other LNG actors and stakeholders, in dialogue with major producers and in line with the relevant multi-lateral initiatives (IEA, G7).
Some major LNG producer countries might not be supportive of the development of a flexible market	M	By strengthening partnerships with a wider number of countries and promoting conditions for a more fluid, liquid and transparent LNG market, the project will minimize the influence of these countries opposing the EU approach.

<p>The project raises expectation in ODA eligible countries but cannot support the setting up of the individual LNG markets, thus the interest of those countries diminishes.</p>	<p>L</p>	<p>The action-related communication will make it very clear from the beginning that the action is aimed at influencing decision makers through sharing of best available information to develop the global LNG market and not a development cooperation project so as to avoid raising expectation.</p> <p>ODA eligible countries could be supported in identifying other resources to further support the reform process.</p>
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An overall assumption is that the global LNG market continues to develop and the price of LNG drops across the world, thus being favourable to a consumer market.

3.4 Communication and EU 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 Action¹⁰, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Comprehensive and timely information will be regularly sent to key stakeholders (including media, think thank 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. From the Commission website, the project will have a dedicated page to act as a repository for relevant documentation and a registration for event participants.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

(a) The programme will be implemented via a service contract.

(b) Indicative timing: call(s) for tender expected to be launched 2nd Quarter 2019.

¹⁰ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	4
Total	4

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 measures¹¹.

4.3 Organisational set-up and responsibilities

Relevant EU services will ensure close coordination with bilateral and regional energy dialogues with partner countries wherever relevant and will provide regular technical and political inputs.

A Project Steering Committee (PSC) which will include relevant EU services will be set up to steer the project, to ensure complementarity with existing EU initiatives and to share information about the projects' activities. The PSC will meet at least once a year.

Delegations of the EU will be kept informed and will be involved, in particular if activities take place in third countries but also if countries government and authorities are attending the events organised under the action.

EU Member States will be kept informed through the meetings of the Energy Working Party of the Council of the European Union.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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.

¹¹ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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.

EN

ANNEX 2

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for EU-GCC Clean Energy Technology Network III

1 KEY IDENTIFICATION DATA

Title of the Action	EU-GCC Clean Energy Technology Network - III			
Country/region/global	The countries of the Cooperation Council for the Arab States of the Gulf (GCC): Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates plus EU countries when appropriate.			
Sector of intervention	Sustainable Energy			
Indicative budget	Total: EUR 2 500 000 EC contribution: EUR 2 500 000 (100%) Other contributions: NA			
Duration and target start date of implementation	30 months – July 2019			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

In the past few years, the European Union (EU) and the Cooperation Council for the Arab States of the Gulf (GCC) have developed an Energy Dialogue going beyond the traditional trading relations between energy consumers and suppliers to cover areas such as market integration, renewable energy, energy efficiency, and sustainable use of gas.

In 2010, the EU-GCC Energy Expert Group (EEG) was created to support and implement the Energy Dialogue. At the same time, an EU-GCC Clean Energy Network funded by the EU, was also established to foster closer cooperation between the EU and GCC countries on clean energy policy and technology.

This action document proposes support for an additional phase of the EU-GCC Clean Energy Technology Network¹ to continue to support the EU-GCC Energy Dialogue and cooperation in the areas of clean energy technology and policies beyond 2018.

Through the promotion of clean energy technology and policies, the action will contribute to the external dimension of the EU Energy Union², help strengthen EU's position as a global leader in the "clean energy transition" and promote the use of sustainable energy in the GCC. This Action will also pave the way for greater presence of the European clean energy industry in the GCC region.

2.2 Background/Context/Rationale for PI funding

The wealth of the energy resources of the Gulf countries, who hold 30% of the world's oil reserves and 20% of global gas reserves, and the needs of the EU for diversified and reliable energy suppliers make the two regions complementary and mutually inter-dependent via a large trade of oil and gas. Such trade is a key element of EU relations with the Gulf countries.

However, the global landscape has changed and the EU together with other likeminded countries has embarked on a path towards "clean energy transition". Leading the global energy transition, the EU has developed ambitious policies for a more sustainable use of energy, enshrined in the 2020³ and 2030 Energy and Climate Framework.

The adoption of the Paris Agreement by 195 countries, setting ambitious climate targets was a major milestone at the global level. To implement its energy and climate strategy and to achieve the planned targets, the European Commission adopted the Clean Energy for All European Package⁴ in November 2016.

In addition, on 28 November 2018 the Commission presented a long-term decarbonisation strategy in a Communication titled "A clean planet for all". The aim of the long-term strategy is to reaffirm Europe's commitment to lead in global climate action and to present a vision towards a net-zero greenhouse gas emissions by 2050 through a socially fair transition carried out in a cost-efficient manner. It also underlines the opportunities that such transformation offers to European citizens and economy, whilst identifying challenges ahead.

Following the same trend, the countries of the Gulf Cooperation Council have been showing an increased interest towards cleaner sources of energy. The six GCC countries have plans to invest in renewables and have set ambitious targets by 2030-2040. This interest reflects a response to the global

¹ In 2017 at request of the GCC the network was renamed EU-GCC Clean Energy Technology Network

² <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/2030-energy-strategy>

³ <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/2020-energy-strategy>

⁴ The Clean Energy for All European package is the most comprehensive initiatives ever presented in order to deliver secure, sustainable and competitive energy in the 2030 perspective and to meet the Paris Agreement. <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/clean-energy-all-europeans>

trend in the area of climate change but also their commitment to diversify their economies and to reduce their overwhelming dependence on oil.

Energy consumption in the GCC countries has grown at an average of 6% per year since 2000, outpacing GDP (5%) and population growth (4%). This is largely due to the development of energy intensive industries, water desalination and consumption in residential buildings. Low energy prices have provided little incentive for energy efficiency and the energy consumption per capita in the region is amongst the highest in the world.

To move to a more sustainable development path, the GCC countries must pursue energy efficiency and diversify their energy mix ramping up investments in clean energy to meet domestic demand. These measures will in turn free up hydrocarbon resources for export, foster economic diversification, accelerate job creation, and reduce carbon emissions.

The Gulf region has great potential to exploit renewable energy sources. Recent solar projects tendered in the UAE resulted in prices below 3 US cents/kWh.

The GCC countries have been showing a keen interest in Europe's clean energy policies and technology and are interested to follow EU's clean energy transition path. In this context, the EU and the GCC have extended their Energy Dialogue to topics such as market integration, renewable energy, energy efficiency, technology and sustainable use of natural gas. These topics are discussed regularly in the EU-GCC Energy Expert Group meetings. Meetings of the Group involve DG Energy, other relevant Commission services, EEAS, EU Delegations in the region and the energy departments in the GCC Secretariat.

In addition, the EU-GCC Clean Energy Technology Network⁵ was established as a platform of exchange on clean energy issues between EU and GCC public and private stakeholders and to help operationalise the discussions and decisions of the EU-GCC Energy Expert Group in the area of clean energy.

The network has proven to be an excellent tool to enrich the EU-GCC energy dialogue and cooperation, to support GCC partners in the implementation of sustainable energy policies and to facilitate the sharing of EU clean energy policies, technologies and best practices. This helps to consolidate EU's position as a leader in the global response to climate change and also contributes to the creation of new business opportunities in the region for the EU industry, which is at the forefront of clean energy technology.

Given this successful experience, this action proposes to extend the ongoing project for an additional period of 30 months.

The new phase of the network will continue to contribute to EU's energy and climate Diplomacy. By linking the policy dialogue on energy and the promotion of EU's technology and standards, it will also contribute to EU's economic diplomacy.

The action is well aligned with the Partnership Instrument (PI) Regulation and will be framed under its objective 1: To enhance EU bilateral, regional, inter-regional and multilateral cooperation and partnership strategies through 1) reinforcement of policy dialogues and 2) Development/adoption/implementation of collective approaches and responses to challenges of global concern, in the areas of climate change, energy and the protection of the environment.

In particular, the project contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priority "Environment, climate and energy" and mainstreams the following cross-cutting issues: Multilateralism (building alliances), EU principles and values (in particular gender equality), Resilience and Innovation.

⁵ EU GCC Clean Energy Network was first set up with EU funding in 2010. In 2015, a new phase of the Network was funded by the EU and is expected to run until June 2019.

2.3 Lesson learnt

Since January 2016, more than 60 successful initiatives in the areas of clean energy technology and policies have been completed by the network⁶. Study tours to the EU allowing EU and GCC stakeholders to meet and exchange expertise and knowledge on respective clean energy technology and policies, were considered particularly successful. The proposed action will build upon the experience and good practices of the ongoing project.

Given the political situation in the region, some difficulties have been encountered to continue the regional cooperation. As a consequence, the network has progressively included more initiatives at bilateral level with individual GCC countries. The proposed action will continue this strengthened focus on bilateral cooperation, besides continuing to support the regional cooperation.

The first phase of the network ended in 2013, and a second phase was launched at the end of 2015 with a different contractor. Given this gap, the full potential of the momentum and work done under the first phase of the network could not be utilised at the beginning of the second phase.

Based on that learning, efforts should be made to ensure that the third phase starts immediately after the end of the second in order to keep the momentum and to continue the implementation of the various initiatives in the pipeline.

Moreover, in order to leverage the accumulated experience and to ensure continuity, it would be preferable that the third phase be implemented through the same contractor as in the second phase. This will allow building up on the work already carried out so far and will ensure maintaining the momentum and the good cooperation between the various stakeholders involved both in the GCC and in the EU.

In the past few years, a constructive energy dialogue has been established between the EU and the GCC including regular meetings of the EU-GCC Energy Expert Group.

By organising workshops, conferences, study tours etc. in the area of clean energy, the EU-GCC Clean Energy Network has been an ideal tool to operationalise some of the discussions of the political energy dialogue.

Implementation of activities related to clean energy technology and policies has helped consolidate EU's position as a leader in the response to climate change and provided business opportunities for EU's industry.

This impact could be further enhanced by strengthening messages (using the most recent data) relating to the economic viability of the clean energy transition. To ensure maximum impact of this project in the region, the good cooperation with other EU supported initiatives in the area (see section 2.5) should continue during this phase.

During the current project to support the EU-GCC clean energy technology network, discussions were held regarding the financial sustainability of the network including the possibility of adopting a membership based model or a model based on sponsorship by relevant institutions/organisations/companies in the sector. However, it was considered that this would greatly alter the logic of the network as an informal platform of exchange that brings together a variety of different kinds of stakeholders from the EU and GCC.

Therefore, emphasis should move from ensuring the financial sustainability of the network toward the generation of a sustainable impact for example by the creation of communities of experts, the development of bilateral cooperation with individual GCC countries or the implementation of joint research projects. Under this new phase, further emphasis will be placed on consolidating EU's position as a leader in the areas of clean energy and technologies and in response to climate change. The project will also enhance its work towards greater recognition and uptake of EU's policies, technologies and standards in the clean energy sector in the GCC region, thus facilitating business opportunities for EU industry.

⁶ <http://www.eugcc-cleanenergy.net/events>.

The network has already helped bring the stakeholders from both regions closer (eg. universities and research institutions). Activities of the network in this new phase will further strengthen these relationships so such cooperation can endure beyond the lifetime of the project.

2.4 Coherence and complementarity

The action is coherent with the external dimension of the EU Energy Union aiming at more secure sustainable and competitive use of energy and recognising the global leadership of the EU in this sector. It will contribute to EU's Energy and Climate Diplomacy as well as contribute to its Economic diplomacy by linking the policy dialogue on energy and the promotion of EU's technology and standards.

Two other PI supported actions are ongoing in the region, the Strategic Partnerships for the Implementation of the Paris Agreement (SPIPA – AAP 2017) in Saudi Arabia and the EU-GCC Dialogue on Economic Diversification (AAP 2016). Close coordination between the various actions will be ensured to avoid any duplication and to create positive synergies. Other relevant EU initiatives (e.g. those related to research and innovation) will be mapped at the inception phase and synergies will be built with them. Research cooperation being a cross cutting element in this project, the activities developed under this action will be coherent with European Strategic Energy Technology (SET)⁷ plan and priorities for the design, development and deployment of new technologies and close-to-market solutions, with Horizon 2020 and the upcoming Horizon Europe Framework Programmes.

With PI funding under AAP 2019, DG Energy is also developing a project to support the establishment of a liquid, flexible and transparent global Liquefied Natural Gas (LNG) market. GCC countries are exporters of LNG to the EU and to the global market. Coordination and synergies between the two actions will be ensured.

Besides coordinating with EU funded initiatives, the project will be in regular contact with EU Member State to ensure coordination and synergies with any relevant initiatives implemented by Member States.

To ensure synergies with other relevant EU action in the field of the clean energy transition, the EU-GCC Clean Energy Network will also aim to generate a knowledge base of EU policies and best-practice examples that may be able to be utilised and shared more broadly.

Lastly, the project will contribute to overall EU engagement in the region, for instance, it could support organisation of clean energy related activities in the framework of Expo 2020 planned to take place in the UAE.

2.5 EU added value

The action aims at enhancing and supporting the EU-GCC energy dialogue, with focus on promoting the clean energy transition. There is no international organisation or EU Member State body that has such specific objectives and competence.

The EU will capitalise on its Member States' diverse experience in clean energy policies and technology complementing it with the EU experience displaying the advantages of regional integration in the clean energy transition.

⁷ The integrated European Strategic Energy Technology Plan (SET Plan) is part of a new European energy Research & Innovation (R&I) approach designed to accelerate the transformation of the EU's energy system and to bring promising new zero-emissions energy technologies to market. Research, innovation and competitiveness are also one of the five dimensions of the Commission's Energy Union strategy.

The action will also provide opportunities for the EU clean energy industry and technology stakeholders to showcase their approaches, capacities and technologies and provide concrete opportunities for greater presence of EU clean energy industry in the GCC region.

2.6 Cross-cutting issues

As clean energy transition and climate change are directly correlated, the EU-GCC Clean Energy Network will focus on climate change as a key horizontal issue. Research issues, in line with the Strategic Energy Technology (SET) plan and priorities, will be also addressed as relevant, in each of the five working areas.

The action will also promote EU's standards and best practices in the sector with the GCC countries.

Gender equity will be mainstreamed throughout the implementation of the action by aiming to (inter alia) ensure gender balanced speaker panels, round tables and working groups, including at high-level representation. Gender equality will be addressed by inclusion of gender-relevant issues in the policy dialogues.

Initiatives supported will also include one report on gender and clean energy issues looking at gender equality in administrations and businesses mapping women's involvement and contribution to clean energy technologies and policies.

Measures will be taken to reduce the environmental impact of the action's activities⁸. Efforts will be made towards more accessible project resources, e.g., more accessible event venues, accessible project website etc.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of the action is to contribute to stronger political and technical relations in the field of clean energy between the EU and GCC both at regional and bilateral levels.

The **specific objective** of this action is to deepen engagement between EU and GCC stakeholders in the area of clean energy policies and technologies and climate change to promote the uptake of clean energy by the GCC countries.

Following **outcomes** will help to achieve the objectives mentioned above:

1. A strengthened network of EU and GCC entities (public administration, research institutions, businesses and industry stakeholders etc.) in the area of clean energy and climate change
2. Increased working contacts and cooperation between EU and GCC entities active in the area of clean energy and climate change
3. Increased knowledge and information exchange between EU and GCC stakeholders in the area of clean energy and climate change and on the possibilities of cooperation in the sector
4. Through the events, conferences and study tours, but also through joint research and demonstration projects, the action will provide space for the EU clean energy industry to showcase their approaches, capacities and technologies and provide concrete opportunities for enhancing access of EU clean energy industry to the GCC region.

⁸

⁸<https://mvintracomm.ec.europa.eu/serv/en/scic/conference/Documents/Checklist%20for%20Greener%20Confer>

The EU-GCC Clean Energy Network should continue to operate through five working areas:

- i. renewable energy sources,
- ii. energy efficiency,
- iii. more sustainable use of natural gas,
- iv. electricity interconnections & market integration,
- v. carbon capture and storage (CCS).

Climate change will be addressed as a horizontal issue cutting across the five areas defined above.

Some of the activities that will be implemented to achieve the objectives detailed above will be (inter alia):

- Exchange of know-how, sharing of best practices, coordination & promotion of joint actions between the EU and GCC stakeholders through the organisation of events, thematic discussions, working group meetings and high-level conferences.
- Support to the formal EU GCC Energy Expert Group.
- Facilitation of joint research and demonstration projects.
- Study tours for GCC industries and policy makers to the EU.
- Policy analysis and provision of data and other technical information related to the energy sector.

3.2 Stakeholders

The action will be implemented in the European Union and in the six countries of the Gulf Cooperation Council. It will foster the regional cooperation between the EU and the GCC as well as contribute to the bilateral cooperation between the EU and individual GCC countries, inter alia, support the implementation of the “Cooperation Arrangements” signed between the EU and Kuwait, UAE, Qatar and Oman.

Main stakeholders of the action will be representatives of Ministries and public bodies (administration, utilities and policy makers) as well as private sector representatives (consultancy, industry, research entities, and academia) from the EU and the GCC countries active in the field of energy.

EU Member States’ local trade promotion offices, their Chambers of Commerce and European companies, sectoral or regional associations will also be involved in this action.

To maximise synergies with the initiatives of the EU Member States in the GCC region, information on the network’s activities will be provided at the meetings of the Energy Working Party of the Council of the European Union. Moreover, close contacts with the member state representatives in the region will continue.

3.3 Risk assessment and management

Description of Risk	L/M/H	Mitigation/Comment
The political tensions between the GCC countries further slowdown the cooperation at regional level in the GCC.	M	The project is aimed at both regional and bilateral levels. The action will continually monitor the political situation and adjust its emphasis on regional/bilateral levels as per the political context and needs.
Even though at different paces, all the GCC countries have been	M	The project will reinforce its messaging to policy makers and political leaders in the

<p>implementing policies aimed at a more sustainable use of energy and at reducing their dependence on oil. One driver of such transition was the low oil price experienced since the second half of 2014. An increase in the oil price could possibly reduce efforts of GCC countries in their transition to a more sustainable use of energy.</p>		<p>GCC region on the need for a clean energy transition as a means to diversify the economy beyond oil and contribute to growth and jobs as well as implement the Paris Agreement.</p>
<p>The successful and timely implementation of activities also depends on the support provided by the various public stakeholders at regional and bilateral levels on the GCC side. A risk exists that this support may not be constant over time or decrease.</p>	<p>M</p>	<p>Continuous outreach to the GCC stakeholders right from the project start will be ensured. Regular updates on project activities (both past successful activities and upcoming) will be shared with GCC Secretariat as well as individual GCC countries to ensure their close involvement in the project.</p>

3.4 Communication and EU 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 Action⁹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The current PI action, running until mid of 2019, has already developed communication and visibility measures to ensure EU's visibility. Relevant information on the network activity and initiatives are available on a dedicated network website¹⁰. Specific materials have been created and media/social media campaigns launched on relevant policy areas/topics.

Such communications and visibility measures should continue and be further developed in the next phase of the action. The website will be continuously developed and updated to promote the initiatives, to be the interface for participants, a platform of exchange and a repository for relevant documentation.

Comprehensive and timely information will be regularly sent to key stakeholders (including media, think tank representatives) alerting on the outcomes of the actions and disseminating background information on key issues.

⁹ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

¹⁰ <http://www.eugcc-cleanergy.net/>

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

- (a) The programme will be implemented via a service contract.
- (b) Indicative timing: June 2019

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	2.5
Total	2.5

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 measures¹¹.

4.3 Organisational set-up and responsibilities

A Steering Committee including representatives from relevant EU services in Headquarters and Delegations, as well as the project implementation team will ensure proper project governance and strategic orientation. The Steering Committee will meet at least once a year, starting with a kick-off meeting during the inception phase of the project.

Moreover, the project activities will be discussed at the annual meetings of the EU GCC Energy Expert Group, which will provide further technical guidance.

To ensure active participation by the GCC countries regular updates (newsletter of activities, studies etc...) will be shared with the GCC Secretariat and individual GCC countries contact points. Beside this, the GCC Secretariat and individual GCC countries contact points will be regularly informed and updated on project milestones and most successful events.

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 and corporate 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

¹¹ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4 above, will be funded from sources other than those allocated to this specific Action.

EN

ANNEX 3

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for 'Security cooperation in and with Asia'

1 KEY IDENTIFICATION DATA

Title of the Action	Security cooperation in and with Asia			
Country/region/global	Five pilot countries: India, Indonesia, Japan, Republic of Korea and Viet Nam			
Sector of intervention	Maritime security, counter-terrorism, crisis management (peacekeeping/CSDP) and cyber security			
Indicative budget	Total: EUR 8 500 000 EC contribution: EUR 8 500 000 (100%) Other contributions: NA			
Duration and target start date of implementation	48 months – September 2019			
Method of implementation	Indirect management with a Member State agency			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	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"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

The action aims to support the strengthening of the EU's security engagement by supporting tailor-made cooperation with an initial set of five pilot countries (**India, Indonesia, Japan, Republic of Korea and Vietnam**), grouping together EU security-related efforts with the country concerned in particular in four areas: **maritime, counter terrorism, crisis management (peacekeeping/CSDP) and cybersecurity**. These areas respond to the EU's interests and priorities agreed with Member States in the FAC conclusions and the identified partners' needs. Partners could cooperate with the EU in one several or all these areas, at variable geometry, depending on shared or converging interests. It will be essential to continue to engage with counterparts in the targeted countries to further analyse needs and to identify opportunities for enhanced cooperation.

The project has three the components: 1. Support deeper and more operational security and defence dialogues with partner countries ("Support to Policy Dialogue" component); 2. Promote security cooperation and greater convergence between the policies and practices of the EU and the partner countries ("Cooperation and Capacity Building" component); and 3. Increase international awareness and acknowledgement of the EU as a security provider ("Public Diplomacy" component).

The action will contribute to the objectives set in the *Global Strategy for the European Union's Foreign and Security Policy*, and will support the implementation of Council Conclusions calling on the EU to scale up its security engagement in and with Asia (May 2018) as well as the Council Conclusions on Women, Peace and Security (December 2018) determining gender perspectives to be integrated into all EU policies, including foreign and security policy and its aspects of conflict prevention and resolution as well as peace-building.

It is as much about doing more in Asia in the security field as it is about creating the conditions for alliance building aiming at doing more with Asian partners outside of the region in this area. In Asia, it will respond to the demand by the EU's partners for greater engagement and it will help get a better overall balance between the economic and the political/security legs of the EU's cooperation with Asia. It will also contribute to develop joint efforts with these Asian partners for peace and stability in other parts of the world, for example peacekeeping in Africa and the Middle East, and to agree on common approaches at the global level, for example norm building in the area of cybersecurity.

This action will show the EU's capacity to match its goals with concrete and operational peer-to-peer cooperation and thus support increased international awareness and acknowledgement of the EU as a global security provider with a strong role to play in global affairs.

Finally, it aims to support the EU's objective to become a full-fledged member of the ASEAN Defence Ministers' Meeting Plus (ADMM+).

2.2 Background/Context/Rationale for FPI funding

Both the EU Global Strategy and Council Conclusions adopted in the Foreign Affairs Council of 28 May 2018 on "Enhancing EU Security Cooperation in and with Asia" underline the EU's commitment to scale up its security engagement in and with Asia to better complement its economic reach. The Foreign Affairs Council Conclusions of 25 June 2018 also call for the development of a more strategic approach for EU partnerships on security and defence with third countries. Likewise, the FAC Conclusions on Counterterrorism of 19 June 2017 include South/East Asia as an additional priority region for engagement by the EU.

As noted in these Council Conclusions, the EU's security engagement needs to become more concrete and operational to increase its value as a trusted security partner to Asian partners. The proposed action fully reflects the objectives set out in article 1 (2a) as well as article 1 (2d) of the PI regulation (EU) No 234/2014. The activity also reflects the objectives listed in article 1 (2b) and 1 (2c). Through a more coherent and better planned approach to Security in and with Asia, the proposed action is in line with article 3 of the PI regulation.

2.3 Lesson learnt

In recent years, the EU has increased its engagement on security issues in Asia with positive experiences to draw on. For example, the EU helped broker and implement peace deals in Aceh and Mindanao; it has provided funds for reconstruction and development of police forces in Afghanistan and Myanmar; it ensures the full implementation of UN sanctions against DPRK's nuclear and WMD programmes and complements them with autonomous sanctions; it has included several Asian countries in its CSDP operations, including the very successful ATALANTA and EUCAP Nestor missions in the Indian Ocean.

The EU has Strategic Partnership Agreements with RoK and Japan and also counts India and China as Strategic Partners in the region and is working towards adding the ASEAN to that group. It has held for years regular bilateral dialogues on cybersecurity and on CT; has run EU-ASEAN high-level dialogues on maritime security to exchange lessons learned, as well as CSDP and other security-related courses. Regular meetings take place between the EU and authorities of the five designated countries in the context of the ASEAN Regional Forum, where the EU is now co-chairing with Vietnam the next three year cycle of Intersessional Meetings on Maritime Security.

Since 1996, the Asia-Europe Meeting (ASEM) has been the principal forum for region-to-region dialogue and cooperation including on non-traditional security issues. Hence, many of the proposed actions are the continuation and deepening of existing dialogues, aimed at the implementation of more concrete and operational activities that complement, build upon and benefit from the lessons learned and experience gathered from previous and ongoing projects that have provided funding to security cooperation, in particular with Asian partners. These projects are detailed in section 2.5.

2.4 Coherence and complementarity

Full coherence and complementarity will be ensured with other EU funded actions under the Partnership Instrument, the Instrument Contributing to Stability and Peace (IcSP), as well as other DCI-funded project and EU Member State actions.

These include the following ongoing projects:

- Advancing the EU's role in multilateral fora in Asia (PI): aimed at ensuring a more active EU presence and engagement in all regional fora in Asia.
- EU Cyber Direct (PI), implemented with EU Institute for Security Studies (EUISS): supports EU cyber diplomacy efforts and consequently contributes to the development of a secure, stable and rights-based international order in cyberspace.
- EU Policy and Outreach Partnership projects in Asia: Indonesia and South East Asian countries (PI), aimed at enhancing and widening the understanding and visibility of the EU, its policies and guiding principles to create a conducive environment for deepening and strengthening the EU's political and economic relationship with these countries.
- Support to the Partnership and Cooperation Agreements (PCA) and Strategic Partnership Agreement (PI): Indonesia, Vietnam, Japan
- Support to Policy Dialogue Facilities (PI): India, Japan, Republic of Korea
- Cooperation with major economies for the implementation of the Paris Agreement (PI) - renamed externally with "Strategic partnerships for the implementation of the Paris Agreement (SPIPA)", (PI), implemented by GIZ.
- Support to Countering Violent Extremism in South East Asia: Thailand, Malaysia, Indonesia and the Philippines (IcSP), with UNDP.
- Europe's New Training Initiative for Civilian Crisis Management - ENTRi (IcSP), implemented under the lead of the Centre for International Peace Operations (ZIF).

- European Police Services Training - EUPST (IcSP): The project focused on training police officers for stabilisation missions fostering interoperability and increasing harmonisation for crisis management operations.
- Enhanced Regional EU–ASEAN Dialogue Instrument, E-READI (DEVCO), aimed at supporting the implementation of the ASEAN Community blue prints, and sub-sequent plans.
- GLACY+ (DEVCO) implemented with the Council of Europe project and aimed at enabling criminal justice authorities to engage in international cooperation on cybercrime and electronic evidence based on the Budapest Convention on Cybercrime.
- Cyber4D (DEVCO): implemented with the Northern Ireland Cooperation Overseas (NICO), in consortium with UK FCO, Dutch MFA and Estonian RIA, and aimed at supporting and further facilitating the development of cyber resilience in partner countries while promoting an inclusive multi-stakeholder and rights-based approach and ensuring compliance with the rule of law and good governance principles.
- Cyber capacity building toolkit (DEVCO), implemented with EUISS. The project has produced a comprehensive practical framework to design and implement EU’s external actions in the field of cyber-crime and cyber-security the so-called “Operational Guidance for the EU’s international cooperation on cyber capacity building”.
- Strengthening Resilience to Violent Extremism in Asia (STRIVE Asia), a joint EU-UN partnership (DEVCO). The proposed action, to be implemented by UNOCT in cooperation with UNDP and UNODC, is expected to contribute to P/CVE in Central, South and Southeast Asia through a whole of society/multi-stakeholder approach including governments, security actors, civil society and the private sector.

2.5 EU added value

As stated by HRVP Mogherini “Europe and Asia have never been so close. Our economies are interconnected; our cultures are interconnected; and our security is connected: we face the same challenges, we confront similar threats, and we share an interest in preserving peace in our regions and international cooperation on a global scale.”

EU interest in this action stems from the increasing importance of Asian security for the security of EU citizens as well as the increasing role played by Asian partners on the global security stage. With increasing connections to Asia comes a higher vulnerability to Asian security problems. It is already important now to have strong relationships with Asian countries to address security challenges, and this will be increasingly so in the future.

In order to engage, to build alliances and to have influence, one needs to be able to contribute. The EU’s concrete contributions to Asian partners have lagged behind our expressed ambitions in dialogues. This action aims to help deliver on the EU’s promises, and by doing this, to strengthen relationships with Asian partners.

Cooperation with EU Member States is at the core of this project. Only by operating collectively but clearly under the EU flag can we make security cooperation in Asia and with Asian partners elsewhere in the world operational and sustainable, thus maximising our influence.

2.6 Cross-cutting issues

Rule of law, good governance, environment, human rights and gender equality and adhering to the highest standards of conduct, discipline and accountability are crosscutting issues for this project and will be directly targeted. The EU Strategic Approach to Women, Peace and Security (welcomed in the Council Conclusions of December 2018) gives new and specific tools for the integration of gender equality in all matters related to security and defence.

3 ACTION DESCRIPTION

3.1 Objectives

Against the background set out above, the **overall objective** of this action is to enhance the EU's security and defence cooperation in and with Asia.

The **specific objectives** of this action, which constitute the components of the programme, are:

- SO.1. To support deeper and more operational security dialogues with partner countries ("Support to Policy Dialogue" component);
- SO.2. To promote greater convergence between the policies and practices of the EU and the partner countries ("Cooperation and Capacity Building" component);
- SO.3. To increase international awareness and acknowledgement of the EU as a security provider ("Public Diplomacy" component).

The planned **results** of the action will be:

- 1. Enhanced engagement and advocacy through regular dialogues with key Asian partners on security topics of shared or converging interest.
- 2. EU and international standards and best practices are disseminated in the partner countries which incorporate them in the revision processes of their national strategies, and start discussing in regional organisations such as ASEAN.
- 3. Increased factoring in of the EU's policies and strategies in the response to security threats and challenges faced by partner countries in the region and beyond.
- 4. Greater visibility and understanding of the EU's contribution to security in the world and in and with Asia.

These results will be achieved by implementing the following **indicative activities**:

- 1. Information management, including the gathering and analysis of information on security related policies, capacities and relation of the partner countries. This will be based on in-house expertise and the use of the implementing agency's/consortium networks, as well as on consultation with EU Delegations, partner countries and stakeholders, and on feedback from discussions at global and regional level.
- 2. Support relevant research pieces, events and/or preparatory work for policy dialogues. This will include support to EU security-related dialogues with partner countries and regional/international security-related fora on Asia.
- 3. Organisation of informal dialogues (Track 1.5 or 2.0) with the targeted partner countries endorsed and/or driven by the EU.
- 4. Provision of mentoring, peer-to-peer exchanges of experience, best practices and cross-fertilization for the development and implementation of legislative frameworks, policies, guidelines and SOPs (including the transposition of international/regional policies and guidelines into national laws).
- 5. Advising and training (including train-the-trainer programmes and support to curriculum development) both in Europe and in-country to build-up and/or reinforce specific capacities in accordance with relevant international standards and EU best practices needed to face security challenges in the region and beyond.
- 6. Organisation of experts' exchanges, study visits, summer schools, workshops, thematic events and provision of technical assistance (both in terms of human and technological expertise).

7. Support participation in observation missions to EU CSDP missions and peacekeeping missions and operations.
8. Support participation in joint exercises.
9. Development of networks of practitioners and tools of interest and use at both national and regional levels.
10. Ensuring European participation in high-profile public events in Europe and throughout Asia.
11. Support to dialogues through side events, public outreach, or exhibitions to engage with non-governmental stakeholders, the academic sector, and the general public.
12. Production and dissemination of country targeted communication material illustrating the role of the EU as global security actor and promoter of peace, including in the different fields targeted by this action and the potential benefits for citizens and national security and development.
13. Support press relations around the events/study tours organized for key multipliers on EU cooperation on security.

The activities have to promote EU interests in the region and beyond and be coherent with and complementary to EU security and defence dialogues with targeted countries and regional structures in the region.

Thematically, the four key areas identified are: counter terrorism, cybersecurity, maritime security, and crisis management (CSDP and Peacekeeping Operations). Partners could cooperate with the EU in one, several or all these areas, at variable geometry, depending on shared or converging interests. Activities in other policies domains could be supported by the project based on identified needs and opportunities for enhanced cooperation with partners in Asia.

Human rights and gender perspectives and adhering to the highest standards of conduct, discipline and accountability are crosscutting issues and need to be explicitly included in relevant activities supported through this action.

In order to keep as much flexibility as possible, the expected results and indicative activities listed below are to be considered as overarching and fully adjustable to the needs identified in each country and the specificities of each thematic area.

3.2 Stakeholders

The present action has been designed to strengthen the EU's security engagement in and with Asia by supporting tailor-made cooperation activities with some of its key Asian partners. It will focus on five partner countries, India, Indonesia, Japan, Republic of Korea and Vietnam, selected on the basis of the level of ongoing dialogues as well as potential for deeper engagement. As far possible, joint activities with two or more of the countries in scope will be promoted, including in an ASEAN/ARF/ADMM+ context. More partners (including Australia, China, New Zealand, Pakistan Singapore and Malaysia) could be included in specific activities of this action. A second phase, including other countries will be considered at a later stage, based on progress and lessons-learned from the activities carried out with the first five countries.

Stakeholders from EU institutions include the European External Action Service (EEAS), different Commission services and EU Delegations. Other EU stakeholders may include EU agencies and bodies operating in the security field (including EU Institute for Security Studies, EUROPOL, CEPOL, ENISA, EMSA, EFCA, Frontex and ESDC).

Stakeholders also include EU Member States, including governmental and state authorities and institutions (principally military and police as well as diplomatic missions) and domestic non-state actors such as academic institutions, think-tanks, the private sector, and civil society organizations engaged in cooperation activities with the respective partner countries.

Military stakeholders from EU Member States may be particularly pertinent for cooperation with other military actors in the field of CSDP/Peacekeeping operations.

Correspondingly, stakeholders from the partner countries may include governmental and state authorities and institutions (including police and military), and domestic non-state actors involved in security cooperation.

3.3 Risk assessment and management

Risks	Risk level (H/M/L)	Mitigating measures
Lack of clear perception of EU as a security actor and security partner	M	Outreach to officials and public diplomacy activities to disseminate knowledge of EU activities and policies. Ensure clear coordination with EU Member States and develop a list of clear examples and potential benefits where Asian countries would profit from a partnership with the EU and its Member States.
Overlaps with projects from other donors	L	Informal coordination with other donors, including Member States, to avoid overlaps. Project design also introduces necessary level of flexibility to avoid overlaps.
Overlaps with existing EU-funded projects at national and regional level	L	Direct involvement of EEAS/Commission geographical desks and EU DEL correspondents ensures full knowledge of parallel EU-funded activities.
Changes in the priorities of partner countries and in our bilateral relationships	L	Project design introduces necessary level of flexibility to adapt to such changes by focusing on particular topics and/or by involving stakeholders from a wide spectrum.
Gender equality may be seen as an extraneous and non-relevant issue by implementing partners and if not explicitly included in specific initiatives may not be integrated to the degree needed.	M	Project design will be based upon gender analysis and all activities to coherently integrate a gender perspective in line with EU policy on women, peace and security. This will include funding for the gender analysis as well as engagement with civil society.
Assumptions		
Sustained willingness of partner countries to engage with the EU as expressed in bilateral dialogues.		

3.4 Communication and EU 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 Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Public Diplomacy has been specifically identified as a specific objective (with expected results defined as R.3.1: Greater visibility and understanding of the EU's contribution to security in the world and in and with Asia, through clearly delineated activities (A 3.1.1. – A 3.1.4, see Annex 1).

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management² with a Member State agency

This action may be implemented in indirect management with an entity which will be selected by the Commission's services following a call for Expressions of interest to all Member states launched on 3 December 2018, in accordance with article 62(1) of the EU Financial Regulation (EU, Euratom) 2018/1046.

Implementation through full recourse to EU and/or EU Member states' structures, such as agencies, security forces, and other bodies is key to achieve concrete results on sensitive/political but also technical matters, and to ensure effective credibility, interest, and cooperation with the Asian partner countries. In this sense, the expectations of the partner countries as to the quality and type of EU stakeholders to partner with, and specific cooperation approaches (mil-to-mil, civilian, technical experts) must be taken into account when defining the activities and the scope of implementation for each one of the security areas.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Agence Française d'Expertise Technique Internationale, France, "Expertise France", both pillar assessed organisations, have shown interest to lead the project. There are ongoing discussions with these organisations and their respective Ministries of Foreign Affairs to agree who will take the lead and sign a Contribution Agreement with the Commission.

Both organisations (GIZ and France Expertise) have a solid presence both at country level and regionally and have developed contacts and cooperation in the security domain with Asian partners. The lead organisation will involve expertise from other Member states during the implementation of the activities to ensure a genuine and wide European character to this action.

The entrusted entity would carry out budget implementation tasks that may include support to policy dialogue, exchange of expertise and best practices, training and capacity-building, organisation of seminars/conferences/events, carrying out studies and analysis, awarding grants to implement specific thematic components and/or activities.

If negotiations with the identified Member State organisation fail, this action may be implemented in direct management as described below.

¹ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

² Article 154 FR - Selection of the entities entrusted with the implementation of EU funds in indirect management.

Changes from indirect to direct management mode due to exceptional circumstances

The project will be implemented through the direct award of a grant to one or a consortium of EU and Member State agencies. Indicatively, one grant contract will be signed.

Indicative timing: 3rd quarter 2019.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
Indirect management with a Member State agency	8.5
Totals	8.5

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 measures³

4.3 Organisational set-up and responsibilities

The Commission will invite the lead organisation to work with other EU/Member states actors based on the outcome of the Call for Expressions of Interest mentioned in section 4.1. Involvement of EU and EU Member States structures is crucial to go beyond policy dialogue and get real impact, to achieve the best possible balance of expertise in the prioritized areas of intervention and to promote an EU collective approach that ensures the visibility of the EU as a global security actor.

The lead organisation and its consortium partners will establish a Steering Committee with EU institutions. The European External Action Service and the Commission will provide the requisite steering at a strategic level, ensuring complementarity with the EU official dialogues and political positions. In addition, country-specific liaison teams will be established to monitor country-level work plans. The country teams will work under the lead of the EU Delegations in the priority countries and will include an expert of the implementing agency/consortium, EU MS and the FPI Regional Team in Bangkok as well as thematic experts as needed.

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 and corporate 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.

³ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

EN

ANNEX 4

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for an international alliance for a human-centric approach to Artificial Intelligence

1 KEY IDENTIFICATION DATA

Title of the Action	International alliance for a human-centric approach to Artificial Intelligence			
Country/region/global	Global			
Sector of intervention	Digital economy			
Indicative budget	Total: EUR 2 500 000 EC contribution: EUR 2 500 000 (100 %) Other contributions: NA			
Duration and target start date of implementation	36 months – December 2019			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

Artificial Intelligence (AI) is an issue that commands international attention. It is a top priority for the EU and we are engaging with like-minded partners in international fora to advance common approaches to human-centric AI. “Human-centric” AI refers here to responsible AI underpinned by an appropriate ethical and legal framework. Other socio-economic issues related to AI such as labour market changes are not specifically addressed by this project. The project will enable the EU to promote its approach beyond the existing bilateral Information and Communication Technology (ICT) dialogues (currently held with Argentina, Brazil, China, India, Japan, Mexico, Switzerland, USA, and soon Canada and the Republic of Korea) by supporting multi-stakeholder exchanges including actors from other partner countries and complementing EU international engagements.

Trust, transparency and accountability are essential elements for the further development of AI. The EU has a strong and balanced regulatory framework to build on, which can set the global standard for a sustainable approach to AI.

The project will facilitate joint initiatives with like-minded partners, in order to promote ethical guidelines and to adopt common principles and operational conclusions. For this purpose, deepening mutual understanding on policy initiatives is important. Global or regional promotional events will take place potentially involving also other countries to provide leadership in the area of AI.

The activities will be grouped around three pillars:

- 1) Dialogue and joint initiatives with like-minded partners
- 2) Research, intelligence gathering, and monitoring on AI developments and uptake of technologies
- 3) Public diplomacy

2.2 Background/Context/Rationale for PI funding

Europe has a strong industry and AI research community, producing more than a quarter of the world's industrial and professional service robots (World Robotics 2017, International Federation of Robotics). Promotion of an appropriate ethical and legal framework globally will facilitate AI deployment and acceptance benefitting businesses and citizens.

The European Commission would like to encourage countries to engage in common approaches in this field.

This action implements the Partnership Instrument (PI) Regulation Objective 2: implementation of the international dimension of "Europe 2020 and promotion of the Union's internal policies. It also links to Partnership Instrument Objective 3: improving access to partner country markets and boosting trade, investment and business opportunities.

In particular, the project contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priority "Digital (including cyber security, digital global governance" and mainstreams the following cross-cutting issues: Multilateralism (building alliances), EU principles and values, Resilience and Innovation.

The Communication '[Artificial Intelligence for Europe](#)' was published on 25 April 2018. The project will focus on the ethical and legal aspects of the strategy, an area where interest in international cooperation is high.

Some AI applications may raise new ethical and legal questions, related to liability or fairness of decision-making. The General Data Protection Regulation (GDPR) is a major step for building trust and the Commission will move a step forward on ensuring legal clarity in AI-based applications. In

2019 the Commission will also make available the AI ethics guidelines developed by the Commission High-Level Expert Group on AI.

The [Commission Communication on a Coordinated Plan on Artificial Intelligence](#) was presented on 7 December 2018. In line with the Coordinated Plan, the project supports a unified EU engagement in the international arena promoting AI ethical guidelines and dialogue with non-EU countries and stakeholders.

The European Commission set up a [High-Level Expert Group on AI](#) (AI HLEG) in June 2018. The 52-member group has been tasked to prepare guidelines for the ethical development and use of AI based on fundamental values. It draws elements from and steers the discussions in the EU AI Alliance, a multi-stakeholder online forum, engaging broadly with academia, industry and civil society to discuss the future of AI. Registration on the EU AI Alliance online platform is open globally and there are currently over 50 countries worldwide represented. The High-Level Expert Group has autonomy in defining its work, but AI ethics guidelines will cover a broad range of aspects, ranging from core values to their implementation and use cases. The broader EU AI Alliance is the main vehicle for contributions from non-EU countries to the work of the AI HLEG.

The project will build upon the results of the AI HLEG which will be available in 2019. They will be a key input to a human-centric approach to AI to be promoted globally, through specific alliances to advocate the development and deployment of AI in accordance with values shared with partner countries.

Moreover, the EU will organise an international ministerial meeting on AI in the first half of 2019 with the aim of forging a global consensus on the ethical implications of AI. This will be the first step towards a global AI ethics framework.

2.3 Lesson learnt

This is the first global project on Artificial Intelligence with the Partnership Instrument. Until now, most EU initiatives around an AI ethical framework have focused on developing Europe's approach. The next step through the support of this project will be to open up the discussion globally and building alliances.

Four digital cooperation projects under the Partnership Instrument were launched in early 2018 in Asia and the Americas with regional and country activities (see section 2.5). The projects are in their early stages but preliminary lessons from these include the need to retain flexibility due to changing political landscapes, to prioritise strictly to maximise impact due to the increasing number of events related to digital, to elaborate and update project work plans closely with relevant Commission services and EU Delegations and other key stakeholders, including EU Member States.

2.4 Coherence and complementarity

The EU aims to remain at the forefront of AI deployment with the support of the complementary research and innovation instrument Horizon 2020. Major complementary initiatives by the Commission include

- Setting the right environment for the data economy (reuse, sharing, access to...)
- Neuromorphic chips built to run AI operations
- World class high-performance computers and
- Flagship projects on quantum technologies and on mapping the human brain.

Under the next multiannual budget of the EU, the Commission plans to increase its investment in AI further, mainly through two programmes: the research and innovation framework programme (Horizon Europe), and a new programme called Digital Europe.

Other complementary initiatives include the multilateral initiatives of the UN, the G7 and G20, OECD to which this project will contribute with aligned positions/recommendations and side-events. The EU will coordinate with like-minded partners from third countries to form coherent

positions/recommendations on AI ethical guidelines in order to prevent fragmentation of approaches detrimental to citizens' trust and businesses' take-up of AI. The project will undertake continuous monitoring of related events planned in order to determine priority venues where the project can intervene effectively.

As regards the international security dimension, the work of the High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission Federica Mogherini in the Global Tech Panel launched in June 2018 fosters new cooperation between foreign and security policy and technology and is discussed within the United Nations and other multilateral fora. This project may monitor security aspects of AI under its second pillar "Research, intelligence gathering, and monitoring on AI developments and uptake of technologies".

The action is complementary also to the work of the European Group on Ethics in Science and New Technologies (EGE) which works on a wide range of ethical issues related to science.

Another complementary PI project is tabled in the proposal stage of the 2019 Annual Action Plan programming process focusing on the challenges of the future of work in a transforming society due to technological change amongst other.

The project is also complementary to other ongoing Partnership Instrument projects launched in January 2018 in the area of international digital cooperation:

- Personal data protection: Asia and Latin America, in particular India, Indonesia, Japan, Korea, Thailand, Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico Uruguay. Country and regional. (1/2018-12/2020)
- ICT Standardisation InDiCo): USA, Brazil, China, India, Japan, Korea. Country and regional. (1/2018-12/2020)
- Cyber diplomacy and cyber resilience (EU Cyber Direct): USA, Brazil, China, India, Japan, Korea. Country and regional (1/2018-12/2020)
- Cross border access to electronic evidence – SIRIUS Project: EU-USA (1/2018-12/2021)

2.5 EU added value

As per the Coordinated Plan on AI presented on 7 December 2018, EU Member States are encouraged to undertake a unified approach on AI also internationally. Leadership of the EU in this area is also a request from industry to avoid multiple incompatible approaches. The robust regulatory environment of the EU makes it a natural front-runner in the field of a global AI ethical and legal framework. The EU is in an advanced position with ethical guidelines on AI being prepared by the HLEG AI, a multi-stakeholder and international high-level expert group. The HLEG AI work that will be presented in 2019 will prepare for the next step of global alliance building. Commonalities with proposals from other countries e.g. Canada and Japan or with principles discussed in other fora e.g. OECD will be enhanced through this project.

2.6 Cross-cutting issues

The aim is to converge on principles around AI, directly tied to the cross-cutting fundamental values of the EU and its like-minded partners as outlined in the EU Charter of Fundamental Rights. A "human-centric" approach to AI means that principles such as respect for human rights, pluralism, non-discrimination, including gender-related discrimination, and protection of privacy are of core concern.

The Commission-appointed HLEG AI has members from academia, industry and civil society and ensures multi-disciplinarity, broad expertise, diverse views, and a geographical and gender balance. The project will be designed following this approach and implemented ensuring multi-stakeholder and meaningful gender-balanced participation.

The United Nations Sustainable Development Goals also feed into the discussions of the ongoing working groups of the HLEG AI, thereby setting an ambitious direction on AI. All aspects of AI are being considered, including the following general policy objectives: participation development/good governance, aid to environment, gender equality and trade development.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of the project is to contribute to the setting up of a framework for ethics and trust to enable the growth of AI in accordance with EU and universally recognised values and prepare the ground for global alliance building in this field.

The **specific objectives** of the project are:

1. Develop responsible leadership in global discussions around legal and ethical aspects of AI.
2. Create the conditions for the uptake of policies and good practices/standards that ensure appropriate ethical and legal framework on AI.
3. Improve public awareness of the challenges and opportunities associated with AI.

Expected Results:

To achieve the above objectives, the action will work towards the below results:

1. Enhanced understanding of the EU policies, legislative initiatives and good practices in the field of AI among administrations, academia, business community, civil society and other stakeholder in the countries participating in the project.
2. Enhanced understanding of the policies, practices and actors in the field of AI globally.
3. Agreed approaches/common positions/joint initiatives on AI with like-minded countries in international/regional fora (UN, G7, G20, OECD and others).
4. Policy papers and recommendations developed to feed into the policy development process of partner countries.
5. Increased visibility of the EU as a leading actor in global discussions around legal and ethical aspects of AI.

To achieve the abovementioned results the project will support three pillars of activity. The three pillars of the project will support each other rather than leading to separate strands of work.

Partner countries and target venues/events for the three pillars will be confirmed in the preparatory phase of the project. The group of countries willing to cooperate in the joint-initiatives of the project could be enlarged to include more countries in the medium term as the project advances.

1) Dialogue and joint initiatives with like-minded partners

Under the first pillar, the EU and like-minded countries will discuss operational conclusions resulting from the ethical guidelines on AI proposed by the HLEG AI in order to reach a common approach. We plan a continued mapping of developments in international fora and among some of our key like-minded partners active in the area of AI with the objective to converge on common ethical guidelines.

Specific workshops will be organised for delivering the joint initiatives. Multi-stakeholder and multi-disciplinary discussions also involving industry and academia will be organised. The like-minded countries to cooperate with during this project will be identified based on interests expressed in existing or planned official dialogues and international fora. The set of countries and stakeholders to involve under this pillar will be confirmed during the inception phase of the project.

The final product of the action should be agreed approaches on specific aspects, for example transparency, security and data protection. The areas will be determined based on the outputs of the HLEG AI in early 2019 as a starting point for discussion. Joint documents on principles and operational conclusions will be proposed. The results of the HLEG AI will be taken into account and

propagated in order to find a common ground. This would also strengthen a unified position in the international fora (e.g. G7, G20, OECD).

2) Research, intelligence gathering, and monitoring on AI developments and uptake of technologies

The second pillar of the project focusses on monitoring the uptake of AI technology globally. This will support information gathering in order to better equip the project and tailor its activities. This pillar will involve research and expert missions including interviews with local, national, regional and international authorities and industry globally. The work could focus on aspects such as safety, security, cybersecurity, accountability and transparency of AI and include periodic reporting by country. Expertise to gather, analyse and consolidate the existing initiatives would be required.

This pillar of the project should go beyond countries interested in cooperating under the first pillar to include other key AI actors. Support of the [AI Watch](#) developed by the Joint Research Centre of the Commission could be foreseen here as well as cooperation with the OECD.

3) Public Diplomacy

The third pillar of the project consists of public diplomacy activities accompanying international events e.g. G7, G20 and OECD events. This pillar will seek to broaden the global alliance on AI and boost the visibility of the EU leadership in the area of digital. The project will support the organisation of global or regional workshops that expand to other stakeholders beyond governmental (industry, civil society, technical community and international organisations) such as side-events connected to the G7, G20, OECD agenda on AI where the EU's approach on AI and the Digital Single Market can be promoted.

3.2 Stakeholders

The following project stakeholders will be directly involved in the action:

- European Commission services, the European External Action Service, EU Delegations
- The High Level Expert Group on AI (HLEG AI)
- Governmental: e.g. EU Member States, Japan, Canada, the Republic of Korea and Australia
- More countries could be involved in regional activities or at later stages
- International organisations
- In certain activities: private sector (EU and non-EU companies working on AI), researchers and academia, standardisation bodies, civil society and social partners e.g. trade unions.

AI HLEG

While the initial mandate of the **High-Level Expert Group on AI (AI HLEG)** may be completed by the time the project starts, it will remain an important stakeholder in the project preparation, as activities will be based on the outcomes of its initial work. In addition to Europeans, experts from Japan, Canada and the United States are represented in the AI HLEG.

The AI HLEG has been tasked with drawing up AI ethics guidelines. Draft AI ethics guidelines, were made available for public consultation via the European AI Alliance in December 2018, with the final version due to be presented to the European Commission in March 2019.

Private sector and other interest groups

Involvement of EU and non-EU industry in relevant project activities e.g. working groups, outreach events, can be facilitated through the AI HLEG. Other EU and non-EU stakeholders such as researchers and academia, standardisation bodies, civil society and social partners e.g. trade unions will be encouraged to participate in selected activities dedicated to multi-stakeholder discussions on a global AI ethical framework.

Governmental stakeholders

Launched in April 2018 the Declaration of Cooperation on Artificial Intelligence, signed by all EU Member States and Norway, is declaring a strong will to join forces and engage in a unified approach on AI. It will be of mutual benefit for other partner countries to engage with the EU under this PI project as all have an interest in the ethical and legal questions of AI.

Japan initiated AI discussions at the international level when Japan's G7 Presidency put the topic on the table in 2016. AI is high on the EU-Japan ICT dialogue agenda. A new ICT dialogue between the EU and **Canada** is planned to start in early 2019 with AI as a central pillar. Canada is among the leading countries in AI. The **Republic of Korea** is one of the world's top countries in ICT and with a lot of interest and potential in AI deployment. The first EU-Korea Dialogue on Digital is planned to take place in the first half of 2019. AI will be one of the priority areas of cooperation. The European Commission does not have an official ICT dialogue with **Australia**, but the country is seeking to boost investment in AI and is an observer in AI HLEG meetings.

AI will also receive more central attention in other bilateral ICT dialogues e.g. **USA, China, India, Brazil, Argentina and Mexico**. **Singapore** has also recently requested a discussion with the EU on AI.

Like-minded countries that are also key actors in AI will be engaged in the core project activities. This group could be enlarged as the project progresses. Public diplomacy activities of the project also envisage a larger outreach.

International organisations

The project will support a stronger unified position of the EU and like-minded countries in international fora where AI is increasingly discussed (e.g. G7, G20, OECD).

The **G7** ministerial meeting on preparing for jobs of the future, in March 2018, expressed a vision of human-centric AI¹. The G7 Summit in Charlevoix on 8-9 June 2018 endorsed a Common Vision for the Future of Artificial Intelligence, which also includes a commitment to promote human-centric AI and advance appropriate ethical approaches². AI will certainly be visible on the G7 agenda in 2019 as France takes over the Presidency. **G20** will also become a venue for discussion on AI as Japan takes over the Presidency in 2019 and prepares the G20 Digital Economy/Trade Minister's meeting in Tsukuba on 8 and 9 of June 2019 which should address AI principles, "explainability" and "human-interface" of AI. The project will not yet be operational at the time of these events but it will be able to support future joint-initiatives, side-events etc. in line with these processes..

The European Commission is active in the work of **the Organisation for Economic Co-operation and Development (OECD)**. The OECD has prepared an analytical report on "Artificial Intelligence in Society" end of 2018. DG CONNECT is also a member of the OECD working group on AI set up in early 2018 that will amongst other produce some principles on AI. Close coordination and exchanges with OECD will be maintained throughout the project.

The project will seek synergies with other **United Nations** initiatives where AI is on the agenda including the Internet Governance Forum (IGF), United Nations Educational, Scientific and Cultural Organisation (UNESCO), and International Telecommunications Union (ITU) etc.

¹ [‘G7 Innovation Ministers’ Statement on Artificial Intelligence’](#), 28 March 2018

² [‘Charlevoix Common Vision for the Future of Artificial Intelligence’](#), 9 June 2018

3.3 Risk assessment and management

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Delays in release of HLEG AI ethical guidelines	Low	Postpone start of the project or lengthen inception phase
Ethical guidelines not adopted by EU Member States	Low	Close cooperation with Member States on HLEG AI outputs will continue to ensure agreement is reached
Delays in contract signature	Medium	Some level of discussion with like-minded partners on HLEG AI outputs can start before contract signature
Change in political landscape	Medium	The project will initially facilitate exchanges and cooperation with like-minded countries that have expressed interest to cooperate on AI with the EU. Review of participating countries in the project will be carried out during the inception phase and can be updated as the project progresses. Project outputs will serve as guiding approaches rather than binding commitments to allow flexibility.
Overlap with other initiatives	Low	Mapping of ongoing and planned international initiatives on AI will be carried out by the project during the inception phase. Close cooperation and exchange of information with the key international fora where AI is discussed will continue.

3.4 Communication and EU 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 contracts.

The Communication and Visibility Manual for European Union External Action³, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

³ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

Communication activities will be planned in close coordination with DG CONNECT Communications Unit. All information regarding the project will be available on the existing European Commission Digital Single Market website.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

- (a) The programme will be implemented via a service contract.
- (b) Indicative timing: call for tender expected to be launched mid-2019.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	2.5
Total	2.5

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 measures⁴.

4.3 Organisational set-up and responsibilities

Relevant EU services will be responsible for steering the implementation of the action, for ensuring coherence, visibility and alignment with EU policies and within the External Action of the EU.

EU Delegations in key partner countries will provide advisory support on project activities relevant to their region.

A Steering committee including representatives from relevant EU services will be established. It will meet at least once a year, starting with a kick-off meeting during the inception phase of the project. Coordination meetings will be organized internally between the relevant EU services in Headquarters and in Delegations. Relevant stakeholders may be invited to these coordination meetings.

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 contractor’s responsibilities. To this end, the contractor shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate regular progress reports 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 and corporate 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.

⁴ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

EN

ANNEX 5

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for Business and Human Rights in Asia

1 KEY IDENTIFICATION DATA

Title of the Action	Business and Human Rights in Asia			
Country/region/global	South Asia and South-East Asia, in particular India, Indonesia, Malaysia, Myanmar, Sri Lanka, Thailand			
Sector of intervention	Human Rights			
Indicative budget	Total: EUR 5 500 000 EC contribution: EUR 5 500 000 (100%) Other contributions: NA			
Duration and target start date of implementation	48 months – Q4 2019			
Method of implementation	Indirect management with International Organisation			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	15160			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

Asia has long been synonymous with economic dynamism. Over the last decades, the value of capital investment and trade flows in the region has increased exponentially, lifting hundreds of millions of people out of poverty. However, rapid growth has not been without costs and risks. In many countries in Asia economic growth is linked to environmental pressures and social risks such as hazardous working environments, exploitations, and other rights violations with long-term implications on the stability and prosperity of states, communities and individuals.

The overall aim of the action is to promote the agenda on Business and Human Rights and ensure that it is further taken up by Asian governments and business, through an EU-UN partnership, thereby promoting multilateralism and levelling the playing field for businesses that integrate human rights considerations into their operations and supply chains.

To this end, the EU and the UN will partner up to promote the implementation of the UN Guiding Principles on Business and Human Rights (UNGPs) in Asia through National Action Plans, policy discussions and awareness raising programmes in six countries (namely India, Indonesia, Malaysia, Myanmar, Sri Lanka and Thailand) while strengthening policy coherence with international corporate governance and compliance standards.

2.2 Background/Context/Rationale for PI funding

Over the last decades Asia has been characterised by strong economic dynamism and rapid growth, primarily due to private sector forces, encouraged by pro-growth policies, backed by foreign direct investment (FDI), and driven by the productivity gains of global supply chains.

However, rapid growth has not been without consequences and negative externalities. In many countries in Asia, economic growth is linked to environmental risks, such as contaminated water supplies, accelerated deforestation and increased air pollution. In some instances, large infrastructure projects have led to environmental degradation and displacement. Labour-intensive manufacturing has at times taken place in hazardous working environments, with exploitation and workers' rights violations posing a threat and a challenge to long term stability and prosperity.

At the heart of these challenges is an uneven commitment by some governments in Asia and some businesses based in Europe and elsewhere to international labour standards, to environmental protection, and to human rights, including the rights of children, migrants, women and indigenous peoples.

Reports of human rights abuses on workers (e.g. in factories, fishing boats and plantations) have given rise to contentious debates in both Asia and the EU over social values and the role of supply chains management in supporting or undermining those values. EU firms operating or sourcing products from Asia have been implicated in some cases, resulting in damaged reputations and disruptions to their operations.

Increasingly, consumers in Asia and in the EU are demanding changes, including greater accountability for abuses, legislators are enacting legislation raising transparency and compliance with relevant international instruments, and the private sector is faced with higher expectations on their corporate responsibility practices. Banks and international financial institutions are also increasingly under pressure and have greater incentives to comply with economic, social and governance considerations.

In this context, government officials, civil society organisations, and business champions are expressing increased interest in the potential of the UNGPs to frame policy interventions and provide guidance for action to mitigate risks of human rights abuses.

UN Guiding Principles on Business and Human Rights

Since their endorsement by consensus in the UN Human Rights Council in 2011, the UN Guiding Principles (UNGPs), the most authoritative normative framework guiding efforts to address possible adverse impacts of business operations on human rights, including environmental rights, are divided into three pillars outlining the roles 1) for States to fulfil their duty to protect human rights; 2) for businesses to respect human rights; and 3) for both States and businesses to commit to remedying any abuses committed in the course of business operations. The UNGPs recall existing obligations, identify gaps and highlight actions required to meet the human rights obligations a State has already undertaken or is subject to under international law. Importantly, these Guiding Principles insist on the importance of non-discriminatory practices, with particular attention to the rights, needs and challenges faced by vulnerable or potentially vulnerable/marginalised groups or populations and with due regard to the different risks that may be faced by women and men.

Successful implementation of the UN Guiding Principles requires that they be owned and understood by multiple ministries, state-owned enterprises, private sector firms, trade unions, CSOs, National Human Rights Institutions (NHRIs), local authorities and the public. To help ensure the likelihood of buy-in from such a wide group of stakeholders, States have been encouraged to develop National Action Plans on Business and Human Rights (NAP).

National Action Plans (NAP) are government-drafted policy documents that articulate state priorities and indicate future actions to support implementation of legal obligations or policy commitments. They are normally drafted following extensive consultations involving a large range of stakeholders. The EU and subsequently the UN Human Rights Council (HRC) urged states to develop NAPs that would define how the implementation of the UN Guiding Principles would be taken forward in their respective territories.¹ The UN Working Group on Business and Human Rights is continuously engaging with States to develop NAPs and is keeping a record of NAPs finalised and under preparation².

At the time of writing, thirty-seven governments and non-state actors such as NHRIs across Europe, the Americas, Africa and Asia have launched NAPs or NAP-related processes on the implementation of the Guiding Principles. In Asia, India, Indonesia, Japan, Malaysia, Thailand and South Korea are in various stages of developing NAPs or other strategic pathways.

Status and key challenges in the region

The action will target India, Indonesia, Malaysia, Myanmar, Sri Lanka and Thailand. Countries were identified on the basis of the following criteria: (1) relative importance of the country to build regional momentum and cohesion on business and human rights; (2) political will favouring engagement on Business and Human Rights (B&HR) by all concerned actors in a given country (government, business sector, civil society); (3) importance of international and intra-regional trade, based primarily on trade volume; (4) alignment with the EU political agenda and interests in and with the country; (5) alignment with the UN's Strategic Plan on B&HR and; 6) the presence of an NHRI.

In recent months, Thailand has made substantial strides towards the implementation of the UNGPs with significant repercussions in South East Asia, driving momentum in support of the B&HR agenda in Indonesia, Malaysia, Viet Nam and other countries in South East Asia. In South Asia, India is currently planning efforts to develop a roadmap to a NAP to be launched in 2020.

Despite significant momentum behind the B&HR agenda, headwinds persist. Many Asian government and business leaders lack awareness about the UNGPs or the business-case for implementation. A concise analysis of the B&HR landscape in the six countries covered by this action is presented below.

1 European Commission, 'A Renewed EU Strategy 2011–14 for Corporate Social Responsibility', COM (2011) 681 final (25 October 2011), <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0681:FIN:en:PDF>; Human Rights Council, 'Human Rights and Transnational Corporations and Other Business Enterprises', A/HRC/RES/ 26/22 (15 July 2014), <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/G14/083/82/PDF/G1408382.pdf?OpenElement>.

2 <https://www.ohchr.org/en/issues/business/pages/nationalactionplans.aspx>

South East Asia:

Indonesia: after a lengthy consultation process, Komnas HAM, Indonesia's National Human Rights Commission, in close collaboration with civil society, launched a draft NAP on B&HR in 2017. However, the government wanted to avoid having a second action plan besides the existing national human rights action plan and therefore decided to draft guidelines on B&HR instead. In 2017, the Coordinating Ministry for Economic Affairs (CMEA) was designated as focal point to lead government efforts in this area. At the request of the CMEA, UNDP has worked with a variety of ministries to develop the Bogor Declaration outlining a *Roadmap towards a National Action Plan on Business and Human Rights*. Overall, the process has progressed slowly and more advocacy efforts are required.

Malaysia: Malaysia's former government announced the intention to launch a NAP on B&HR in November 2017, also to address concerns over the treatment of migrant workers [in the rubber, construction, electronic and palm oil supply chains]. After the 2018 elections, Malaysia's new government has sent strong signals that it intends to fulfil the commitment to the UNGPs. UNDP is actively supporting SUHAKAM, Malaysia's National Human Rights Institution, in partnership with the new Ministry of Laws to ensure the NAP goes forward. The EU is supporting (through an EIDHR grant) SUHAKAM's work on promoting Malaysia's accession to the remaining six core human rights treaties (Malaysia has already ratified the CEDAW, the CRC, and the CRPD)³. UNDP will also work with this NHRI to secure interest and validation of the UNGPs across ministries.

Myanmar: despite progress on labour rights since reforms began in 2011, Myanmar continues to face human rights challenges [in extractive industries and agriculture]. There is need for improvement in terms of participation in trade unions, collective bargaining, and working conditions. Currently, the National Human Rights Commission of Myanmar is expressing interest in engaging in Business and Human Rights. The EU-led resolutions on Myanmar in the Human Rights Council include clear provisions on Business and Human Rights, the latest being A/HRC/37/32⁴.

Thailand: Thailand has adopted various legal and policy frameworks, including the UNGPs, as a tool to guide its efforts in making industry practices more responsible, also to address concerns raised by civil society organisations (CSO) reports⁵ alleging that the country's fishing, shrimp production and broiler chicken industries were engaging in violations of labour rights. Thailand announced in May 2017 that it would examine more fully the adverse impact of its industries on human rights, spurring Indonesia and Malaysia to do the same. UNDP has provided visibility, expert level advice, while facilitating consultations in support of Thailand's efforts. A NAP is expected to be launched in the first quarter of 2019.

South Asia:

India: While interest in the B&HR and responsible business conduct is on the increase in India, progress in India's economy formalization is rather slow and is facing challenges. Main obstacles pertain to specific sectors, such as the extracting]. Furthermore, many workers are reportedly subject to bonded labour, denied the national minimum wage, and forced by circumstances to have their children work alongside them. Informal workers face dangerous working conditions, long working hours, and employer abuse. Following the increased number of ratifications of ILO Conventions, India

³ CEDAW: Convention on the Elimination of all Forms of Discrimination Against Women; CRC: Convention on the Rights of the Child; CRDP: Convention on the Rights of Persons with Disabilities

⁴ Paragraph 31. "Encourages all business enterprises, including transnational corporations and domestic enterprises, to respect human rights in accordance with the Guiding Principles on Business and Human Rights, calls upon the Government of Myanmar to meet its duty to protect human rights, and calls upon home States of business companies operating in Myanmar to set out clearly the expectation that all business enterprises domiciled in their territory and/or jurisdiction are to respect human rights throughout their operations;"

⁵ See below a not exhaustive list:

<http://www.swedwatch.org/en/publication/report/trapped-in-the-kitchen-of-the-world/>

<https://www.finnwatch.org/en/news/185-finnwatch-research-ongoing-serious-rights-abuses-found-in-export-orientated-pineapple-factories-in-thailand>

https://ejfoundation.org/resources/downloads/shrimp_report_v44_lower_resolution.pdf

https://www.motherjones.com/files/accenture_shrimp_report.pdf

needs continued support in the implementation of recognised international core standards. Issues such as trade unions and civil society space, as well as on the freedom of assembly, association and expression are also relevant. India's central government has expressed interest in adopting and implementing the UNGPs on B&HR. UNDP is currently advising the Ministry of Corporate Affairs (MCA) as it updates the "National Guidelines on Responsible Business Conduct". The revised National Guidelines will include a specific chapter on Human Rights Promotion and Protection and make strong reference to the UNGPs. Efforts continue to develop a roadmap to a National Action Plan to be launched in 2020. A National Baseline Assessment on the adverse impacts of business operations on human rights is expected to be conducted in 2019. In October 2018, India was re-elected as member of the UN Human Rights Council and will serve another three year-term mandate as of January 2019.

Sri Lanka: Sri Lanka faces several obstacles on the road to responsible business. Allegedly, low wages, long working hours, hazardous working environments, ethnic discrimination, forced labour and sexual exploitation continue to hamper Sri Lanka's efforts to regain its reputation. Despite these shortcomings, in Sri Lanka there is significant interest in the B&HR agenda. Awareness-raising from civil society and UN system actors in the country has heightened government and business interest in the UNGPs. Private sector firms show an increased appetite for engagement, as they attempt to enhance Sri Lanka as a risk-free partner for FDI and trade. UNDP is working closely with the Global Compact Network in Sri Lanka to consolidate support of the private sector behind a NAP, and to design due diligence guidance to ensure businesses respect human rights in their operations.

Linkages to EU policy frameworks

The EU and its Member States have played an important role in ensuring the implementation of the UNGPs, taking tangible steps towards the adoption of National Action Plans (NAPs), and encouraging countries outside the EU to consider doing the same. The European Commission in a Communication to the Parliament, the Council and other EU entities, stated that it "expects all European enterprises to meet the corporate responsibility to respect human rights, as defined in the UNGPs."⁶

The Communication further noted that "better implementation of the UNGPs will contribute to EU objectives regarding specific human rights issues and core labour standards, including child labour, forced prison labour, human trafficking, gender equality, non-discrimination, freedom of association and the right to collective bargaining."⁷

Citing the large numbers of European companies involved in global value chains, the European Commission also invited EU Member States to develop, by the end of 2012, national plans for the implementation of the UNGPs. This commitment also features in the EU Human Rights and Democracy Action Plan 2015-19. Taking up this challenge, member states of the EU were among the first to craft and implement NAPs on the UNGPs⁸. Clear directions of work were set out in the Foreign Affairs Council Conclusions on Business and Human Rights of 20 June 2016, including a call "on all business enterprises, both transnational and domestic, to comply with the UN Guiding Principles, the ILO Tripartite Declaration and the OECD Guidelines, *inter alia* by integrating human rights due diligence into their operations to better identify, prevent and mitigate human rights risks."⁹

Noting that enhanced implementation of the UNGPs will also contribute to achieving core EU foreign policy objectives, the EU has stated that "EU external activities would promote a global level playing field on business and human rights."¹⁰ The EU has also affirmed that it is "dedicated to a two-pronged

⁶ European Commission, Communication from The Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A Renewed EU Strategy 2011-14 for Corporate Social Responsibility, Brussels, 25.10.2011, Com (2011) 681 Final

⁷ See id.

⁸ These 14 member states include: Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Lithuania, The Netherlands, Poland, Spain, Sweden, and the United Kingdom.

⁹ https://ec.europa.eu/antitrafficking/sites/antitrafficking/files/council_conclusions_on_business_and_human_rights_foreign_affairs_council.pdf

¹⁰ EU Statement, UN Human Rights Council, Forum on Business and Human Rights, 3-4 December 2013.

approach: first, to ensure that the Guiding Principles are fully understood and adhered to at European Union level; and second, to promote their implementation through its external actions.”¹¹ In like manner, the EU is committed to promoting gender equality and social inclusion through its external actions, as stated in its Gender Action Plan 2016-2020 (also known as GAP II).¹²

This action is also in line with the overarching EU foreign policy framework set by the EU Global Strategy (EUGS). The EUGS in fact places sustainable development at the core of the EU external action and clearly states that "the EU will lead by example by implementing its commitments on development and climate change"¹³. (EUGS p.40).

This action is aligned with the Partnership Instrument (PI) Regulation, namely with its Objective 2: "A strategy for smart, sustainable and inclusive growth" Implementing the international dimension of "Europe 2020".

In particular, the project contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priority "Trade and economic diplomacy (including Responsible Business Conduct)" and mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity, the principles of equality, including gender equality, and solidarity); Resilience and Innovation.

Trade for All Communication

The EU has long recognised that trade policy must be embedded in wider foreign policy objectives, which include strengthening of human rights abroad. As outlined in the European Commission's Trade for All Communication, "responsible management of global supply chains is essential to align trade policy with European values". The Trade for All Communication also notes that the challenge of ensuring consistency between trade policy and values is "complex and must involve a range of public, private and civil society actors to make meaningful changes for people on the ground". Furthermore, mitigating costs and risks require a smart mix of policy and programming responses.

EU Strategy for Corporate Social Responsibility

The Communication setting out the European Strategy on Corporate Social Responsibility (CSR)¹⁴ stipulates that businesses must respect human rights in accordance with the UNGPs. This framework defines CSR as the "responsibility of enterprises for their impacts on society," and identifies human rights as a priority concern. Importantly, the Commission's approach to CSR is built upon "a smart mix of voluntary policy measures and, where necessary, complementary regulation," as well as on the notion that "the development of CSR should be led by enterprises themselves". The 2015 Commission Staff Working Document on Implementing the UNGPs on B&HR states that "this approach also holds true for implementing the UNGPs" and any forthcoming revision of the EU CSR Strategy, "will retain these underlying principles."¹⁵

Europe 2020

Promotion of the implementation of the UNGPs is fully aligned with the aims of the Europe 2020 strategy for smart, sustainable and inclusive growth and with the principles of the European Pillar of Social Rights.

¹¹ EU Statement, UN Human Rights Council, Forum on Business and Human Rights, 3-4 December 2013.

¹² Joint Staff Working Document, EU Gender Action Plan II, "Gender Equality and Women's Empowerment: Transforming the Lives of girls and Women through EU External Relations 2016-2020", https://ec.europa.eu/europeaid/joint-staff-working-document-gender-equality-and-womens-empowerment-transforming-lives-girls-and_en

¹³ EU Global Strategy: <https://europa.eu/globalstrategy/en/global-strategy-foreign-and-security-policy-european-union>, p. 40

¹⁴ Communication from the Commission to the European Parliament, The Council, The European Economic and Social Committee and the Committee of the Regions, Brussels, 25.10.2011.

¹⁵ European Commission Staff Working Document on Implementing the UN Guiding Principles on Business and Human Rights - State of Play, Brussels, 14.7.2015. SWD (2015) 144 final. p. 7

The UNGPs offer important benefits as a framework for governments, businesses and civil society to engage each other in discussions and actions that promote smart, sustainable and inclusive growth. Efforts to implement the UNGPs can also enhance EU business competitiveness by illuminating risk factors through public consultations, human rights assessments as well as environmental and gender-sensitive impact assessments. An increasing number of EU investors also undertake social, environmental and human rights audits to ensure their investments are secure against reputational and litigation risks. Thus, efforts to implement the UNGPs in Asia may lead to more robust investments across borders, with fewer negative repercussions for EU-based investors.

Justification of the policy domain

Promoting the UNGPs in Asia will strengthen internationally recognised standards of responsible business behaviour, based on agreed human rights norms, while levelling the playing field for businesses that integrate human rights considerations into their operations and supply chains. Importantly, implementation of the UNGPs requires for Governments' robust engagement with CSO and national business leaders, opening the door to constructive discussions on a broad set of issues, such as land rights, environmental concerns, doing business, and human rights.

Furthermore, the impact of the UNGPs can be measured, debated and promoted before an international audience of policy makers, business leaders, and other authorities through the Global Forum on B&HR, hosted every year in Geneva by the secretariat of the UN Working Group on the issue of human rights and transnational corporations and other business enterprises. Through this Forum and other formats in Asia, this action can strengthen a positive discourse around international economic integration, responsible business practices, and their impacts on human rights and gender equality.

2.3 Lesson learnt

On the basis of substantial discussions during the scoping missions, in international and regional fora, and with UN system and CSO partners at coordination events, the following main lessons learned have emerged:

- Awareness raising among all stakeholders is a critical first step in moving the B&HR agenda forward;
- Facilitating peer learning and dialogue between key stakeholders cultivates uptake or race-to-the-top momentum on UNGPs implementation at the regional level;
- Multi-stakeholder approaches towards NAP development ensure strong implementation and legitimacy of efforts;
- Striving for policy coherence at the national levels is key to priority setting, coordination and whole of government implementation;
- Making the business case for UNGPs brings in diverse actors and ensures sustainability of efforts;
- Including SMEs in the conversation on responsible business practices informs NAP development and sensitises business owners and workers to UNGPs;
- Working closely with the UN system and other multilateral actors, including the OECD, ensures coordinated messages and cohesive approaches towards the B&HR agenda;
- Support to human rights defenders facilitates and strengthens remedial mechanisms.

2.4 Coherence and complementarity

Given the complementarity between the UNGPs and the main Responsible Business Conduct frameworks, as articulated *in primis* by the OECD Guidelines on Multi-National Enterprises (OECD Guidelines) and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), complementarity and synergies with the EU-ILO-OECD joint

initiative "Responsible supply chains in Asia"¹⁶ will be actively pursued. In this regard, ILO and UNDP intend to adopt a joint action plan of activities in close consultation with the EU and OECD. In ensuring complementarity between approaches, this project will, *inter alia*, work closely with governments and CSOs to ensure wide public awareness of the UNGPs so as to complement the focus of ILO-OECD on raising awareness among members of the business sector. Importantly, this project will assist the OECD National Contact Points (NCPs) in gathering relevant information in Asia, as necessary, and encourage learning between NCPs and NHRIs. UNDP will work with ILO and OECD to provide trainings to private sector actors on human rights due diligence practices and grievance mechanisms in the countries jointly covered by both actions, namely Thailand and Myanmar.

Complementarity and synergies will also be particularly sought with the on-going regional project "Business and Human Rights in Asia: Promoting Responsible Business Practices through Regional Partnership (B+HR Asia)" funded by the Swedish Government and implemented by UNDP. The B+HR Asia project is envisioned to support regional efforts at strengthening human rights in business operations and is currently in a "set-up" phase whereby UNDP will develop workplans for the next five years.

The joint EU-UNDP initiative will focus primarily on country level interventions, while the Swedish support is aligned with wider regional efforts¹⁷. UNDP will also capitalise on longstanding partnerships with UN system organisations while building new relationships at the bilateral level and with local governments, businesses, regional, national and local CSO, as well as with donor partners.

Other complementary actions of relevance include (non-exhaustive list):

- EU Spotlight Initiative programme "Safe and Fair: Realising women migrant workers' rights and opportunities in the Association of Southeast Asian Nations (ASEAN) region";
- EU efforts in responsible management of global value chains, particularly in the garment sector, funded under the Development Cooperation Instrument (DCI)¹⁸;
- Partnership Instrument-funded action "Promoting Economic Empowerment of Women at Work in Asia" (China, India, Indonesia, Malaysia, Philippines, Thailand, Vietnam);
- OECD – Promoting transparency of the minerals supply chains in conflict-affected and high-risks areas building on the OECD Initiative on Due Diligence for Responsible Mineral Trade [SfFPI].

¹⁶ This on-going PI-funded initiative aims at promoting responsible business conduct among businesses engaged in supply chains in six Asian countries, namely China, Japan, Myanmar, the Philippines, Thailand, and Viet Nam.

¹⁷ Swedish supported regional activities include working with ASEAN to raise awareness about the Business and Human Rights agenda and promoting peer learning. Swedish support will also facilitate increased engagement with the Mekong River Commission, Asia-Pacific Economic Council (APEC), and South Asian Association for Regional Cooperation (SAARC), among other regional and international organizations. To ensure alignment between Swedish-supported regional efforts and EU/UNDP support at the bi-lateral level, a mechanism will be put in place to synchronise both interventions.

¹⁸ SWD(2017) 147 final - Sustainable garment value chains through EU development action

2.5 EU added value

As explained in detail in section 2.2 above (sub-section "Linkages to EU policy frameworks"), the EU has played a pioneering role in the implementation of the UNGPs. In this respect, the value added of the EU in helping advance the B&HR agenda in third countries is extremely relevant.

The EU, through the PI as a foreign policy instrument translating EU political commitments into action, can play a critical role in maximising the potential of the B&HR agenda to advance EU foreign policy objectives, values and principles. Along with other instruments, the PI actively pursues business cooperation to unlock opportunities for EU enterprises to access foreign markets, while anchoring them to responsible business conduct. There is a strategic interest in making responsible business a brand of foreign policy driven action funded by the PI. This is fully in line with the EU Global Strategy which affirms that "our [the EU's] interests and values go hand in hand. We [the EU] have an interest in promoting our values in the world. At the same time our fundamental values are embedded in our interests".

This EU-UN joint action on business and human rights would significantly contribute to this approach and complement on-going EU efforts translating EU commitments on sustainable development, enshrined inter alia in the 2030 Agenda for Sustainable Development, into action. EU's current and future support to Strategic Dialogues, Partnership Cooperation Agreements, and Free Trade Agreements, including through the PI, can significantly reinforce UN's efforts to encourage implementation of the UNGPs, and vice versa, if the two processes run in parallel.

In fact, the EU's commitments to the UNGPs, coupled with its public diplomacy efforts and co-operation support on several areas would greatly enhance multilateral UN-led efforts aimed at raising awareness and operationalising the norms that underpin the UNGPs. Joint programming between the EU and UNDP, based on partnership with national and regional stakeholders, will help meet growing consumer expectations in both Europe and Asia for ethical, safe, and environmentally-friendly supply chains.

Finally, this action is conceived as an EU-UN partnership of peers to promote a multilateralism-based approach in the field of human rights. A close partnership between the EU and UN is intended to build on the respective expertise and channels in the region so as to maximise the impact of the action and enhance the EU and the UN political profile.

2.6 Cross-cutting issues

It is widely recognised that Asia's rapid economic growth trajectory has not been without costs and risks. Economic growth has been linked to environmental risks such as contaminated water supplies, accelerated deforestation, and increased air pollution. Large infrastructure projects have led to environmental degradation, land grabs and displacement. Labour-intensive manufacturing has at times taken place in hazardous working environments, with exploitation, abuse of migrant workers, and other rights violations with long term implications on the stability and prosperity of individuals, families and communities. Seemingly, violence against women and discrimination manifested in emerging dialogues on sexual harassment in the workplace, low rates of workforce participation by women, and a widening pay gap between men and women are raising concerns. In this context, the action will address environmental, labour, land and women's human rights issues as cross-cutting themes. These themes will be continuously mainstreamed throughout the different project cycle management phases of the action.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of this action is to promote the agenda on Business and Human Rights and ensure that it is further taken up by Asian governments and business, through an EU-UN partnership, thereby promoting multilateralism and levelling the playing field for businesses that integrate human rights considerations into their operations and supply chains.

The **specific objectives** (SOs) of the action are:

- SO1: To operationalise an EU-UN partnership promoting internationally agreed principles on human rights and environmental protection in the context of business operations (multilateralism);
- SO2: To raise awareness of and cooperate with national governments, the business sector and civil society in selected countries in Asia to support national efforts to implement the UNGP on Business and Human rights, including the adoption and implementation of NAPs, the establishment of grievances mechanisms by businesses and enhanced access to effective remedies and rights-based solutions (human rights);
- SO3: To facilitate a more level playing field and a reduced risk of disruption of supply chains for EU businesses adopting responsible business behaviours in their operational and sourcing practices in Asia (economic diplomacy);
- SO4: To enhance the profile of the EU as a global actor and promoter of human rights, in line with the EUGS and based on a convinced adhesion to multilateralism (public diplomacy).

In coherence with the above specific objectives, the **expected results** of this action are as follows:

- R1: Awareness of the UNGP by relevant stakeholders in the selected countries is raised, thus creating the necessary grounds and pre-conditions for boosting the B&HR agenda in Asia (SO2);
- R2: National legislative and policy frameworks, including NAPs, are developed and/or implemented by means of targeted support to and dialogue with relevant stakeholders in the selected partner countries, taking advantage of the favourable momentum at regional level to advance the B&HR agenda (SO2);
- R3: Efforts carried out by UNDP at regional level under the project “*Business and Human Rights in Asia: Promoting Responsible Business Practices through Regional Partnerships*” (funded by the Government of Sweden) are amplified through bilateral action under this project with country-level partnership architectures (UN system, NHRI, CSO, and private sector), thus resulting in mutually reinforcing regional and bilateral action (SO2);
- R4: Access to effective remedy for violations of human rights in the context of business operations is enhanced, including in cases of violations occurring outside a country's jurisdiction access (SO2);
- R5: Enabling conditions are created or enhanced for EU's responsible enterprises operating in and sourcing from Asia to benefit from a more level playing field (SO3);
- R6: The EU-UN partnership on B&HR is reinforced and the EU's role and image as a global actor and promoter of human rights under the call of multilateralism are strengthened (SO1, SO4).

To achieve these results, the project will be articulated around three (3) **activity workstreams** to be implemented in partnership with governments, businesses and civil society actors. Activities listed under each workstream are indicative, not exhaustive and will not necessarily be implemented in each of the targeted countries.

Workstream 1:

Awareness raising to build knowledge and political will including training and peer-to-peer exchange to further policy convergence and compliance (R1, R2, R3, R4, R5)

- Raise awareness of the UNGPs with governments, making the normative and business-case for adoption and implementation.
- Provide particular awareness raising opportunities for businesses, business associations, including the European Chambers of Commerce, as well as leaders of state-owned enterprises;
- Provide technical assistance to government ministries responsible for drafting and implementing National Action Plans;
- Bring clarity to the range of standard setting guidelines including the UN Guiding Principles, ISO 26000, Global Reporting Initiatives, OECD Guidelines for Multinational Enterprises, among other instruments;
- Host trainings on human rights and sustainable development with a focus on implications for business operations in emerging economies in the region, including among state-owned enterprises as well as national and European Chambers of Commerce;
- Facilitate a tripartite discussion involving relevant policy makers, prominent civil society groups and human rights defenders, European Chambers of Commerce, Asian business associations and state-owned enterprises, so as to expand the number of actors playing an active role in policy-making;
- Advocate for transparency, accountability and transboundary obligations of large infrastructure projects including those linked to Special Economic Zones, mining and energy generation projects, among others, through engagement with civil society, government and businesses, including financial institutions.

Workstream 2:

Communication and Public Diplomacy (R6)

- Produce communication products including short-form documentaries, video animations and social media promotional materials to enhance understanding of UNGPs, gender, trade and human rights nexus.
- Conduct research and publish short policy papers on issues related to human/environmental rights and international supply chains, transboundary jurisdictional issues, and other pertinent topics to business, government and civil society, and women's organisations in the region;
- Link up all communication work to EU action on public diplomacy, in particular to all existing and future PI action on policy outreach in Asia. Communication activities will also involve, when relevant, EU enterprises operating in the partner countries with a view to promoting sharing of experiences.

Workstream 3:

Enhance access to remedies, through right-based solutions, innovative approaches and technology (R2, R4)

- Conduct needs assessments and provide technical assistance to NHRIs and Judiciaries to better understand the UNGPs, environmental rights issues, human rights due diligence, and transboundary jurisdictional challenges so as to strengthen their capacity in dealing with non-state/non-judicial remedies in disputes over human rights abuses;
- Conduct research and convene discussions on the distinctive risks faced by women, (male and female) migrants, children and indigenous peoples in the context of business operations, and potential remedies and prevention strategies;
- Provide support to civil society actors working with environmental and human rights defenders, and women's rights activists, including if needed through pilot projects;

- Conduct sector-specific trainings with government, business and civil society stakeholders on environmental and human rights due diligence and compliance principles;
- Develop and implement innovation lab involving regional and international start-ups¹⁹ to address barriers to access to information and access to justice for groups adversely impacted by business operations;
- Develop pilot initiatives aimed to encourage the uptake by the private sector of relevant ISO standards such as ISO 26000 Social Responsibility and ISO 14000 Environmental Management.

Theory of change

If the EU and UNDP make their respective comparative advantages converge into a joint project and complement existing action on B&HR by other international, regional and national organisations, then policy makers, consumers and business actors would become more aware of the potential adverse impacts of business operations on human rights, and work to prevent these risks, or ensure remedies for violations that have already occurred. In turn, human rights conditions would be strengthened and the risks of disruptions to commercial flows between the EU and Asia are expected to be mitigated, leading to heightened levels of prosperity, greater recognition of the positive role of trade and increased mutual respect between regions.

Further, where the collective influence of the UN and the EU encourages more attention to human rights in the production of goods, commodities and services, then retail brands and producer reputations in both Asia and Europe could be enhanced leading to upward movement in the value-chain for concerned firms. Enhanced reputations and goodwill could lead to greater consumer loyalty, stronger interest from socially responsible investment, better marketability and long-term growth. Overtime, it is envisaged that more and more private sector actors see the B&HR agenda as a pro-business agenda (i.e. *making the business case for human rights*) and engage more fully in this area, serving as “ambassadors” of EU values and related international norms, thus contributing to enhance the role of the EU as a global actor and HR promoter. Increased private sector engagement is expected, in turn, to deepen and lend greater credibility to EU-UN’s policy work on business and human rights and confer legitimacy to multilateralism as the preferential way to promote and defend values at global level.

Additionally, if the EU and UNDP joint efforts lead to the effective UNGP implementation in the selected countries, then more countries might feel compelled to follow suit, leading to a “snowball” effect. This is likely to materialise as soon as stronger human rights conditions, instead of being seen as an irritant for profitable business, are perceived as a comparative economic advantage by governments, as well as the private sector, in a similar situation in the region, and as a necessary precondition for engaging in fruitful sustainable trade relations with the EU. All this makes the business case for B&HR: increased commercial flows, fewer disruptions in supply chains, enhanced level playing field facilitating market access to EU enterprises as a result of reduced social dumping in Asia.

3.2 Stakeholders

The action will involve many stakeholders that can be grouped according to the following categories.

- National authorities (Ministry of Industry, Ministry of Justice, Ministry of Environment, Ministry of Economic Affairs, Ministry of Employment and Social Affairs, Ministry of Agriculture, Ministry of Trade, National Parliaments, National Human Rights Institutions; etc.);
- Business associations and Chambers of Commerce;
- European and Asian businesses, including Micro-, Small- and Medium- Enterprises (MSMEs);

¹⁹ The innovation lab will bring actors together from disparate fields to brainstorm on 1-3 priority human rights or environmental rights issues. Nurtured through sequentially hosted workshops, 1 project per year for 3 years will be provided with seed funding to bring the idea to market. These ideas can involve the introduction of new technologies, including block chain or Artificial Intelligence, or can simply involve an innovative approach.

- International Organisations, including OECD and ILO, as well as OHCHR and the UN Working Group on Business and Human Rights;
- Workers’ organisations and trade unions;
- Civil society organisations (both national and regional such as the ASEAN CSR Network²⁰) and human rights defenders;
- Local authorities;
- Research entities and universities.

3.3 Risk assessment and management

Risk description	Risk level (H/M/L)	Mitigating measure
Shifting levels of political will leads to delays in the implementation of the UN Guiding Principles or related action.	M	The project will work closely with B&HR national champions and trusted advisors to government with strong connections to policy makers. UNDP Country Offices, building on the expertise of OHCHR and the UN Working Group on Business and Human Rights, will guarantee close co-ordination with governmental counterparts to ensure ownership of the B&HR agenda. UNDP will bring together regional actors to discuss opportunities and challenges and facilitate peer learning to help states clarify what investments and what returns on investments in this project they can expect. In addition, the EU will make all necessary diplomatic efforts to ensure that the B&HR agenda remains a priority in the targeted partner countries.
Election cycles in target countries might delay implementation.	M	Project activities will be implemented through the UN Country Teams and advice will be sought from the UN Resident Coordinators and their Peace and Development Advisers so as to calibrate the approach to possibly changing government's structures. The Project Advisory Committee will support the Steering Committee by providing high-level advice and recommendations, including on appropriate measure to be taken when project deliverables are delayed due to unforeseen political circumstances.
Engaging with private sector actors can prove difficult if a ‘business case’ is not fully developed. Moreover, certain reputational risks exist with regards to “blue-washing”.	M	The project will work with credible business associations such as the Global Compact Networks, national and international Chambers of Commerce, and industry-specific bodies to create interest in sustained actions and investments. UNDP will organise events and invite private sector champions to help showcase the progress of private sector actors to reward and validate their efforts. UNDP will host knowledge-sharing labs and other events, made up of NHRIs, CSOs, UN-system actors and business champions which will encourage heightened business participation and ownership in support of behavioural change in the business sector. UNDP will keep its base of business partners as broad as possible and yet explore the need

²⁰ The ASEAN CSR Network is one of the key stakeholders in the B&HR regional project implemented by UNDP with funds from the Swedish Government (cf. pg. 10; pg. 14-5).

		to develop a sustainable-business partner programme to qualify engagement.
Countries could perceive NAP processes as simply public relations exercises, develop ineffective NAPs, or fail to follow-up on implementation after its drafting.	M	UNDP will take appropriate measures, including the possibility of disengagement or support, to help ensure that government commitments under the B&HR agenda are not merely for public relations purposes, and that processes, content and implementation meet international standards. UNDP will build on the expertise of OHCHR and the UN Working Group on Business and Human Rights to ensure the quality of NAPs through advocacy missions and dialogue, training and roundtables that include policy makers at regional meetings. UNDP will also deploy its own technical capacities and CSO partner expertise where necessary. It will convene stakeholder consultations and validation exercises. It will bring human rights defenders to the table to voice their challenges in a safe space. UNDP will leverage the Universal Periodic Review process, and international fora such as the UN Forum on B&HR, to facilitate review of NAPs by recognised authorities and peers. UNDP will also encourage at the early stage of development that countries request the UN Working Group on B&HR to plan an official country visit. UNDP will facilitate CSO participation in all review events.
A NHRI may be downgraded in status by the Sub-Committee on Accreditation at GANHRI ²¹ amounting to a set-back for the B&HR agenda in a specific country in several respects, including limiting access to effective remedies for victims of business-related HR violations.	M	UNDP will actively deploy technical assistance and advice to help relevant NHRIs monitor, report, and investigate human rights abuses more effectively and in a timely manner, to reduce the risk of downgrading. UNDP will strengthen support to national and regional CSOs working with human rights defenders to provide legal assistance in furtherance of adequate remedies.
Human rights defenders and victims of violations may be placed in danger by the project's support to CSOs and community-based organizations leading to an increase in conflicts or security risks.	M	The project will continuously assess security risks and revise project activities accordingly. Conflict analyses routinely developed by UNDP Country Offices will be used to inform the implementation of the activities and ensure conflict sensitivity and do-no-harm approaches.
Delay in establishing appropriate platforms for discussions and knowledge sharing internally and externally, due to events outside project control.	L	The activities are designed to be flexible and should be revised based on achievements in years prior. Focus on forward planning will mitigate risks of delays.

²¹ Global Alliance of National Human Rights Institutions

3.4 Communication and EU 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 Action²², which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Besides following the rules and guidelines linked to communication and visibility for EU-funded projects in third countries, this action will have a strong EU Public Diplomacy angle and will contribute to enhance the profile of the EU as a global actor, as promoter of human rights and good governance as well as of inclusive and sustainable trade, in line with, *inter alia*, the EU Global Strategy and the Trade for All Communication.

To this end, a communication strategy including media engagement and defining clear messaging along the lines above to enhance the EU's profile will be elaborated in the inception phase of this action. To ensure pertinence, impact, and coherence, the Press and Information sections of the EU Delegations in the six countries covered by this action will contribute to the main communication and visibility actions envisaged.

The annual UN Forum on Business and Human Rights in Geneva can be an excellent platform to give visibility to this action, including through references in EU written contributions and interventions.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management²³ with an international organization

This action may be implemented in indirect management with the United Nations Development Programme (UNDP).

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 given that UNDP is widely recognised as the convener of the UN system around the UNGPs in the Asia-Pacific region, leading an emerging UN Partnership Architecture on the UNGPs that brings the UN system, CSOs and independent thought leaders together to discuss and find solutions to B&HR challenges. This Partnership Architecture comprises, *inter alia*, the Asia Pacific Forum, the International Labour Organisation (ILO), the International Organisation for Migration (IOM), OECD, Oxfam, UN Environment (UNEP), UN Economic and Social Commission for Asia and the Pacific (ESCAP) and UN Women, and is designed to maximise collective efforts, through enhanced policy coherence, consistent advocacy messaging, and the sharing of innovative ideas. UNDP will be encouraged to build on the expertise and experience of the UN Office for the High Commissioner for Human Rights (UN-OHCHR) and, possibly, the UN Working Group on Business and Human Rights.

With a presence in 23 countries across the Asia-Pacific region, UNDP is well positioned to support the implementation of the UNGPs on a truly regional scale. UNDP in Asia-Pacific has been engaged in

²² https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

²³ Article 154 FR - Selection of the entities entrusted with the implementation of EU funds in indirect management

B&HR issues since 2015, with the support of the Swedish government through the Swedish International Development Cooperation Agency (SIDA). UNDP is facilitating regional exchanges of best practices in policy and regulatory development, raising awareness among multiple actors and stakeholders, and building political will through advocacy and information sharing.

Partnerships will be strengthened with international organisations that are either active or have expressed strong interest in furthering B&HR work at the regional level.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Indirect management with an international organisation</i>	5.5
Total	5.5

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 measures²⁴.

4.3 Organisational set-up and responsibilities

The regional project office will be located in the UNDP Regional Office for Asia and the Pacific in Bangkok. The Project Management Team will be composed of UNDP staff including international and national team members located in regional and country offices respectively (detailed composition of the team to be determined).

To ensure political governance, strategic orientation and oversight of progress a Project Steering Committee (PSC) reflecting the EU-UN bipartite nature of the action will be set-up. It will be composed of representatives of the UNDP Regional Office for Asia and the Pacific, and representatives of relevant services of the European Commission and the European External Action Service. Representatives of EU Member States (such as Sweden, for instance) and implementing partners of relevant complementary EU-funded actions in the region, such as the ILO, the OECD and the UN-OHCHR) might be invited as observers.

It is envisaged that a Regional Project Advisory Committee and a National Project Advisory Committees will be established in each target country. The type and the degree of involvement/participation of the EU in these mechanisms shall be discussed with UNDP as part of the negotiation of the contract and thereby laid down.

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 and corporate 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.

²⁴ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4 above will be funded from sources other than those allocated to this specific Action.

EN

ANNEX 6

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for Low Carbon and Circular Economy Business Action in the Americas

1 KEY IDENTIFICATION DATA

Title of the Action	Low Carbon and Circular Economy Business Action in the Americas			
Country/region/global	Canada, Mexico, Brazil, Argentina, Colombia and Chile			
Sector of intervention	Low carbon and circular economy related sectors			
Indicative budget	Total: EUR 20 000 000 EC contribution: EUR 20 000 000 (100%) Other contributions: NA			
Duration and target start date of implementation	36 months - January 2020			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

The overall objective of this action is to enhance the position the European Union (EU) as a leader in tackling climate change by promoting the decoupling of economic growth and CO₂ emissions in the Americas.

The specific objective of the project is to establish long-term small and medium sized enterprises (SMEs) and clusters¹ business partnerships in the areas of low carbon and circular economy between the EU and selected partner countries in the Americas.

By working closely with European industrial clusters and facilitating partnerships between European SMEs and SMEs from the partner countries, the project will promote the adoption of low carbon technology by existing industry in the partner countries. It will also promote the creation of new low carbon technology industry and foster the use of circular economy technologies in businesses in Canada and in preselected countries in Latin America.

The proposed project brings together Europe's economic interests (support to internationalisation of European SMEs thus contributing to creation of jobs and growth) with Europe's political ambition to remain at the forefront of addressing the global climate change challenge. It could thus act as a significant example of European Economic Diplomacy in action in the Americas.

The project will work closely with industrial cluster intermediaries in Europe to promote joint business partnerships and develop commercially viable business projects with partner countries. The action will build upon the Cluster Internationalisation Programme for SMEs developed under EU's COSME programme for the last 4 years, as well as on the Low Carbon Business Action projects successfully piloted in Mexico and in Brazil.

2.2 Background/Context/Rationale for PI funding

The EU has a strategic interest in stimulating efforts from Partner Countries such as Canada, Brazil, Mexico, Argentina, Colombia and Chile to adequately tackle the climate change challenge by working with them in a shift towards decoupling economic growth from CO₂ emissions and moving towards a greener economy. At the same time, the EU is a leader in low carbon and circular economy technologies and solutions and a key objective of EU industrial policy is to promote internationalisation of EU companies, in particular SMEs by facilitating their entry into new markets.

The proposed action offers the opportunity to combine these two policy objectives within one action.

Following are three elements of the elements that offer a favourable context for this action:

1. The Paris Agreement adopted in 2015: The EU is increasingly being called upon by its international partners to lead and drive the implementing process, for the Paris Agreement adopted in 2015, including maintaining a focus on leveraging private investment for that purpose. The EU's Industrial Policy Strategy also stresses the need to strengthen the ability of European industry's to continuously adapt and innovate by facilitating investment in new technologies and embracing changes brought on by the transition to a low-carbon and more circular economy. The proposed action aims to facilitate the uptake of business activity and bankable projects that contribute to the implementation of the Nationally Determined Contributions (NDCs) in major emerging economies in Latin America. Industry and investors in Europe and globally would benefit from progress in this regard.

¹ Clusters are groups of specialised enterprises – often SMEs – and other related supporting actors that cooperate closely together in a particular location. In working together SMEs can be more innovative, create more jobs and register more international trademarks and patents than they would alone.

2. The importance that the EU attaches to the development of the circular economy: The EU has an ambitious Circular Economy Action Plan in place to stimulate Europe's transition towards a circular economy. The Plan recognises 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 Sustainable Development Goals (SDGs). This action would complement the already existing and potential Environment and Energy dialogues between the EU and some of the proposed partner countries.
3. EU's free trade agreements (FTAs): A report on the Implementation of Free Trade Agreements published in November 2017 (COM(2017)654) concludes that EU businesses could use much more the tariff preferences which an EU FTA offers them. The report also points out that SMEs underutilise the opportunities offered by EU FTAs. The EU has concluded FTAs with Colombia-Peru (applied since 2013) and Chile (2003). Its relationship with Mexico is governed by the a EU-Mexico Global Agreement (2000) and a modernised version of the agreement is currently under negotiation. The Comprehensive Economic and Trade Agreement (CETA) with Canada was concluded in 2017. The EU is currently negotiating a trade deal with the four founding Mercosur states, including Argentina and Brazil. Moreover, the action complements the civil society dialogue mechanisms associated with the agreements and the work of the Trade and Sustainable Development Sub-Committees.

Several factors have been taken into consideration in order to select the countries to be prioritised under this project. Some of these are: prioritising EU's strategic partners, importance in terms of CO2 emissions, existence of or potential of a political dialogue on climate change, environment/circular economy or energy, the existence of Association agreements and/or multiparty trade agreements and business potential for EU's clusters and SMEs in the sector. Based on these multiple criteria, the countries proposed under this project are Canada, Mexico, Brazil, Argentina, Colombia and Chile

The action is also in line with the Europe 2020 Strategy. Europe 2020 Strategy puts forward three mutually reinforcing priorities. The proposed action aims to support and contributes to at least two of them, namely: i) Smart growth: developing an economy based on knowledge and innovation and ii) Sustainable growth: promoting a more resource efficient, greener and more competitive economy. By scaling it up, the Action has a potential to create a real leverage to promote private sector investment, contributing to the goal of the "Europe 2020" Strategy.

The proposed action combines three objectives, as laid down in the Partnership Instrument (PI) Regulation, within one action: Objective 1, Objective 2 and Objective 3. The Action will contribute to the reinforcement of EU's image as a main actor in addressing global challenges. It will contribute to the international dimension of Europe 2020. The project will also enable coordinated advocacy efforts carried out by EU Member States, EU businesses, EU business organisations, clusters and relevant innovation & technological structures in the specific sectors covered under the project.

In particular, the project contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priorities "Environment, climate and energy" and "Trade and economic diplomacy". It will also mainstream the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, Resilience and Innovation.

The action will help in providing business opportunities to EU companies in the targeted countries, in accessing sector specific market intelligence related to Canada, Mexico, Brazil, Argentina, Colombia and Chile. The Action will target companies that are innovators or leading actors in the Low Carbon and circular economy sectors, notably SMEs.

2.3 Lesson learnt

The proposed project builds upon the good experience of the Low Carbon Business Action pilot project in Brazil and Mexico², and will incorporate lessons learnt from their implementation.

The pilot actions link competitiveness and emission reduction goals and recognise the importance of promoting and stimulating private investments for climate action. About 700 cooperation partnership agreements (CPAs) were signed between European and Brazilian and Mexican companies. Following an evaluation. From among these CPAs, 130 CPAs were selected, for receiving technical assistance to develop commercially viable business projects and bankable proposals.

The definition of the sectors under the new project will take into account the interest observed in the partner countries and the specific added value of EU SMEs. Based on these criteria, one sector that emerges as a clear candidate for the new project is “waste to energy”. Other sectors will be defined following a continued business opportunity based response.

An important lesson from the pilot projects that has been incorporated into the proposed project is designing an integrated action that includes all the phases from identification of opportunities to actual partnerships. This would avoid risks related to gaps between the different steps in the process and also lead to greater efficiency in the business process as well as in project management.

2.4 Coherence and complementarity

In Brazil and in Mexico, this action will build upon the work carried out by the PI funded Low Carbon Business Actions.

The project is complementary to the FPI action on the implementation of the Paris Agreement in major economies that started in December 2017.

In Argentina, the PI funded project "Energy Efficiency in Argentina" foresees a matchmaking event on Energy Efficiency including a business to finance component. The present Action will build upon this activity.

The proposed action will reinforce the commitments reached during the Circular Economy Missions organised by the Directorate-General for the Environment of the European Commission to Colombia in October 2017 and scheduled in Mexico for March 2019.

European clusters are key stakeholders that can help define priority target markets taking into account the business interest portfolio identified through European Strategic Cluster Partnerships. Clusters can also play a major role in facilitating the recruitment of the most relevant European SMEs across regional industrial ecosystems for joint business projects with partners in third countries. Cluster internationalisation activities under COSME such as "Clusters Go International" action, establishing "European Strategic Cluster Partnerships – Going International" (ESCP-4i) and the European Cluster Collaboration Platform (ECCP) will be instrumental to the implementation of the action.

The Enterprise Europe Network partners present in the selected countries can help find the right matching partners for EU companies, while in Europe the EEN Environmental Sector Group and the thematic groups on the circular economy and resource efficiency will be consulted and informed about this opportunity.

The European Innovation Centre in Brazil (CEBRABIC - Centre for Europe-Brazil Business Innovation Cooperation) supported by Horizon 2020 can act as landing hub for SMEs/start-ups in Latin America.

The project will ensure coordination with and build synergies with all other EU funded projects in the countries concerned. In particular, synergies could be built with the Latin American Investment Facility (LAIF) as well as with other relevant actions supported by DEVCO.

² Low Carbon Business Action Phase I (PI AAP 2014) Low Carbon Business Action Phase II (PI AAP 2016)

Lastly, the project will regularly inform and consult EU Member States and their Trade Promotion Organisation in each of the selected countries.

2.5 EU added value

EU has positioned itself as a global leader in responding to climate change and in the implementation of the Paris Agreement. EU has also set itself forward looking and ambitious goals in the area of circular economy. EU businesses are at the forefront of innovative solutions and technologies in these areas. EU clusters have a strong trajectory of sound business practices including cooperation against national borders and strong expertise has been accumulated through Cluster internationalisation activities under COSME such as "Clusters Go International" action, establishing "European Strategic Cluster Partnerships – Going International" (ESCP-4i) and the European Cluster Collaboration Platform (ECCP).

By leveraging these strengths and promoting concrete commercial viable partnerships between European and partner country businesses, the proposed action is designed to enhance the image of the EU and the EU MS as the primary partner of choice in their own processes towards decoupling economic growth and negative climate change impact. It will thus be an operational example of Climate and Economic diplomacy.

2.6 Cross-cutting issues

The action will consistently mainstream relevant crosscutting issues, such as gender equality, sustainable economic development, and environmental sustainability.

Given the focus on low carbon business sectors, support to positive climate action forms the backbone of this action. In addition, measures will be taken to reduce the environmental impact of the action's activities³.

Efforts will also be made towards more accessible project resources, e.g. more accessible event venues, accessible project website etc.

Gender equity will be mainstreamed throughout the implementation of the action by aiming to (inter alia) ensure that women owned businesses, (both from EU and partner countries) are given adequate access to information and opportunities; that women business stakeholders are well represented in all activities etc.

Furthermore, EU companies selected to participate in the different activities will be assessed as regards their environmental, gender equality, human and worker rights policies with a view to share responsible business practice alongside technical solutions.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of this action is to enhance the position the European Union as a leader in tackling climate change by promoting the decoupling of economic growth and CO2 emissions in the Americas.

The **specific objective** of the project is to establish long-term SMEs and clusters business partnerships in the areas of low carbon and circular economy between the EU and selected partner countries in the Americas.

³<https://mvintracomm.ec.europa.eu/serv/en/scic/conference/Documents/Checklist%20for%20Greener%20Confer>

The action will combine concrete internationalisation of EU technology solutions with more strategic long-term cooperation between companies in selected partner countries with European SMEs, notably through clusters, on joint projects. The proposed strategy will therefore facilitate greener value chains that deliver climate and biodiversity benefits. The project will facilitate the uptake of low carbon technology by industries in areas such as energy production and consumption, transport, manufacturing processes, waste management, agriculture and forestry. It will therefore also contribute to alliance building in getting worldwide support for carbon transition.

The following **results and indicative activities** will help achieve the objectives mentioned above:

R.1 European technical and business solutions in the fields of low carbon and circular economy identified

- Create a mapping of sectors with strong business potential for collaboration between European clusters and SMEs and companies in selected partner countries. The mapping will also identify the trade, regulatory and investment barriers in the target sectors and inform the EU delegations concerned so that those can be taken up in the existing policy dialogues and other appropriate fora in/with the partner countries.
- Roll out a communication strategy and activities to recruit SMEs and cluster and business support representatives in the target sector in the EU and in partner country market and to promote the results of the action. A close cooperation with national and international financial institutions will also be ensured.
- Facilitate the match between the partner country demand for technical and business solutions and those available with the European clusters and SMEs. Preparatory webinars and matchmaking events to be organised. Specific Business Partnership Agreements should emerge from these activities.

R.2 Provision of European technical solutions in the field of low carbon and circular economy facilitated

Activities to deploy European technical solutions ranging from the signature of Business Partnership Agreements to technical assistance:

- Formalisation of Business Partnership Agreements
- Submission, evaluation and ranking of concept notes for joint business projects, following consultation with the European IPR helpdesk if relevant.
- Provision of technical assistance to selected Business Partnership Agreements to develop commercially viable projects and greater access to finance
- Reporting of results to feed ongoing policy dialogues on climate change, energy and circular economy with partner countries.

3.2 Stakeholders

The main stakeholders of the action are:

- EU businesses, with particular focus on SMEs, business clusters, business associations and networks active in the areas prioritised for the action intervention.
- Partner Country private sector stakeholders interested in business partnership in the sectors of intervention of the programme as well as business representatives/associations and SME associations engaged in relevant sectors;
- Regional/municipal public stakeholders, in particular in cases where municipalities run businesses related to the sectors relevant to this action (e.g. waste management).
- National governments and their relevant ministries and agencies, with whom the EU is interacting in the framework of the policy dialogues and cooperation in the sectors targeted in this project, e.g. energy sector;
- Financial institutions and investors.
- European Member States Embassies, Trade offices, Chambers of Commerce and Industry and trade promotion agencies present in the partner countries.

3.3 Risk assessment and management

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Changes in the political landscape of the partner countries	High (Brazil) Medium (Mexico) Medium/low (rest of countries)	Close monitoring of the political situation in the partner countries to identify such risks early on. As far as possible, ensure a flexible project design so that it can be adapted to the evolving political situations if needed
Cooperation between partners from the EU and third countries may face economic challenges and/or lack the necessary financial support to concretely implement joint projects	Medium	Ensure: <ul style="list-style-type: none"> • selection of commercially viable concept notes • close cooperation and coordination with the technical assistance • close cooperation and coordination with potential investment/financial institutions
Partners' interest in the projects may decrease progressively due to changing circumstances, while the provision of technical assistance continues	Medium	Ensure the shortest process between the matchmaking activity that bring together partners for the first time and the concrete delivery of the technical assistance
Risk related to the effective protection of IPRs	Medium to low	Contractor to carefully and ethically handle issues related to industrial secrecy, intellectual property rights, etc.

3.4 Communication and EU visibility

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

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 Action⁴, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

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.

The strategic communication plan will be promote 2 levels of communication:

- **Regional level:** The strategic communication plan will consider the regional impact of the EU. The promotion of the Circular Economy and the key role of the EU in the implementation of the Paris

⁴ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

Agreement will be a common thread running through all regional activities (regional seminars, experience sharing, regional social networks communication tools, etc.).

- **Partner country level:** Strategic communication plan will also focus on Private Sector awareness (in partner countries and the EU) on low carbon and EU SME's innovative technologies. The communication approach will be based on concrete 'Cluster to Cluster', 'Cluster to Business' and 'Business to Business' methodology.

On both communication levels, the European Cluster Collaboration Platform could play a key role in identifying the best communication channels and in disseminating the selected messages.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

- (a) The programme will be implemented via service contract(s).
- (b) Indicative timing: call(s) for tender expected to be launched 2nd Quarter 2019.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (Direct Management) – Canada</i>	3.50
<i>Procurement (Direct Management) – Mexico</i>	3.00
<i>Procurement (Direct Management) – Brazil, Argentina, Colombia and Chile</i>	13.50
Total	20.00

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 measures⁵

4.3 Organisational set-up and responsibilities

Relevant EU services will ensure technical steer to each of the service contract foreseen under this action, as well as the technical coherence of the project as a whole.

Relevant EU services will also provide regular technical support relevant to their respective areas of expertise and to ensure coherence of this action with the thematic/sector specific priorities and the political dialogues that the EU has with the partner countries.

To ensure proper project governance and strategic orientation, a Steering Committee will be established. The Steering Committee will include representatives of relevant EU services in Headquarters and in Delegations in all targeted countries as well as the project implementation team. It will meet at least once a year, starting with a kick-off meeting during the inception phase of the project.

⁵ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

EN

ANNEX 7

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for EU Americas Partnership on Raw Materials

1 KEY IDENTIFICATION DATA

Title of the Action	EU Americas Partnership on Raw Materials			
Country/region/global	Canada and Latin America The priority countries in Latin America are Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay. Additional Latin American countries may be considered on a case-by-case basis.			
Sector of intervention	Raw materials			
Indicative budget	Total: EUR 3 000 000 EC contribution: EUR 3 000 000 (100 %) Other contributions: NA			
Duration and target start date of implementation	36 months – January 2020			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	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"/>

2 RATIONALE AND CONTEXT

2.1 Action summary

The overall objective of the action is to contribute to a secure, sustainable and ethical supply of raw materials for the EU industrial value chains (from EU and third countries), promoting at the same time the EU technologies and services for mining and the values of responsible and sustainable mining.

The action consists of two parts targeting two different specific areas.

The part to implement in Canada aims to secure the EU representation at the Prospectors & Developers Association of Canada (PDAC) International Convention, Trade Show & Investors Exchange¹ for the years 2020, 2021 and 2022. It will ensure continuity of the first EU participation in PDAC 2018, followed by the participation in 2019. EU participation in the PDAC convention contributes to attract investment to increase the production capacity of raw materials in the EU, to interact with producing countries and to promote globally the EU values of responsible and sustainable mining.

The part targeting Latin America aims to build on the existing cooperation on raw materials with mutual benefit between the EU and Latin America at regional level and on the results achieved over the period 2014-2018. The project aims to contribute to securing a sustainable and responsible supply of raw materials to the EU industrial value chains from third countries. It also aims to strengthen business links with Latin America in the raw materials sector, to facilitate market access for EU companies (in particular mining companies, mining services and equipment providers and infrastructure developers), including SMEs.

2.2 Background/Context/Rationale for PI funding

The EU needs to ensure sustainable, responsible and secure supply of raw materials to its industrial value chains. The shift to the low carbon economy will increase more than ever the global demand for non-energy raw materials. While recycling plays an important role, it will take more to meet the demand, and the primary supply has to be secured from the EU and third countries.

Given the continued and growing strategic importance of raw materials for the EU manufacturing industry, the Commission is implementing a wide range of actions under the EU Raw Materials Initiative (RMI) to help ensuring their secure, sustainable, responsible and affordable supply.

Raw materials, in particular scarce Critical Raw Materials, are important for the competitiveness of European industrial value chains, including automobile, machinery, electrical engineering, ICT or defence sectors. Their availability is also a fundamental precondition for the transition to a low-carbon economy, including e-mobility and renewable energy. Recognition of this fact features prominently in the renewed EU industrial policy strategy adopted in September 2017². Also the recently adopted Strategic Action Plan for Batteries³ includes actions with the aim to facilitate access to European sources of raw materials and at securing access to raw materials from resource-rich countries outside the EU. Canada and Latin American countries, part of the geographical coverage of this action, are resource rich countries and important partners for trade and cooperation.

The action aligns with the EU trade policy and targets countries/regions with whom the EU has or is negotiating trade agreements. The action is designed to implement simultaneously the EU strategy and priorities on raw materials and to support the specific interests of the EU Member States (MS).

This action is aligned with the Partnership Instrument (PI) Regulation, namely with its Objective 3: Improving access to third country markets and boosting trade, investment and business opportunities

¹ PDAC convention is the World's Premier Mineral Exploration & Mining Convention, which in 2018 counted with 1,000 exhibitors, 3,500 investors and 25,600 attendees from 135 countries, and numerous technical sessions, short courses and networking events.

² COM(2017) 479 final

³ COM(2018) 293 final

for European companies (including SMEs) by means of economic partnerships, business and regulatory co-operation.

In addition, the project contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priority "Trade and economic diplomacy", as well as energy and the environment. It also mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law; Resilience; and Innovation.

2.3 Lesson learnt

The EU representation at PDAC convention for the first time in 2018, in the context of the PI project EU-Canada Mineral Co-operation, achieved very positive results. In 2018 the EU booth promoted EU research and innovation projects (H2020) and touched on policy areas that are in EU competence such as Environmental legislation, standards, Mining Waste Directive. In PDAC 2018 the EU acted as facilitator of MS to do their own trade promotion (MS provided the content to be included at the booth and were invited to be there representing their own country) - the EU facilitates the presence of several MS who would not have had the chance to participate (high cost). The EU side of this action falls under trade co-operation issues.

The feedback received from MS shows significant interest expressed in joining in 2019 and a desire to see the EU presence at PDAC continue. Several MS representatives appreciated the large value gained by the EU delegation to PDAC providing a level playing field for all MS and an opportunity for those MS who would not otherwise have attended to highlight the mineral potential of their regions.

Latin American countries are well placed to be strategic suppliers of raw materials to the EU industrial value chains. The importance of the Latin American countries in the mineral raw materials sector is not simply limited to their capacity or potential as producers of mining commodities. In the last years, the recognition of mining as an innovative and technological advanced sector has been growing; indeed, it is now clear that mining is not simply about large-scale investments and operational excellence, but also about the application (or even the development) of cutting-edge technologies. This approach also offers a big potential to the EU mining equipment and services providers and developers of infrastructures.

Governmental entities and industry from both regions, in particular those who have been actively involved in the EU-Latin America Raw Materials Diplomacy events and in the former EU Latin America MDNP project, have recognised the relevance of this cooperation and called for continuity.

2.4 Coherence and complementarity

The action is a continuation of the two Partnership Instrument funded actions, the EU-Canada Mineral Co-operation and the EU-Latin America Mineral Development Network Platform running from January 2017-June 2018.

It has some complementarity with the Enterprise Europe Network co-financed under the European Union's programme for the competitiveness of SMEs.

2.5 EU added value

The action is expected to contribute to secure a sustainable and ethical supply of raw materials to the EU industrial value chains (from the EU and third countries), to increase business links with Canada, Latin America for the mining sector and equipment and services suppliers and to improve responsible and sustainable mining.

The expected impact can be partially achieved during the implementation period but its long-term impact will be more prominent after the implementation.

Impact expected on short term includes establishing links with potential investors to EU mining projects, establishing links with mining promoters and suppliers from Latin America and Canada and

raising awareness to i) the EU mineral potential; ii) the EU innovations and technologies for the mining sector; iii) the EU environmental and social standards for mining.

2.6 Cross-cutting issues

The action covers issues such as Corporate Social Responsibility; transparency in the extractive industries (Extractive Industry Transparency Initiative); sustainable, responsible and ethical mining and sourcing of raw materials; the Mineral Resource Governance in the 21st Century, i.e. gearing extractive industries towards sustainable development – UN International Resource Panel and the Sustainable Development Goals.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of the action is to contribute to a secure, sustainable and ethical supply of raw materials for the EU industrial value chains (from EU and third countries), promoting at the same time the EU technologies and services for mining and the values of responsible and sustainable mining.

Specific objectives:

Specific objectives for the action to implement in **Canada** are

- i) promote the values of sustainable and responsible mining;
- ii) promote EU innovation, equipment and services for the extractive sector;
- iii) promote the MS mineral resources potential and attract investment;
- iv) flag the supply needs for the EU industrial value chains.

Specific objectives for the action to implement in **Latin America** are

- i) promote the values of sustainable and responsible mining;
- ii) promote EU innovation, equipment and services for the extractive sector;
- iii) facilitate the access of the EU companies to the Latin America's mining markets;
- iv) facilitate raw materials sourcing for the EU industrial value chains from Latin America.

Activities will be divided into two, each based on the above specific objectives:

The part to implement in Canada includes the displaying of a booth and the organisation of an event at the PDAC International Convention, Trade Show & Investors Exchange. The EU booth aims to promote EU research and innovation projects (H2020) and touches on policy areas that are in EU competence such as environmental legislation, standards, Mining Waste Directive. The EU booth acts as facilitator of EU Member States to do their own trade and investment promotion (MS provide the content to be included at the booth and are invited to be there representing their own country). The EU facilitates the presence of several MS that would not else have had the chance to participate (due to high cost for presence at PDAC) and also acts as an umbrella to promote MS represented already part of PDAC in their own capacity. All MS are invited to promote what they consider to be their strengths and interests at this event.

The EU side of this action falls under trade co-operation. The event has as main objective to promote the EU mineral potential and investment opportunities, the EU technology and innovation for the

mining sector and the EU values of sustainable and responsible mining and environmental, safety and social standards for mining.

The upgrade and level of sophistication of the booth and event has to be considered each year to respond effectively to an increased level of engagement from MS and be able to successfully compete with the other exhibitors.

The part targeting Latin America includes four main components:

1. Continuity and improvement of the digital Mineral Development Network Platform (MDNP). This component will ensure not only the continuity of the digital platform developed during the PI project EU-Latin America MDNP but will allow to improve and enlarge its content, to reach a large number of members and for a continuous update of its content. It is a network platform designed for continuous and structured cooperation on a mutual benefit basis, between EU and Latin American environmental and mining authorities, industry, business (including SMEs), academia, geological surveys and other relevant entities for the non-energy extractive industries, in the fields of technology, consulting services, infrastructure, investment, trade, training and skills, health and safety, good governance and other relevant areas of the mining value chain.
2. Promotion of the MDNP at selected mining events in Latin America and in the EU. This component includes the promotion of the MDNP in 3 selected mining fairs in Latin America (Expomi in Chile; Arminera in Argentina and Perumin in Peru) for the period 2019-2022 and one event in the EU. The MDNP will be the central element of an EU exhibition area, which can also be used by EU Member States wishing to promote their strategic business interests at these mining fairs.
3. Organisation of events in Latin America (The EU-Latin America sustainable mining conventions) and in the EU (EU-Latin America Sustainable mining convention and trade show) to promote business links and exchanges on the values of responsible and sustainable mining and sourcing. Three events will be organised in Latin America, back to back with the main mining fairs selected to promote the MDNP (see component 2) and one event in the EU, to promote networking, business links and the exchange of good practices on sustainable and responsible mining between the EU and Latin America.
4. Management, coordination and communication - Establish a Steering Committee (SC) with representatives from each of the Latin American countries, which are part of the geographical coverage of this project, and from the EU (ensuring geographical and group of interest balance) and develop a governance structure for the digital platform. The role of the SC is to provide advice on the technical content and functionalities of the platform as well as on the programmes of the events. A robust communication and dissemination plan will be developed as part of this component.

3.2 Stakeholders

Target groups of this action include mining and environmental public entities, technology and service suppliers (including SMEs), chambers of commerce, geological surveys, exploration and mining companies, academia and other relevant entities working in the fields of technology, consulting services, infrastructure, investment, trade, training and skills, health and safety, good governance and other important areas of the mining value chain.

3.3 Risk assessment and management

Risk	Risk level (H/M/L)	Mitigating measure
The action could be negatively impacted by an economic downturn, unfavourable financing conditions in the stock exchanges and other financing sources which could discourage investments and, more generally, activities in the field.	M	It is assumed that global demand is bound to increase in the medium to long term, in particular driven by the shift to a low carbon economy.
For the part to implement in Canada, the mobilisation of MS to engage at the EU Exploration & Mining event and the contribution from MS and other EU key stakeholders with materials to be included in the EU booth can be a risk.	L	This risk can be mitigated with a good communication and dissemination strategy and effective and timely planning. The privileged channels to communicate and engage with the MS will be the expert group and stakeholders platform (the Raw Materials Supply Group and European Innovation Partnership on Raw Materials) and the EU Delegations and diplomatic representations from MS based in the relevant countries.
For the part targeting Latin America it might be difficult to reach out to relevant small and medium companies active both in the EU and Latin America, due to their limited administrative capacities.	L	This risk can be mitigated with a good communication, dissemination and engagement strategies, including a strong coordination with relevant entities in Member States (governmental and non-governmental) and effective and timely planning. Another action to mitigate this risk includes the identification of synergies with existing business networks as the case of Enterprise Europe Network.

3.4 Communication and EU 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 Action⁴, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

⁴ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

(a) The programme will be implemented via service contract(s). Indicatively two service contracts are expected to be concluded for the implementation of the action.

(b) This call has been launched in Q1 2019 under a suspensive clause prior to the adoption of this decision. This is justified because the EU wishes to keep the momentum of presence at PDAC 2020 Convention, the World's Premier Mineral Exploration & Mining Convention with a global reach to the mineral and raw materials industry, and that the preparation starts 9 months in advance.

4.2 Indicative budget

Method of Implementation	EUR million
<i>Procurement (direct management)</i>	3.00
Total	3.00

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 measures⁵.

4.3 Organisational set-up and responsibilities

The proposed action will be implemented under the guidance of the Steering Committee (SC), which will include relevant EU services in Headquarters and Delegations. This combination will contribute to aligned objectives, effective implementation and complementarity with the H2020 and TRADE programmes and actions.

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 relevant EU services.

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 and corporate 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.

⁵ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

EN

ANNEX 8

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for Public and Cultural Diplomacy

1 KEY IDENTIFICATION DATA

Title of the Action	Public and Cultural Diplomacy			
Country/region/global	Global			
Sector of intervention	Public and Cultural Diplomacy			
Indicative budget	Total: EUR 18 150 000 EC contribution: EUR 16 800 000 (Procurement and indirect management: 100%; Grants: 75-80%) Other contributions: EUR 1 350 000 (Grants: 20%)			
Duration and target start date of implementation	36 months – January 2020			
Method of implementation	Direct management through: - Grants - Procurement Indirect management with International Organisation			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

The proposed action aims to support actors in their endeavours to globally develop EU's soft power by building alliances and better-informed decision-making on priority EU themes such as response to global challenges, use of multilateralism, promotion of EU values and principles, economic partnerships and fundamental rights, including in the field of trade and human rights. It will also enhance widespread understanding and visibility of the EU and its role on the world scene. The following actions are envisaged:

- Investment in public diplomacy activities reinforcing the study, research, teaching and debate on EU-related issues among students and academics through Jean Monnet Actions in selected priority countries/territories. The indicative list includes Australia, Bahrain, Canada, China, Hong Kong, India, Indonesia, Japan, Korea, Kuwait, New Zealand, Oman, Qatar, Saudi Arabia, South Africa and the United Arab Emirates.
- Secondly, funds will be provided to reinforce the capacity of the EU Delegations to do outreach and develop partnerships with local stakeholders in Canada, China, India, and the USA.
- Thirdly, renewed support will be made available for people-to-people contacts and civil society dialogue in the USA. Should the need arise and budget be available, additional activities may be included later in the year.
- Finally, specific attention will be given to foster the role that culture in external relations can play in Public Diplomacy by increasing mutual understanding and confidence through dialogues and contributing to promote shared values as well as intercultural tolerance in strategic countries.

2.2 Background/Context/Rationale for PI funding

As the EU Global Strategy notes, we live today in a more interconnected, 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, identify and nurture like-minded allies for future cooperation.

The EU study "Analysis of the perception of the EU and EU's policies abroad" was published on 18 March 2016¹ 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.

This action refers to objective d) set out in article 1(2) of the Partnership Instrument (PI) Regulation² as further defined in multi-annual indicative programme 2014-2020 (objective 4)³: 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.

¹ http://ec.europa.eu/dgs/fpi/showcases/eu_perceptions_study_en.htm

² Regulation (EU) No 234/2014 of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries, JO L77/77 15 March 2014.

³ Decision C(2014)4453 of 3 July 2014, http://ec.europa.eu/dgs/fpi/key-documents/2014-annual-reports_en.htm

In particular, this action contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priorities and mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity, the principles of equality, including gender equality, and solidarity); Resilience and Innovation.

2.3 Lesson learnt

The key lessons 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 EU's external action policies.
- ensure that implemented actions focus on issues that resonate among local target audiences.

2.4 Coherence and complementarity

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 Service for Foreign Policy Instruments - FPI). The EU Delegations and FPI 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 with 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"⁴, 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, 2017 and 2018, including the 'Support to EU Film Festivals' and the 'EU Alumni Engagement Initiative'.

2.5 EU added value

In line with the EU Global Strategy, public diplomacy aims at enhancing the EU strategic communications, investing in and joining-up across different fields, in order to connect EU foreign policy with citizens and better communicate it to our partners.

The EU Global Strategy also outlines the need to develop a more joined-up approach to Public Diplomacy in order to be more effective in the way we engage over the long term with citizens in third countries. This has become particularly important at a time when citizens are increasingly exposed to competitive narratives and disinformation aimed at undermining the legitimacy of the EU and of our policies. Building trust and mutual understanding with our partners has become increasingly important to support the implementation of our policy priorities.

While the actions listed in this action fiche have the purpose to raise the profile and the knowledge of the EU in third countries, complementarity and added value of selected projects with on-going and planned initiatives supported by EU Member States will be ensured, especially in the field of cultural diplomacy.

⁴ http://eeas.europa.eu/delegations/ghana/documents/press_corner/20121231_en.pdf

At the end of the actions, stronger synergies between EU activities and Member State's activities in the field of Public and Cultural Diplomacy will be achieved and the perception of the EU as a whole in third countries will be strengthened.

2.6 Cross-cutting issues

For the proposed Action, different PI cross-cuttings issues have been identified, such as multilateralism, global challenges, EU principles and values.

Especially enhancing widespread knowledge of the Union and promoting the EU principles and values in partner countries is at the core of the public diplomacy and outreach activities in support of the objectives of the instrument.

3 ACTION DESCRIPTION

3.1 Objectives

The Annex of the PI 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 (including in the field of torture and trade) in partner countries through enhanced public diplomacy, outreach and research activities in support of the objectives of the instrument.

To achieve these objectives, under the Annual Action Programme 2019, it is envisaged to support actions to strengthen stakeholders' institutional, operational and networking capacity in four **strands** relating to Public Diplomacy:

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 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 "PI Window" in the Jean Monnet activities that for 2019 will indicatively include the following countries/territories, chosen because of their political relevance and/or to ensure continuous engagement with the academic target audience : Australia, Bahrain, Canada, China, Hong Kong, India, Indonesia, Japan, Korea, Kuwait, New Zealand, Oman, Qatar, Saudi Arabia, South Africa and the United Arab Emirates.

STRAND 2: EU Policy and Outreach Partnerships

This strand will engage directly with key stakeholders (e.g. think tanks, media, 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* response to global challenges, Europe 2020 strategy for smart, sustainable and inclusive growth, Economic Partnership and Fundamental Rights. The areas covered will depend both on the local perception and on the EU policy priorities for a given country.

To ensure that the EU can engage with local audiences directly and on specific key areas of concern, service contracts will be used and managed by selected delegations at local level (i.e., Canada, China, India, and the USA) to develop partnerships.

The following actions are proposed:

2. Continued support to EU Policy and Outreach Partnerships in Canada, China, India and the US

Building on existing actions funded through PI AAPs 2016 and 2017, it is proposed to renew the actions due to expire between 2019 and the first half of 2020, namely the “EU Policy and Outreach Partnerships” in Canada, China, India and the US.

The implementation and activities that have been carried out in these countries include diplomatic trainings, roadshows, business breakfast, workshops, roundtables etc., that have provided a timely and consistent fora for the EU to discuss with its counterparts on different topics of mutual interest, thereby helping to take forward the Global Strategy agenda.

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 between 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 (smart, sustainable and inclusive growth), Economic Partnership and Fundamental Rights.

The following actions are proposed:

1. 'EU & US: Getting to Know Europe'

Building on previous successful experience funded under the Partnership Instrument's AAPs 2015 and 2017, this action aims to preserve and to strengthen the transatlantic relationship for the future, and to support the EU to reach out to and engage on EU's values, policies, and cultures with the next generation of US citizens who have less historical ties with Europe.

Getting to Know Europe would offer numerous opportunities outside of an academic context to increase young US citizens' knowledge and understanding of the EU and its relationship to the US through activities implemented by local organisations. In addition, the action would also provide the EU valuable feedback, intelligence, and insight into younger people's perspectives on the EU and its policies.

The action under this lot would entail cooperation with U.S. non-governmental, not-for-profit organisations to organise and implement activities such as seminars, study tours; digital communications campaigns and materials about the EU and the EU-US relationship; etc.

The target audiences for this action will be young US citizens who will be the next generation of leaders and influencers from across the business, civil society, policy and media sectors, particularly from the growing minority communities in the United States.

2. Transatlantic Civil Society Dialogues

Building on previous successful experience funded under the Partnership Instrument's AAPs 2015 and 2017, this action would be entail cooperation with civil society organisations from both Europe and the US.

Activities will be based on dialogue, cooperation, and the exchange of expertise and best practice. The dialogues also aim to achieve the convergence of views among the participating civil society representatives with the ultimate purpose of providing unified recommendations to policymakers. These dialogues complement the formal policy dialogue at the official/government level. Proposals

should be stimulating dialogue and cooperation between non-governmental organisations and relevant interest groups that represent wide constituencies in the EU and the US.

Main activities intended to be implemented under the grant scheme will include inter alia conferences, working groups, events, seminars, webinars, briefing sessions, etc. consistent with the concept of dialogue.

3. 'EU & China Think Tank Exchanges'

In order to positively influence policy debate on EU relevant topics in China, and allow the EU to gain in-depth insights into the Chinese perspective of relevant policy topics, structured exchanges of prominent European and Chinese think-tanks and other influential academics and opinion shapers, including also Jean Monnet Chairs and former alumni of EU funded programmes are envisaged. The structured exchanges among think-tanks and opinion shapers on topics relevant to the EU China strategic partnership may examine challenges and opportunities, nurture a platform for interaction, mobilise support for EU positions on shared global concerns and challenges, and advocate for convergence on global and regional issues. Activities of these think tank exchanges should alternate between locations in the EU and in China.

STRAND 4: Cultural Diplomacy

In the framework of this strand, specific attention will be given to foster the role that culture can play in external relations. This relates in particular to enable cultural operators to receive training, to network, to participate to conferences and to provide policy advice in the field of culture. Such actions will increase mutual understanding and confidence through dialogues and contribute to promoting shared values as well as intercultural tolerance in third countries.

Building on the action funded under the AAP 2015 of the Partnership Instrument 'Cultural Diplomacy Platform', the overall objective of this action is to continue engaging with cultural operators worldwide (with priority to countries/region where other EU financial instruments do not apply) through an action which consists of three components:

- i. Support/technical assistance on cultural policy in external relations and international cultural cooperation via studies, mappings, trainings on cultural policy, working meetings with representatives of local cultural operators, etc.;
- ii. Organizing yearly training programme for cultural leaders and regional ad-hoc trainings of similar nature;
- iii. Supporting cooperation among cultural and creative sectors via provision of specialised services (participation in book fairs, performing arts markets/ meetings, networking activities, curatorship for events, trainings, organisation of festivals' side events, etc.).

The Action aims to achieve enhanced engagement with cultural operators worldwide and increased role for culture in EU's external relations, better knowledge of EU's principles and policies through culture.

STRAND 5: Engagement towards Torture –free Trade

The EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity) are mainstreamed in the PI Multi-annual indicative programme for the period 2018-2020 in synergy with other relevant EU instrument for financing external action. One of the objectives of the PI MIP under public diplomacy is promoting the EU as a major and reliable partner in supporting human rights, democracy, good governance, the rule of law and a rules-based global and multilateral order.

The eradication of torture and capital punishment are core EU values. Within this strand, specific attention will be paid to contribute to the implementation of the EU commitment within the context to the ‘Global Alliance for Torture-free Trade’ that the EU and sixty (including the 28 EU Member States) countries have subscribed.

The EU and the participating countries to the Global Alliance commit to take effective measures to restrict trade of goods used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment and to work towards an internationally binding instrument by advancing a resolution for adoption by the UN General Assembly.

The absence of common international standards on the import, export and transfer of goods used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment is a contributory factor to facilitate the availability of these goods and enable such practices.

The action proposed is designed to support the work of the UN Secretary General (UNSG) through a group of experts on a feasibility study that will assess the possible scope of a range of options, including that of a legally binding instrument prohibiting and/or restricting trade in goods used for torture and capital punishment.

3.2 Stakeholders

The main stakeholders are: international and national civil society organisations, universities, academics, students at all levels, NGOs, 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 organizations 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.

3.3 Risk assessment and management

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 Union.	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 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 "EU Perception Study" to ensure that the content of the initiatives resonates among local target audiences will significantly reduce such risk.
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3.4 Communication and EU 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. This plan shall be aligned with EEAS and Commission communication services to secure long-term and wider visibility of the EU, beyond the specific action's activities.

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 Action⁵, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1. Grants (direct management)

4.1.1.1. Call for proposals - Jean Monnet activities

(a) Purpose of the grant(s)

These grants fall into strand 'Academic outreach through Jean Monnet activities'. 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) Networks: support the creation and development of consortia of international players (HEIs, Centres of Excellence, departments, etc.) in area of EU studies; and v) Projects: support for innovation, cross-fertilisation and the spreading of the EU content.

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.

Indicative trimester to launch the call: 3rd quarter 2019. 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.

⁵ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

(b) Type of applicants targeted

A higher education institution established in any country of the world or other organisations active in the European Union studies subject.

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: i. quality of the project design and implementation; ii. quality of the project team and cooperation arrangements; iii. Impact and dissemination.

4.1.1.2. Call for proposals – Engagement with Civil Society in the US and 'EU & China Think Tank Exchanges'

(a) Purpose of the grant(s)

Part of the public diplomacy envelope in the AAP 2019 will be implemented through the award of grants. Indicatively, it is estimated that two calls for proposals will be launched, one in China and one in the USA.

Grant agreements resulting from the above mentioned call will fall under strand 'Civil Society engagement'.

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

Indicative trimester to launch the calls for proposals: 2nd quarter 2019.

Action/Countries	EUR million
4.1.1.1. Call for proposals Jean Monnet activities (launched by EACEA)	3.50
4.1.1.2. Call for proposals – Engagement with Civil Society in the US	1.40
4.1.1.3 Call for proposals – 'EU & China Think Tank Exchanges'	0.50
Total	5.40

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 Instrument.

(b) Type of applicants targeted: Civil Society Organisations established in the EU and in eligible countries according to CIR article 8.

4.1.2. Procurement (direct management)

4.1.2.1 Procurement – EU Policy and Outreach Partnership and Cultural Relations Platform

(a) The project will be implemented via service contract(s). Indicatively five service contracts are expected to be concluded for the implementation of the programme.

(b) Indicative timing to launch the calls: 2nd quarter 2019.

The calls 'EU Policy and Outreach Partnership' in China and Canada, have been launched in the 1st quarter 2019 under a suspensive clause prior to the adoption of this decision. As EU's public diplomacy engagement under the PI is of a long-term nature, launching these calls prior to the adoption of this decision will avoid losing the momentum that is being built up with target audiences through ongoing public diplomacy actions and social media campaigns that will continue under the new actions.

Action/Countries	EUR million
4.1.2.1 EU Policy and Outreach Partnership in Canada	2.00
4.1.2.1 EU Policy and Outreach Partnership in China	2.00
4.1.2.1 EU Policy and Outreach Partnership in India	1.25
4.1.2.1 EU Policy and Outreach Partnership in the USA	3.00
4.1.2.1 Cultural Relations Platform	3.00
Total	11.25

This list may be adapted pending the results of the call for tenders, negotiated procedures, 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.

4.1.3. Indirect management with International Organisation

This action may be implemented in indirect management with the United Nations Secretary General (UNSG). This implementation entails research and preparation of a report by a group of experts on the feasibility, scope and options for an internationally binding instrument prohibiting and/or controlling trade in products used for torture and capital punishment. The action may include supporting the work of experts advising and conducting research during the negotiation phase.

The envisaged entity has been selected using the following criteria. The United Nations purposes and principles are contained in its founding Charter. The Secretary-General is the chief administrative officer of the Organization, acting and performing any functions entrusted by the Security Council, General Assembly, Economic and Social Council and other United Nations organs. The UN General Assembly (UNGA) is debating the launch of negotiations towards an international instrument to ban and/or control trade in products used for torture and capital punishment. The UNGA has conducted and concluded in the past negotiations on trade-related international instruments like the CITES and Arms Trade Treaty.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Call for proposals (direct management)	5.40
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 US	1.40
4.1.1.3 Call for proposals – 'EU & China Think Tank Exchanges'	0.50
4.1.2 – Procurement (direct management)	11.25
4.1.2.1. Procurement – EU Policy and Outreach Partnership actions	8.25
4.1.2.1 Procurement – Cultural Relations Platform	3.00
4.1.3. Indirect management with International Organisation	0.15
Total	16.80

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 measures⁶.

4.3 Organisational set-up and responsibilities

The Contracting Authority will be responsible for all administrative, legal and financial issues relating to the contract, and will also monitor and supervise the implementation of the project.

The Contractors will be responsible for day-to-day management of the project, mobilisation of the technical assistance and provision of outputs and reports.

⁶ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

The implementation of the activities will be under the oversight of the Contracting Authority in close cooperation with a Steering Committee composed of representatives of the relevant EU services who will provide constant policy support.

The task of the Steering Committee is to provide policy steering for project implementation. The Steering Committee will meet typically in its full formation twice a year. It will be composed of staff from relevant EU services. Concerned EU Delegations may be invited to participate, as needed.

For centrally managed contracts, during in-country interventions, the experts will collaborate with the local EU Delegation(s) as necessary, maintaining a constant flow of information with the EU Project Manager(s) at Headquarters.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for Policy Dialogue Support Facility India

1 KEY IDENTIFICATION DATA

Title of the Action	Policy Dialogue Support Facility India			
Country/region/global	India			
Sector of intervention	Multi-sector			
Indicative budget	Total: EUR 2 500 000 EC contribution: EUR 2 500 000 (100%) Other contributions: NA			
Duration and target start date of implementation	36 months – July 2020			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

This action aims to contribute to further strengthening of the EU-India strategic partnership by supporting the existing sectoral policy dialogues in key priority areas for bilateral cooperation. It also aims to identify and explore additional sectors in which mutual interest exists for enhancing the EU-India relations and thus contribute to further development of the growing bilateral relations.

The proposed set of activities will help bring the two partners closer by focusing on issues of common interest and addressing any issues of mutual concern (irritants in bilateral relations), with an ultimate aim to progress towards policy convergence and alignment of policy approaches in the global arena. This action will be complementary to the already ongoing EU interventions in India.

The proposed project will contribute to the objectives set in the *Global Strategy for the European Union's Foreign and Security Policy*, and will serve as an important tool to facilitate implementation of the recently adopted joint Communication, *Elements for an EU Strategy on India*.

Through a mix of research, specialised technical assistance, awareness raising, organisation of events, production of promotional material and technical exchanges, this action will act as EU's horizontal facility in India and help translate policy commitments agreed at the level of annual EU-India Summits and sectoral policy dialogues into follow-up actions.

2.2 Background/Context/Rationale for PI funding

In terms of linkages with the objectives and priorities laid down in the Partnership Instrument (PI) Regulation, this horizontal facility will directly contribute towards the fulfilment of all four objectives of the PI Regulation.

In particular, this action contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priorities and mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity, the principles of equality, including gender equality, and solidarity); Resilience and Innovation.

The EU-India relationship has evolved significantly in the past years, progressively encompassing trade, foreign/security policy, energy, climate change, environment, transport, research, innovation, education, people-to-people contacts, among others.

In November 2018, a Joint Communication was adopted by the European Commission and the High Representative of the EU for Foreign Affairs and Security Policy which provides elements for an EU Strategy on India, and was adopted by the European Parliament and the Council in December 2018. The new Strategy aims at enhancing the EU-India partnership for sustainable modernisation and in support of the rules-based global order, based on multilateralism with the UN and the WTO. It seeks to develop a shared approach at the multilateral level to address global challenges, and common responses to security threats and regional issues.

Working in close coordination with existing EU projects, the proposed action is designed to become one of the core mechanisms to facilitate implementation of the EU Strategy on India.

The EU-India strategic partnership is currently structured through the annual high-level EU-India Summits, the India-EU Foreign Ministerial Meeting, Strategic Partnership Review, and the EU-India Joint Commission. In the field of foreign policy and security cooperation, the two parties cooperate through EU-India Foreign Policy and Security Consultations, EU-India Dialogue on Counter-Terrorism, the EU-India Dialogue on Cyber Security, EU-India Dialogue on Non-Proliferation and Disarmament, EU Dialogue on Counter Piracy/Maritime Security Dialogue, and the EU-India Ad-Hoc Dialogue on Human Rights.

In the field of **trade and economic cooperation**, the partners work under the framework of EU-India Sub-commission on Trade, EU-India Macro Economic and Financial Dialogue, EU-India Sub-

commission on Economic Cooperation, EU-India Joint Working Group on Agriculture and Marine Products, EU-India Joint Working Group on the SPS and TBT, EU-India Joint Working Group on Pharmaceuticals/ Medical Devices and Biotechnology, EU-India Joint Working Group on Textile and Clothing, EU-India Working group on Plant Health, and the EU-India Technical Working Group on Animal Health.

In terms of the **sectoral dialogues**, EU and India work via EU-India Joint Working Group on Environment and Environmental Forum, EU-India Joint Working Group on Water Cooperation, EU-India Energy Panel, the Joint Working Group on EU-India Energy Security, EU-India High Level Dialogue on Migration and Mobility, EU-India Science and Technology Steering Committee, and the EU-India Joint Working Group on ICT.

Moreover, EU-India Sub-commission on Development Cooperation, the Senior Officials meeting on education and multilingualism, and EU-India Policy Dialogue on Culture were organized in the past and may be eventually revived.

This action will support the ongoing policy dialogue mechanisms, as well as help identify and explore new thematic areas in which the EU-India relations could further evolve.

In the field of **foreign policy and security matters**, the EU and India hold regular discussions in a number of fora and at various levels. Regular ministerial-level meetings help to move forward the implementation of the Summit conclusions and are steering cooperation. Regular foreign policy and security consultations represent a useful platform to exchange views on the full spectrum of bilateral, regional and global foreign policy issues. This facility could strengthen bilateral ties by providing the required thematic expertise aimed to enhance or initiate discussions on topics of mutual interest in the CFSP area, and will be complementary to ongoing project interventions in the field of public diplomacy and engagement with Indian CSOs.

The EU and India enjoy a strong **economic, trade and investment relationship**: in 2017, the EU was India's largest trading partner, accounting for 17% of India's exports and 10% of India's imports. However, India only accounts for 2.3% of EU trade and only ranks 9th as a trading partner. This demonstrates an important untapped potential in the EU-India trade relation. A key reason for the current state of play is a high number of market access barriers experienced by EU businesses and investors. India maintains high import duties in sectors such as cars and car parts, alcoholic beverages and agriculture products, together with sanitary and phytosanitary restrictions and other technical barriers to trade. The EU engages with India on a continued basis to strengthen trade and investment relations and to address obstacles to bilateral trade, notably through regular meetings of the EU-India Trade Sub-Commission and of its specialised working groups. The Policy Dialogue Support Facility could help advance the dialogue and consequent progress on some of these issues. The EU and India also remain close partners in the **G20 context** and have developed a regular macroeconomic dialogue to exchange experience on economic policies and structural reforms.

EU-India **energy cooperation** was considerably strengthened over the past years, which led to the launch of an EU - India Clean Energy and Climate Partnership. Following a joined-up approach as put forth in EU's Global Strategy, the partnership brings together EU and Indian institutions, businesses and civil society in the EU and its Member States. Energy cooperation is ongoing on a broad range of energy issues, like smart grids, energy efficiency, offshore wind and solar infrastructure, and research and innovation. India was a key player in achieving a global climate agreement in Paris in December 2015.

In the field of **environment and water**, the 2016 Summit launched an EU-India Water Partnership, which was followed by a Memorandum of Understanding. The EU and India also cooperate closely on the Indian Clean Ganga initiative. The EU works in this area in a joined-up approach, involving Member States, water authorities, business and NGO's.

The EU has provided longstanding support to Indian cities to develop plans for **sustainable urban development**, and more recently established city-to-city cooperation between European and Indian cities. The EU is also providing support to Indian cities to join the Global Covenant of Mayors on climate and clean energy. This cooperation is being formalised in an India-EU Partnership for Smart

and Sustainable Urbanisation, which supports Indian 'Smart cities' and 'AMRUT' (Atal Mission for Rejuvenation and urban Transformation) initiatives.

The EU and India enjoy strong cooperation in the areas of **research and innovation**. India's participation in research and innovation funding programme 'Horizon 2020' benefits from a co-funding mechanism. Topics such as research on influenza vaccine have been co-designed with Indian authorities. Individual Indian researchers can receive grants from the European Research Council or Marie Skłodowska-Curie Actions. Both the EU and India are also looking at ways to enhance the innovation partnership by creating network events where start-ups (including women-owned start-ups) can meet. An Implementing Arrangement between the EC and the Indian Science and Engineering Research Board was signed allowing for short-term cooperation between SERB (Secretary of Science and Engineering Research Board) grantees and ERC (European Research Council) teams in Europe.

The EU and India aim to link the '**EU Digital Single Market**' with the '**Digital India**'. Regular dialogue on economic and regulatory matters is held in the Joint ICT Working Group and ICT Business Dialogue. Cooperation covers ICT market access issues, standardisation, internet governance, research and innovation. EU and India have regular exchanges of best practices on addressing cybercrime and strengthening cyber security and resilience, as well as an open cyber space.

The EU and India also engage in dialogue on **Pharmaceuticals, Biotechnology and Medical Devices**. Around 30% of active pharmaceutical ingredients sold in the EU are manufactured in India, while 75% of India's total demand for medical devices is currently met by imports, with nearly 30% of it being supplied by the EU alone.

Interest exists on both the EU and Indian sides to strengthen cooperation on **competition policy**, in particular following the signature of the 2013 EU-India Memorandum of Understanding on Competition Policy.

The EU and India strengthened cooperation on **migration and mobility** through the endorsement, at the 2016 Summit of the EU-India Common Agenda on Migration and Mobility (CAMP). The CAMP addresses four priority areas: better-organised regular migration and the fostering of well-managed mobility; prevention of irregular migration and trafficking in human beings; maximising the development impact of migration and mobility; and the promotion of international protection.

Working in coordination with the already existing projects, the proposed policy dialogue support facility could help operationalise the policy commitments in any of the areas outlined above or explore cooperation opportunities in additional areas such as international ocean governance, including sustainable fisheries, blue economy, railways, automotive standards, and aviation safety.

In particular, this action contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priorities and mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity, the principles of equality, including gender equality, and solidarity); Resilience and Innovation.

2.3 Lessons learnt

Policy Dialogue Support Facility projects (or similar) are being implemented in a number of other strategic partner countries of the EU. Despite similar objectives, stemming from the EU's intention to consolidate and enhance the existent strategic partnerships, the key lesson learned is that there is no "one size fits all" model. Each partnership is unique in its structure, scope, policy priorities and level of advancement. However, key elements to all are flexibility and multi-sector/horizontal nature of the action.

A key element for the success of a horizontal facility like the proposed one, is active involvement and close technical steer from the different EU services. Keeping this in mind, the project steering committee will include representatives of the EEAS and of the different European Commission services present in the Delegation as well as relevant EEAS and EC representatives in Brussels.

To ensure the optimum utilisation of the available resources, the annual planning of priorities and activities will be complemented with a six monthly review and definition of activities.

To ensure good flow of information and coordination, existing mechanisms such as the Country team meeting will be used for dissemination of information and consultation on the project activities.

The role of the project team leader will be especially important so special attention will be paid to definition of his/her profile and eventual selection. The required skills and attributes would include excellent coordination and communication skills, a proactive attitude allowing her/him to be in constant contact with the relevant services to facilitate the translation of their policy priorities into concrete activities, a good understanding of and experience in EU and India as well as the ability to link the activity-policy/political levels. Lastly, based on learning from the needs expressed by the different services and on the learning from other projects in the country, special attention will be paid to include activities at state and local levels in India.

2.4 . Coherence and complementarity

The proposed project will serve as a tool to help operationalise existing EU-India political and sectoral decisions and commitments (e.g. those agreed upon in the framework of political and policy dialogues, joint working groups, summits, country team meetings, joint committees, etc.). It will also help identify new areas of mutual interest, notably under the recent Joint Communication, *Elements for an EU Strategy on India*.

As such, it will be naturally coherent with EU's foreign policy towards India, as well as EU's sectoral policies.

The Partnership Instrument already supports a number of projects in India in key areas (inter alia) climate and energy, ICT, urbanisation, environment, migration, public diplomacy etc. India is also included in several global and multi-country/ regional projects. The proposed Policy Dialogue Support Facility will primarily support interventions in areas in which bigger actions do not exist. Only in case the existing projects cannot cover activities in some sub sectors, the horizontal facility can be mobilised as a complementary tool.

Complementarity will be furthermore sought with the programmes implemented in India by DEVCO (notably "SDG Partnerships and Policy Dialogue Facility in Asia") and ECHO, in line with the Partnership Instrument approach of pursuing EU and mutual interest. Outreach and coordination with the EU Member States and their projects implemented in India will be ensured from the onset, including through regular reporting on ongoing and planned activities under this project to the EU Heads of Missions in India and EUMS trade, political and sectoral counsellors. This will allow synergies to be built between actions of individual member states and the activities implemented under this facility as well as ensure coherence in delivering the messages to the Indian partners and stakeholders.

2.5 EU added value

EU-India relations continue to strengthen, as demonstrated by the holding of a number of sectoral dialogues, and regular organization of the EU-India Summits. The EU has positioned itself as a key partner on India's sustainable modernization path through provision of sectoral EU technical expertise and presentations of EU regulatory framework in the areas of key strategic relevance to India. Given the considerable economic potential of India and its growing role in the international environment, it is in the interest of the EU and the EU Member States to nurture the growing relationship and further build trust with India in order to use the momentum. Regarding multilateral agreements, the action would contribute towards further supporting the alliance between the EU and India towards meeting and promoting multilateral commitments, such as the implementation of the Paris agreement.

The proposed action is designed to increase the EU's and EU MS' network of partners in India, and enhance the image of the EU and the EU MS as India's primary partner of choice for its economic,

inclusive, and sustainable development processes, and as a trustworthy and reliable ally on tackling global challenges in the international arena.

The action is expected to infuse new dynamism in the EU-India relations, and in a long run evolve into sector-specific actions developed as a follow-up to this action in the key priority areas for the future EU-India relations

Regular outreach and engagement is foreseen with the EU Member States, their agencies and projects funded by them.

2.6 Cross-cutting issues

The action will consistently mainstream crosscutting issues, such as gender equality, democracy, rule of law, Sustainable Development Goals (SDG), human rights and fundamental freedoms, partner ownership, and environmental sustainability.

With regard to gender mainstreaming, identification of gender issues (challenges and opportunities) relevant to the proposed action will inform the project design while at the activity level, the action will seek to promote gender balance and diversity in participation.

The selected implementing partner will be required to demonstrate in the design of the project how the relevant crosscutting issues will be incorporated in this action when preparing and implementing individual activities.

3 ACTION DESCRIPTION

3.1 Objectives

The **Overall Objective** of the action is to contribute to strengthening and expanding of the EU-India strategic relationship in line with the EU Global Strategy, the EU Strategy on India, the EU-India Agenda for Action 2020, bilateral Summit conclusions, and other relevant agreements and documents (OO).

The **Specific Objectives** of this action are to support the ongoing and planned sectoral EU-India policy dialogues and partnerships on topics of EU's and of mutual interest (SO1), and to contribute to policy convergence of EU-India policy approaches in the global arena (SO2).

The main **expected results** for the proposed action are:

1. A solid basis is established for operationalisation of EU-India strategic partnership (inter alia through support provided to the sectoral policy dialogues in the form of thematic studies, technical assistance etc.)
2. People-to-people contacts are strengthened
3. Dissemination of relevant and updated information to target audiences on EU-India strategic partnership, and more specifically on topics of key relevance to sectoral policy dialogues is improved
4. Additional thematic areas for EU-India sectoral cooperation are identified, explored and developed
5. Mutual understanding, trust, and knowledge of policy objectives and strategic interests between EU and India are further strengthened

The **indicative activities** under the proposed action are:

- a) Preparation of baseline studies and sectoral studies of relevance for developing and maintaining thematic policy dialogues and operational partnerships, with inclusion of sex-disaggregated data and gender entry points in some of these studies;
- b) Provision of specialised technical assistance in the key (existing and possible new) priority sectors, e.g. technical studies, comparative analyses, legal analyses, translations of relevant documents, etc.
- c) Organisation of events and exchanges of experiences and best practices (conferences, seminars, TED Talks-type events, workshops, mutual technical visits, officials' exchanges, etc.).
- d) Awareness raising activities in thematic fields of strategic relevance to the partnership through outreach to potential multipliers throughout India.
- e) Production of promotional/outreach material; organisation of media/social media/public awareness raising campaigns; outreach to the civil society, people-to-people contacts (including women-to-women contacts), etc.
- f) Conceptualisation and management of a system for identification of activities aimed at advancing of the ongoing policy dialogues and of sectors with potential for strengthening of EU-India relations; conceptualisation of a progress review system in the prioritized areas.

3.2 Stakeholders

The main stakeholders for this action include:

- On the EU side: EEAS and European Commission services (both in the Delegation and in headquarters) will be responsible for identifying and proposing areas of interest and concrete activities. EU Member States representatives in New Delhi will also be regularly informed and consulted on possible areas of EU-India cooperation to be supported by the project.
- On the Indian side: Indian Ministries, Agencies and State-level governmental bodies.

They will be involved in the project activities (technical exchanges, study tours, workshops etc.) and will be informed regarding activities relevant to their respective area of interest on an ongoing basis.

Other stakeholders: Indian and EU think tanks, civil society, academia, private sector, local governments, and media will be invited to participate in outreach and awareness raising activities, and in exchanges planned under the project.

Due attention will be paid to gender balanced participation amongst key stakeholders.

3.3 Risk assessment and management

The project is designed under the assumption that mutual interest exists on the side of the EU and India to maintain and further strengthen bilateral relations in key priority areas, as well as that the parties are keen on identifying and exploring additional sectors in which the strategic partnership could be enhanced.

It is also assumed that the partners are open and willing to elevate the current levels of collaboration on addressing the global challenges through joint activities in mutually agreed areas of key relevance.

Risk description	Risk level	Mitigating measure
Diminished interest on the side of Indian Government in expanding or maintaining strategic partnership with the EU.	L	<p>Continuous assessment of the political situation and policy priorities in India;</p> <p>Consistent engagement with key Indian partners in areas of mutual interest/with potential for enhanced cooperation.</p> <p>Prioritisation of areas of high mutual interest.</p> <p>Consultation on project activities with Indian partners throughout the implementation period.</p>
Level of strategic partnership deteriorates due to lack of commitment on furthering strategic engagement with India on the side of the EU.	L	<p>Continuous dialogue, sharing of information on the project with EEAS and Commission services, and coordination with EU Member States to secure the support for enhancing policy dialogues with concrete operational tools.</p> <p>Ensuring high-level involvement in relevant project activities.</p>
Unexpected crisis or ad-hoc irritants undermine the EU-India relations.	L	<p>Continuous analysis of the relations, mapping of possible irritants in the relations to address causes, and identification of tools to rectify the situation with concrete means.</p>
Limited human and financial resources at disposal of the partners to advance on the sectoral partnerships in line with their ambitions.	M	<p>Strategic prioritisation of the areas of intervention, in line with EU's and India's interests/policy priorities.</p>

3.4 Communication and EU 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 that 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 Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

¹ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

- (a) The programme will be implemented via service contract.
- (b) Indicative timing: a call for tender expected to be launched in 4th Quarter of 2019.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	2.5
Total	2.5

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 measures².

4.3 Organisational set-up and responsibilities

FPI representative based in the EU Delegation to India will be in charge of the overall management of the project. Project activities will be defined on an ongoing basis based on close political and technical steer from the EEAS and the Commission services both in the delegation as well as in the headquarters.

A project steering committee (PSC) will be set up and will be composed of representatives of relevant EU services in Headquarters and Delegation. The PSC will meet at least every six months. It will give overall political steer to the facility and will validate the pipeline of activities identified and proposed by the different services (with the support of the project implementation team).

EU Member States representatives in the country (Heads of Mission/ Commercial or sectoral Counsellors as relevant) will be regularly informed and consulted in order to maximise synergies with their own activities.

Lastly, relevant Indian stakeholders will be informed and consulted on an ongoing basis (as part of regular EU-India sectoral and political exchanges both at operational as well as at higher political levels). Active involvement and participation of relevant Indian counterparts will be sought in the different activities implemented under 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 and corporate indicators.

² www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

EN

ANNEX 10

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for EU – Republic of Korea Policy Dialogue Support Facility

1 KEY IDENTIFICATION DATA

Title of the Action	EU-Republic of Korea Policy Dialogue Support Facility (PDSF)			
Country/region/global	Republic of Korea (ROK)			
Sector of intervention	Multi- sector			
Indicative budget	Total: EUR 2 500 000 EC contribution: EUR 2 500 000 (100 %) Other contributions: NA			
Duration and target start date of implementation	36 months - October 2019			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

The proposed action aims at strengthening EU-RoK relations by supporting the bilateral and multilateral¹ dialogues and partnerships in key priority areas of EU and mutual interest. It will contribute to advancing the existing dialogues, committees, sectoral working groups and consultations and possibly open avenues to expand bilateral relations to new areas and domains under the EU-RoK strategic agreements.

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. The action will quantitatively and qualitatively upgrade bilateral relations by enhancing the wide range of on-going policy dialogues with RoK as well as rapidly responding to emerging issues of concern.

2.2 Background/Context/Rationale for PI funding

The 11th largest economy in the world, the Republic of Korea (RoK) is one of the EU's four Strategic Partners in Asia and a like-minded partner. The latest RoK administration sworn in May 2017 is currently shaping its policies - which are overall in line with those of the EU- and the relationships have been developing smoothly since then.

The RoK is also the EU's first partner to have signed bilateral agreements in three key areas, namely **Framework Agreement (FA), the Free Trade Agreement (FTA) and Framework Participation Agreement (FPA) on crisis management operations**. These all-encompassing agreements already provide the basis for over thirty (30) dialogues and consultations (including the working groups established in the framework of the FTA) in different formats. This three-year PDSF action would allow the EU Delegation to support existing dialogues and address new priorities in a timely and coherent fashion, as they arise.

In recent bilateral contacts, both the EU and RoK have reiterated their commitment to close cooperation in order to address global challenges bilaterally and in international fora, such as the UN, the G20, and the WTO. Nevertheless, the political agenda remains very much dominated by the DPRK issue and the RoK's dependency on the US for security and its relations with neighbouring countries (China, Japan and Russia). As the RoK tries to diversify its allies, the EU is increasingly seen as a trusted and stable partner, with a potential role in the denuclearisation of the Korean peninsula, and a model for cooperation in the region.

RoK is the EU's 8th largest trading partner and the EU is the RoK's 3rd largest trading partner. While the FTA is in general a success story that has led to an increase in EU's trade volumes and FDI to the RoK, there is still room for further improvements to ensure its effective implementation, for instance, in relation to the challenging regulatory and administrative environment and non-tariff barriers for European businesses.

Discussions at the EU-RoK summits and Joint Declarations (such as of the 8th Summit) as well as the minutes of the 14th EU-RoK Joint Committee remain the foundation for further engagement with the Korean government. More specifically in the following sectors:

¹ Regarding the RoK's signing of multilateral agreements, the PDSF would usefully contribute to supporting the RoK in meeting its multilateral commitment, particularly when ratifying core ILO conventions and effectively implementing the Paris Agreement and international human rights instruments, such as the ICCPR, CEDAW, the CRPD and the CRC.

Security

The DPRK has been and will remain the policy priority for the RoK. The EU supports the RoK ownership of the process and stands ready to play an active role in the denuclearisation process. Recent developments after a series of Summit talks between two Koreas, followed by various state-level meetings between the DPRK and other key stakeholders (USA, China) have led to cautious optimism.

There is also plenty of room for expanded cooperation between the EU and RoK on security, matters, including non-traditional threats to security (including cybercrime, violent extremism, mass migration) and women, peace and security (esp. the implementation of UNSC resolution 1325) that can be addressed, in part only, in the context of the Cyber and Counter Terrorism dialogues. Cooperation in arctic research implementing the 2016 Communication "An Integrated EU Policy for the Arctic" offers a new additional perspective.

Human Rights and social issues

While RoK applies a de facto moratorium on the death penalty, the government remains hesitant to move to the next step, a legal moratorium or abolition. Measures to address the situation of conscientious objectors are in the pipeline. Minorities are often socially discriminated. As some of the social and societal issues faced by the RoK are very similar to those addressed by the EU and EUMS, for example demographic problems, the segmentation of labour markets or the modernisation of welfare systems, they are issues for enhanced cooperation. Others can be addressed within a human rights framework – labour (inequalities, poverty, 'Gapjil'- bullying, etc) and gender ('Me Too' movement, discrimination, etc.) where the EU also has a lot to offer. Those issues could be addressed as part of the annual Human Rights Consultations or through specific projects, similar to the TAIEX seminars on gender-based violence online and Social Dialogue. More work needs to be done when it comes to violence against women, with special attention to the role of civil society.

Trade

The current Korean administration places much emphasis on creating fair market conditions and increasing productivity of SMEs, evident also through establishment of a new Ministry of SMEs and Start-ups. The EU can support the Korean government in its efforts to improve legislative and administrative environment for SMEs in the RoK, as this would also benefit the European companies' market access to the RoK, and facilitate linkages and internationalisation between SMEs on both sides.

Climate change and energy

Following the disengagement of the US Government from the Paris agreement and the election of centre-left President Moon Jae-in, the RoK has renewed its commitment to fulfil its obligations under the Paris Agreement. Its ambition and success in its domestic climate policies is very important in the context of the Asia region and globally. RoK is also becoming more active in the context of the implementation of the UN Agenda 2030 for Sustainable Development. The latest policy plan revision (2030 Roadmap) raises domestic CO2 reduction ambitions. However, doubts persist regarding the RoK's commitment to an energy transition. A new EU-RoK Working Group on environment, energy and climate change met on 20 September 2018 and will help address these issues in a systematic way and identify further cooperation opportunities that will require follow-up through technical and policy support.

Connectivity

In view of the Joint Communication adopted in September 2018, which sets out the EU's vision for a new and comprehensive strategy to better connect Europe and Asia, concrete actions based on three strands: creating transport links, energy and digital networks and human connections; offering connectivity partnerships to countries in Asia and organisations; and promoting sustainable finance through utilising diverse financial tools should be envisaged. The aim would be to better connect

Europe and Asia through physical and non-physical networks to strengthen the resilience of societies and regions, facilitate trade, promote the rules-based international order, and create avenues for a more sustainable, low-carbon future. Discussions on connectivity at the Asia-Europe Meeting (ASEM) Summit, held in Brussels on 18-19 October, are also relevant. The RoK, an ASEM member, is making every effort to connect with Eurasia via the DPRK should the political situation allow which would offer possibilities for the EU to engage drawing on the New Northern and Southern policies of the Korean government.

Working in coordination with the already existing projects, the proposed policy dialogue support facility could help operationalise the policy commitments in any of the areas outlined above or explore cooperation opportunities in additional areas such as international ocean governance, including sustainable fisheries, blue economy, rail transport, automotive standards, and aviation safety.

The proposed action will be crucial to support EU-ROK policy dialogues, consequently touching upon all of the four Partnership Instrument (PI) Regulation objectives described below.

I) Supporting the European Union's bilateral, regional and inter-regional cooperation partnership strategies by promoting policy dialogue and by developing collective approaches and responses to challenges of global concern.

II) Implementing the international dimension of 'Europe 2020'.

III) Improving access to partner country markets and boosting trade, investment and business opportunities for companies from the Union, while eliminating barriers to market access and investment, by means of economic partnerships, business and regulatory cooperation.

IV) Enhancing widespread understanding and visibility of the EU and of its role on the world scene by means of public diplomacy, people-to-people contacts, cooperation in educational and academic matters, think tank cooperation and outreach activities to promote the Union's values and interests.

In particular, this action contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priorities and mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity, the principles of equality, including gender equality, and solidarity); Resilience and Innovation.

2.3 Lesson learnt

Policy Dialogue Support Facility projects (or similar) are being implemented in a number of other strategic partner countries of the EU. Despite similar objectives, stemming from the EU's intention to consolidate and enhance the existent strategic partnerships, the key lesson learned is that there is no "one size fits all" model. Each partnership is unique in its structure, scope, policy priorities and level of advancement. However, key elements to all are flexibility and multi-sector/horizontal nature of the action.

The proposed action will have direct impact on the EU-RoK policy dialogues and their follow-up. It will strengthen the existing partnership while offering concrete measures for the implementation of key strategic EU-RoK agreements through activities, aiming at achieving expected outcomes as agreed in the referred dialogues, consultations, working groups, committees, etc.

A key element for the success of a horizontal facility like the one proposed, is active involvement and close technical steer from the different EU services. Keeping this in mind, the project steering committee should include representatives of the EEAS and of the different European Commission services present in the Delegation as well as relevant EEAS and EC representatives in Brussels.

This action can only achieve real impact if the tools it provides are effectively received and used by counterparts on both sides. It is expected that the systematic engagement with governmental counterparts will be facilitated and expectedly reach a new qualitative level in the course of the project implementation. It is therefore important that the proposed action allow for flexibility to adjust the

working methods and tools (means and activities) to the actual needs during the implementation period.

Finally, the role of the project team leader will be especially important so special attention should be paid to the definition of his/her profile and eventual selection. The required skills and attributes would include excellent coordination and communication skills, a proactive attitude allowing her/him to be in constant contact with the relevant services to facilitate the translation of their policy priorities into concrete activities, a good understanding of and experience in EU and Korea as well as the ability to link the activity-policy/political levels.

2.4 Coherence and complementarity

Currently, RoK is primarily benefitting from PI funded actions, which is the only EU instrument supporting EU-RoK bilateral cooperation. Involvement of other DGs is very limited (mainly, DG EAC and DG RTD via calls for proposals open also to Korean students, researchers, higher education institutions). Occasionally, DG DEVCO runs regional projects that include the Republic of Korea, but only marginally (i.e. ILO/UNWOMEN programme for safe and fair labour migration for all women in ASEAN countries).

The proposed project will serve as a tool to help operationalise existing EU-Korea political and sectoral decisions and commitments (e.g. those agreed upon in the framework of political and policy dialogues, joint working groups, summits, country team meetings, joint committees, etc.). It will also help identify new areas of mutual interest.

In the meantime, complementarity and synergies will be sought with all relevant ongoing and future

PI actions in the Republic of Korea when/ if pertinent vis-a-vis the political dialogues between the EU and RoK. Among relevant on-going projects are:

- **Bilateral:**
 - EU Green Gateway to the RoK
 - Public Diplomacy Action in the RoK
 - Implementation of the Emission Trading Scheme in the RoK
 - Low Carbon Action in the RoK

- **Multi-country:**
 - Strategic partnerships for the implementation of the Paris Agreement (SPIPA)
 - International Digital Cooperation
 - IUC: Sustainable and Innovative Cities and Regions in Asia
 - Cooperation on competition in Asia

Given that a security dimension is expected to be covered under this project, complementarities will be sought with a planned action on ‘‘Enhancing security cooperation in and with Asia’’. The same will apply to any other upcoming multi-country actions, where the RoK will be prioritised as a partner country.

Outreach and coordination with the EU Member States and their projects implemented in Korea will be ensured from the onset, including through regular reporting on ongoing and planned activities under this project to the EU Heads of Missions in Korea and EUMS trade, political and sectoral counsellors. This will allow synergies to be built between actions of individual member states and the activities implemented under this facility as well as ensure coherence in delivering the messages to the Korean partners and stakeholders.

2.5 EU added value

This action aims to support and promote the implementation of key bilateral agreements and sectoral EU-run dialogues with RoK. It will be therefore managed by the EU Delegation, and jointly steered with the EEAS and Commission services, in coordination with RoK counterparts as well as via information sharing and consultation with the EU Member States.

The EU-RoK signed bilateral agreements, namely Framework Agreement (FA), the Free Trade Agreement (FTA) and Framework Participation Agreement (FPA) on crisis management operations form a solid basis for the partnership, but there is still room for further improvements to ensure their effective implementation. With the support of this Action, EU will be able to operationalize political and sector-specific conclusions and priorities, while ensuring effective implementation of the three key agreements and sectoral dialogues and bring the strategic partnership forward.

Regarding multilateral agreements, the action would contribute towards further supporting the alliance between the EU and RoK towards meeting and promoting multilateral commitments, particularly vis-à-vis core ILO conventions and effectively implementing the Paris Agreement and international human rights instruments, such as the ICCPR (International Covenant on Civil and Political Rights), CEDAW (Convention on the Elimination of All Forms of Discrimination against Women), CRPD (Convention on the Rights of Persons with Disabilities) and CRC (Convention on the Rights of the Child).

2.6 Cross-cutting issues

The proposed action shall consistently mainstream cross-cutting issues such as human rights in general, gender equality, non-discrimination, environmental sustainability, as well as sustainable economic growth. They shall be in particular addressed at the level of designing and implementing activities in support of the bilateral dialogues, etc. To ensure effective integration of gender and non-discrimination issues, gender analysis will be incorporated into project design. At the activity level, gender-sensitive indicators will be included to ensure that gender does not evaporate during implementation phase. Gender indicators in the six Thematic Guidance Notes prepared by the PI Gender Facility could be useful for this purpose.

3 ACTION DESCRIPTION

3.1 Objectives

Considering the present state of the bilateral relationship between the EU and RoK, and the momentum for further consolidation and expansion, the proposed action offers a tool set to accelerate implementation of activities foreseen/agreed in the dialogues and to explore the potential agenda on issues of strategic and of mutual interest.

The overall objective of this action is to contribute to the strengthening and enlargement of EU-RoK strategic partnership through fostering bilateral dialogues and partnerships in key priority areas, in line with the Framework Agreement (FA), Free Trade Agreement (FTA) and Framework Participation Agreement (FPA) on crisis management operations and other relevant bilateral agreements and documents.

The specific objective of this action is to help advance EU-RoK relations and alliances in specific priority areas of EU and mutual interest.

The Action must maintain a flexible approach in order to support activities that will be defined on a demand-driven basis and according to the orientations and priorities set by the EU and RoK, in the framework of summits, dialogues, working groups, consultations, joint committees etc.

More specifically, the Action implementation will concentrate on the three main areas:

- (1) Streamlining EU-RoK policy dialogue efforts and related sectoral and technical work in line with the EU-RoK sectoral priorities and mutual interest;
- (2) Consolidating and expanding areas of EU-RoK cooperation in identified priority sectors (e.g. trade, human rights, environment/climate change/energy, connectivity security and other areas as appropriate);
- (3) Supporting the formulation and implementation of concrete and integrated sector- based strategies and activities, in particular, through technical assistance in implementing key bilateral agreements, and where relevant regional and/or international cooperation agreements to develop and strengthen alliances and influence decision-making.

The Action will be primarily implemented through:

- I. Fostering policy dialogues and exchanges of experiences at various levels between the EU and the RoK, as well as promoting a shared vision on key issues and consequent implementation and further improvement of existing bilateral agreements.
- II. Provision of flexible and demand-driven technical support in line with the EU-RoK priorities and policy dialogues, with a strong focus on harmonizing processes and regulatory frameworks in implementing commitments under the existing agreements.
- III. Knowledge management, communication and outreach in support of the above.

Expected results:

- R1: The basis for the EU-RoK relationships in the framework of the three strategic agreements (FA, FTA, FPA) is extended and strengthened.
- R2: The external dimension of EU policies in priority areas is promoted, better understood and influences the dialogue, decision-making processes, as well as leads to greater policy and regulatory convergence in selected areas with the Korean institutions.
- R3: Cooperation in priority areas is reinforced and concrete follow-up measures to summits, dialogues, consultations, working groups, visits, and committees are put in place and implemented.
- R4: New areas of partnership and cooperation of EU and mutual interest are identified and developed in line with other regional and/or global priority sector's initiatives.
- R5: EU outreach to various stakeholders (policy makers and influencers, academia and think tanks, the general public, civil society and international partners) is enhanced and streamlined through strategic knowledge management, communication and outreach.
- R6: Updated information available and regularly disseminated on the evolution, contents and results of the different activities implementing the strategic framework agreements.

Types of foreseen activities

The Action will serve as an instrument to translate policy commitments into concrete and coherent steps through various activities, such as:

- Preparation of baselines, benchmarking, specific sector studies and policy briefs on issues that are relevant for the dialogues and partnerships that are on-going and upcoming;

- Provision of specialised technical / legal/ policy implementation assistance and expertise to relevant stakeholders;
- Planning and organisation of events (conferences, seminars, workshops, mutual visits and other exchange activities, and outreach and awareness-raising activities etc.) within the scope of the dialogues;
- Support the preparation and delivery of outreach events in line with policy dialogue priorities;
- Consolidation and further development of monitoring, knowledge management, communication and visibility tools, including technical publications.

The specific topics covered by this Action may include, but are not limited to:

- the expansion of cooperation on regional and global political and security issues
- supporting the work of the recently established specialised working groups (counterterrorism, as well as energy, environment and climate change)
- increased bilateral cooperation on cyberspace, ensuring its openness and security
- strengthening possible cooperation in developing satellite navigation systems
- strengthening education and cultural cooperation, especially in supporting networks and people-to-people exchange in the field of education and outreach to youth
- streamlining actions to support the FTA full implementation
- reinforcing public diplomacy activities to maintain the overall positive perception of the EU in the RoK and its role as global actor despite the growing challenges
- Continue strengthening bilateral cooperation on climate action and promoting transition to circular economy, while addressing issue of air and marine pollution (global health issues).
- Any other strategic priority stemming from sector policy dialogues and sectoral cooperation.

3.2 Stakeholders

The main stakeholders in the formulation and implementation of this Policy Dialogue Support Facility are:

- EU Institutions including the EEAS, European Commission Directorate Generals, EU sectoral agencies as/where appropriate

These institutions were/will be consulted at an early stage of the project formulation, as well as during the implementation (i.e. via Project Steering Committee or country team meetings). Their engagement and steer will be crucial to the success of the project as they are the key counterparts to the RoK.

- EU Member States

The EU Member States (22 present in RoK) will be regularly informed on the evolution of the project and consulted, as necessary, via regular political, trade, climate counsellors and other sector meetings.

They will be invited to take part in the project activities once implementation has commenced.

- RoK central government (Ministries), local authorities (where appropriate) and government agencies

Coordination with the RoK will be an essential element to the success of the project. The organization of summits, Joint Committees, specific working groups, etc. is closely organised in cooperation with RoK. We intend to build on established relations in order to involve specific ministries, agencies or local authorities in defining operational follow up to the EU-RoK dialogues and definition of priorities.

- Civil society, academia, business, women's associations/networks and other actors when relevant in the EU and RoK context of policy dialogues

This action intends to go beyond Government-to-Government approach and allow for inclusion of other groups to secure effective information dissemination and wide-spread understanding of the EU and EU-RoK relationships in specific sectors. The relevant actors will be invited to contribute in the domains of their expertise and their inputs will be valuable in shaping dialogues and advancing on specific policy issues.

Attention will be paid to gender balance in representation and participation of stakeholders.

3.3 Risk assessment and management

The main assumption is that the RoK remains interested in further strengthening cooperation with the EU and the EU remains a strategic partner to the RoK; the political conditions do not deteriorate; and the RoK remains active as a global actor in various thematic areas of mutual interest.

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Decline in the interest and/or political commitment in the RoK in strengthening cooperation with the EU	Low	Continuous overall assessment of the political situation in the RoK and with respect to the implementation of the 3 key political agreements; continuous engagement activities.
Deterioration of EU-RoK relations, deterioration of the overall political conditions in RoK	Low	Continuous dialogue and monitoring of the situation, RoK position in international negotiations and commitment/ participation to global agreements.
Engagement and availability of RoK Government officials is not sufficient	Medium	The proposed activities have to meet the interest of the RoK counterpart authorities and secure early support.
Inadequate target audience attends events	Medium	Clear identification and description of the RoK participants to activities (including sex-disaggregation); high quality preparation and regular exchange with involved parties.
Poor availability of EU institutions to get involved in the activities, including the provision of necessary human resources to steer them	Medium	Strategic selection of the areas of intervention, in line with the EU's interest and policy priorities. Extensive internal coordination among services, i.e. through country team meetings and/or EEAS desk.
Excessive last minute changes to work programme rendering actual implementation problematic.	Medium	Good identification, preparation and negotiation of actions and work-plans discussed and agreed upon by relevant stakeholders.

3.4 Communication and EU 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 service contract.

The Communication and Visibility Manual for European Union External Action², which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

This will be particularly relevant for activities carried out as part of the project knowledge management, communication and outreach, therefore contributing to the achievement of R5, where

EU outreach to various stakeholders (policy makers and influencers, academia and think tanks, the general public, civil society and international partners) is expected to be enhanced and streamlined.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

- (a) The programme will be implemented via service contract.
- (b) Indicative timing: call for tender expected to be launched in the 3rd Quarter of 2019.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	2.5
Total	2.5

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 measures³.

The estimated budget of the action is based on the prevailing service contract rates for the Republic of Korea, reflecting also previous contracts and Delegation's experience.

4.3 Organisational set-up and responsibilities

A Project Steering Committee (PSC) will be set up, which will include relevant EU services, in Headquarters and Delegation to the RoK, concerned by sector dialogues with the Government of the RoK, its ministries and agencies as appropriate.

² https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

³ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Prior clearing of individual activities by the Korean Government is not foreseen. The cooperation with relevant Korean Government counterparts will be sought on identification of resource persons and sectors in which interest exists for further strengthening of the EU-RoK relations.

The selected implementing partner will be responsible for the implementation of the project, and expected to proactively propose new activities based on regular and in-depth following of the EU-RoK sectoral relations; the related discussions with relevant EU services; and in consultation with the relevant external stakeholders. The implementing partner will perform secretariat role of the PSC.

The project team of the implementing partner shall be independent from the Government, while operating in full cooperation with the RoK relevant institutions/entities, as well as with other relevant stakeholders, under the steering of, and in permanent coordination with the contracting authority. This will allow tailoring the actions to the facility's objectives, understanding specific needs and constraints and adjusting the project to the context of implementation. Lessons learnt from previous policy dialogue support facilities, including the most appropriate design of action will be taken into consideration.

EU Member States will also be involved as appropriate and whenever pertinent to participate in the implementation of actions deriving from the bilateral dialogues.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific action.

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for Enhanced EU-GCC political dialogue, cooperation and outreach

1 KEY IDENTIFICATION DATA

Title of the Action	Enhanced EU-GCC political dialogue, cooperation and outreach			
Country/region/global	The countries of the Cooperation Council for the Arab States of the Gulf (GCC): Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates plus EU countries when appropriate.			
Sector of intervention	NA			
Indicative budget	Total: EUR 3 500 000 EC contribution: EUR 3 500 000 (100%) Other contributions: NA			
Duration and target start date of implementation	36 months - Q1 2020			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

The countries of the Cooperation Council for the Arab States of the Gulf (GCC) have embarked upon ambitious multiyear national plans¹ that aim to bring about far reaching changes in both economic and social areas. The European Union (EU) has a strategic interest in enhancing its cooperation with the Gulf region as a close partner: from volume of bilateral trade to shared interest in regional stability.

In the context of the ongoing stalemate around the crisis among GCC countries, the EU has been enhancing bilateral relations with the GCC members. An important manifestation of this trend has been the signing of bilateral Cooperation Arrangements (CA) encompassing political dialogue and sectoral cooperation in areas of mutual interest, with the aim to accompany the individual countries' economic diversification and social transformation.

So far, Cooperation Arrangements have been signed with Kuwait, United Arab Emirates, Qatar and most recently with Oman. Preparations are under way to conclude a Cooperation Arrangement with Saudi Arabia. These Arrangements intend to support and strengthen relationships between the two sides, by promoting political dialogue, information sharing, experts' meetings and consultations, and by fostering mutual understanding.

In this political context, the proposed action aims to contribute to a **stronger relationship between the EU and the GCC by enhancing the political dialogue, cooperation and outreach between the two sides**, both regionally as well as at the level of individual countries in the region.

The project will thus help position the EU as a partner of choice in the ongoing national transformation processes of the GCC countries, facilitate effective implementation of the Cooperation Arrangements with the GCC countries, enhance the understanding and visibility of EU in the region and help deepen the people to people links between the two regions.

2.2 Background/Context/Rationale for PI funding

The ongoing stalemate around the crisis among GCC countries, since June 2017, has shaken fundamentally the stability of the region and is producing negative spillover to the wider region (e.g. increasing competition for assets in the Horn of Africa). The crisis among the GCC member states has also negatively impacted the functioning of the regional organisation at its full potential as well as the EU's ability to effectively partner with it. Together with other regional challenges to peace and stability (ongoing conflicts in Syria and Yemen, and increasing regional tensions with regards to Iran), these dynamics have an impact on the EU's political, economic and security interests.

Meanwhile, most GCC countries are facing increasing socio-economic pressures and are reshaping their governance models. All six members have outlined for themselves ambitious agendas for economic diversification and social transformation embodied in the countries' respective "Vision" programmes. Such ambitious transformative and social liberalization processes represent a unique opportunity for the EU, as one of the region's main trade partners and with a direct stake in the region's stability and economic development, to further enhance its relations with the GCC countries.

Besides political dialogue and economic cooperation, there is clear added value in the EU further enhancing its engagement with the GCC countries on issues such as youth/women empowerment/culture/education, which also form a part of their respective transformation processes, and where the EU enjoys a strong trajectory.

The EU-GCC relationship is anchored in the 1988 Cooperation Agreement, which covers a variety of sectors of cooperation. An EU Delegation opened in Riyadh in 20014. In 2013-2014, the EEAS started developing bilateral relations with other GCC states – the Delegation in Abu Dhabi was opened in 2013 and planning for the opening of a new Delegation in Kuwait in 2019 is under way.

¹ Saudi Vision 2030, Bahrain 2030, New Kuwait 2035, Oman Vision 2020, Qatar National Vision 2030, UAE Vision 2021

The EU is keen to see regional cooperation frameworks maintained and is supportive of intra-Gulf negotiated solution to the GCC crisis. Nevertheless, the crisis has made it imperative that in parallel with EU-GCC work at the regional level, bilateral cooperation avenues with individual Gulf countries are fully explored. Thus, focus needs to be placed on enhancing cooperation with the individual GCC member states according to their specificities, notably by supporting the implementation of the signed and to be signed **Cooperation Arrangements**, concluded between the EEAS and Ministries of Foreign Affairs of GCC countries. Such arrangements encompassing political dialogue and sectoral cooperation in areas of mutual interest have been concluded so far with Kuwait, UAE, Qatar and Oman.

In this context, in addition to other ongoing Partnership Instrument (PI) funded activities in the region such as the EU-GCC Clean Energy Network and the EU-GCC Dialogue on Economic Diversification, further strategic activities – as outlined in this proposal – would be crucial in spearheading the implementation of the Cooperation Arrangements. This will help present the EU as an even-handed interlocutor that reaches out to the different societal structures and actors in addition to the GCC public authorities.

This project will focus on bilateral cooperation with each of the GCC countries and eventually merge into a regional logic, given that regional integration strengthens the foundations for future cooperation in the GCC and contributes to regional peace and stability. It will help build and implement a well-structured partnership to accompany each country in the implementation of its respective national vision/ national transformation process and to enhance EU-GCC cooperation in addressing mutual challenges in the region.

The proposed project is in line with the Global Strategy for the European Union's Foreign and Security Policy, which underlines the need for the EU to deepen dialogue with GCC countries.

The action is well aligned with the Partnership Instrument (PI) Regulation and is framed under its objective 1, "to enhance EU bilateral, regional, inter-regional and multilateral cooperation and partnership strategies", as well as objective 4 "to enhance and widen the understanding and visibility of the EU and of its role in the world scene".

In addition, this action contributes to the priorities identified under PI Multiannual Indicative Programme (MIP) 2018-20 and mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity, the principles of equality, including gender equality, and solidarity); Resilience and Innovation.

2.3 Lesson learnt

The proposed project will build upon the experience and best practices drawn from other ongoing actions in the GCC.

The experience of implementing the project EU Policy and Outreach Partnership (EUPOP) in the region, has highlighted a number of challenges such as the limited public diplomacy and operational engagement with the GCC given the relatively recent presence of the EU on the Arabian Peninsula; existing scope for improvement in the understanding of the role of the EU and its member states; the need to strengthen trust between the partners on both sides. Based on this, the present action proposes an integrated approach to stepping up EU-GCC engagement by combining support to the political dialogue with a strong people to people outreach.

Some common key factors for success can be observed as part of the design and implementation of projects in the region. These are (inter alia) ensuring continuous dialogue with and systematic involvement of the GCC stakeholders (both country and regional level) in Europe as well as in the region; importance of a strong political as well as operational steer from the EU Delegations in the region and the importance of continually informing and coordinating with the different EU services including the EEAS (geographic, thematic, horizontal services such as Strategic Communication), the relevant services of the European Commission as well as the Member States.

Finally, it is important that the proposed action allow for flexibility to adjust the working methods and tools (means and activities) to the actual needs during the implementation period.

2.4 Coherence and complementarity

The proposed project will serve as a practical tool to enhance the political dialogue, cooperation and outreach between the EU and the GCC. It will be a key means to operationalise select areas of the bilateral Cooperation Arrangements as well as any agreements arrived at by both sides in the framework of political and policy dialogues. As such, this project is naturally coherent with EU's foreign and sectoral policies in the region.

The proposed action will closely coordinate with and complement the ongoing PI supported actions in the region, notably the EU-GCC Clean Energy Network and EU GCC Dialogue on Economic Diversification. As explained above, lessons learnt from ongoing and past PI projects in the region will be incorporated into the design and implementation of this action. Public diplomacy activities currently supported by the project EU Policy and Outreach Partnership (EUPOP) will be integrated and followed-up, in the present project.

In line with the "Information and Communication Handbook for EU Delegations", particular attention will be given to ensuring the complementarity and added value of this project vis-à-vis initiatives funded by EU Member States and other relevant stakeholders in the region. Visibility and communication activities will furthermore be aligned with the EU Delegations' yearly communication plan.

2.5 EU added value

Given the economic and geopolitical importance of the region, it is important for the EU and its Member States to step up their engagement with the GCC.

The project will strengthen the strategic alliance between the EU and the countries in the region. It will do so by positioning the EU as a partner of choice in the ongoing national transformation processes of the GCC countries, facilitate effective implementation of the Cooperation Arrangements with the GCC countries, enhance the understanding and visibility of EU in the region and help deepen the people-to-people links between the two regions. In a region where the presence of the Member States representation varies widely, EU's proactive role becomes even more relevant.

This action will follow the joint up approach to achieving EU regional and global foreign policy objectives as outlined in EU's Global Strategy. It will work closely with the EU Member States to increase the EU's and member states' network of partners in the GCC, and enhance the image of the EU and the EU MS as the primary partners of choice for the national transformation processes being promoted by the different GCC countries.

2.6 Cross-cutting issues

Taking into account local circumstances, **gender equality**² will be mainstreamed throughout the implementation of the action by (inter alia) ensuring gender balanced speaker panels, round tables and working groups including at high-level representation, encouraging stakeholders who invite women as keynote speakers, etc. Gender equality will also be addressed by inclusion of gender-relevant issues in the political and policy dialogues wherever possible. Promoting opportunities for participation of **youth**, who constitute a very large part of the Gulf population, will cut across the various activities. Active engagement of **civil society** (including women and youth networks) will be sought throughout the implementation. Measures will be taken to reduce the environmental impact of the project's activities³. Lastly, efforts will be made towards more accessible project resources e.g., more accessible event venues, accessible project website etc.

² In line with EU Gender Equality Action Plan (GAP II 2016-2020).

³<https://mvintracomm.ec.europa.eu/serv/en/scic/conference/Documents/Checklist%20for%20Greener%20Confer>

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of this action is to contribute to a stronger relationship and help strengthen the alliance between the European Union and the GCC countries and the region on the basis of mutual interest.

The specific objective of this action is to enhance the political dialogue, cooperation and outreach between EU and the GCC (both regionally as well as with individual countries in the region).

The main expected results are:

1. EU is positioned as a partner of choice in the ongoing national transformation processes of the GCC countries in areas of mutual interest
2. More effective implementation and monitoring of the Cooperation Arrangements is facilitated
3. Understanding and perception of the EU by both state and non-state stakeholders in the region is enhanced
4. Trust and mutual understanding between EU and GCC citizens is strengthened (including a wide range of diverse population groups)

Activities that will allow the accomplishment of these results and the project objectives include inter-alia:

- Design and implementation of country specific strategies for EU-GCC partnership (based on GCC countries national visions and on the bilateral cooperation arrangements) on select social, economic and political issues
- Design and implementation of an EU-GCC regional engagement strategy
- Policy analysis and advice including drafting of policy briefs, situation analysis, studies etc. Where possible, these would be gender and youth responsive
- Support to high-level EU-GCC regional and bilateral meetings
- Design and implementation of an EU-GCC people to people outreach strategy that reflects inclusiveness and diversity (i.e. gender and youth sensitivity).
- Design and implementation of communication campaigns in traditional and social media, aiming towards improved visibility and understanding of the EU and of EU-GCC cooperation
- Creation of thematic platforms or other relevant mechanisms for greater information and knowledge exchange between governmental and non-governmental (youth groups, foundations, women's groups, think-tanks etc.) stakeholders

The specific topics that the project should focus on will be decided based on an identification process carried out by the project in its inception phase.

The identification process will take stock of common interests, challenges and the respective fields of competence of the EU and GCC, and will develop tailored recommendations for each country as well as recommendations for topics to be addressed at the regional level. Some topics that could potentially be covered include inter-alia youth, women's empowerment⁴, education, culture, research and innovation, digital cooperation, climate change and cooperation in the field of security and counter-terrorism. The two high level events expected to take place in the region: Expo 2020 in UAE and G20 Summit in Saudi Arabia in 2020 will be taken into account and leveraged when designing the project activity plan.

⁴ Specific focus on women and gender equality is included in the national transformation plans of some of the GCC countries, for example Saudi Arabia's *Vision 2030*. Additionally, gender diversity has begun to be recognised as a potential leverage for economic diversification. Cf McKinsey 2017 Report: "promoting Gender Diversity in the Gulf" <https://www.mckinsey.com/business-functions/organization/our-insights/promoting-gender-diversity-in-the-gulf>

3.2 Stakeholders

The action will be implemented in the six countries of the Gulf Cooperation Council and in the European Union. It will focus on bilateral cooperation with each of the GCC countries and eventually merge into a regional logic as relevant.

Main stakeholders of the action will be public and private stakeholders in each of the six GCC countries, GCC as a regional organisation and the EU. EU Member states will be closely involved through their representatives in the region with the aim of maximising synergies with their ongoing initiatives.

The main target groups of the action are:

- GCC public stakeholders – Ministries and other public bodies in each of the six GCC countries; the GCC Secretariat
- EU public stakeholders - EEAS and European Commission services (both in the Delegation and in headquarters), EU Member States representatives in the region
- Other Stakeholders in EU and in GCC – Academia, think tanks, civil society, media (both traditional and social media stakeholders), private sector, cultural sector stakeholders etc.

3.3 Risk assessment and management

A.1. The main assumption is that the overall political, social and economic situation in the EU and the Gulf will remain conducive to enhancing dialogue and cooperation at bilateral and regional levels.

A.2. It is also assumed that all stakeholders involved, will stay committed to the objectives throughout the duration of the project and will be willing to cooperate.

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Diminished interest on part of the GCC stakeholders	Medium	Continuous assessment of political and policy priorities in the region; Consistent engagement with key partners in the region in areas of mutual interest; Prioritisation by the project of areas of high mutual interest; Put in place a systematic mechanism for consultation and information on project activities with GCC partners throughout the implementation period.
Political situation in the region or developments in internal political/social situation of the GCC countries make implementation of project activities difficult.	Medium	Continuous assessment of the political and social situation in the region to identify potential obstacles to the project; Ensure sufficient flexibility in project design to adapt activities to evolving political and social context.
Unexpected crisis or ad-hoc irritants undermine the EU-GCC technical or political relations negatively impacting the project activities.	Low	Continuous analysis of the relations to identify such risks in a timely manner and to propose measures to address technical level irritants/risks that lie within the project's reach.

3.4 Communication and EU 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 Action⁵, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

- (a) The programme will be implemented via service contract(s).
- (b) Indicative timing: call(s) for tender expected to be launched 2nd Quarter 2019.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	3.5
Total	3.5

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 measures⁶.

4.3 Organisational set-up and responsibilities

Relevant EU services in Headquarters and in EU Delegations in the region (Riyadh, Abu Dhabi and the planned Delegation in Kuwait) will ensure appropriate technical and political steer to the action. The EU delegations will work closely with the implementing partner to ensure technical and political inputs and support necessary for the definition and implementation of specific activities in their respective countries.

A project steering committee (PSC) will be set up to provide overall political steer to the project. It will be composed of representatives of relevant EU services in Headquarters and Delegations.

EU Member States representatives in the region (Heads of Mission/ Sectoral Counsellors as relevant) will be regularly informed and consulted in order to maximise synergies with their own activities.

⁵ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

⁶ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Lastly, relevant stakeholders from the GCC (both at country and regional levels) will be informed and consulted on an ongoing basis. Active involvement and participation of relevant GCC counterparts will be sought in the different activities implemented under 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, technical⁷ 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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

⁷ The technical monitoring should include gender disaggregated data as far as possible.

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for EU-Malaysia and EU-Singapore Partnership Facility

1 KEY IDENTIFICATION DATA

Title of the Action	EU-Malaysia and EU-Singapore Partnership Facility			
Country/region/global	Malaysia and Singapore (some activities may be implemented in the EU)			
Sector of intervention	Multi-sector			
Indicative budget	Total: EUR 2 500 000 EC contribution: EUR 2 500 000 (100 %) Other contributions: NA			
Duration and target start date of implementation	36 months – Q4 2019			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

This action aims to strengthen EU-Malaysia and EU-Singapore relations by supporting the implementation of the respective Partnership and Cooperation Agreements (PCA) in priority areas for the EU and in areas of mutual interest with the partner countries, as well as in support of the EU-Singapore Free Trade Agreement (FTA) and Investment Promotion Agreement (IPA).

The PCA Facility will contribute to advance existing bilateral dialogues and other working groups. It will open avenues to expand the political relations in new areas and domains under the PCAs, in coherence with the priorities of the EU Global Strategy.

Through the provision of expertise, exchanges of knowledge, as well as logistical support, the proposed initiative will act as an instrument to translate political commitments into concrete actions.

2.2 Background/Context/Rationale for PI funding

The proposed action responds to the Partnership Instrument (PI) Regulation Objectives 1 ("To enhance EU bilateral, regional, inter-regional and multilateral cooperation and partnership strategies through 1) reinforcement of policy dialogues and 2) Development/adoption/implementation of collective approaches and responses to challenges of global and/or mutual concern, in particular in the areas of climate change, energy and the protection of the environment") and 2 ("A strategy for smart, sustainable and inclusive growth" Implementing the international dimension of "Europe 2020") of the PI Regulation.

By bringing together three pillars: economic, social and environmental, it will enhance policy dialogue and cooperation with two relevant countries, i.e. Malaysia and Singapore, taking into consideration all areas within the scope of Europe 2020.

The project also contributes to the priorities of the PI Multiannual Indicative Programme (MIP) 2018-20 and mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity, the principles of equality, including gender equality, and solidarity); Resilience and Innovation.

Malaysia

Malaysia is a partner of growing importance for the EU due to its geographical location, its rapidly developing economy, its strong trade and investment links with the EU, its importance for environment and biodiversity, as well as a predominantly moderate Muslim country.

At the same time Malaysia continues to face a number of challenges of concern to the EU, as regards the rule of law, entrenched corruption, and the protection of human rights, including labour rights, the death penalty, non-discrimination and the rights of minorities.

Malaysia is a hotspot for biodiversity, thus climate change is increasingly important as the country faces deterioration and impacts on its rainforests and long shores. The current debate in the EU about the use of palm oil for biofuels gathers important attention in Malaysia as livelihoods of many Malaysians are linked to the country's position as second world producer of palm oil.

Any deterioration of the environmental, climate, social and/or political, security situation in Malaysia would substantially impact the EU and its Member States. Not only does the EU have large investments in Malaysia but hundreds of thousands of EU citizens visit the country every year.

2018 proved to be a significant year for EU-Malaysia relations, seeing the visit of Commissioner Cretu at the World Urban Forum, the realisation of a Senior Official Meeting (SOM) in Malaysia, and the election of a new Malaysia Government with a significant reform agenda. With a possible resumption of the FTA negotiations in 2019 and the conclusion of the PCA (expected to be signed in 2019), bilateral exchanges should further enhance cooperation in all sectors of mutual interest including:

Trade; Democracy and Human Rights; Environment, energy, and climate change; Education, culture, science and technology; People-to-people contacts; Migration; Security and counter-terrorism.

For these reasons it is in the EU's interest to actively address those challenges and foster sustainable solutions in coherence with the values and principles of the European Union, and as outlined by the EU Global Strategy.

Singapore

Singapore is already a significant partner for the EU due to its geopolitical and strategic location, its highly developed economy, and its emerging role in the international arena, including the UN and ASEAN.

Singapore steadfastly remains a strong and likeminded partner for the EU as it shares the EU values for a global rules-based order and open and fair markets, which it describes as its “life blood”. Singapore is an economic, commercial and strategic entry point into Southeast Asia for the EU, and engaging with Singapore must be seen in its context as a hub, trendsetter, and political and economic influencer in the ASEAN region. This will be important during the next three years as Singapore will be the coordinator of EU-ASEAN relations. Therefore, partnering with Singapore on issues of common concern and highlighting the value added of this partnership will serve for greater ASEAN engagement.

Economic relations between Singapore and the EU remain strong and the city-state is used as a regional hub by most of the 10,000 European companies based in the country. Singapore is the EU's 14th biggest trading partner in goods and its 4th biggest trading partner in services. Given Singapore's dependence and interest for strong economic partnerships with external players, the recent signing of the EU-Singapore Free Trade Agreement (FTA) and Investment Promotion Agreement (IPA) in October 2018 will allow developing relations even further.

Beyond economic ties, opportunities for engagement with Singapore have not been exploited fully. However, recently, Singapore confirmed an interest to explore cooperation with the EU on specific areas of common concern, starting with environment and climate change, as well as non-traditional security. The signing of the Partnership and Cooperation Agreement (PCA) in October 2018 is thus an opportunity to open a new chapter of EU-Singapore relations by furthering co-operation on global and bilateral issues, with an initial focus on Environment, Climate Change, Security, Trade and Connectivity, and in line with the EU Global Strategy.

2.3 Lesson learnt

Policy Dialogue Support Facility projects (or similar) are being implemented in a number of other strategic partner countries of the EU. Despite similar objectives, stemming from the EU's intention to consolidate and enhance the existent strategic partnerships, the key lesson learned is that there is no “one size fits all” model. Each partnership is unique in its structure, scope, policy priorities and level of advancement. However, key elements to all are flexibility and multi-sector/horizontal nature of the action.

In this sense, lessons learnt from similar programmes in China, Thailand, or Brazil and from past EU cooperation in Indonesia and Vietnam indicate that transforming political agreements and dialogues into concrete actions is labour intensive.

Therefore, a key element for the success of this facility is the active involvement and close technical steer from the different EU services.

Particularly, relevant national counterparts and EU line Directorate Generals (DGs) engaged in the high level dialogues, joint committees, and other mechanisms of consultation and political and trade exchanges., will be expected to actively take part in the design, implementation, and evaluation of results to ensure that the actions under this Facility can contribute to advance the EU political and sectorial objectives with Malaysia and Singapore.

As political relationships evolve, it is difficult to forecast priorities and allocations of funds for the actions, which will be approved based on the priorities that are defined each year.

In order to be reactive and pertinent, the Facility must maintain a flexible approach and approve activities stemming from the dialogues, priorities, and orientations set by the EU, Malaysian, and Singaporean partners.

Other lessons show that ensuring continuity of the actions is vital to reach concrete results for the political dialogues. A regular dialogue often raises new questions and issues, therefore continued financial and technical support allows building blocks and results 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 Coherence and complementarity

For both, Malaysia and Singapore, complementarities and synergies will be sought with all relevant on-going and future Partnership Instrument actions and bilateral development programmes of DG DEVCO and other line DGs in Malaysia, Singapore, and the South East Asia region, as far as they have impact on the political dialogue with Malaysia and Singapore.

Complementarity with the ASEAN regional policy dialogue facility "Enhanced Regional EU–ASEAN Dialogue Instrument (E-READI)" will be constantly checked when defining actions and prior to their approval and realisation under this proposed Facility.

For Malaysia, coherence and complementarity with the future DEVCO “SDG Partnerships and Policy Dialogue Facility in Asia” that aims to promote dialogue on development cooperation and support the development processes of Asian partners. This differs from the objectives of the PI Facility which strictly aims to translate political and sectorial dialogues into actions that advance EU foreign policy and trade interests in Malaysia and Singapore, influence policy-making in taking up EU standards and policies, and build stronger alliances on the response to global challenges and issues of common interests.

Complementarity with the Trade Related Technical Assistance and the support to the Malaysian Government for the FTA negotiations will also be sought, as well as with projects supporting governance and press freedom will be of particular attention.

Complementarity, communication and synergies with regional and multi-country PI-funded actions will be sought, in particular with “Multilateral Asia” that supports the implementation of the political security pillar of EU-ASEAN, as well as the digital cooperation projects “Personal Data Protection”, “ICT Standardisation”, and “Cyber diplomacy and cyber resilience” will also be ensured during implementation.

The Facility will also guarantee further coordination and coherence with the actions “Circular Economy in Asia” action as well as “International Urban Cooperation (IUC)”, “Economic Empowerment of Women”, “Public Diplomacy South East Asia”, the “EU-Asia Cooperation on Phyto-Sanitary and Food Safety Regulation” , as well as the future “Security in and with Asia” projects.

2.5 EU added value

EU interest / mutual interest in the action in Malaysia

Considering the present state of the bilateral relationship between the EU and Malaysia and the momentum and scope for further expansion, the proposed action is a crucial tool to accelerate and substantiate this political process and to advance the agenda.

It is in the EU interest to have a tool that can help translate political commitments into concrete actions, promote new alliances and influence policy-making and uptake of EU standards and policies. The use of this tool will be driven by EU interest and the shared interest of Malaysia as a partner.

This Partnership Facility will allow the EU to strengthen its role and influence and promote its ideas and ideals, in a very competitive environment in which other partners of Malaysia hold and promote sometimes very different views.

EU interest / mutual interest in the action in Singapore

This programme will provide a fundamental tool to accelerate the implementation of the PCA in Singapore, and coupled with other efforts, such as the Delegation's press, information and visibility efforts, advance the agenda on issues of strategic interest.

It is more important than ever for the EU to gain credibility as a partner in Singapore and to translate political commitments into concrete actions, as well as to deliver appropriate means to achieve the implementation of the mutual objectives set by Singapore and the EU. It is therefore in the EU's interest to have a tool that can help translate political commitments into concrete actions, promote new alliances and influence policy-making and uptake of EU standards and policies

This Partnership Facility will allow the EU to strengthen its political influence and promote its ideas and ideals, in a very competitive environment in which other partners of Singapore hold and promote opposite views.

2.6 Cross-cutting issues

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.

Particular attention will be paid to the role and participation of women, including for policy inputs and decisions as well as for the application of these policies through a differentiated approach that reflect the interests of women and girls.

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) agenda¹, the Paris Agreement on Climate Change², and the New Global Urban Agenda³.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of this action is to contribute to the strengthening and enlargement of EU relations with Malaysia and Singapore, against the background of the strategic framework represented by the EU-Malaysia and EU-Singapore Partnership and Cooperation Agreements (PCAs), and the EU-Singapore FTA, and in line with the EU Global Strategy.

The specific objectives is to build long-term alliances, strengthen the bilateral dialogues and working groups of the PCA, and influence policy-making by encouraging alignment and uptake of EU policies, norms, and standards in priority cooperation areas.

The proposed action shall respond to 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.

Whilst priority sectors have been indicatively identified by the EU Delegations with the EU Heads of Delegations in Malaysia and Singapore, they will be reviewed each year based on the evolution of the

¹ http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

² http://www.un.org/ga/search/view_doc.asp?symbol=FCCC/CP/2015/L.9/Rev.1&Lang=E

³ <http://habitat3.org/wp-content/uploads/NUA-English.pdf>

political relationships as aforementioned. These indicative sectors of focus for the PCA actions are: Trade, Connectivity, including digital, Security and Counter-Terrorism, Global challenges including climate change, Environment, Energy, Democracy and Human Rights, including labour rights, Culture, Science and Technology.

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

R.1: Cooperation in priority areas is reinforced, future priority areas to support PCA working groups and advance dialogues are identified, concrete follow-up measures to sector dialogues and working groups are put in place and implemented.

R.2: Malaysian and Singaporean authorities have a better understanding of EU policies, which inspire the decision-making process, improvement, or definition of new policies in Malaysia and Singapore (externalisation of EU internal policies).

R.3: Updated information is available and disseminated on the evolution, contents and results of the different activities in support of the PCAs.

The indicative activities for both Malaysia and Singapore 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.

3.2 Stakeholders

Main stakeholders in the EU, Malaysia and Singapore are:

- EU Delegations to Malaysia and to Singapore, FPI RT AsiaPac
- EU Institutions and EU Agencies with experience in the prioritised policy domains
- EU Member States and their relevant institutions
- Malaysian and Singaporean Ministries and national government agencies
- EU, Singaporean and Malaysian local and regional governments and public entities at sub-national level
- EU, Singaporean and Malaysian civil society, including social partners, academia, media, private sector, and other actors which will be associated when relevant

When relevant, EU Member States, local governments, private sector, civil society organisations, and other stakeholder may be invited to participate in the implementation of the actions. Their contributions and inputs will be taken into account in the results of the actions that will feed into the subsequent sector dialogues.

3.3 Risk assessment and management

Assumptions: it is assumed that the overarching political climate is favourable for the partnership facility and that the governments of Malaysia and Singapore will keep raising their international profile. The success of the proposed action is also linked to the growing interest by Malaysia and Singapore for further political, security and economic engagement with the EU, as well as to stable political conditions in the target countries.

Risk	Risk level (H/M/L)	Mitigating measure
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Decline in the overarching political commitment in Malaysia and Singapore to share the EU's more active approach to the partnership	L	Continuous assessment of the political situation in Malaysia and Singapore and increased engagement activities with key partners and individuals. The EU will make all necessary diplomatic efforts to ensure that dialogues-driven cooperation remains a priority in the two partner countries
Engagement and availability of staff of Malaysian and Singaporean counterparts to implement PCA not sufficient or decreases over time	M	The proposed activities have to meet the interest of the Malaysian and Singaporean counterpart authorities, be assessed critically and secure the support from both dialogue partners.
Wrong/inadequate personnel attends meetings in Malaysia and Singapore	M	Devote time to a clear identification of the Malaysian and Singaporean 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 to make sure in advance of actual commitment by to requesting service to follow up on implementation.
Irritants coming from political developments, disputes or human rights issues negatively affect bilateral relations	M	Carefully monitoring the bilateral agenda and continuous engagement with Malaysian and Singaporean counterparts. Project activities shall adapt to evolving circumstances.
Negative perceptions within Malaysia and Singapore of EU-driven dialogue	M	Link the project activities to the areas of priority and interest of the Malaysian and Singaporean government, and raise awareness of EU priorities as regards to sustainable and inclusive development
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 Communication and EU 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 Action⁴, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

In addition, this action will be attentive to communicate on the actions that support the different dialogues, working groups, high level meetings, and technical exchanges of the EU-Malaysia and EU-Singapore bilateral relationships. In particular, the inception phase of this action will define a communication strategy, including media engagement, in order to adequately communicate the EU's contribution to policy developments in Malaysia and Singapore. To ensure pertinence, impact, and coherence, the Press and Information sections of the EU Delegations to Malaysia and Singapore will coordinate all communication and visibility actions.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

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(s) for tender or negotiated procedure expected to be launched during the 2nd quarter 2019.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	2.5
Total	2.5

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 measures⁵.

4.3 Organisational set-up and responsibilities

The action shall be implemented separately with one bilateral component for Malaysia and one component for Singapore.

The Facility will be steered and guided by relevant EU services in Headquarters and Delegations of the European Union to Malaysia and to Singapore,. The technical assistance provided under this facility will be completely independent from the partner Governments.

Flexibility will guarantee the success of this Facility, as the actions will respond to priorities agreed and reviewed yearly and coherent with the evolution of the political relationships between the EU and Malaysia and between the EU and Singapore.

The decision-making procedure for an action to be approved will be sequential and based on a confirmation that the topic of focus relates directly to an agreed priority or discussion in the framework of high level sectorial dialogues, working groups, country team meetings, or PCA joint committees.

⁴ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

⁵ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Subsequently, concerned EU services (in Headquarters and Delegations) and Malaysian and Singaporean counterparts involved in the dialogues, working groups, country team meetings, or PCA joint committees will have a right to initiative and presentation of a proposal for action.

When submitting a proposal for action, they will have to confirm their engagement to contribute actively to the design and implementation of the action, and they will be responsible to report on the results in the following policy dialogues.

The service provider will have to screen the quality and relevance of the actions against the agreed priorities stemming from the political exchanges, and propose to the EU an indicative list of priority and relevance.

The decision on what actions should be funded and their implementation modalities will be taken by an Approval Committee composed of relevant EU services in EU Delegations. The respective resident coordinator of the service provider in each country (part of the service provider's team) will participate in these meetings and provide the secretariat's function. Other EU services DGs may be invited to participate in this Committee as relevant.

The service provider's team will include one resident coordinator to manage the component for Malaysia and one resident coordinator to manage the component for Singapore. 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. It will also help to closely coordinate with the EU Delegations and the national counterparts.

The service provider will have to guarantee backstopping for the resident coordinators, oversee the coherence of the overall facility, draw synergies and complementarities, monitor the actions, identify and share good practices, and implement all communication and visibility dispositions.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

Of the Commission Implementing Decision on the 2019 Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for EU- Brazil Sector Dialogues Support Facility

1 KEY IDENTIFICATION DATA

Title of the Action	EU - Brazil Sector Dialogues Support Facility			
Country/region/global	Brazil			
Sector of intervention	Multi-sector			
Indicative budget	Total: EUR 2 500 000 EC contribution: EUR 2 500 000 (100%) Other contributions: NA			
Duration and target start date of implementation	36 months – July 2020			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

The overall objective of the proposed action is to contribute to strengthening and further enlarging EU-Brazil bilateral relations in line with the EU Global Strategy, the EU Strategic Partnership with BR, and other relevant agreements and documents by fostering new and existing sector dialogues and other cooperation initiatives on priority themes of mutual interest.

Through a mix of research, specialised technical assistance, awareness raising, organisation of events, production of promotional material and technical exchanges, this action will continue acting as EU's horizontal facility in Brazil and helping translate policy commitments agreed at the High Level Dialogues and sectoral policy dialogues into follow-up actions.

The EU-Brazil Sector Dialogues Support Facility (SDSF) was first created in 2008, one year after the establishment of the Strategic Partnership. Since then it has become an invaluable tool to foster this partnership and to build solid bridges at political and technical level with the Brazilian counterparts.

It is a highly flexible and adaptable tool that allows to quickly respond to political priorities.. It will very useful to engage with the New Administration at central and local level on areas of mutual interest. It will also allow responding to the new priorities of the European Commission and the External Action Service for 2019-2023.

Therefore, it is proposed to continue to have a dedicated support facility for the next 3 years.

2.2 Background/Context/Rationale for PI funding

The EU strategic partnership with Brazil was established in 2007 during the Lisbon Summit and is based on close historical, cultural and economic ties. The strategic partnership covers five pillars - strengthening political dialogue, strengthening sector policy dialogues, addressing global challenges, expanding and deepening trade and economic relations and bringing people together.

The EU-Brazil SDSF, in its current phase, has identified priority areas for enhancing the strategic partnership in sectors where there is a clear mutual interest, potential for improvement, and foreseeable benefits for the EU. Most activities financed under the action are a direct result of the sector dialogues, high-level meetings and high-level political events. The flexibility of the action has allowed aligning the activities with the political priorities and has given the EU the possibility to respond quickly to new areas of mutual interest (i.e. fake news, migrations, justice and gender).

Brazil is an important partner for the EU in many areas, such as trade, science and technology, information society, energy, climate, human rights. The EU stands ready to continue and strengthen our partnership with the future administration that has taken office on 1 January 2019 to advance our mutual interests.

In this new political context, the SDSF is a tool that can support different objectives: 1) to build common ground with Brazil, 2) to facilitate EU-Brazil dialogues, 3) to promote EU values, 4) to promote EU visibility, in the media and through public diplomacy activities.

The proposed action is framed with the PI Regulation Objective 1, "to enhance EU bilateral, regional, inter-regional and multilateral cooperation and partnership strategies", as well as Objective 4 "to enhance and widen the understanding and visibility of the EU and of its role in the world scene".

In addition, this action contributes to the priorities identified under PI Multiannual Indicative Programme (MIP) 2018-20 and mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity, the principles of equality, including gender equality, and solidarity); Resilience and Innovation.

2.3 Lessons learnt

Policy Dialogue Support Facility projects (or similar) are being implemented in a number of other strategic partner countries of the EU. Despite similar objectives, stemming from the EU's intention to consolidate and enhance the existent strategic partnerships, the key lesson learned is that there is no "one size fits all" model. Each partnership is unique in its structure, scope, policy priorities and level of advancement. However, key elements to all are flexibility and multi-sector/horizontal nature of the action.

The proposed project builds on the experience, drawn from the previous and ongoing phases of the SDSF: this Action has proven highly valuable to consolidate the strategic relationship with Brazil by ensuring specific follow up to political and sectoral dialogues and helping to build alliances and finding common ground. The flexible and multi-sector/horizontal nature of the action is essential to these ends.

The commitment of stakeholders from both the EU and Brazil remains crucial. A key element for the success of a horizontal facility like the proposed one is active involvement and close political and technical steer from the different EU services. Keeping this in mind, the project steering committee will include representatives of the EEAS and of the different European Commission services in the Delegation as well as relevant EEAS and EC representatives in Brussels.

To ensure good flow of information and coordination and avoid overlapping, existing mechanisms such as the Country team meeting will be used for dissemination of information and consultation on the project activities.

The connexion between specific activities and Sectoral or High Level Dialogues needs to be improved in order to achieve concrete outputs that at the same time can feed the political and policy dialogues. A follow up mechanism for each action needs to be introduced.

The implementation unit should continue to be located in Brasilia under the steer of the EU Delegation and in close interaction with the other EU services

2.4 Coherence and complementarity

Complementarities will be sought with ongoing PI actions such as Low Carbon Business Initiative, International Urban Cooperation, EU Policy and Outreach Partnership, Fair and Ethical Trade, WIN-WIN, Civil Aviation, IPkey, Responsible business conduct in Latin America and Caribbean and Anti-Microbial Resistance programme and EU-Latin America Mineral Development Network Platform.

Complementarities will also be sought with DEVCO and other DGs' ongoing projects (COSME, EEN, etc.) as well as with the relevant interventions developed by other donors (especially EU Member States and International Organisations) and by the Brazilian Government and institutions.

2.5 EU added value

This action will support the EU as a whole to implement its strategic partnership with Brazil. It will be managed by the EU Delegation, and jointly steered with the EEAS and Commission services, in coordination with Brazilian counterparts.

Member States will be involved on specific activities as well as via information sharing and consultation. Given that the project will promote European excellency in several technical fields, most technical specialist will be officials or experts from Member States.

This facility will give to the EU the possibility of putting into practice high-level political commitments, to build alliances, to favour our expertise and regulatory framework, to promote our principles and values. Therefore, the EU added-value is embedded in the very nature of the project and it is a criterion to consider an activity to be supported under this facility.

2.6 Cross-cutting issues

EU and Brazil have many sectoral dialogues including in areas such as gender equality, human rights, inclusion and diversity, climate change and environment and connectivity including digital, and therefore specific activities will be implemented in these topics.

Moreover, gender equality, human rights, inclusion and diversity, climate change and environment will be mainstreamed when supporting dialogues on other priority topics.

Finally, cross-cutting issues will also be embedded from the outset in the logical framework both in terms of qualitative and quantitative indicators.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of the proposed action is to contribute to strengthening and further enlarging EU-Brazil bilateral relations in line with the EU Global Strategy, the EU Strategic Partnership with Brazil, and other relevant agreements and documents by fostering new and existing sector dialogues and other cooperation initiatives on priority themes of mutual interest. Its **specific objectives** are:

- a) to foster sector dialogues on specific priority areas of EU – Brazil mutual interest,
- b) to support the implementation of the EU-Brazil Strategic Partnership,
- c) to support the implementation of other relevant agreements, Memoranda of Understanding, concluded between the EU and Brazil,
- d) to help build common ground and strengthen alliances .

The main **outputs** of the project are:

O1: Improved mutual understanding between EU and Brazilian institutions on areas of common interest.

O2: New areas of joint interest for Brazil and the EU within an existing dialogue identified and promoted.

O3: Politically driven actions of mutual interest for the Brazil and the EU supported

O4: EU interests and values in sectors such as human rights, environment, market access, digital cooperation, regulatory standards, promoted

O5: Awareness and understanding of the EU-Brazil Strategic Partnership and the EU-Brazil Sector Dialogues enhanced

The indicative project **activities** will include:

- the preparation of baseline, benchmarking and specific sector studies on issues that are relevant for the dialogues;
- the organisation of events (conferences, seminars, workshops, technical visits and other exchange activities, etc.) within the scope of the dialogues;
- the provision of specialised technical assistance to the EU Delegation and relevant stakeholders;
- the identification and execution of activities related to the political priorities of the dialogue;
- the consolidation and further development of the Action information and communication system;
- the organisation of public diplomacy activities promoting the EU visibility in Brazil, in close coordination with the EU Delegation Brazil communication team. .

3.2 Stakeholders

The main stakeholders for this action include:

- On the EU side: EEAS and European Commission services (both in the Delegation and in headquarters), and other EU bodies such as the European Central Bank will be responsible for identifying and proposing areas of interest and concrete activities. EU Member States representatives in Brasilia will also be regularly informed and consulted on possible areas of EU-Brazil cooperation to be supported by the project.

- On the Brazilian side: Brazilian Ministries, Agencies and State-level governmental bodies.

Other stakeholders: Brazilian and EU think tanks, civil society, academia, private sector, local governments, and media will be invited to participate in outreach and awareness raising activities, and in exchanges planned under the Facility.

Due attention will be paid to gender balanced participation amongst key stakeholders.

3.3 Risk assessment and management

Main assumption is that the Brazilian and European authorities are still committed to further strengthening the EU-Brazil Strategic Partnership and engaging in concrete actions to foster political and sector dialogues.

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Lack of interest from Brazilian Ministries and Agencies	Medium	Engage with the relevant Brazilian Ministries and Agencies in "dissemination" exercise to explain the importance of the project for the implementation of the Strategic Partnership.
Insufficient involvement of EU Member States in the activities	Low	Dissemination of information through the different coordination groups (HoMs, DHoD trade counsellors etc.), on possible activities and involvement of EUMS and involvement of EUMS in concrete activities
Risk of dispersion and lack of coordination reducing overall impact	Medium	Main priorities agreed during Country Team Meetings led by the EEAS. Close follow up of implementation through PIMS methodology.

3.4 Communication and EU 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 that 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 Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The ongoing SDSF project has already developed and implemented a strong visibility campaign. The project has a Web Page, a Facebook page and a YouTube channel. Several campaigns have been created and developed to communicate with external audiences.

Under the current SDSF project, all the visibility activities will need to be merged under and linked to the overall public diplomacy activities of the EU Delegation in Brazil, so that the project clearly feeds and enhances the visibility of the EU.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

- (a) The programme will be implemented via service contract.
- (b) Indicative timing: call for tender expected to be launched in the 4th Quarter 2019.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	2.5
Total	2.5

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 measures².

4.3 Organisational set-up and responsibilities

FPI representative based in the EU Delegation to Brazil will be in charge of the overall management of the project. Project activities will be defined on an ongoing basis based on close political and technical steer from the EEAS and Commission services both in the delegation as well as in the headquarters.

A project steering committee (PSC) will be set up and will be composed of representatives of relevant EU services in Headquarters and Delegation. The PSC will meet at least every six months. It will give

¹ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

² www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

overall political steer to the facility and will validate the priorities (with the support of the project implementation team).

EU Member States representatives in the country (Heads of Mission/ Commercial or sectoral Counsellors as relevant) will be regularly informed and consulted in order to maximise synergies with their own activities.

A consultative mechanism to ensure the assessment of the results achieved and the follow-up of the activities at the adequate political level will be established by the EU Delegation together with relevant Brazilian officials.

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. The PIMS methodology should be applied since the beginning of the implementation phase.

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 that will include relevant indicators from the list of core and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

EN

ANNEX 14

Of the Commission Implementing Decision on the 2019 Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for Support to project cycle management

1 KEY IDENTIFICATION DATA

Title of the Action	Support to project cycle management			
Country/region/global	Global			
Sector of intervention	Multi-sector			
Indicative budget	Total: EUR 1 000 000 EC contribution: EUR 1 000 000 (100%) Other contributions: NA			
Duration and target start date of implementation	36 months - August 2019			
Method of implementation	Direct management - Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

This project will provide the European Commission with a flexible facility that will make available expert support for the identification, formulation, implementation, monitoring, evaluation and audit of actions under the Partnership Instrument.

2.2 Background/Context/Rationale for PI funding

Article 3 of the "Common rules and procedures for the implementation of the Union's instruments for financing external action"¹ foresees the use of EU financing to cover "administrative support associated with the preparation, follow-up, monitoring, audit and evaluation activities directly necessary [for the implementation of the instruments]".

In addition, Article 4 of the Partnership Instrument (PI) Regulation² establishes that up to 5% of the total budget of the Multiannual Indicative Programme shall be committed, inter alia, for administrative support, as provided by the Common Implementing Rules³.

Furthermore, recital (22) of the PI Regulation stipulates that the results and efficiency of the instrument "should be monitored and assessed on the basis of pre-defined, clear, transparent and, where applicable, country-specific and measurable indicators [...]".

Despite these provisions, PI funding for activities in support of project cycle management (namely identification and formulation, implementation, monitoring, evaluation and audit of projects and programmes) under the administrative budget line is very limited compared to actual needs. At the same time, due to the "N+1" rule in the vast majority of cases it is not possible to contract evaluations and audits of projects before the final date for contracting of the financing decision.

The PI being an entirely new financing instrument it is important to ensure a correct gathering and application of lessons learnt, analysing the recommendations obtained through monitoring and evaluation and translating them into new projects.

2.3 Lesson learnt

The PI is an innovative financing instrument: it has a worldwide scope, reinforcing dialogue and cooperation with countries with which the Union has strategic interests, tackles issues pertaining to global challenges, supports the implementation of the external dimension of the Europe 2020 strategy and promotes the image and values of the European Union in the world. While the PI continues to build on and consolidate its efforts in these four main intervention areas, the PI Multi-annual Indicative Programme (MIP) for the period 2018-2020 sets the following five priorities:

- Trade and economic diplomacy (including Responsible Business Conduct, and tax good governance);
- Environment, climate and energy (including water, ocean governance, circular economy, urbanisation aspects);
- Peace, security and defence;
- Digital (including cyber security, digital global governance);
- Global health (including Anti-Microbial Resistance).

¹ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014

² 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

³ Ibid (footnote #2)

Given the limited amount of resources available under the PI and the wide scope in terms of geographical coverage and priorities it is essential to ensure an appropriate identification, formulation and evaluation of projects to be funded under this instrument, in order to avoid duplication with existing initiatives, identify complementarities and demonstrate an added value by promoting the interest of the European Union.

The programming exercises for the Annual Action Programmes 2014-2018 have clearly exposed the need for ad hoc expertise in specific thematic areas or particularly complex interventions (e.g. programmes covering several regions and/or subjects or projects that require a high degree of technical expertise, etc.).

2.4 Coherence and complementarity

This component will complement not only the budget allocations foreseen for administrative expenditure (BA budget line) but also the Policy Support Facility, which aims at supporting (existing) policy dialogues between the EU and partner countries through technical assistance in areas within the scope of “Europe 2020” and to facilitate economic and trade relations with partner countries. It will also complement the technical assistance provided through TAIEX.

2.5 EU added value

NA

2.6 Cross-cutting issues

NA

3 ACTION DESCRIPTION

3.1 Objectives

The objective of this action is to maximise the relevance, efficiency, effectiveness, sustainability and impact of the projects and programmes carried out under the Partnership Instrument. More specifically, this project shall provide ad hoc expertise for the identification, formulation, implementation, monitoring, evaluation and audit of projects and programmes.

R.1: Ad hoc expertise able to provide high-quality support for project cycle management is made available to the European Commission in a timely and flexible manner.

Activities envisaged under this facility will include, inter alia:

- Identification and formulation of PI projects/programmes

The **identification** phase is to provide an analysis of the context including the problem areas, public policies, stakeholders and the institutional capacity. This analysis provides the basis for the definition of specific objectives and expected results of the project/programme, also proposing the implementation approach and modality.

The **formulation** stage is to make up the detailed design of the intervention, including the main activities, and how they contribute to outputs and outcomes, what indicators, benchmarks and systems will be used to measure progress, and how risks will be identified and mitigated. Formulation may include drafting of terms of reference, technical specifications, guidelines for applicants and any other type of project documents in view of the launching of calls for tender/calls for proposals or negotiations.

- Technical support during the implementation of PI projects/programmes⁴

The **implementation** phase ensures that the expected results are delivered and that the purpose(s) of the project are achieved and that they contribute to the overall objective of the action.

- Monitoring and evaluation of ongoing/completed projects⁵ according to the Evaluation Plan of the PI

Monitoring is a continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an on-going intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.

Evaluation is the systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. Evaluations are usually performed by independent, external experts who scrutinize an intervention against defined criteria such as relevance, efficiency, effectiveness, impact and sustainability (OECD-DAC evaluation criteria).

- Financial verification and/or audit of projects, according to the Annual Audit Plan of the service for Foreign Policy Instruments (FPI)

Audits are carried out to provide assurance on the legality and regularity of operations funded by the EU. Assurance is essentially related to compliance with the applicable regulations and rules and takes as a basis the principles of sound financial management, economy, efficiency and effectiveness.

- Horizontal

In view of the wide spectrum of policies tackled by the PI, this component will allow the execution of horizontal assignments supporting one or more phases of the project cycle management and benefiting one project or several projects at the same time.

3.2 Stakeholders

NA

3.3 Risk assessment and management

NA

3.4 Communication and EU 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 Action⁶, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

⁴ Guidelines for Project Cycle Management https://myintracomm.ec.europa.eu/dg/devco/quality-impact/Documents/New%20intranet/Project%20and%20Programme%20Cycle%20Management/europeaid_adm_pcm_guidelines_2004_en.pdf

⁵ Ibid

⁶ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

- (a) The programme will be implemented via service contract(s).
- (b) Indicative timing: call(s) for tender expected to be launched all along the duration of the action.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	1.00
Total	1.00

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 measures⁷.

4.3 Organisational set-up and responsibilities

Monitoring of the implementation will be carried out by the Commission (FPI in headquarters and, where applicable, the relevant Delegations) on the basis of quality and timeliness of deliverables and services provided by the contractor/s. 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 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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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.

⁷ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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.

EN

ANNEX 15

Of the Commission Implementing Decision on the Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

Action Document for Policy Support Facility (PSF)

1 KEY IDENTIFICATION DATA

Title of the Action	Policy Support Facility (PSF)			
Country/region/global	Global			
Sector of intervention	Multi-sector			
Indicative budget	Total: EUR 5 000 000 EC contribution: EUR 5 000 000 (100%) Other contributions: NA			
Duration and target start date of implementation	18 months - August 2019			
Method of implementation	Direct management through: - Procurement - Grants			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	NA			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	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"/>
Global Public Goods and Challenges (GPGC) thematic flagships	NA			

2 RATIONALE AND CONTEXT

2.1 Action summary

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 Background/Context/Rationale for PI funding

The Partnership Instrument is an instrument specifically designed to pursue EU strategic interests globally. It enables the EU to pursue partnerships with a wide range of strategic partners, helps the EU to live up to its bilateral and international commitments as well as to partners' expectations.

The Partnership Instrument is a policy-supporting instrument promoting the EU's interests, values and visibility externally. It operates in support of EU foreign policy objectives under the framework defined by the objectives of EU external action under the Treaty, the Global Strategy on Foreign and Security Policy, the Commission's ten political priorities, Agenda 2030 and the Sustainable Development Goals. Partnership actions underpin bilateral and regional dialogues and bilateral and multilateral negotiations (for example trade negotiations), particularly by providing follow-up support and concrete policy deliverables, strengthening the position of the EU as a credible partner that delivers.

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, 2017 and 2018 included 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 Lesson 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) will aim 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 Coherence and complementarity

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, for Canada under 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 that will be covered under these facilities.

2.5 EU added value

The Policy Support Facility responds not only to the EU interest and priorities but also to the third country's interest and /or priorities. PSF actions ensure a high visibility of the EU and aim at increasing awareness and knowledge of the EU. Being a rapid- response tool enabling targeted, flexible and tailor-made short-term actions is also seen as a real added value.

2.6 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 ACTION 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 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.

3.3 Risk assessment and management

Risk description	Risk level (High, Medium, Low)	Mitigating measure
The activity is an isolated event and does not contribute to deepening the policy dialogue	L	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, European Commission services) to provide the technical and policy steer of the activity.	L	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 Communication and EU visibility

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

This Action's communication and visibility measures will be included in each specific contract.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

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.

Grants (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 activities that underpin policy dialogues.

(b) Type of applicants targeted

Organisations such as civil society organisations or international organisations.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer, the grant may be awarded without a call for proposals in accordance with the provisions of Article 195 of Regulation (EU, Euratom) 2018/1046.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
Procurement (direct management)	4
Grants (direct management)	1
Totals	5

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 measures¹.

4.3 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 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.

4.4 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, 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.

¹ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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.



Brussels, 6.11.2019
C(2019) 7889 final

COMMISSION IMPLEMENTING DECISION

of 6.11.2019

amending Commission Implementing Decision C(2019)3277 of 6.5.2019 on the financing of the 2019 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 6.11.2019

amending Commission Implementing Decision C(2019)3277 of 6.5.2019 on the financing of the 2019 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 Regulation (EU, Euratom) 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 966/2012¹, and in particular Article 110 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 action², and in particular Article 2(1) thereof,

Whereas:

- (1) By its Decision C(2019)3277 of 6.5.2019 the Commission has adopted the 2019 Partnership Instrument Annual Action Programme for cooperation with third countries .
- (2) The 2019 Partnership Instrument Annual Action Programme (AAP) should now be extended by the adoption of a Phase II amendment, which includes a supplementary Union contribution and eleven new actions to be included in the existing AAP.
- (3) The action entitled 'Implementation of trade part of the EU – Central America Association Agreement' aims to promote EU interests in Central America by fostering a more secure economic environment that sustains economic growth built on values.
- (4) The action entitled 'Due Diligence Helpdesk for EU SMEs dealing with Iran' aims to support EU SMEs willing to engage in trade with Iran in the framework of the EU's continued commitment to the Joint Comprehensive Plan of Action on Iran's nuclear programme.
- (5) The action entitled 'International Ocean Governance: EU component to Global ocean observations' aims to promote European policy values and assets on the international stage and defend European interests in international decision-making bodies addressing ocean observations and the development of marine and maritime applications in line with the sustainable development goals and the International Ocean Governance.

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 77, 15.3.2014, p. 95.

- (6) The action entitled 'International Urban and Regional Cooperation (IURC): Sustainable and innovative cities and regions' aims to lead and develop a form of decentralised international urban and regional co-operation.
- (7) The action entitled 'Support to the implementation of the Global Covenant of Mayors for Climate and Energy' aims to develop, monitor and lead international climate and sustainable energy action and the related diplomacy at the local level, to support the implementation the Paris Agreement together with the 2030 Agenda and its Sustainable Development Goals.
- (8) The action entitled 'Reducing plastic waste in the Americas – Ensuring sustainable consumption and production patterns' aims to enable the EU to reach its global climate commitments and industrial policy objectives by supporting the international aspects of the EU Plastic Strategy in the Americas Region.
- (9) The action entitled 'Global Exchange on Religion in Society' aims to connect positive experiences of coexistence among people of different faiths, and none, in societies across the world through an international exchange platform.
- (10) The action entitled 'Building Partnerships on the Future of Work' aims to shape the future world of work in the interest of EU citizens, societies and economies by promoting globally EU approaches to the changing world of work and finding workable and sustainable solutions to key challenges.
- (11) The action entitled 'Support to the Asia-Europe Foundation (ASEF)' aims to strengthen the cooperation between Asia and Europe through continued promotion of knowledge, mutual understanding and cooperation between the people of Asia and Europe.
- (12) The action entitled 'Policy Dialogue Support Facility EU-LAC (Latin America and the Caribbean)' aims to contribute to the strengthening and expanding of the EU-LAC relationship in line with the overall approach and priorities set out in the EU Global Strategy and the Joint Communication on EU-LAC relations, and other relevant agreements and documents as they pertain to sub-regional and bilateral relations.
- (13) The action entitled 'Engagement with Civil Society in Indonesia, Singapore, Thailand, Vietnam, the ASEAN regional level, and New Zealand' aims to increase awareness of EU foreign policy objectives and to thereby raise the EU's profile as a strategic partner for those countries and region in tackling the relevant bilateral and global issues
- (14) Therefore, Commission Decision C(2019)3277 should be amended accordingly, pursuant to the detailed rules laid down by Article 110 of Regulation (EU, Euratom) 2018/1046.
- (15) This amending decision is 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(2019)3277 of 6.5.2019 on the financing of the 2019 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union Commission is amended as follows:

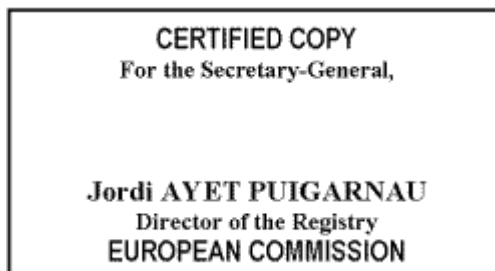
- (1) In Article 1, first paragraph, after the words "Annual Action Programme", the following words are added: "(Phase I and Phase II)".

- (2) In Article 1, at the end of second paragraph, the following words are added:
- (p) 'Implementation of trade part of the EU – Central America Association Agreement' set out in Annex 16;
 - (q) 'Due Diligence Helpdesk for EU SMEs dealing with Iran' set out in Annex 17;
 - (r) 'International Ocean Governance: EU component to Global ocean observations' set out in Annex 18;
 - (s) 'International Urban and Regional Cooperation (IURC): Sustainable and innovative cities and regions' set out in Annex 19;
 - (t) 'Support to the implementation of the Global Covenant of Mayors for Climate and Energy' set out in Annex 20;
 - (u) 'Reducing plastic waste in the Americas – Ensuring sustainable consumption and production patterns' set out in Annex 21;
 - (v) 'Global Exchange on Religion in Society' set out in Annex 22;
 - (w) 'Building Partnerships on the Future of Work' set out in Annex 23;
 - (x) 'Support to the Asia-Europe Foundation (ASEF)' set out in Annex 24;
 - (y) 'Policy Dialogue Support Facility EU-LAC (Latin America and the Caribbean)' set out in Annex 25;
 - (z) 'Engagement with Civil Society in Indonesia, Singapore, Thailand, Vietnam, the ASEAN regional level, and New Zealand' set out in Annex 26".
- (3) In Article 2, first paragraph and indent, the words "EUR 87 300 000" are replaced by the following: "EUR 136 100 000".
- (4) In Article 3, the words "3, 5 and 8" are replaced by the following: "3, 5, 8, 18 and 23".
- (5) In Article 5, the words "Annex 15" are replaced by the following: "Annexes 15, 19, 24 and 25".
- (6) In Article 6, the words "Annexes 7 and 8" are replaced by the following: "Annexes 7, 8, 16, 17, 20, 22 and 25".

(7) After Annex 15, Annexes 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 to this Decision are added.

Done at Brussels, 6.11.2019

For the Commission
Federica MOGHERINI
Vice-President



Of the Commission Implementing Decision on the 2019 Annual Action programme for the Partnership Instrument

Action Document for Implementation of trade part of the EU – Central America Association Agreement

1 KEY IDENTIFICATION DATA

Title of the Action	Implementation of trade part of the EU – Central America Association Agreement			
Country/region/global	Central America: Panama, Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala			
Sector of intervention	Trade and investment			
Indicative budget	Total: EUR 3 000 000 EC contribution: EUR 3 000 000 (100 %) Other contributions: NA			
Duration and target start date of implementation	36 months – June 2020			
Method of implementation	Direct management – Procurement			
Legal basis	Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	99810			
Markers	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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"/>
	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"/>

2 RATIONALE AND CONTEXT

2.1 Action summary

This action will contribute to the implementation of the trade part of the EU Association Agreement with Central America (the 'Agreement'), thereby helping to identify business opportunities for EU operators and fostering a more favourable economic environment for trade and investment relations with the six countries in the region.

The action will provide EU authorities with a clearer and more complete picture of the regulatory and administrative environment governing trade and investment in the Central America countries. Most importantly, the action will serve to promote the Agreement in the region and to provide support for EU businesses, in particular SMEs, looking to export or invest in the Central America countries. To this end, the action will provide business intelligence, facilitate the understanding of the legal framework in the countries as well as create a platform for business liaison, activities and exchanges.

2.2 Background/Context/Rationale for PI funding

On 29 June 2012, the EU and Central America signed a far-reaching Association Agreement with three main pillars on cooperation, political dialogue and trade. The trade pillar of the Association Agreement has been provisionally applied since 1 August 2013 with Honduras, Nicaragua and Panama, since 1 October 2013 with Costa Rica and El Salvador, and since 1 December 2013 with Guatemala.

The aim of the trade pillar is, in particular, to facilitate and boost international trade and investment between the Parties, as well as to promote economic regional integration in Central America while contributing to the objective of sustainable development. The trade pillar covers not only tariff liberalisation measures but also provisions on non-tariff barriers, public procurement, competition, intellectual property, sustainable development and regional integration. Beyond this, the trade pillar provides the basis for more far-reaching interaction in increasingly important areas such as trade in services, the digital economy and enhanced sustainability in the energy and transport sectors.

The bilateral trade in goods under this Agreement amounted to around €11 billion in 2017. However, a relatively low increase in EU exports of goods to Central America during past years (2.5% between 2012 and 2017) justifies taking an action to improve the implementation of the Agreement and find ways for EU business to better seize the opportunities that it provides.

The services sector is an increasingly important component of the trade flows between the two regions, in particular with Panama and Costa Rica. The transport, financial and tourism sectors are particularly strong in this area and require increased targeting by EU companies to reap the opportunities these sectors offer in Central America.

As regards other sectors such as public procurement, customs and trade facilitation, geographical indications and sustainable development, there is also a margin for improving the implementation of the Agreement and raising awareness for operators on available opportunities.

2.3 Lesson learnt

In the past, the EU provided a platform for technical support and information to EU operators and Member States with presence in the region and reacted to a large number of specific queries. This has shown that further support and future efforts in this regard are needed.

The Progress Report on the Implementation of European Economic Diplomacy Guidelines from November 2018 stresses the promotion of the Association Agreement as one of the key priorities for the Central America region. The second priority for Central America identified is an improvement of current market access conditions. This action would therefore reply to the needs previously identified by the European External Action Service and Commission Services for the region as a whole, but also for each individual country.

2.4 Coherence and complementarity

There is some complementarity with other EU projects funded mainly through the Partnership Instrument in some of the areas identified in this action, such as Trade and Sustainable Development or Intellectual Property (IP). In the implementation of this action, activities will build on results and outputs produced by ongoing complementary projects or already closed at the time of signature of the contract (ref. ElanBiz, IP key Latin America, SME IPR Helpdesk, Corporate Social Responsibility project). Moreover, coordination will be ensured both at individual country level, and at regional level, including with the *Secretaria de Integracion Economica Centroamericana*.

Development Cooperation Instrument (DCI) funded programmes targeting the improved implementation of the Association Agreement are implemented on behalf of, and aimed at, assisting the six partner countries in Central America and therefore do not cater directly to EU interests as identified in this action. Nevertheless, given that many of the general areas identified are also of interest to Central America countries, it will be crucial to coordinate activities carried out under those programmes with the ones executed under this action.

In particular, four of the countries in the Central America region (Nicaragua, Honduras, El Salvador and Guatemala) are recipients of significant funding from DCI at national level. Costa Rica and Panama receive funding from DCI regional and Latin America-wide programmes.

Coherence and synergies with existing support to EU business organisations in the region will be ensured during the implementation of the action.

2.5 EU added value

The Association Agreement establishes an overarching framework for EU – Central America trade and investment that paves the way for new business opportunities. A successful implementation of trade agreements is an important priority of the European Commission and is at heart of its competencies. This action aims at supporting the implementation of the trade pillar of the Agreement, and in that regard, it will have a positive impact on trade and investment relations between the Parties. In as far as the provisions of the agreement cover labour and environmental policies; this action is also aimed at improving sustainability of the trade and investment relations between the Parties.

2.6 Cross-cutting issues

The action will incorporate mainstream relevant crosscutting issues, such as gender equality, sustainable economic development, and environmental sustainability throughout its implementation actions. Gender equality will be mainstreamed throughout the implementation of the action by ensuring that women owned businesses (both from EU and Central America) are given adequate access to information and opportunities; and that women business stakeholders are well represented in all activities. Furthermore, EU companies selected to participate and benefit from different activities will be assessed as regards their

environmental, gender equality, human and worker rights policies with a view to sharing responsible business practice alongside technical solutions.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of this action is to promote EU interests in Central America by fostering a more secure economic environment that sustains economic growth built on values, while ensuring that trade between the Parties is conducted in a rules-based, fair and predictable manner.

The specific objectives of the action will be to:

1. Provide support for EU access to the Central America market
2. Ensure monitoring and assessment of compliance with the Association Agreement

The first specific objective is to provide *support for EU access to Central America markets* and to create a more favorable trade and investment environment in the following key areas: (i) goods; (ii) services & investment; (iii) intellectual property rights; (iv) trade and sustainable development; (v) public procurement.

This specific objective will be achieved through the following activities:

- *Exploratory studies/analyses* aiming to identify those sectors that offer the highest competitive potential for EU exports and investment in each country market. Studies would draw roadmaps for the opportunities open for goods and services in areas where sustainability is key (environment, energy or transport) and where a strong business potential exists for collaboration between European clusters and SMEs and companies or public agencies (such as utilities) in selected partner countries. The sectors may then include in particular green technology sectors as well as digital economy. These studies would also identify specific needs of companies that seek investment in the region in terms of knowledge of the regulatory environment and business liaison and provide a basis for the organization of more targeted business events.
- *Business sectoral events and fairs* that will provide a platform for the exchange of knowledge, intelligence and potentially also liaison opportunities for EU businesses (including SMEs). Complementarity with the Enterprise Europe Network (EEN) through Business Cooperation Centres (BCC), where these are present, will be sought in this regard.
- *Building on the ELANbiz platform* to cover Costa Rica, Panama, Guatemala (accounting for most of EU exports in the region) that will provide an up-to-date expert knowledge on the policy and legal framework in sectors of EU interests. Modalities to cover other countries (El Salvador, Honduras or Nicaragua) will be explored. The activities carried out under the project 'AL-Invest 5.0' will be examined for potential complementarity under this action.
- In the context of *trade and sustainable development a sub-platform* ("elanbizgreen") will be created which would focus on Costa Rica and Panama. The website would replicate the service of the general ELANbiz through a special focus on any green initiatives and technologies, government legislation and initiatives, as well as business opportunities.
- *Outreach activities* that promote the Agreement, and increase awareness of the benefits to EU stakeholders and businesses, including SMEs. Providing comprehensive and timely information on all aspects and areas covered by the trade pillar of the Agreement and how to benefit from it. Outreach activities will also include working with EU exporters,

and relevant authorities in Central America to increase awareness on import conditions, facilitate customs procedures and improve the use of the tariff preferences under the Agreement.

- Producing *outreach material* that would contain information on the content and opportunities that the trade part of the Association Agreement represents, as well as practical information on how to conduct business activities in Central America in sectors of interest.

The second specific objective will be to *monitor and assess* the compliance of the Central America countries with the Association Agreement in the field of customs, market access and non-tariff barriers to trade, public procurement, intellectual property and trade and sustainable development.

This specific objective will be achieved through the following activities:

- A rolling list of legislative measures and administrative procedures in the respective fields covered by, and relevant to, the implementation of the Agreement in the region, in particular focusing *on customs, public procurement and non-tariff barriers affecting goods and services*. Where possible an estimate of the potential harmful impact these may entail will also be made.
- In the field of *public procurement*: a customized manual/guidebook for EU companies describing tendering procedures in the six Central America countries for the proper implementation of the Association Agreement's provisions and a short legal assessment of their compliance with the Association Agreement for EU authorities.
- In the context of *Geographical Indications*, studies of the legal weaknesses in Central America's IP protection will be conducted. The studies will analyse what is affecting imports from the EU and most effective mechanisms to counter these, including providing legal support in infringement cases before national authorities.
- In-depth sectoral analyses with a view to identifying barriers, e.g. technical barrier to trade (TBT) and sanitary and phytosanitary (SPS) measures, that EU business face in these markets with special emphasis on the Northern Triangle (Guatemala, El Salvador, Honduras).

Overall, the above activities would produce the following general results:

Contribution to lower regulatory barriers and improve market access in sectors of interest to European businesses, delivering benefits for EU firms and the economy as a whole.

Improved understanding of and presence of EU-based SMEs and other EU businesses in service sectors that are linked to sustainability (energy, transport, environment, etc.) and digital economy.

Improved understanding, transparency and effectiveness in the implementation of the EU-Central America Association Agreement provisions.

3.2 Stakeholders

The following stakeholders will be involved in the implementation of the action. The European Commission and the EU Delegations in the six countries in the region - in particular the Regional Trade Section based in Costa Rica; EU Member States Embassies in the six countries in the region; EU businesses, with particular focus on SMEs, business clusters, business associations and networks active in the areas prioritised for the action intervention especially those with strong commercial interests in Central America (exporters, importers or investors); National trade offices, Chambers of Commerce and Industry and trade promotion agencies present in the six countries; civil society organisations representing interests of consumers, environmental and social aspects potentially impacted by this action.

3.3 Risk assessment and management

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Heightened political tension with marked decrease security conditions in Nicaragua	H	The EU Delegation to Nicaragua will closely monitor situation and advice if certain elements should not be implemented in Nicaragua
Economic / fiscal crisis and potential social instability in Costa Rica	M	The EU Delegation to Costa Rica will closely monitor situation and provide early alert
Political and security deterioration throughout the Northern Triangle	H	The EU Delegations will closely monitor the situation. In worst case scenario, priorities will be reviewed to ensure functioning of the action.
Worsening international economic conditions having significant knock-on effect on Central America	M/H	Refocus objectives of action within possibility of a service contract
Lower economic growth and political instability in Panama	L	The EU Delegation to Panama will closely monitor the situation and reassess objectives of action for Panama
Quality and impartiality of experts	L	EU Delegation will ensure effective tender procedure and selection of high-quality experts, and regularly engage with the experts to facilitate high-quality deliverables.

3.4 Communication and EU 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 Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

(a) The programme will be implemented via a service contract.

(b) Indicative timing: a call for tender will be launched in third quarter 2019 under a suspensive clause prior to the adoption of this decision. This is justified for the following reasons: the project is meant to be responsive to the discussion of the Association Committees, as well as the Civil Society Forum, that was held on 26 June 2019, and should be launched in concomitance to next year Civil Society Forum, foreseen for June 2020.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	3.0
Total	3.0

4.3 Organisational set-up and responsibilities

A Steering Committee will be established to ensure proper project governance and strategic orientation. The Steering Committee will include representatives of relevant EU services in Headquarters and in Delegations covering Central America as well as the project implementation team. It will meet at least once a year, starting with a kick-off meeting during the inception phase of the project.

Relevant EU services will also provide regular technical support relevant to their respective areas of expertise and to ensure coherence of this action with the thematic/sector specific priorities and the political dialogues that the EU has with Central America and each of its countries.

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.

¹ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

Of the Commission Implementing Decision on the 2019 Annual Action programme for the Partnership Instrument

Action Document for Due Diligence Helpdesk for EU SMEs dealing with Iran

1 KEY IDENTIFICATION DATA

Title of the Action	Due Diligence Helpdesk for EU SMEs dealing with Iran			
Country/region/global	Iran			
Sector of intervention	Sanctions policy			
Indicative budget	Total: EUR 2 000 000 EC contribution: EUR 2 000 000 (100 %) Other contributions: NA			
Duration and target start date of implementation	24 months – June 2020			
Method of implementation	Direct management - Procurement			
Legal basis	Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	99810			
Markers	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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"/>
	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"/>

2 RATIONALE AND CONTEXT

2.1 Action summary

Despite the lifting of sanctions under the Joint Comprehensive Plan of Action with Iran, a number of EU restrictive measures remain in place, relating in particular to human rights concerns, proliferation of restricted goods and technology and support for terrorism. EU firms interested in engaging with Iran for legitimate business must consider whether their activities would fall under the restrictive measures applicable and ensure appropriate due diligence procedures are carried out before engaging in any business activity.

The proposed action will set up an EU Due Diligence Helpdesk targeting especially EU Small and Medium-sized Enterprises (SMEs). This Helpdesk would carry out due diligence checks such as checking of local registers, translations from Farsi, information requests to public authorities, simple background checks, etc. Due diligence checks would be performed for specific business projects pursued by EU businesses in Iran or for trade opportunities with business partners based in Iran. Besides creating business opportunities for EU firms, the action would help boost the EU's image as an influential global player and reliable partner.

2.2 Background/Context/Rationale for PI funding

The Joint Comprehensive Plan of Action (JCPOA) on Iran's nuclear programme was concluded on 14 July 2015 after many years of diplomatic efforts led by the EU High Representative between China, France, Germany, Russia, the United Kingdom and the United States, on the one hand, and Iran, on the other hand. Iran agreed to strict limitations to its nuclear programme in exchange for the lifting of nuclear-related sanctions. These were lifted on 16 January 2016 after the International Atomic Energy Agency (IAEA) had verified that Iran had fulfilled its commitments. On that day, the EU legislative framework providing for the lifting of economic and financial nuclear-related sanctions entered into effect. Since then, the IAEA has issued 15 verification and monitoring reports confirming that Iran is complying with the JCPOA.

Following the decision of the United States (US) to withdraw from the JCPOA and re-instate previously lifted sanctions, the EU and its Member States have emphasised their continued commitment to the full and effective implementation of the JCPOA, including efforts to ensure the positive effects of sanctions-lifting on trade and economic relations between Iran and the EU.

At the same time, a number of EU restrictive measures remain in place, relating in particular to human rights, proliferation of restricted goods and technology and support for terrorism. Business with Iran is legal and legitimate, as long as businesses avoid dealing with sectoral restrictions or entities designated under any of these EU restrictive measures that are still in place.

European businesses interested in doing business with Iran must therefore consider whether their activities would fall under the restrictive measures applicable and ensure that appropriate due diligence are carried out before engaging in any business activity. However, SMEs are not always able to allocate resources to carry out due diligence checks. To avoid uncertainty about the legality of potential business with Iran, they may therefore be inclined to abstain from pursuing legitimate business opportunities.

2.3 Lessons learnt

The proposed action builds upon a previous action financed under the Partnership Instrument “*Due diligence for EU operators related to Iran*”, incorporating in its framework notably a “due diligence concept” elaborated under this previous action.

Furthermore, the action is complementary to other initiatives to promote SME engagement with Iran currently under consideration by the European Commission. This includes, e.g., a Q&A note based on the final report in the previous action on “*Due diligence for EU operators related to Iran*”, or an online tool for SMEs to give a first orientation on restrictive measures exposure and due diligence needs for SMEs.

The proposed action would also usefully complement the payment mechanism with Iran, the Instrument in Support of Trade Exchanges (INSTEX), which the E3 (France, Germany and the United Kingdom) are currently setting up.

2.4 Coherence and complementarity

The proposed action supports the sanctions-lifting which is conducive to promoting and facilitating the development of normal economic and trade contacts and cooperation with Iran, in particular in relation to economic benefits deriving from the JCPOA.

2.5 EU added value

The European Commission supports efforts to encourage trade with Iran in the wake of the conclusion of the JCPOA and encourages European businesses to seize the commercial opportunities arising from the lifting of sanctions. While sanctions implementation is a responsibility of EU Member States, the European Commission is well-placed to provide assistance to European businesses having to deal with due diligence on an equal footing.

2.6 Cross-cutting issues

The proposed action is part of the EU’s multi-track response to the US withdrawal from the JCPOA. As such, it aims to support the full and effective implementation of the JCPOA and to ensure that the economic benefits deriving from the agreement are still in place.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of the action is to support EU SMEs willing to engage in trade with Iran, which is legitimate under EU law in the framework of the EU’s continued commitment to the JCPOA.

The specific objectives of the action will be to:

- Provide concrete support to EU SMEs by carrying out due diligence checks on EU restrictive measures compliance for specific business projects.
- Help reduce transaction costs for EU SMEs dealing with Iran.
- Encourage EU businesses to engage in Iran by applying a due diligence concept based, *inter alia*, on principles elaborated within the framework the framework of the Commission’s preceding action financed under the Partnership Instrument “*Due diligence for EU operators related to Iran*”.

- Reassure European banks, which may be currently reluctant to handle transactions involving Iran by providing EU SMEs with well-researched documentation on their Iranian business partners.
- Demonstrate the EU's continued commitment to the JCPOA by committing significant funds to improving EU-Iran trade.

The planned activities will include setting up an EU Helpdesk for SMEs dealing with Iran. The Helpdesk would act as central contact point for EU SMEs having questions concerning due diligence for specific business projects in Iran.

The Helpdesk would in particular provide the following services:

1. First-level due diligence orientation and checks

- general guidance information;
- information on due diligence checks and the necessary information in Farsi;
- treatment of individual requests for support.

2. Second- and third-level due diligence checks

- checks at the Iranian public registers (State Organisation for the Registration of Deeds, Tehran Stock Exchange, etc.);
- identification of Shareholders, Members of the Board, Ultimate beneficial owners, etc.;
- checking of sanctions lists;
- checking of media databases in English and Farsi;
- site visits;
- checks of the business activities of the Iranian business partners;
- reputational checks at with local sources and/or the international business community;
- interviews with the management of the Iranian business partners;
- providing simple translations from Farsi to English of documents collected.

3. Ancillary services

- provide information on due diligence checks and the services of the Helpdesk on a webpage;
- connect the interested SMEs with relevant stakeholders in Europe or Iran, e.g. chambers of commerce or other consultants who could provide further orientation or work on due diligence;
- provide information on reliable sources and contacts in Iran (translators, service providers, chamber of commerce, consultants, embassy, relevant public institutions);
- link to relevant information on EU restrictive measures concerning Iran;
- provide information on and establish a contact working relationship with INSTEX

for to advise suitable SMEs;

- conduct an information campaign to reach out to as many stakeholders concerned by the proposed action as possible (e.g. information events, reach-out to stakeholder organisations, advertisements in paper or online publications, etc.);
- feedback loop from the provider of the Helpdesk services to the European Commission, including quantitative and qualitative experiences, lessons learnt, feedback from users of the Helpdesk, cooperation with Iranian entities, etc.

3.2 Stakeholders

Target groups of this action include EU companies (primarily SMEs) which do business with Iran. In light of re-imposed US sanctions against Iran, EU SMEs constitute a suitable group of stakeholders for the proposed action. According to the most recent available statistical data, SMEs made up 81% of all EU businesses exporting to and 80% of all EU businesses importing from Iran in 2016 (an increase of 4 percentage points and 5 percentage points compared to 2015, respectively).¹ In particular, SMEs without any business/economic exposure to the United States may consider engaging more actively with Iran if potential concerns about the applicability of EU restrictive measures were alleviated.

However, while being aimed at SMEs, the action would allow for flexibility in target groups: Since a high degree of “self-selection” by EU entities interested in dealing with Iran is expected, there does not appear to be a need to limit the action exclusively to SMEs. Other stakeholders that could potentially benefit from the action may include non-profit organisations and, occasionally, businesses exceeding the size of regular SMEs.

Indirectly the proposed action also aims to reassure European banks, which are currently cautious in handling transactions with ties to Iran. By endorsing an action that would equip EU SMEs with well-researched documentation of their Iranian business partners, the Commission may contribute to convince European banks of the legitimacy of trade with Iran within the framework of the remaining EU restrictive measures.

Moreover, the action would reinforce efforts by the E3 (France, Germany and the United Kingdom) to set up a payment mechanism with Iran (INSTEX). SMEs would likely be among the target audience of INSTEX, but would still face the need to conduct the necessary due diligence checks for compliance with restrictive measures. The proposed action would therefore usefully complement the services provided by INSTEX.

3.3 Risk assessment and management

Risk description	Risk level (High, Medium, Low)	Mitigating measure
In the context of the current political dialogue with Iran, there is a risk that Iran could disengage from the JCPOA before the project would be implemented.	H/M	The political situation will be followed closely by the related services and advice on project adjustments given.

¹ Source: Eurostat TEC database (last update: 24 August 2018).

The Commission could be criticised for committing insufficient or too generous funds to the action.	M/L	Any such criticism would depend on how quickly the available contingent would be used up.
Providing due diligence checks on restrictive measures is a novel approach and there is a risk that the Commission could be held accountable for each advice given by the performer of the due diligence checks.	M/L	The performer of the due diligence checks would only be expected to perform due diligence checks to the best of its abilities (and not to guarantee the absence of any risk of violating restrictive measures). Appropriate disclaimers excluding any risk of legal responsibility by the Commission will, nonetheless, be important in this regard.
The action is focused solely on EU restrictive measures. It will not take into account extra-territorial sanctions to which EU SMEs could potentially be exposed. ²	M	EU SMEs without US nexus ³ are the primary target group of the proposed action.

3.4 Communication and EU 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 Action⁴, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Under Auxiliary Services specific outreach activities will be undertaken to make the due diligence service known among the relevant business audiences which are active in relation to Iran.

² The EU does not recognise US extra-territorial sanctions and will not commit funds to perform due diligence checks for US sanctions compliance.

³ There is no simple description of what a US nexus could be, but considerations may include whether the EU operators would have: (i) U.S. subsidiaries, branches or offices; (ii) U.S. citizen or permanent resident employees; (iii) U.S. counterparties or financiers; (iv) dealings in U.S.-origin goods or services; (v) activities conducted in or through the U.S.; or (vi) transactions denominated in USD.

⁴ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

(a) The programme will be implemented via a service contract.

(b) Indicative timing: a call for tenders has been launched on 26 July 2019 under a suspensive clause prior to the adoption of this decision. This is justified because the EU wishes to keep the momentum of concrete actions in support to of the JCPOA.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	2.0
Total	2.0

4.3 Organisational set-up and responsibilities

The proposed action will be implemented under the guidance of the Project Steering Committee, which will include relevant services of the European Commission and the European External Action Service. This combination will contribute to aligned objectives and effective implementation.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded.

Of the Commission Implementing Decision on the 2019 Annual Action programme for the Partnership Instrument

Action Document for International Ocean Governance: EU component to Global ocean observations

1 KEY IDENTIFICATION DATA

Title of the Action	International Ocean Governance: EU component to Global ocean observations			
Country/region/global	Global, in particular G20 and G7			
Sector of intervention	Marine knowledge 410 : general environment protection, 41010 environmental policy, 41082 environmental research			
Indicative budget	Total: EUR 2 000 000 EC contribution: EUR 2 000 000 (100%) Other contributions: NA			
Duration and target start date of implementation	24 months – 1 st quarter 2020			
Method of implementation	Indirect management with Mercator Ocean International			
Legal basis	Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	41010 - Environmental policy and administrative management, 41020 Biosphere protection			
Markers	General policy objective	Not targeted	Significant objective	Main Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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 type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

2 RATIONALE AND CONTEXT

2.1 Action summary

Ocean observations are critical data necessary for ocean health, climate change monitoring and implementation of EU ocean-related policies. Europe is making significant investments in the domain of Ocean Observations through two major programmes, the Copernicus programme and the Horizon 2020 programme. It is also committed to contribute to several international initiatives impacting ocean observations such as the International Ocean Governance, the G7 membership, and the Global Earth Observation (GEO) intergovernmental partnership.¹

The Overall Objective of this action is to make the EU more visible as a global actor, defend its interests and strengthen its influence in international decision-making bodies related to the collection and use of ocean observations.

Therefore, the Specific Objectives of the PI action are to:

- Strengthen its participation and influence in two overarching international programmes to promote European assets and defend European interests in international decision-making in:
 - o GEO – Global Earth Observation - through its ocean component GEO Blue Planet
 - o GOOS – Global Ocean Observing System - through its G7 coordination centre;
- Ensure increased deployment and better access to global ocean observations that will support the high quality and sustainability of the Copernicus Marine and Climate Services;
- Contribute to the development of sustainable practices at sea for marine and maritime applications in line with the Sustainable Development Goals and the International Ocean Governance.

PI funding is requested to ensure that these international activities important for the EU from a policy and visibility point of view can be developed immediately, while sustainability will be provided by DG RTD in the next Financial Framework.

The two initiatives GEO Blue Planet and the GOOS G7 coordination centre cover countries worldwide. The PI action will focus on the coordination with EU Member States and Atlantic, Arctic and African countries while the international partners (NOAA², CSIRO³, IOC⁴) will deal with Americas, Middle East and Asia.

¹ GEO is the Global Earth Observation partnership signed by more than 100 national governments and 100 Participating Organizations to develop the Global Earth Observation System of Systems (GEOSS) integrating existing observing systems and data infrastructures for the benefit of human kind.

² National Oceanographic and Atmospheric Administration of USA

³ Commonwealth Scientific and Industrial Research Organisation of Australia

⁴ Intergovernmental Oceanography Commission of UNESCO

2.2 Background/Context/Rationale for PI funding

Background and context

Ocean health has rightly been recognised as a crucial economic development issue through the agreement on the United Nations Sustainable Development Goals targeted at the oceans (SDG⁵ 14: Life Below Water) and the proclamation of a Decade of Ocean Sciences for Sustainable 47 Development (2021 – 2030).

GEO (Global Earth Observation) initiative: *Ocean and Society – "Blue Planet"*: GEO Blue Planet works to ensure the sustained development and use of ocean and coastal observations for the benefit of society by promoting collection of continuous ocean observations, processing of data into information and linking this information with societal needs. GEO Blue Planet tackles the end of the value chain from observations to applications based on a network of ocean and coastal-observers, social scientists and end-user representatives from a variety of stakeholder groups.

GOOS (Global Ocean Observing System) is the unique international programme executed by the Intergovernmental Oceanographic Commission (IOC) of the UNESCO to contribute to the United Nations Conventions on climate change, on biodiversity and the operational ocean services shared by IOC and the World Meteorological Organisation. It coordinates the long-term deployment and sustainability of all ocean observations at sea, provided for by 148 Member States.

G7 Tsukuba communiqué, Chair's summary of the 2018 Halifax Joint Ministerial Meeting: In 2016, the G7 Science and Technology ministers recognising the importance of tackling global challenges such as climate change, food, marine litter or biodiversity conservation decided to increase their cooperation for the "Future of the Seas and Oceans". Three lines of actions were agreed to be implemented with a G7 coordination centre hosted in GOOS⁶: to 1) enhance global ocean routine observation and strengthen collaborative approaches for the development of regional observing capabilities based on regular system assessment; 2) set up dedicated ocean observatories to tackle coastal challenges and 3) make all available in data sharing infrastructures.

The Copernicus programme: The Commission launched in 2014 the Copernicus programme to establish an operational European capacity to deliver Earth Observation data and information in the fields of environment, emergency management and security. Copernicus is composed of six families of satellites and six thematic public services about land, atmosphere, climate change, ocean, emergencies and security. The Copernicus Marine Service delivers on ocean state and ocean health information to report to international programmes, support the EU policies development and foster blue economy.

Horizon 2020 Ocean Observation activities: The overall objective of H2020 Ocean Observation activities is to maximise the benefits for European citizens of the Ocean observation infrastructures by developing innovative service supporting resilient societies, completing the ocean in-situ component of GEOSS and Copernicus and enabling the sharing and full, open and unrestricted access to validated Ocean observation datasets.

⁵ SDG – Sustainable Development Goals

⁶ <http://www.gooscean.org>

The European commitments:

- The Commission (DG RTD, DG ENV) is a member of G7 and committed to the “Future of seas and oceans” and the “Plastics” initiatives.
- The Commission (DG RTD) co-chairs GEO together with the USA, South Africa, and China and is member of the GEO Blue Planet Steering Committee.
- DG RTD together with DG GROW and the EU countries members of GEO implement the European contribution to GEO.
- The Commission (DG GROW) placed international agreements with foreign countries such as USA, Australia, and Africa to promote Copernicus worldwide.
- In 2016, in the frame of the International Ocean Governance, the Commission (international ocean governance objectives) together with EU's High Representative, proposed 50 actions for safe, secure, clean and sustainably managed oceans in Europe and around the world

Rationale for an FPI action

The Commission and the four EU Member States in the G7 have agreed to contribute to the GOOS G7 coordination centre. The Commission has been invited by the GEO Blue Planet office to contribute to the share of the governance and technical actions of GEO Blue Planet for a better uptake and visibility of relevant European actions within GEO. EU Member States fund 25% of global ocean observation networks.

DG RTD and DG GROW propose a PI project to formalise and implement a consistent EU contribution to the GOOS G7 coordination centre and GEO Blue Planet based on current European assets e.g. EUROGEOSS⁷ and the Copernicus Marine Service. The PI action and the EU contribution to these two international programs will focus on Europe, Atlantic coast, Arctic and Africa based on existing alliances⁸.

The project responds to objective 1 of the PI Multi-annual Indicative programme 2018-2020 considering the following targets for cooperation and fulfils some political frameworks already in place and to be further implemented:

- Foster international cooperation and exchange of data and best practices on strategic topics such as climate challenges: contribution of the ocean to Green House Gas emissions and CO₂, interactions between ocean and climate change, on the marine ecosystems and implementation of related SDG indicators;
- Contribute to the development of environmentally friendly blue economies in favour of renewable energies, low carbon society and sustainable management of marine resources;
- Support the effective implementation of agreed cooperation such as the Copernicus cooperative agreements with Australia, USA, the African Union for Earth Observation data exchange, the Galway and Belem statements for the Atlantic signed with Canada, USA, Brazil, and South Africa;
- Act as a global player in the international ocean governance and in implementing of the sustainable development goals (SDG14, SDG13 and others). All six areas of interventions of the international ocean governance can benefit Europe and its partners from better

⁷ EuroGEOSS is Europe's part of the Global Earth Observation System of Systems of GEO.

⁸ Atlantic: Belem and Galway statement agreements; Arctic: the Arctic Circle conference and Kepler H2020 project; Africa: DEVCO GMES-in-Africa projects and Copernicus cooperation Agreement.

coordination in ocean observations: blue economy, climate change monitoring, sustainable fisheries, maritime security, marine pollution, and marine protected areas.

The project also contributes to objective 4 - public diplomacy by implementing actions that illustrate internationally and re-inforce EU ongoing strategies and programmes:

- The Commission strategy to take a leading position in the International Ocean Governance;
- The Space Strategy and internationalization of Copernicus in line with Space Strategy, including the development of competitiveness of European industry;
- The contribution of European stakeholders to the GOOS strategy for 2030;
- The Marine Strategy Framework Directive implementation for the enhancement of ocean observations, biodiversity conventions taking care that international agreements on Essential Ocean Variables are compatible of European reporting standards;
- The development of common methodologies and data information service for the implementation of SDGs indicators;
- The development of the blue cloud as part of the European Open Science Cloud and the EU digital agenda for ocean.

This PI action directly supports EU policies related to the international ocean governance, the integrated maritime policy and its environmental pillar, the Marine Strategy Framework Directive, Marine Knowledge, the EU commitments taken at the Our ocean conferences and Conference of the Parties on Climate, the implementation of Sustainable development Goals, United Nations Decade on Ocean Science for Sustainable Development, biodiversity conventions, climate policies and the SOLAS⁹ convention (law of the sea). As such, DG GROW and DG RTD will closely monitor the project in cooperation with DG MARE and DG ENV involved in above policies.

2.3 Lesson learnt

The PI action proposed is the first one addressing this specific sector of activity (ocean observations) and is meant to initiate a new activity for the Commission with the international in-situ ocean observations community.

Past projects by DG GROW and DG RTD indicate that the development and maintenance of ocean observation networks is very complex. In particular, in-situ ocean observations are crucial for the quality of weather forecasts, ocean forecasts and climate models, as well as satellite data. Unless such data is provided for all oceans, models cannot correctly replicate the behaviour of the earth system, lacking accuracy and usefulness. As such, investment in the deployment of sensors at sea has to be done at global level and be coordinated to cover sufficiently all ocean regions. Such investments are also technically complex and costly. The degradation of equipment at sea requires also that networks be permanently monitored and replaced in the long term. Furthermore, new developments are needed to advance observations, notably to measure biological variables and to make observations at depths exceeding 2000 metres. Only truly worldwide efforts can ensure a fit-for-purpose ocean observation system deployed by 2030 that is able to provide the measurements needed for the big societal challenges.

⁹ Safety Of Life At Sea

Operating such networks, taking scientifically based decisions for funding and deployment requires the establishment of sustainable infrastructures and knowledgeable teams that can deal with it in time. The Commission has recognised this and therefore established:

- European research Infrastructures such as EURO-ARGO, EMBRC, EuroFleet to deal with in-situ networks deployment in and by Europe;
- The Copernicus marine service, delegated to Mercator Ocean International to deal with the space component;
- Calls for proposals for ocean and Earth observation tools and systems in successive framework programmes for research and innovation.

The PI action's purpose is to implement the next step: to link EU stable infrastructures with international stable counterparts in a way that it can be maintained over time.

2.4 Coherence and complementarity

Developing a global ocean observation capacity is at the heart of networks needed for climate change monitoring and implementation of environmental directives such as the Marine Strategy Framework Directive in Europe. Access and publication of data is core to the EU digital agenda to foster science and competitiveness. Sustainable blue growth will remain a high priority for development in the next regulation.

This is recognised in the strong involvement of the Commission and the External Action Service in the international ocean governance, the contribution of major European institutes in EuroGOOS and the international GOOS strategy, the strong contribution of Copernicus up to 2030 to CEOS¹⁰, the development of sustainable European research Infrastructures for ocean and marine biology or CO₂.

The goal is also to take this opportunity to reinforce existing cooperation agreements with the USA, Australia, Atlantic countries and the African Union signed by the Copernicus program and within the Belem and Galway statements. The PI action will relay other EU actions at international level and bring them closer to international decision-making from which they could benefit: the PI action related to “Environmental Diplomacy in G7/G20”, Copernicus, EuroGEOSS, European research Infrastructures managed by DG RTD, DG MARE information systems, the European Open Science Cloud or H2020 projects.

2.5 EU added value

Monitoring of ocean health, predictions of adverse effects and weather, scientific projections of climate change at decadal or centennial scale relying on representative ocean circulation, require access to in-situ and satellite ocean observations at global scale sustained and consistent during decades that cannot be achieved at the level of a Member State nor at European level only.

As such, Member States and scientists are organised to assess what is to be measured, how and where to achieve this technically and financially thanks to overarching international programmes such as GCOS (The Global Climate Observing System), GOOS (the Global Ocean Observation System) or GEO (The Global Earth Observation Partnership) to which some European Member States contribute but not Europe as a whole. The European

¹⁰ Committee on Earth Observation

Commission also supported the creation of several legal structures as ERICs (Euro_argo, EuroFleet, EMBRC, ...) to provide the right European coordinated framework to deal with these issues. The European Commission is actively involved in the G7 Future of the Seas and Oceans Initiative and GEO/GEOSS.

This PI action will ensure that European assets and investments are leveraged and further European requirements for observation be considered at the international scale within the right decision-making bodies.

2.6 Cross-cutting issues

The PI action addresses in priority “Climate and biodiversity” objectives from the RIO convention.

As reported by the Intergovernmental Panel on Climate Change (IPCC), the ocean plays a central role in regulating the Earth’s climate. Their Fifth Assessment Report published in 2013 revealed that it has thus far absorbed 93% of the extra energy from the enhanced greenhouse effect, with warming now being observed at depths of 1,000 m. This has led to increased ocean stratification, changes in ocean current regimes, and expansion of depleted oxygen zones. Changes in the geographical ranges of marine species and shifts in growing seasons, as well as in the diversity and abundance of species communities are now being observed. At the same time, atmospheric warming is leading to the melting of inland glaciers and ice, causing rising sea levels with significant impacts on shorelines (coastal erosion, saltwater intrusion, habitat destruction) and coastal human settlements. CO₂ emissions are also making the ocean more acidic, making many marine species and ecosystems increasingly vulnerable such as corals, plankton and shellfish.

Copernicus annually monitors and reports of the global ocean health and European climate (Copernicus ocean state report¹¹ and European state of the Climate) in line with the IPCC indicators and supporting the implementation of the SDGs indicators. In order to achieve such regular and scientifically peer-reviewed reporting based on long-term monitoring of global ocean and European regional sea-basins, in-situ ocean observation and satellite capacities need to be deployed at sea and maintained. Such an effort can only be achieved at international level while also benefiting the whole in return.

3 ACTION DESCRIPTION

3.1 Objectives

Overall Objective:

The objective of the project is to promote European policy values and assets on the international stage and defend European interests in international decision-making bodies addressing ocean observations and the development of marine and maritime applications in line with the sustainable development goals and the International Ocean Governance.

¹¹ <http://marine.copernicus.eu/science-learning/ocean-state-report/>, <https://climate.copernicus.eu/ESOTC>

Specific Objectives:

1. Participate to two international programmes related to global ocean observation systems and its user uptake, the GOOS G7 coordination centre and GEO Blue Planet to defend EU positions: support the space strategy, the international ocean governance objectives, European research Agenda, ensure worldwide recognition of the EU contribution to ocean observations and ocean monitoring, and ensure that European priorities are taken into account in related associated international decision-making;
2. Consolidate the performances of the Copernicus marine and climate services by improving the deployment and access to critical ocean observations used in combination with Copernicus satellites to produce information products in support to EU policies;
3. Contribute to the development of sustainable practices in four geographical areas Europe, Arctic, Africa and Atlantic coasts: Facilitate access to additional sources of ocean observations and science outside EU to foster the development of marine applications in line with the Sustainable Development Goals and the International Ocean Governance.

Expected outcomes:

1. Improving the collection and share of ocean observation infrastructures and data, already existing at international and European levels that enable the monitoring of European waters and open oceans in support to a sustainable climate transition (e.g. with Copernicus forecasts and climate projections, National environmental services of higher quality);
2. Developing a step-change approach to move from raw data to the development of common products and indicators consistent with European Marine Strategy Framework Directive indicators;
3. Fostering a global international in-situ observation long-term strategy complementary to satellite observation driven closely with the modelling community, in the perspective of monitoring the impacts of climate change on ocean health and ecosystems ;
4. Increased awareness of the societal benefits of ocean observations at the public and policy levels and contribution to the development of sustainable practices related to resilience to climate change, renewable energies and sustainable fisheries, based on European assets.
5. Consolidation of partnerships with Atlantic, Arctic and African countries based on exchange of data and joint capacity building.

Work plan:

Actions will be developed in the thematic focus areas of GEO Blue Planet and GOOS G7 coordination centre (coastal communities, ecosystem health, blue economy, maritime awareness, and climate) according to the existing timelines of both programs¹². The PI work plan includes three pillars of activities:

1. Scientific diplomacy: contribute to strategic planning and co-coordinate actions in the GOOS G7 coordination centre and GEO Blue Planet based on existing European investments (cf. § 2.4) and ensure their promotion to main international stakeholders (e.g. G7 Member States, European Member States, regional sea conventions, GEO Members, OECD, African, Arctic and Atlantic stakeholders);

¹² Draft work plan for the G7 coordination centre, Feb. 2019; GEO Blue Planet Implementation Plan, v2.0, March 2019

2. Technical coordination: co-animate and contribute to scientific and technical working groups including developing specific actions in relation to the main priorities of the Commission and EU Member States;
3. Scientific and societal awareness and outreach: engage with actors along the value chain to promote the use of ocean observations, the development of sustainable applications and best practices related to seas and oceans with training, technology transfer and scientific exchanges across regions addressed by Europe.

3.2 Stakeholders

To ensure its success, the PI action benefits from the current European organisations, investments and infrastructures available in ocean science, operational oceanography and Earth Observation (space and in-situ) presented in §2.4. International diplomacy will be carried out in close cooperation with the External Action service.

The action will be driven in close cooperation with some international partners:

- NOAA in USA: implementing long term cooperation with Europe in the space sector for oceanography (Sentinel-6 and Jason), co-chairing the GEO and GEO Blue Planet;
- CSIRO in Australia : member of GEO, having signed a cooperation agreement with Copernicus in 2015 and supporting the secretariat of GEO Blue Planet;
- POGO, in UK: the Partnership for Observation of the Global Ocean (POGO), an international consortium of oceanographic research institutions whose mission is to support the implementation and innovation of global ocean observations,;
- The Intergovernmental Oceanographic Commission which is the representative for ocean matters for the United Nations through from UNESCO¹³;
- The other G7 countries that subscribed to the Future Seas and Oceans initiative.

3.3 Risk assessment and management

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Diplomacy with core partners: USA, Australia, UK: <i>Possible low access to their ocean observations and lack of coordination of investments.</i>	L	Reallocation of the work between the other partners and co-chairs of programs to define top priorities acceptable at international level
Loose process of coordination with GEO Blue Planet and the G7 coordination centre:	L	Existing work plans for GOOS G7 coordination centre and GEO Blue Planet. Annual and multi-annual work plan with partners driven by the EU

¹³ UNESCO's Intergovernmental Oceanographic Commission (IOC) promotes international cooperation and coordinates programmes in marine research, services, observation systems, hazard mitigation, and capacity development in order to understand and effectively manage the resources of the ocean and coastal areas. IOC holds a universal mandate and global convening power for ocean science and capacity development in support of the 2030 Agenda and its sustainable goals. Cf. <https://en.unesco.org/sdgs/ioc> and <http://www.unesco.org/new/en/natural-sciences/ioc-oceans/about-us/>

<i>Possible lack of concrete results</i>		team will be prepared with activities focused on top priorities for EU: Europe, Arctic, Atlantic, and Africa.
Implementation delays given the volume of technical work and communication to handle: <i>Possible delays in achieving expected outcomes</i>	L	Risk mitigated by the approval of annual work plans between partners. Targeted geographical and thematic areas of interventions areas. roadmap prepared at the end of the PI action for the continuity of actions in the next MFF.

3.4 Communication and EU 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 Action¹⁴, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The specific objectives and proposed work plan identifies a dedicated work package to ensure visibility of EU assets and strategic interests in the international fora and to revert to European actors: Member States, research infrastructures, Commission DGs and delegations on the progress achieved. This will include a communication and visibility plan with:

- Objectives of communication in line with PI general and specific objectives and RIO convention markers;
- Targeted community such as scientists, service providers, public authorities in Europe, Africa, Atlantic countries (having signed the Belem and Galway statements) and Arctic;
- Tools and channels of communication that can also support scientific exchange and transfer of technology;
- Key indicators to assess the communication achievements.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1 Indirect management

This action may be implemented in indirect management with Mercator-Ocean International. This implementation entails development and implementation of activities in the thematic focus areas of the existing programmes GEO Blue Planet and GOOS G7 coordination centre.

The envisaged entity has been selected according to its strong expertise in the relevant areas. In particular, Mercator-Ocean International has been entrusted by DG GROW to operate the Copernicus Marine Service since 2015 on behalf of the Commission under a Delegation

¹⁴ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

Agreement (in line with REGULATION (EU) No 377/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 3 April 2014 establishing the Copernicus Programme and repealing Regulation (EU) No 911/2010”, see article 11). Mercator-Ocean International was also chosen in order to ensure, together with the work of the Steering Committee, the ownership of the project by the EU and its visibility.

Mercator Ocean is a non-profit company governed by private law under French law with a public service mission. This legal entity meets the requirement of the Financial Regulation Article 62 (1) c) (vi) which allows for indirect management with bodies governed by private law with a public service mission.

The entity identified above, has undergone a pillar-assessment of its systems and procedures carried out by DG GROW in 2014. Based on its compliance with the conditions, other indirect management actions were awarded to the entity and based on a long-lasting problem-free cooperation, the entity can also now implement this action under indirect management.

If negotiations with the above-mentioned entity fail, this action may be implemented in direct management in accordance with the implementation modalities identified in section 4.1.2.

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

Where this preferred modality cannot be implemented due to circumstances outside of the Commission’s control, the alternative implementation modality in direct management is a service contract through procurement. In this case, the call for tenders is expected to be launched in 1st Quarter 2020.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Indirect management with Mercator Ocean International</i>	2.0
Total	2.0

4.3 Organisational set-up and responsibilities

The project will be monitored by relevant EU services through a project coordination team., that will be established to report on the project achievements, and make recommendations for the annual work plan. Relevant Commission services and EEAS will be invited to join to link with major EU policies (i.e. the Marine Strategy Framework Directive, the Arctic policy, the International Ocean Governance action), other on-going programmes (i.e. the GMES-Africa programme, Horizon Europe) and PI actions related to International Ocean Governance. The steering committee will be convened at least twice a year.

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 and corporate 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:

- Bi-annual progress reporting to the project team and FPI: including technical achievements, communication achievements; risks monitoring and major expected milestones in the next reporting period;
- Annual review with the steering committee;
- Annual work plan including the communication plan to be approved by the FPI and the project team;
- Final reporting including the roadmap for the continuity of the action.

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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

Of the Commission Implementing Decision on the 2019 Annual Action programme for the Partnership Instrument

Action Document for International Urban and Regional Cooperation

1 KEY IDENTIFICATION DATA

Title of the Action	International Urban and Regional Cooperation (IURC): Sustainable and innovative cities and regions			
Country/region/global	Americas: Argentina, Brazil, Canada, Chile, Colombia, Mexico, Peru and the United States Asia: China, India, Indonesia, Japan, Malaysia, Republic of Korea, Thailand and Vietnam Pacific: Australia and New Zealand			
Sector of intervention	Sustainable Urban Development, innovation			
Indicative budget	Total: EUR 12 000 000 EC contribution: 12 000 000 (100 %) Other contributions: NA			
Duration and target start date of implementation	36 months – 1 st quarter 2021			
Method of implementation	Direct management – Grant Direct management – Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	43030 - Urban development and management			
Markers	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	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"/>
	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"/>

2 RATIONALE AND CONTEXT

2.1 Action summary

The action represents a second phase of the International Urban Cooperation programme (IUC) with a view to taking forward, and developing, the first phase, 2016-2020, as part of a long-term strategy to foster urban diplomacy as an important vehicle of the EU's external relations. Reflecting the interest outside the EU in the EU's decentralised approach to promoting competitiveness through innovation in a way that takes into account the particular specificities and potential of various territories and therefore the increasing role of inter-regional cooperation in the new phase compared to IUC I, the name has been changed to International Urban and Regional Cooperation (IURC).

The proposed second phase aims to lead and develop international urban and regional co-operation in key partner countries and regions focusing mainly on Asia and the Americas that were prioritized under phase 1, while opening up to countries where previous actions have shown much interest in working with EU in these fields, notably in Republic of Korea, South-East Asia and Australasia on sustainable urban development and China and Japan on regional innovation.

Starting from the principles and priorities underlying the EU model of territorial development – including the Urban Agenda for the EU adopted in 2016 (UAEU) where sectoral initiatives are combined under an integrated, strategic vision - the programme will promote actions that deepen the understanding of this EU model through decentralised cooperation between cities on sustainable urban development and between decentralised authorities on regional (sub-national) innovation. Ultimately this action aims at fostering EU and third country actors to develop and implement mutually beneficial solutions to common challenges or challenges of global concern.

IURC will have two components or thematic strands of cooperation:

- City-to-city cooperation in the field of sustainable urban development, both one-to-one and, primarily, in thematic clusters with a focus on particular urban development themes based on the UN New Urban Agenda and the Urban Agenda for the EU. The clustering will be open in nature allowing cities that wish to develop a more intensive cooperation with a partner city to do so in a one-to-one pairing involving an EU city.

Priority will be given to involving cities in Asian countries that participated in phase 1, notably China, India, Japan while enlarging participation to cities of Republic of Korea, South East Asia and Australia as countries that have successfully engaged in pilot actions with EU cities; North America (Canada and the United States); Latin America, focusing mainly on those participating under IUC phase 1, notably Brazil and Mexico as the EU strategic partners in the region as well as Argentina, Chile Colombia, and Peru.

The concrete focus of the cooperation, for both the thematic clusters and the pairings, will be set out in Urban Cooperation Action Plans (U-CAPs), and understood as a shared document where cities have identified during a period of 18-24 months, actions to create in common, to capitalise or improve. The U-CAPs will allow cities to draw up plans to develop policy and practice under their chosen thematic priority¹, including joint pilot projects, and to contribute best practices from their own urban planning experience.

- Region-to-region cooperation in the field of innovation (between EU and, on the one hand, selected regions in Brazil, Mexico, Argentina, Chile, Peru and Colombia and, on the other, with selected regions in China and Japan). As for the city-to-city component, cooperation between

¹ For each priority/cooperation theme, cities would have to designate specific objectives supported by result indicators to facilitate follow up. The U-CAP will be designed to include activities even if they are implemented in only one city, but the relation with the pairing city or cities must be clearly detailed.

regions will be one-to-one and in thematic clusters. A limited number of regions (sub-national entities) will be selected to work together through partnership to improve and to internationalise their respective regional innovation strategies and clusters, including participation of SMEs in the innovation sector and promoting international value chains. The concrete focus of the cooperation, for both the thematic clusters and the pairings, will be set out in Regional Cooperation Action Plans (R-CAPs). In a similar way to the U-CAPs, the R-CAPs aim to be road maps for region-to-region cooperation (sub-national level).

2.2 Background/Context/Rationale for PI funding

The programme contributes to the delivery of international commitments articulated in the 2030 Agenda for Sustainable Development, supports the external dimension of "Europe 2020", while contributing to the development of EU's own regional and urban policy agenda based on external experience, and of the ten-year vision of the Member States in the Rome Declaration of 2017, notably with regard to the objective of a 'prosperous and sustainable Europe'.

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 and in the realisation of the Sustainable Development Goals, notably SDG 11 for sustainable and resilient cities. Both UN and EU recognize that the implementation of the 2030 Agenda requires a strategic, integrated and area-based approach that takes into account different territorial contexts.

As stated in the reflection paper "Towards a sustainable Europe by 2030", « ultimately, to be most successful in the green and inclusive economic transition, we have to get our global partners on board too and make the case that a global sustainable development model based on our core values and principles is the best way to achieve shared prosperity and a sustainable world. The EU's internal work on the SDGs and its external projection are therefore two sides of the same coin. It is in the EU's interest to play a leading role in the implementation of the UN 2030 Agenda also globally through its external action². »

The same paper also states that all levels of government have to be fully involved in the implementation of SDGs³. It should be noted that around 65% of the 169 targets of Agenda 2030 need local and regional engagement and action in order to be achieved. Moreover, there is a strong interest in localising SDGs by a very large number of cities and regions around Europe but also globally.

a) Cooperation in the fields of sustainable urban development

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 tandem with rapid urbanisation and there is a large demand for European expertise in urban policy and practice, which represents a market for European producers.

EU cities have made great strides in the development of a model where sectoral and transversal challenges (including governance issues) are tackled together in an integrated manner. The role-model recognition gained by many European cities refers to this integrated approach, as well as to the excellence of the technological/sectoral solutions applied.

² It also highlights that « by helping and encouraging others to follow our actions, the EU can push for a level playing field, where all compete under the same conditions. Furthermore, sharing EU solutions abroad leads to more jobs and higher sustainable growth, not only in partner countries, but also within the EU itself. »

³ « Action is needed at all levels. EU institutions, Member States and regions will have to be on board. Cities, municipalities and rural areas should all become drivers of change. Citizens, businesses, social partners and the research and knowledge community will have to team up. »

Urbanisation is an area of large economic and investment potential. The global urbanisation perspectives are huge. Urban renovation in order to achieve low-carbon city models includes the sectors of new and refurbished buildings, local transport, local energy-related infrastructures, nature-based solutions, and urban planning. Those sectors are in all evidence the most investment intensive sectors for the foreseeable future.

b) Cooperation in the field of innovation

Innovation has become a key factor for sustainable competitiveness and growth of cities and regions. Regional development is driven by the capacity of regional economies to adapt, change and innovate. Experience from the EU shows that regions are the place where knowledge is transferred, innovation systems are built and competition takes place to attract investments and talents.

EU regions' experience in policy setting, implementation and management with respect to clusters, Small and Medium Enterprise (SME) innovation inducing policies and Smart Specialisation Strategies (S3 or RIS3⁴) is particularly valued in Latin America where most countries aim to diversify their commodities-driven economies through innovation.

Inter-regional and trans-national collaboration in research and innovation is a key component of RIS3. The importance of the global economy, the international value chains and the innovation networks calls for a regional innovation policy that goes beyond borders. Inter-regional collaboration enables regions to combine complementary strengths, exploit their competences in research and innovation, obtain necessary support for building research capacity, overcome lack of critical mass and fragmentation and access the global value chains.

Knowledge will also be harnessed through valuable best practices and know-how from the H2020 EU funding of 3.1 billion euro on “Smart and Sustainable cities”, and the High Level Expert Group report on “The human centred city: opportunities for citizens through Research & Innovation”, which places emphasis on Social innovation and inclusion and a more holistic view of urban development, whereby citizens are seen as key actors of open innovation in urban resilience, their health and well-being.

c) Value of the Partnership Instrument

The PI is the only EU external action financial instrument that can be accessed to implement global cooperation of the nature envisaged in this proposal in an effective and comprehensive way.

2.3 Lesson learnt

The first phase has demonstrated the profound interest at the level of decentralised authorities inside and outside the EU to cooperate on territorial development themes leading to improved mutual understanding and new policy development while generating new commercial opportunities.

Experience highlights the need to approach the cooperation with non-EU countries in the sectors targeted by this programme through a multidisciplinary and multi-stakeholder approach involving public authorities at various levels (in the framework of policy dialogues) as well as academia, research and business communities. Therefore, under this approach, business cooperation takes place in the framework of an official regional and urban policy peer-level dialogue and exchange and is well embedded in national and regional urban and/or innovation strategies.

Experience, as well the Mid-Term Review of IUC, shows the importance of the existing IUC sharing knowledge platform and networking facilities and actions to facilitate cooperation and to support the implementation of the multilateral aspect of the programme as well as the organisation of the thematic city clusters. It also stressed that particular attention should be paid to ensure high visibility for

⁴ RIS3 stands for Research and Innovation Strategies for Smart Specialisation.

programme outcomes through the organisation of global events and the presentation of IUC in key cities' events (before new calls are launched) to enhance certainty and visibility for external stakeholders. Assistance provided to city pairings by pairing managers, thematic experts have been also crucial to deliver sound and high-quality action plans.

2.4 Coherence and complementarity

The programme proposal is global and aims at supporting the EU's policies and position internationally by tackling the global challenges of ensuring that urbanisation is sustainable, while promoting new opportunities and employment at the regional (sub-national) level through innovation and the development of international value chains.

On top of the overall scope, there are country specific considerations to be mentioned: the programme will be a key action to reinforce the EU-China Urbanisation Partnership and is a key support mechanism for the the Joint Declaration between the Government of India and the EU on a Partnership for Smart and Sustainable Urbanisation (2017). The EU-Latin America and the Caribbean (LAC) and most recent EU-Community of Latin American and Caribbean States (CELAC) Summits included innovation and cohesion as a bi-regional priority area together with the need to enhance economic linkages and investments.

This is also reflected in the new EU Strategy for Latin America and the EU-Brazil, EU-Chile and EU-Mexico Strategic Partnerships, as well as in agreements/arrangements established by the EU with other LAC countries, both at bilateral and regional levels. In their Strategic Partnership Agreement (2019) the EU and Japan foresee among other things the strengthening of cooperation on sustainable and integrated urban policies and practices. The new EU-Canada Strategic Partnership Agreement aims to advance EU-Canada sectoral cooperation, as well as to provide a platform for joint action on the international stage.

The programme will seek synergies to the maximum extent possible with other relevant initiatives. The programme will ensure coordination with a number of complementary EU actions. EU Delegations will be asked also to coordinate locally to look for these synergies with other actions.

Complementarity will be ensured with DG DEVCO-funded programmes on sustainable urbanisation and innovation in Asia and Americas. These include SWITCH Asia programme and EC-LINK.

Synergies will also be sought with Low Carbon Climate Action Projects in Republic of Korea, Mexico or Brazil, as well as with the Global Covenant of Mayors for Climate and Energy initiative.

DG RTD has an Innovation Dialogue with China, and a sectoral dialogue on Nature-based solutions and urbanisation with Brazil, which this programme will aim as far as possible to complement and build upon. Close coordination with DG GROW business promotion initiatives will be ensured as well as with DG JRC initiatives and platforms on sustainable urban development and smart specialisation strategies.

2.5 EU added value

The EU has much to offer in terms of urban policy and practice, with a diversity of urban situations and urbanisation models across the Union. EU urban policy has led to the creation of many networks of European cities offering a variety of experience in policy and practice.

It is clearly within the interest of the EU to strengthen its relations with its key partners by highlighting the European experience and drawing from theirs, and taking advantage of the European leadership in sustainable urban development and regional innovation, as well as promoting business links access in both investment fields. EU regions will also have the opportunity to finance projects developed under IURC with non-EU countries in the framework of EU regional development programmes.

Both the EU and countries outside the EU are bound together as signatories of the New Urban Agenda of the United Nations (NUA) adopted at the Habitat III Conference in Quito in 2016. In Quito, the EU committed to fostering cooperation between cities in the field of sustainable urban development with particular reference to IUC.

2.6 Cross-cutting issues

The project will contribute to project the EU model of regional and urban development based on key principles such as: working with the market (competition rules, public procurement); **equal opportunities; sustainable development, including fostering decent work; participative democracy**. The project contributes also to fundamental EU principles and values as **multilateralism** through its multi-stakeholder approach, involving local and regional authorities. It is the ownership on the ground on the part of regional and local authorities, the private sector, the research community and civil society that holds the key to the understanding of the realities and the formulation of effective responses to current global challenges.

Through IURC, the EU will further share its experience in promoting **innovation** at the regional level. In addition, IUC aim to build **resilience** through developing more innovative capacity in sub-national, regional economies.

3 ACTION DESCRIPTION

3.1 Objectives

The general objective is to lead and develop a form of decentralised international urban and regional co-operation whose main axes of activity would be two-fold: sustainable urban development and innovation in key partner countries and regions in line with the external dimension of "Europe 2020".

Specific objectives:

Specific Objective 1: Develop cooperation between EU and non-EU participating cities in order to improve and feed EU cities' practices on sustainable urban development

Specific Objective 2: Develop innovation cooperation between EU and, on the one hand, selected regions in Brazil, Mexico, Argentina, Chile, Peru and Colombia and, on the other, with selected regions in China and Japan.

Both objectives are solidly grounded in the EU economic and social model based, among other things, on a decentralised and integrated approach to sustainable urban development, regional diversification, and competitiveness. The cooperation will increase the reach of EU policies and actions in the relevant areas as well as multiply urban diplomacy.

The programme will be embedded in the EU's political dialogue with partner countries and includes an important element of EU economic growth through promotion of business opportunities.

Implementation will be organised under three components:

a) Sustainable urban development

b) Innovation cooperation; and

c) Central services, divided into sub-components:

c1) Coordination, overall networking and support for implementation, including EU cities and regions selection, cross-platform learning and communication,

c2) Advisory and expert services

The specific objectives will be attained through the following framework results and activities framework:

Expected results and Main activities:

Result 1: EU programme on innovative and sustainable cities established and promoted

Result 2: Cooperation on Urban Cooperation Action Plans and Regional Cooperation Action Plans developed and implemented

Result 3: Peer-level (city-to-city/region-to-region) information sharing and exchange of best practice enhanced with a focus on the creation of thematic clusters of cities/regions⁵

Result 4: EU business opportunities promoted

Main indicative activities, under the respective results, can include:

Result 1. EU programme on innovative and sustainable cities established and promoted

- 1.1) Design/set-up of programme structures, platforms and technical implementation teams.
- 1.2) Define competitive selection criteria for participation (components 1 and 2)
- 1.3) Map potential participants including from private sector
- 1.4) Design and delivery of communication and outreach activities
- 1.5) Select participants and conclude bilateral and/or multilateral governance arrangements for pairing/partnerships

Result 2: Cooperation on Urban Cooperation Action Plans and Regional Cooperation Action Plans developed and implemented

- 2.1) Support the identification of common themes for action planning
- 2.2) Implement inclusive planning strategies
- 2.3) Support the validation of planning results
- 2.4) Assist with the identification of pilot projects and sources of funding
- 2.5) Provide thematic and expert support for project delivery: provide information and updates, organise technical level meetings/study visits/workshops

Result 3: Peer-level (city-to-city/region-to-region) information sharing and exchange of best practice enhanced

- 3.1) Facilitate peer-level knowledge management, exchange and sharing
- 3.2) Organise yearly networking global events and specific thematic meetings.
- 3.3) Update the existing sharing knowledge platform to meet demands

Result 4: EU business opportunities promoted (components 1 and 2)

- 4.1) Gather representative business and individual expert data. This activity might require a communication campaign to be launched through appropriate avenues (business associations)
- 4.2) Develop and implement a business and expert data database attached to platforms
- 4.3) Promote business matchmaking
- 4.4) Promote international clusters cooperation, technology transfer and international value chains (component 2).

⁵ Coffey International Development Sp z o.o, p50

3.2 Stakeholders

1) Cooperation in the field of Sustainable Urban Development

EU and non-EU cities, associations of cities and city networks, local and regional authorities and stakeholders. European and non-EU companies. Representatives of all those groups that have contributed to the success of preparatory programmes in targeted non-EU countries. International Financial Institutions including the European Investment Bank (EIB).

Cities having participated in IUC I can participate in IURC in case they want to cooperate with another region/country or on a different topic. Pairings established under phase I remain eligible for further support provided, on the one hand, they have achieved sufficient progress and, on the other hand, IURC support is essential to ensure the sustainability of the cooperation.

2) Cooperation in the field of innovation

European and non-EU companies. The different regional partners or players in the regional innovation system, such as research institutes, universities, technology transfer agencies, chambers of commerce, financing institutions, investors, government departments, individual firms as well as company networks and industry clusters.

3.3 Risk assessment and management

In order to guarantee smooth implementation of the action and to cope with the political, implementation and financial risks identified below, cooperation with the local authorities shall be sought and encouraged through the EU Delegations. In addition, the EU Delegations will make sure that all relevant stakeholders are associated to the implementation process.

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Interference by national governments changes, which may for one reason or another be reluctant to allow cities signing international commitments	L/M	Support from central governments should be obtained in advance
Changes with the selected local governments or within the national government partners in terms of personnel or political priorities	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	L/M	Appropriate selection process and intensification of efforts to support the regions and cities during implementation
Uneven quality of contractors, insufficient deliverables for some contracts	M	The Commission and the EUD are well prepared to address this project management risk. Close monitoring of contract implementation and swift reaction in case of delays encountered
No funding is for drafting action plans, nor for the investments needed for their	L	The cities must be able to raise funds from other sources or to get in close co-

implementation is included.		operation with financial institutions. This is a risk but also the opportunity for the sustainability of the action
Low EU visibility	L	Ensuring EU's visibility in all actions, signing contracts including visibility conditions with the contractor, develop a logo and a visual identity for the action to be used at all occasions

3.4 Communication and EU 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 Action⁶, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Communication will be a key element of the programme. A communication plan, which will ensure EU visibility, will be prepared. IURC will improve the visibility of the EU as a foreign policy actor and will result in better political positioning of the EU in the international arena.

Under the first phase of the project, a logo and a visual identity for the action have been already developed. The contractors will be responsible to provide high visibility for programme outcomes, including through the organisation of annual global networking events and presentations and for communication and dissemination activities, including management and update of websites, development of blog, social community management in all major social networks, production of videos and streamline material, media partnership and monitoring, including production of press releases.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

(a) The programme will be implemented via a service contract.

Programme implementation will be procured through a global service tender with lots. This would allow for centralised procurement but tailor-made lots for each specific geographic area targeted. This option would also favour cross-platform exchanges. The management of the individual contracts would be de-concentrated except for the central support contract.

The lots under the global tender would be:

- Lot 1: North America platform - managed by EUDEL US or Canada (component 1).
- Lot 2: LAC platform- managed by FPI Regional Team Americas or EUDEL Mexico (components 1 and 2).
- Lot 3: China platform - managed by EUDEL China (components 1 and 2)

⁶ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

- Lot 4: India - managed by EUDEL India (component 1)
- Lot 5: Japan - managed by EUDEL Japan (components 1 and 2).
- Lot 6 Asia-Australasia – managed by FPI Regional Team Asia Pacific (component 1).
- Lot 7: HQ - managed by HQ for centralised quality support and networking activities.

(b) Indicative timing:

The call(s) for tender are expected to be launched in the first Quarter 2020.

Grants (direct management)

(a) Purpose of the grant(s)

The purpose of the grant is to support cooperation and bilateral and/or multilateral agreements between regions in the EU and in Japan. The grant agreement will be concluded indicatively during Q1 of 2021. It will be managed by the EUDEL Japan.

(b) Type of applicants targeted

The EU-Japan Centre for Industrial Cooperation⁷ possesses specific characteristics to implement activities under component 2 in Japan: region-to region cooperation in the field of innovation.

(c) 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 EU-Japan Centre for Industrial Cooperation. 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 in accordance with the provisions of Article 195(1) (f) FR.

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 for the reasons hereafter. Notably, the specific characteristics of the activities under component 2 in Japan require established, close and regular contact with the national and regional authorities of the country. The EU-Japan Centre for Industrial Cooperation, being a joint initiative between the European Commission and the Japanese Government established already in 1987 to promote industrial, trade and investment cooperation between the EU and Japan, has a special institutional access to the Japanese prefectures by virtue of its unique role and mandate. Further, the EU-Japan Centre for Industrial Cooperation features a high degree of specialisation and technical competence in terms of facilitating exchanges of experience and know-how between EU and Japanese businesses and in terms of fostering EU-Japan cooperation in industry, trade, investment, innovation, and people mobility. It is thus uniquely positioned to facilitate region-to region cooperation between the EU and Japan in the field of innovation.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	11.25
<i>Grant (direct management)</i>	0.75
Total	12.00

⁷ Article 195(1) (f) FR - Exceptions to calls for proposals (awarding grants without call for proposals)

4.3 Organisational set-up and responsibilities

The programme will be steered by a steering committee representing the cross-sectorial nature of the action and involving at least Commission and EEAS. Within the Commission, the following services should play a leading role: REGIO, and FPI. Other services, such as CLIMA, DEVCO, ENER, ENV, GROW, JRC, NEAR, EMPL and RTD should as well be involved in following up developments and benefiting from outcomes.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

Of the Commission Implementing Decision on the 2019 Annual Action programme for the Partnership Instrument

Action Document for Support to the Global Covenant of Mayors for Climate and Energy

1 KEY IDENTIFICATION DATA

Title of the Action	Support to the Global Covenant of Mayors for Climate and Energy			
Country/region/global	Global (Americas and Asia) Global (Worldwide for the Global Secretariat of the Global Covenant of Mayors for Climate and Energy)			
Sector of intervention	Sustainable energy, climate change mitigation and adaptation			
Indicative budget	Total: EUR 24 000 000 PI contribution: EUR 13 000 000 (54%) Other EC contributions: 11 000 000 (46%)			
Duration and target start date of implementation	48 months – 2 nd quarter of 2020			
Method of implementation	Direct management –Procurement Direct management with the Joint Research Centre (JRC)			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	23110 - Energy policy and administrative management; 41010 – Environmental policy and administrative management.			
Markers	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	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"/>
	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"/>

2 RATIONALE AND CONTEXT

2.1 Action summary

This action, constituting a second phase of the International Urban Cooperation programme (IUC) programme, **will take forward and further develop** the implementation of the Global Covenant of Mayors for Climate and Energy (GCoM) and its Regional Covenants.

The action builds on the ongoing support of the European Commission to the existing 9 Regional Covenants of Mayors as well as to the GCoM initiative, and in particular the International Urban Cooperation programme¹. The action will support two main areas: (1) the Global Covenant of Mayors Secretariat (covering global core activities, including support to the existing Regional Covenants as well as ad-hoc support to cities in countries or regions not yet supported by Regional Secretariats, e.g. in the Pacific or Central Asia) and (2) the Regional Covenant of Mayors Secretariats in Asia and the Americas, focusing on the following five regions:

- US and Canada
- Mexico, Latin America and Caribbean (Latin America, including Mexico)
- East Asia (including national satellite secretariats in Japan, China and South Korea)
- South-East Asia (mainly but not exclusively Indonesia, Malaysia, Singapore, Vietnam - helpdesk services will be available to cities in all countries in the region)
- South Asia (mainly but not exclusively India, Bangladesh, Nepal, Sri Lanka - helpdesk services will be available to cities in all countries in the region)

The total number of cities committed in these regions is approximately 350².

Existing Regional Covenants developed through separate actions by DG DEVCO (Sub-Saharan Africa, i.e. CoMSSA³), DG NEAR (two: one for the Eastern and one for the Southern Neighbourhood), as well as DG ENER and DG CLIMA (European Union and EFTA countries, i.e. EU CoM) will benefit from the action through an improved and increased steering of services provided by the GCoM Secretariat, which in turn will amplify the global and regional impact of all EU activities addressing climate action by sub-national governments. This will result from linking better the functions of GCoM's Secretariat with EU policies, from developing formal communication and cooperation mechanisms between such secretariat and the Regional Covenant secretariats, and from improving support to and coordination between regional activities.

2.2 Background/Context

The IUC programme aims to lead and develop an international urban co-operation in key partner countries and regions in Asia and the Americas and contribute to the delivery of international

¹ Notably its second component: City-to-city cooperation in the field of climate action and sustainable energy cooperation, building upon the success and prestige of the EU Covenant of Mayors initiative. The Covenant consists of the unilateral commitment by cities or regions to reduce their own CO₂ emissions beyond the objectives set up for the EU. The commitment includes the obligation of drafting and approving a Sustainable Energy Action Plan, and reporting on progress on its implementation. More than 9000 cities from 120 countries with more than 700 million people have adhered to the EU Covenant of Mayors, committing to reduce their CO₂ emissions by 20% and submitting and implementing Sustainable Energy Action Plans including adaptation and access to energy. Its success has been replicated in the Neighbourhood East and South and Sub-Saharan Africa, and raised a lot of interest in other regions. The cooperation in the field of sustainable energy and climate cooperation in cities is was recognised as a key instrument to tackle climate change challenges by the Parties at UNFCCC COP21.

² Global Covenant of Mayors statistics as of 1 May 2019.

³ <http://comssa.org/>

commitments articulated in the 2030 Agenda for Sustainable Development, the UN Paris Agreement on Climate change and the Sendai Framework on Disaster Risk Reduction. It also contributes to the New Urban Agenda adopted in Quito in October 2016.

The IUC was adopted by the European Commission as part of the Partnership Instrument Annual Action Programme 2015⁴ with a total budget of €20,200,000⁵. A top-up of the programme with additional €10,000,000 extending its duration until the end of 2020 has been adopted as part of the Partnership Instrument Annual Action Programme 2018⁶. Furthermore, the IUC implementation has been also supplemented by €900,000 allocated under the Partnership Instrument Annual Action programme 2017 for the provision of scientific and methodological support by the European Commission's Joint Research Centre (JRC)⁷ to the Covenant of Mayors initiatives (Regional Covenants) and €750,411 allocated to the IUC Programme Support Unit⁸.

Cities worldwide are in the frontline of climate change impacts and need to adapt to them. Asian cities will be particularly affected – it is estimated that about 4 out of every 5 people impacted by sea-level rise by 2050 will live in South or East Asia⁹. Cities are responsible for about two thirds of energy consumption and have a high carbon footprint. If the world is to achieve the objectives set in the Paris Agreement, it is crucial to work with cities to adapt to climate change and to reduce CO2 emissions in sectors, including those which are difficult to fully decarbonise such as buildings, waste management, mobility, local energy infrastructure, urban planning and governance.

This action falls under the Commission's priority 3, i.e. "A resilient Energy Union with a forward-looking climate change policy". The EU is uniquely positioned to support other countries, through the Regional Covenants and the GCoM, in order to tackle urban climate change and energy transition challenges, and European companies and service providers can consequently reap significant benefits.

The BRIC¹⁰ countries, some of which are in regions covered by GCoM and Regional Covenants, are expected to offer strong growth opportunities in sectors covered by this action. Globally, expected investments in urbanisation are close to €8 trillion (€3.6 trillion in China alone). At global level, 73% of total investments in energy (€10.2 trillion) go today to wind and solar power. Coal is already more expensive than wind and will also be more costly than solar soon.¹¹

The GCoM offers also opportunities to further the EU's economic diplomacy, by facilitating engagement with financing institutions and the private sector for mobilising resources to implement climate and clean energy action at the local level, with due attention paid to regional circumstances and commitments coordination with the Regional Covenants. GCoM is also a means to mobilize local

⁴ Commission Implementing Decision C(2015)4109 final of 22.05.2015.

⁵ This action is being implemented through five service contracts: PI/2016/381-766 International Urban Cooperation: Sustainable and Innovative Cities and Regions – Japan; PI/2016/379-392 International Urban Cooperation: Sustainable and Innovative Cities and Regions – Regional Action North America; PI/2016/378-727 International Urban Cooperation: Sustainable and Innovative Cities and Regions – Regional Action Asia; PI/2016/378-638 International Urban Cooperation: Sustainable and Innovative Cities and Regions - Technical assistance – India; PI/2016/380-146 International Urban Co-operation : Sustainable and Innovative Cities and Regions – Regional action Latin America and a grant agreement with UN Habitat PI/2016/366-325 Un-Habitat support to the EU programme on International Urban Cooperation

⁶ Commission Implementing Decision C(2018)7731 final of 27.11.2018.

⁷ Administrative Agreement °ENER/B3/SER/2017/152-SI2.763357/522-SI2.763359 /523-SI2.763358

⁸ DG ENER is the contracting authority for the service contract "Operation of the office of the Covenant of Mayors for Climate and Energy and of central support services to the International Urban Cooperation (IUC) Programme" (ENER/B3/SER/2016-503-535-594/SI2.742924/SI2.742925/SI2.742926)

⁹ <https://www.weforum.org/agenda/2019/01/the-world-s-coastal-cities-are-going-under-here-is-how-some-are-fighting-back/>

¹⁰ Brazil, Russia, India and China.

¹¹ Bloomberg New Energy Finance (2018), Levelized cost of energy (LCOE) in USD/MWh (LCOE Measures lifetime costs divided by energy production).

action on climate as an integral part of the EU's development agenda and the Sustainable Development Goals.

GCoM aims to be a world reference and observatory for local climate action, both promoting and monitoring voluntary local commitments to achieve climate change targets on mitigation, adaptation and access to sustainable energy. Through the Regional Covenants GCoM accelerates and channels the bottom-up transition to a global low-carbon and climate-resilient economy.

More specifically, GCoM will support the Regional Covenants to mobilise resources to plan and implement sustainable energy and climate action at the local level. The main instrument will continue to be Sustainable Energy (Access¹²) and Climate Action Plans (from now on referred to as "Action Plans"). In this way, GCoM will address the climate mitigation and adaptation needs of African, Asian, Latin American and Caribbean (LAC) countries, in line with the 5th EU-AUC Summit and the EU-Africa Joint Strategy¹³, the EU-CELAC Brussels declaration of June 2015¹⁴ and similar objectives in the context of the EU's relations with the Association of South-East Asia Nations (ASEAN)¹⁵ and the South Asian Association for Regional Cooperation (SAARC). European cities will also benefit from easier access to financial and technical resources for the implementation of their climate and clean energy actions, as cities in Member States draw solutions and intelligence from cities of the world sharing similar biophysical, regulatory or governance environments.

In bilateral contexts, cooperation on sustainable energy and climate-related urban development is also increasingly relevant in the EU's strategic partnerships with Africa, Asia and the Americas. The EU is intensifying regional and urban policy dialogues, as well as climate change and clean energy dialogues, with countries in the regions within the scope of this action¹⁶; countries which will necessarily rely on collaboration with their local governments to implement Nationally Determined Contributions (NDCs) and adaptation strategies "on the ground".

Rationale for PI Funding

The Partnership Instrument (PI) is the only EU external action financial instrument that can be mobilised to implement cooperation of the nature envisaged in this action in an effective and comprehensive way. It is clearly within the interest of the EU to strengthen its relations with its key partners by highlighting the European experience on local climate action and drawing from theirs, and taking advantage of the European leadership in climate change mitigation, adaptation and clean energy transition, as well as promoting business opportunities and jobs in the areas of sustainable urban development and innovation.

This action will address mainly PI objectives 1 (supporting the development of collective approaches and responses to challenges of global concern, such as the fight against climate change, energy security and the protection of the environment), 2 (supporting the international dimension of "Europe 2020" and the Energy Union through enabling cooperation among cities to find joint solutions to key demographic, social, economic and environmental challenges), and 3 (through contributing to improved business climate and cooperation). Due to the expected cross-fertilisation between the

¹² Access in the case of Sub-Saharan Africa (SECAPs/SEACAPs)

¹³ https://www.africa-eu-partnership.org/sites/default/files/documents/eas2007_joint_strategy_en.pdf

¹⁴ <https://www.consilium.europa.eu/media/23753/eu-celac-brussels-declaration.pdf>

¹⁵ See, for instance, Joint statement of the 22nd EU-ASEAN ministerial meeting in January 2019: <https://www.consilium.europa.eu/es/press/press-releases/2019/01/21/joint-statement-of-the-22nd-eu-asean-ministerial-meeting/>

¹⁶ The EU has regional and urban policy dialogues in place with Brazil, Mexico, Argentina, Chile, Colombia, Peru, China and Japan while cooperation with India is conducted under the framework of the urbanisation partnership.

Regional Covenants and GCoM, as well as between the Regional Covenants and their signatory cities themselves, the action could also contribute to some extent to objective 4 of the PI Regulation on enhanced public diplomacy.

In response to these objectives, this action will reinforce the EU bilateral policy dialogues on energy and climate action. The same is valid for the implementation of the Sustainable Development Agenda with UN agencies and bodies, the World Bank, the International Monetary Fund, other Multilateral Development Banks (MDBs) and also with partner regions and countries at all governance levels. Furthermore, it is expected to improve business opportunities and competitiveness of European companies by increasing demand for their clean tech products/services and de facto promoting European standards and exports.

2.3 Lesson learnt

The support provided through the IUC programme so far has brought the implementation of the Paris Agreement and the 2030 Agenda closer to the local level. The approach adopted reflects the recognition of cities' responsibility for and vulnerability vis-a-vis climate change and the decisive role they can play.

Since the start of the implementation of the IUC programme, Covenant of Mayors initiatives have been initiated in all regions of the programme as Regional Covenants. Their focus has been on identifying and engaging with stakeholders and local city actors, networks and supporters into the definition and implementation of a common vision of the Covenant that matches specific needs and capabilities. The Regional Covenants have set up local governance structures supported by secretariats providing technical assistance for cities via expert helpdesks. A series of awareness raising events and trainings have been provided (by JRC and the IUC contractors) to prepare for a larger scale roll-out of the initiative and to achieve global coherence, not least in terms of city data and commitment aggregation at world level. The first requests for the next stage after the initial commitments made by cities, i.e. assessing their Action Plans, have been received (e.g. from Argentinian cities).

All in all, the Commission, through the IUC programme, GCoM, Regional Covenants and participating cities, has gained higher international visibility and effectively communicated the EU's climate and energy policies at events organised in the context of UNFCCC and other important international fora.

However, the evaluation of the IUC programme, performed in 2018, revealed a number of challenges with the implementation of the GCoM component of the IUC programme. These mostly related to insufficient coherence of actions between global and regional level, difficulties to engage with or adjust to existing structures in some of the regions (e.g. city networks), and the preparation and implementation of Action Plans.

To respond to these challenges, this new action proposes that the European Commission fund, co-steer with other funders and tailor the GCoM to better respond to the needs of Regional Covenants and also to ensure that the progress of Regional Covenants can be easily aggregated and used by the Commission to draw analyses and intelligence on local climate action worldwide, and to inform UNFCCC processes. This means funding or co-funding at least the core activities of the GCoM secretariat to support the Regional Covenants and improve data collection and management, and also to seek synergies and efficiencies regarding non-core activities.

The Regional Covenants secretariats will generally serve all the countries in their region by providing their cities with a range of basic services (e.g. maintaining a membership registry, providing the cities with an entry point to join their Regional Covenant and thereby automatically also of the GCoM, managing commitment documents, capacity building, outreach, and a regional website with basic information). The precise nature of these services could differ, however, between regions.

In brief, the action:

- Will consolidate the current structures and working methods by ensuring organic connections between the regional and the global levels (through EU strategic financing, messages and policies).
- Will expand the reach and visibility of the Global and Regional Covenants as a coherent action largely financed and steered by the EU, so as reap its full benefits.

2.4 Coherence and complementarity

The action will be implemented in coordination with ongoing activities supporting (1) the Covenant of Mayors in Europe (DG ENER/DG CLIMA), (2) development cooperation in Sub-Saharan Africa, i.e. the Covenant of Mayors in Sub-Saharan Africa (DG DEVCO) and (3) in the context of the EU's neighbourhood policy through the two existing Covenants: the Eastern Neighbourhood and the Southern Neighbourhood Covenants (DG NEAR).

Coherence will be sought with other relevant Partnership Instrument funded actions, DG DEVCO (e.g. EUROCLIMA+ programme in Latin America, external blending facilities) and DG NEAR programmes.

Close coordination will also ensure complementarities with Horizon 2020 projects and Horizon Europe initiatives (e.g. Horizon Europe Mission on Climate Neutral and Smart Cities). In addition, complementarities will be sought with valuable best practices and know-how from the H2020 EU funding of 3.1 billion euro on "Smart and Sustainable cities", and the High Level Expert Group report on "The human centred city: opportunities for citizens through Research & Innovation", which places emphasis on Social innovation and inclusion and a more holistic view of urban development, whereby citizens are seen as key actors of open innovation in urban resilience, their health and well-being.

DG ENER, DG CLIMA, DG DEVCO, DG NEAR, DG RTD and DG REGIO, will ensure complementarity between the external actions undertaken by their services and the action. The EEAS will ensure coordination with the climate and energy diplomacy actions in the targeted regions.

2.5 EU added value

In 2008, city engagement on energy transition and climate change in Europe was triggered by the Covenant of Mayors initiative. The EU Covenant gradually gained traction in cities well beyond the continent. In June 2016, the EU Covenant of Mayors joined forces with the Compact of Mayors, set up by Michael Bloomberg, the U.N. Secretary-General's Special Envoy for Cities and Climate Change. The Global Covenant of Mayors for Climate and Energy, effective from January 2017, provides a single, global initiative to support cities and local authorities on climate action in line with the Paris Agreement. It builds on Regional/National Covenants, taking a bottom-up approach and using the EU Covenant of Mayors as a model for other Covenants.

As most of the Regional Covenants financed by the EU were already operational by the time the merge effectively occurred, there is a need to clarify and streamline the role of the Global Secretariat in relation to the Regional Covenants. For this, the EU needs to effectively finance and influence core activities of the GCoM Secretariat, which today is financed by Bloomberg Philanthropies (except for small in-kind staff contributions by DG ENER, DG CLIMA and DG JRC).

The EU will add value to the Global Covenant and the Regional Covenants mainly by (1) bringing coherence (between Regional and Global Covenants but also between them and EU policies affecting cities), (2) improving alignment with EU objectives and policies and (3) by strengthening the global reach of the Covenants through EU and Member State diplomacy networks (e.g. the EU's Green Diplomacy Network).

2.6 Cross-cutting issues

Climate change action, biodiversity protection, gender balance, multilateralism, resilience, innovation and business promotion will be central to the implementation of this action. Other major co-benefits are expected also to arise (e.g. healthier urban populations, inclusive job creation, fight against energy poverty etc.).

Cross cutting issues will be mainstreamed throughout the implementation of the action. The action will strive to achieve gender balance for instance by ensuring gender balanced speaker panels, round tables and working groups, including at high level representation.

In implementing the action, measures will be taken to promote circular economy, appropriate waste management, nature-based solutions, and to reduce the environmental impact of the action's activities¹⁷. Efforts will be made to align the action with the Commission's verified environmental management policy (EMAS)¹⁸.

3 ACTION DESCRIPTION

3.1 Objectives

The general objective of the proposed action is to develop, monitor and lead international climate and sustainable energy action and the related diplomacy at the local level, to support the implementation the Paris Agreement together with the 2030 Agenda and its Sustainable Development Goals.

Specific objectives:

Specific Objective 1: Strengthen the coherence and the impact of the Global Covenant of Mayors for Climate and Energy initiative through increased support to the existing GCoM Secretariat.

Specific Objective 2: Building upon the achievements of IUC, further roll out and strengthen the Regional Covenants of the Global Covenant of Mayors for Climate and Energy, in specific regions and countries in Asia and the Americas, which are deemed strategic for climate and clean energy diplomacy outreach.

The above will be achieved by providing support to the core activities to be performed by GCoM secretariat, and by further extending current support to the activities of the Regional Covenant Secretariats in Asia and the Americas.¹⁹ Further details are provided in the following results and activities framework.

¹⁷<https://myintracomm.ec.europa.eu/serv/en/scic/conference/Documents/Checklist%20for%20Greener%20Conferences%20Aug%202018.pdf>

¹⁸ http://ec.europa.eu/environment/emas/index_en.htm

¹⁹ The IUC activities will complement similar regional approaches funded through other instruments/programs in Europe, in the Eastern and Southern neighbourhood of the EU and Sub-Saharan Africa.

Expected results and main activities:

Result 1: Stronger coherence between the activities conducted by various Regional Covenants will be achieved by developing a suitable framework under the Global Covenant of Mayors initiative, notably through funding or co-funding core activities of the Global Secretariat.

Result 2: By supporting these core activities of the GCoM Secretariat, the Commission will strengthen Regional Covenants and increase their impact on local governments from important EU partners around the world, thus furthering the EU's influence and outreach as regards climate change policy and diplomacy, but also economic cooperation and green business opportunities.

Regarding Results 1 and 2 above, indicative core activities of the GCoM Secretariat will include:

- Global communication and organisation of events in order to enhance the international visibility of the initiative in coordination with the Regional Covenants – thus providing a global platform for EU city-level climate and energy diplomacy.
- Develop a coordination mechanisms between the Regional and the Global Covenants to improve global coherence between their activities; support cross-fertilisation of ideas and good practices between Regional Covenants and their cities while maintaining their tailor-made approaches; also ensuring coherence between core activities (funded or co-funded by the Commission) and non-core activities (funded by third-party donor organisations).
- Develop the current IT and database infrastructure of the Global Covenant into a more cohesive platform for data collection, conversion, analysis and storage. Such platform should support Regional Covenants data management needs including easy connections to regional platforms for simpler reporting and aggregation of data by the Global Secretariat.
- Provide on-demand support to specific regions and countries within those already covered by Regional Covenants, and to cities in regions currently not covered by Regional Covenants.

Result 3: Regional Covenants in Asia and the Americas are further developed and strengthened; local governments are supported in taking ambitious climate and clean energy commitments, and in transforming such commitments into practice;

Indicative activities will include:

- Further develop the Regional Covenant of Mayors structures and competences in the context of the Paris Agreement, the 2030 Agenda and EU Climate Diplomacy.
- Enhance promotion, coordination, technical support (help desks) and training activities for signatories at national and regional level in coherence with the EU's bilateral climate and energy dialogues.
- Provide support for the inclusion of city actions through Regional Covenants into NDC implementation strategies.
- Provide support to the Regional Covenants and recruit new cities to the initiative.
- Facilitate exchanges of good practices and experience, within and across regional covenants and other regions.
- Answer queries from Regional Covenants and other cities/regions (helpdesk function) and update the registry of cities joining the initiative.
- Develop regional capacities of scientific validation of inventories and Action Plans.
- Provide support and build capacity for the preparation, evaluation, implementation reporting and monitoring of Action Plans, as important tools for action at local level.

Result 4: Increased visibility and greater awareness of the Covenant concept, the Regional Covenants and the Global Covenant of Mayors initiative is achieved.

Indicative activities will include:

- Facilitate and promote peer-level knowledge management, exchange and sharing
- Organise networking events and workshops.

Result 5: EU business opportunities promoted

Indicative activities will include:

- Promote technology transfer and international sustainable value chains.
- Promote business matchmaking.
- Highlight European examples among different solutions at city level.
- Develop concepts for public-private partnerships between cities and the private sector.

3.2 Stakeholders

The main stakeholders of this action will be cities, city networks and private sector operators across the EU and third countries in Africa, Asia and the Americas, in particular those with an interest in developing international partnerships to combat climate change. Other stakeholders include regions, national authorities, International Financial Institutions (IFIs), and UN agencies and bodies. The action will also maintain the existing urban cooperation on sustainable energy and climate action with Canada and the US.

3.3 Risk assessment and management

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Lack of support by central/local governments, frequent agenda and personnel changes within national/local governments	M/L	EU Delegations and Commission services involved will support the adaptation of the action to the national/local political context and ensure reactivity to the changing environment.
Low EU visibility, poor communication with regional and local stakeholders	H/M	EU Delegations and Commission services involved will ensure EU’s visibility and the adequate promotion of the action; adequate importance will be accorded to the communication and the positioning of the EU in the GCoM initiative alongside other funders and city networks; frequent communication will take place with regional and local partners involved in the implementation (both at political and technical level).
Insufficient coordination between the GCoM Secretariat and the Regional Covenants	L	EU services will co-steer the Global Secretariat so that enhanced support is provided to each Regional Covenant while respecting its independence. Regular coordination mechanism with other funders will be ensured.
Lack of funding for Action Plans design, assessment and implementation	H/M	Support and facilitate close co-operation of cities with financial institutions through the Regional Covenants; GCoM Secretariat will support the Regional Covenants in terms of access to funding

		and IFIs involvement; Commission services will strive to make maximum use of existing Commission financial instruments.
Insufficient coordination with the existing GCoM Secretariat (funded primarily by the Bloomberg Philanthropies (BP)) and with the future non-core activities to be funded by BP and others.	M/L	The transition from the current Secretariat towards the future EU-funded entity complemented by non-core activities funded by others will be managed through enhanced discussions and coordination with the other GCoM funders and the GCoM Secretariat to ensure coherence and efficiency, and that the non-EU financed activities are part of or at least aligned with the new GCoM Secretariat.
Lack of coordination in the transition from the current system of data management of the GCoM Secretariat	H/M	The BP-funded GCoM Secretariat has developed a database that is already operational. Solutions will be sought to ensure it is aligned with Commission’s approach in terms of shared ownership, free access, confidentiality, transparency, open source, etc.)

3.4 Communication and EU 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 Action²⁰, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Communication, including global event organisation, participation and logistics, will be a key element of the programme, and one of the core activities to be undertaken by the GCoM Secretariat in support of the Regional Covenants. The contractors will be tasked with organising various networking and communication activities while ensuring EU visibility in line with relevant guidelines. For more impact, the communication design/strategy should be strongly supported by the GCoM to ensure some “branding” across the regions.

²⁰ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

(a) The programme will be implemented via service contract(s).

The service contract for the Global Secretariat, of a total budget of EUR 13 million, will be funded by FPI (EUR 2 million), DG DEVCO (EUR 4 million from the Development Cooperation Instrument), DG ENER (EUR 3,5 million from the Horizon 2020 Work Programme for 2020), and DG CLIMA (EUR 3,5 million from LIFE). The contract will be managed by FPI in Brussels, with overall coordination and support of DG ENER/DG CLIMA/DG DEVCO in consultation with DG NEAR. To this end DG ENER, DG CLIMA and DG DEVCO will each co-delegate/cross sub-delegate their respective contributions to FPI.

The service contracts for the support to the Regional Covenants of Mayors in Asia and the Americas, will be funded by the FPI (EUR 10 million). These contracts will be managed by EU Delegations in the regions which will be responsible for the implementation of the regional contracts. The FPI Regional Teams Americas and Asia-Pacific will be in charge of regional coherence and coordination.

(b) Indicative timing:

- The call for tenders for the Global Secretariat will be launched in the fourth quarter 2019 under a suspensive clause prior to the adoption of this decision. This is justified because activities under this contract should begin in early 2020.
- The calls for tender to support the Regional Covenants of Mayors in Asia and the Americas are expected to be launched in the 1st Quarter 2020.

Direct management with the Joint Research Centre

In addition to the service contracts, the proposed action will be also implemented in direct management with the EC's Joint Research Centre (JRC).

The main objective of the action is to assign JRC with tasks to continue providing technical support to the regions, specifically on tailoring methodologies to regional context and tools to assess and comment on the plans regionally/locally²¹.

JRC will provide technical support and help desk services to the Regional Covenants to develop regional capacities of scientific validation of inventories and Action Plans and to support and build capacity for the preparation, evaluation, implementation, reporting and monitoring of Action Plans.

JRC will provide technical support to the GCoM secretariat for the global IT and data management infrastructure (i.e. a platform for data collection, conversion, analysis and storage), for the Regional Covenants to use either as their main data management tool, or in complement of already developed or preferred data collection tools, in cases where the region would like to use a local platform).

To enhance synergies and ensure a better strategic vision and efficiency of the cooperation, it is foreseen to pool the resources of DG ENER, DG CLIMA and the FPI to the JRC through the conclusion of a single, joint administrative agreement. DG ENER will manage the resulting administrative agreement. DG CLIMA and FPI envisage to contribute EUR 0,5 million and EUR 1

²¹ This support is currently provided by JRC through Administrative Agreement °ENER/B3/SER/2017/152-SI2.763357/522-SI2.763359 /523-SI2.763358

million respectively to DG ENER as their own contributions to the planned joint administrative agreement.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement - direct management</i>	12.0
<i>Direct management with the Joint Research Centre (JRC)</i>	1.0
Total	13.0

The PI contribution amounts at EUR 13 million (10 for the Regional Covenants in Asia and the Americas, 2 for the Global Covenant Secretariat, 1 for direct management with the JRC). This amount contributes to a total EC contribution of EUR 24 million out of which DG ENER, DG CLIMA and DG DEVCO will contribute EUR 11 million in total through co-delegations or cross sub-delegations to FPI specifically to the part of the action dedicated to support the Global Secretariat of the Covenant of Mayors (3,5 million by CLIMA and ENER each, 4 million by DEVCO).

	PI	ENER	CLIMA	DEVCO	Total
- Regional covenant in Asia and Americas	10				10
- Global covenant secretariat	2	2	3	4	11
- JRC	1	1.5	0.5		3
	13	3.5	3.5	4	24

The provisional budget for the GCoM secretariat has been inspired by the relevant parts and activities of the current EU Covenant of Mayors office while considering the global context. The emphasis was put on the core tasks envisaged for European Commission funding and the need to achieve clear coordination with the activities likely to be funded or co-funded by other entities that support the GCoM). The cost per year has been estimated at approximately EUR 3,2 million– hence the total for 4 years would be approximately EUR 13 million.

As regards IUC Regional Covenants, financing levels will be maintained close to the current levels in most regions. However, some reallocation of former support to activities in the US and Canada will be channelled towards Asia and LAC, while maintaining reasonable levels of financing to support urban climate action in those two regions. The Global Secretariat will provide better support to the Regional Covenants in certain fields such as data management, which should reduce the burden and related costs for them.

4.3 Organisational set-up and responsibilities

The programme will be steered by a steering committee representing the cross-sectorial nature of the action and involving at least Commission, EEAS, and the relevant EU Delegations in third countries. Within the Commission, the following services should play a leading role: CLIMA, ENER, DEVCO, NEAR and FPI. Notably, to facilitate the smooth implementation of the action CLIMA/ENER/FPI/DEVCO in cooperation with NEAR and the EEAS will ensure its internal coordination and close follow-up. Other services, such as REGIO, JRC, and RTD should as well be involved in following up developments.

CLIMA/ENER/DEVCO will ensure cooperation, communication and coordination with the GCoM partners and stakeholders, including agreement on non-core activities. Cooperation with the local authorities shall be sought and encouraged by the EU Delegations and the Regional Covenants is

required. In addition, the EU Delegations, Commission services involved in the action implementation, and the EEAS will make sure that all relevant stakeholders are associated as appropriate to the implementation process.

CLIMA/ENER, with the guidance of the Cabinet of the Vice-President in charge of Energy Policy and the support of SG as appropriate, should continue taking forward internal coordination on a regular basis with all DGs involved in either the GCoM or the Regional Covenants.

EU Delegations in the regions will be responsible for the implementation of the regional contracts. Steering committees will be organised for each contract including the more relevant stakeholders.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

EN

ANNEX 21

Of the Commission Implementing Decision on the 2019 phase II Annual Action programme for the Partnership Instrument

Action Document for Reducing plastic waste in the Americas – Ensuring sustainable consumption and production patterns

1 KEY IDENTIFICATION DATA

Title of the Action	Reducing plastic waste in the Americas – Ensuring sustainable consumption and production patterns			
Country/region/global	Latin America – Brazil, Chile, Colombia & Canada			
Sector of intervention	Environment, climate and energy			
Indicative budget	Total: EUR 5 000 000 EC contribution: EUR 5 000 000 (100%) Other contributions: NA			
Duration and target start date of implementation	36 months, with the possibility for an extension of 12 months. Target start date of tendering: June 2020			
Method of implementation	Direct management – Procurement			
Legal basis	Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	41010 - Environmental policy and administrative management ¹			
Markers	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>
	RIO Convention markers			
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	<input checked="" 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"/>

¹ Environmental policy, laws, regulations and economic instruments; administrative institutions and practices; environmental and land use planning and decision-making procedures; seminars, meetings; miscellaneous conservation and protection measures not specified below.

2 RATIONALE AND CONTEXT

2.1 Action summary

The action aims to strengthen the cooperation of the EU with selected countries in the Region, via a set of activities that will support a transition towards a more circular economy, in line with the EU Plastic Strategy.

This action will support a transition to sustainable consumption and production of plastic, particularly concerning waste prevention and management aspects of plastic waste (waste hierarchy, extended producer responsibility) entering into the marine environment, and favouring green public procurement.

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 European Strategy for Plastics in the Americas in the context of the EU Circular Economy Action Plan and the International Ocean Governance Communication.

This action allows the EU to engage with third countries on policies related to plastics, taking the EU interest as the starting point, by supporting bilateral policy dialogues on e.g. industry practices and technologies, trade (eg EU-Colombia-Ecuador-Peru trade agreement, EU- Mercosur agreement), environment, in particular circular economy/waste management, and exploit the opportunities they offer for promoting sustainable consumption and production of plastics and preventing fluvial/marine litter.

2.2 Background/Context/Rationale for PI funding

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. In fact, alarming data are highlighting the consequences of this linear economic model from which waste management, and specifically plastic waste management, is one of the most visible and significant negative impacts.

Global production of plastics has increased twentyfold since the 1960s, reaching 322 million tonnes in 2015. It is expected to double again over the next 20 years². Plastics are used in many sectors and industries, including food products, health care, construction, transportation, telecommunications and consumer goods³. Packaging accounts for most of plastic use and production, representing 40% of demand in Europe and 42% in the United States⁴.

A recent assessment concludes that 79% of the plastic waste generated since the beginning of plastic production has accumulated in landfills or the natural environment⁵, with uncontrolled disposal still being a major problem, predominantly in developing countries⁶.

² A European Strategy for Plastics in a Circular Economy, COM(2018) 28 final, 16.1.2018

³ 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)

⁴ 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).

⁵ Geyer *et al.* (2017), Production, use, and fate of all plastics ever made, *Science Advances*, **3** (7), e1700782 (DOI: 10.1126/sciadv.1700782).

⁶ 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.

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 injected back into our economy. Marine plastic pollution is affecting at least 267 species, including 86 per cent of marine turtles, 44 per cent of seabirds and 43 per cent of marine mammals⁷. Estimates on the basis of 2010 data suggest that annually 5 to 12 million tonnes of plastic find their way into the oceans⁸.

Built upon the experience gained with the project "Reducing plastic waste and marine litter in East and South East Asia – Supporting a transition to a circular economy in the region", developed in China, Indonesia, Japan, the Philippines, Singapore, Thailand and Vietnam and supported by the Partnership Instrument Annual Action Programme 2018, the proposed action combines three objectives, as laid down in the **PI Regulation** and the priorities of the **PI Multi-annual Indicative Programme 2018-2020**, within a single action:

- Objective 1 – "Supporting the Union's bilateral, regional and inter-regional co-operation partnership strategies by developing collective approaches and responses to challenges of global concern", mainly on the main objectives of (ii) Climate change and (iii) Environment.
Among others, the proposed action aims to strengthen the policy dialogue on climate change with key partner countries in order to promote best practices and learning, and to shape support for EU objectives in international climate negotiations. The action also aims to boost the greening of trade and business by promoting the effective and smooth implementation of initiatives such as the integration of sustainability criteria in business models, sustainable production and consumption, and the prevention, re-use and recycling of waste.
- Objective 2 – "Implementing the international dimension of "Europe 2020 – A strategy for smart, sustainable and inclusive growth".
The proposed action will contribute to give the "Europe 2020" strategy global reach and to respond in an effective and flexible manner to policy objectives arising from the Union's relations with key partner countries.
- Objective 4.2 – "Enhancing widespread understanding and visibility of the Union and its role on the world scene - Public diplomacy and outreach activities to promote the Union's values and interests". This is a specific priority for the Americas Region.
The action will promote the EU as a major partner in tackling global challenges such as climate change.

Opportunities and challenges linked to plastics are global. This problem can only be tackled through joint international action.

The EU is active in developing common and coordinated responses through the UN Global Partnership on Marine Litter, and through G7 and G20 initiatives. Most recently, at the United Nations Environmental Assembly in March 2019, the European Union contributed to secure specific resolutions on single use plastics/marine litter and micro plastics and commitments in the ministerial declaration⁹.

Led by the European Union, the Our Ocean summit in October 2017 saw public and private actors from 112 countries commit more than €7 billion to better managing the oceans.

The EU must also take the lead in delivering on Sustainable Development Goal 14 on the conservation and sustainable use of the oceans, seas, marine resources, and other Goals relevant for the issue of plastic pollution, such as Goal 12 on ensuring sustainable consumption and production patterns.

Regarding the proposed Action, three main elements of the **EU dialogue with the concerned partner countries** will be promoted:

⁷ IPBES Global Assessment report on biodiversity and ecosystem services (2019), Summary for Policy Makers.

⁸ 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.

⁹ <http://web.unep.org/environmentalassembly/ministerial-declaration-resolutions-and-decisions-unea-4>

- 1) The transition to a more circular economy: where the value of products, materials and resources is maintained in the economy for as long as possible and waste generation is minimised, is an essential contribution to the EU's efforts to develop a sustainable, low carbon, resource efficient and competitive economy. The private sector plays a critical role in the transition to a circular economy across the value chain, mainly in the development of environmental management and certification schemes and benchmarks, while many companies have also integrated corporate social responsibility (CSR) into their company strategies.
- 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 an 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 EU borders. Through decisive and concerted efforts, the EU can turn challenges into an opportunity and set the example for resolute action at global level.
- 3) This action will finally build upon the 23 new commitments made by the European Union at the 5th edition of Our Ocean conference, in Bali, Indonesia for better governance of the oceans. During the Our Ocean conference in Bali on 29 and 30 October 2018, the EU has made 23 new commitments for improving the condition of our oceans and tapping their potential. These include €100 million for Research and Development (R&D) projects to tackle plastic pollution and €82 million for marine and maritime research, such as ecosystem assessments, seafloor mapping and innovative aquaculture systems. The new EU action also includes a €18.4 million investment to make the European blue economy – the economic sectors that rely on the ocean and its resources – more sustainable.

Recent studies have identified that over 50% of the global leakage into the marine environment currently comes from five emerging markets in Asia. Even if these figures are impressive, this should not lead us to focus the solution to such a global problem exclusively at a regional scale. In fact, it still has to be addressed at a global level and the Americas represent an important "opportunity" of facing this global challenge. Four main reasons can be highlighted:

- 1) The potential for recycling is consequent: according to statistics from the World Bank, at least 430,000 tons of waste are produced daily in Latin America. That is, each Latin American produces an average of between one and 7 kilograms of waste per day. A study from the Inter-American Development Bank shows that only some two percent of total waste is recycled in the region. If the waste was to be separated properly before reaching landfills, almost 92 percent could be recycled. However, once the waste is mixed, that number goes down to 30 percent.
- 2) The impact of the Americas on the marine environment should not be underestimated: coastal countries of Latin and North America are important contributors to the global plastic marine litter issue, mainly because of lack of plastic waste management. Brazil is representing nearly 2 million tons of the plastic residues released in the ocean per year. The majority of the other largest coastal countries (namely Argentina, Peru, Ecuador and Venezuela) are releasing between 100.000 and 250.000 tons of plastic residues per year¹⁰.

¹⁰ Jambeck et al. Science, February 2015, PNUMA

As far as the plastic input from rivers into the ocean is concerned, 2 different studies have been presented in 2017 using a similar approach to estimate the volume of plastic carried by rivers around the world. The first study¹¹ concludes that "rivers from the 10 top-ranked catchments alone contribute between 88% and 94% (depending on the underlying model) of the total plastic load". The second one¹² estimates that "the top 20 polluting rivers accounted for more than two thirds (67%) of the global annual input". The list of the 10 or 20 most polluting rivers differs from one study to the other. The Lebreton one has ranked the Amazon River as number 7 of the most polluting rivers. Without taking part into "squabbling factions" of the scientific community, it at least proves the importance of the Amazon River in the global scheme of plastic pollution. Furthermore, the Amazon region, given its size and peculiarities, is a key element in contemporary international debates, such as those related to sustainable development, climate change and the fight against hunger and poverty. With a population of approximately 38 million people, it represents 40% of the South American territory and is home to the largest diverse forest as well as to 20% of all species of fauna and flora in the world. The Amazon Basin contains about 20% of the fresh water on the planet surface.

These figures justifies the selection of Brazil as a target country of this action as one of the most important countries contributors to the global plastic marine litter issue, in the Americas and the selection of Brazil and Colombia as target countries of this action having important impact on the Amazon River. In fact, cities have been shown to act as catalysts of the plastic pollution, both because of their capacity to be the entry point of the plastic in the ecosystem, and because they allow an intense deployment of plastic through their markets, e.g. Manaus, Santarem, Belem in Brazil.

- 3) Some countries in the Americas are already acting pro-actively and could become key partners for the EU: in August 2018, Chile has become the first Latin American country to officially ban the use of plastic bags in retail stores. Furthermore, in October 2018, Chile has signed the New Plastics Economy Global Commitment at the Our Ocean Conference in Bali, officially promoting its commitment to develop a circular economy for plastic.

In July 2017, the government of Colombia introduced a tax on single-use plastic bags. On the same year, Colombia hosted the Circular Economy Forum of the Americas (in Medellin). The Colombian market is considered as a pioneer, at least in the region, in terms of plastic recycling. The emblematic project of "Conceptos Plásticos", building social houses for families displaced by conflict made from recycled plastic blocks is a good example. Colombia has also developed a "Plastics Recycling Database" (last update in 2016-2017) which gathers contact information for all the stakeholders involved in the recycling chain for plastics in Colombia, including: everyday collectors, commonly known as waste pickers, material recovery facilities, reprocessors, manufacturers, converters and retailers. This tool provides buyers and sellers with contact information to bridge the gap between supply and demand. It also includes information related to imports and exports of plastic waste as well as a guide that enables an easier identification of plastic resins and their uses. Colombia's Plastics Recycling Database was published for the first time in 1994. Colombia is also attempting to create the necessary guarantees for waste pickers' safe and secure transition to formal economy.

In Brazil, the Ministry of Environment launched on 22 March 2019 on the coast of São Paulo a Plan to Combat Garbage in the Sea. Divided into 30 actions, with emphasis on concrete actions and immediate response, the plan is one of the national priority targets of the 100-day Agenda of the Federal Government and represents the first phase of a National Urban Environmental Quality Agenda, which will also include phases to be launched in the upcoming months. Those are related

¹¹ "Export of Plastic Debris by Rivers into the Sea", C. Schmidt, T. Krauth and S. Wagner in "Environmental Science and Technology", September 2017, <http://pubs.acs.org/doi/pdf/10.1021/acs.est.7b02368>

¹² Lebreton, L. C. M.; Zwet, J.; van der Damsteeg, J.-W.; Slat, B.; Andrady, A.; Reisser, J. River plastic emissions to the world's oceans. Nat. Commun. 2017, 8, ncomms15611. <https://www.nature.com/articles/ncomms15611#t1>

to waste management, urban green areas, air quality, water quality and sanitation and contaminated areas.

- 4) The EU-Canada Strategic Partnership Agreement (SPA), signed at the 16th EU-Canada Summit on 30 October 2016, mandates the Joint Cooperation Committee (JCC) to provide an annual report to the Joint Ministerial Committee (JMC). The last Annual report on the state of the EU-Canada relationship highlighted three important points reinforcing the interest of the proposed action:
1. The extensive work undertaken during Canada's G7 presidency on the international oceans agenda, including on micro-plastics. It also encouraged respective experts to conclude a Canada-EU Oceans Partnership.
 2. In multilateral fora the EU and Canada worked together to advance their common priorities and remain close allies on the implementation of the 2030 Agenda for Sustainable Development. The EU and Canada are cooperating increasingly on the sound management of chemicals and waste (SMCW), notably under the Basel, Rotterdam, Stockholm and Minamata Conventions and UNEA. In the G7 setting, under the Canadian Presidency, the EU and Canada are promoting actions to address issues such as resource efficiency and plastic marine litter.
 3. During the EU-Canada High Level Dialogue on Environment in Ottawa on 24 October 2017, both parties have reinforced their convergence of views in many areas including circular economy.

"Europe 2020" Strategy puts forward three mutually reinforcing priorities. The proposed action aims to support and contributes to at least two of them, namely:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.

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 cooperate 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.

2.3 Lesson learnt

This action on plastics is a first in the Americas and it was inspired by the experience gained with the project "Reducing plastic waste and marine litter in East and South East Asia – Supporting a transition to a circular economy in the region". While the project in Asia has started only recently, it was the subject of an EU-funded formulation mission to Asia (and Iran) in 2017, whose results guided the development of the current project proposal for the Americas.

2.4 Coherence and complementarity

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 G20¹³. The 2015 G7 Summit¹⁴ launched the G7 Alliance on Resource Efficiency and the G7 Action Plan to Combat Marine Litter. Concerning the G20, the 2017 Summit¹⁵ launched the G20 Resource Efficiency Dialogue and the G20 Action Plan on Marine Litter. In 2018, the Canadian G7 Presidency launched the “Ocean Plastics Charter” with businesses signing up.

The proposed action has also been conceived in complementarity to the €9 million EU (PI) -funded project Marine litter in South-East Asia (focusing on China, Indonesia, Japan, the Philippines, Singapore, Thailand and Vietnam). In that sense, the proposed action will contribute to implement the global overview of the European Union regarding Ocean Protection, expressed clearly by Vice-President Federica Mogherini during the 5th edition of Our Ocean conference: *"The state of our oceans calls for determined global action. [...] the European Union stays engaged to ensure safe, secure, clean and sustainably managed oceans. No country can succeed alone in this endeavour. It requires determination, consistency and partnerships, within and outside our European Union, and it is in this spirit that today we renew the commitment to protect Our Oceans."*

The "Transatlantic Partnership among Marine Protected Areas" project will also be key to promote synergies between EU actions: The European Union set up the Transatlantic MPA Partnership project to promote cooperation between managers of Marine Protected Areas (MPAs) in countries and territories around the Atlantic Ocean. Building new transatlantic partnerships to improve the effective management of MPAs in coastal and offshore areas will contribute to EU commitments to tackle global biodiversity loss, support climate change adaptation, and respond to EU internal policies on the environment, regional cooperation and the maritime dimension. It will also deliver on two EU external policy priorities: to improve International Ocean governance to ensure that oceans are safe, secure, clean and sustainably managed; and to build a new type of transatlantic partnership, which includes all four continents of the Atlantic rim.

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.

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

- resolutions on marine plastic litter and micro plastics adopted at the 4th session of the United Nations Environment Assembly of the United Nations Environment Programme (UNEP) (UNEA-4, 11-15 March 2019 in Nairobi);
- SDG 12 and 14 of the 2030 Agenda for Sustainable Development;
- The Global Partnership on Marine Litter (a joint initiative of UNEP and US National Oceanic and Atmospheric Administration (NOAA))
- Under the Basel Convention, 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. Furthermore, Parties have agreed to subject many types of mixed plastic waste to stricter rules in international trade.

¹³ Brazil and Canada are G20 members.

¹⁴ https://www.g7germany.de/Content/EN/_Anlagen/G7/2015-06-08-g7-abschluss-eng_en.html?nn=1282190.

¹⁵ https://www.g20.org/Webs/G20/EN/G20/Summit_documents/summit_documents_node.html.

As described above, some of the selected countries are already involved in regional activities to manage the Amazon Basin, governed by two regional conventions: The Amazon Cooperation Treaty, which was adopted in Brasilia, Brazil on 3 July 1978 and entered into force on 2 August 1980; and The Amendment Protocol to the Amazon Cooperation Treaty, which was entered into on 14 December 1998. This amendment created the Amazon Cooperation Treaty Organization (“ACTO”).

2.5 EU added value

The EU has two closely linked interests in this Action:

1. The EU has an ambitious Circular Economy Action Plan 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. The international recognition and increased interest of EU partners regarding Circular Economy is key to successfully achieving this ambitious transition.
2. The EU also plays a strategic role regarding climate change in general and more specifically Ocean Protection, as expressed clearly by Vice-President Federica Mogherini during the 5th edition of Our Ocean conference. This action will strengthened the international position of the EU by completing, in the Americas Region, the ongoing project "Reducing plastic waste and marine litter in East and South East Asia – Supporting a transition to a circular economy in the region", developed in China, Indonesia, Japan, the Philippines, Singapore, Thailand and Vietnam and supported by PI AAP 2018.

2.6 Cross-cutting issues

Given the focus on plastic waste management and circular economy sectors, support to positive climate action and biodiversity represents the backbone of this action.

By helping reducing marine and riverine litter, this action will also be supporting communities that rely on fishing or tourism as a source of income, thus helping addressing broader sustainable development objectives, including decent work and inclusive economic growth that are the basis of human rights and fundamental freedoms.

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.

Finally, considering the action aims at strengthening the cooperation of the EU with selected countries in the region, via a set of activities that will support a transition towards a more circular economy, in line with the EU Plastic Strategy, cross-cutting issues such as multilateralism, EU principles and values as well as Innovation will be directly considered.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of the action is to strengthen the EU's leading role in the transition to the plastics of the future and to contribute to more competitive resilient plastics and recycling industries. The action will enable the EU to reach its global climate commitments and industrial policy objectives, by supporting the international aspects of the EU Plastic Strategy in the Americas Region.

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

It is important to highlight that the proposed action chooses to focus on circular economy and on the plastic “production - consumption – revalorisation” chain, with an emphasis on river management, given the particular context of the Region and the potential of impact. However, considering that land-based sources of plastic pollution (riverine litter is considered to be land-based, even though some of the littering can occur by boats and ships navigating rivers) constitute an important part of the marine litter, the proposed action will definitely contribute to the global efforts even if not focusing specifically on the reduction of litter from sea-based sources. The action is also conceived as a continuous process to ensure a strong dialogue between EU and selected countries on plastic production and management. The implementation will allow building relations with main stakeholders in selected countries, meaning relevant national and regional authorities, non-governmental organisations (NGOs) and Community-based organisations (CBOs), relevant businesses organisations, lead business players and existing European initiatives and networks in the region. Actors of other countries of the region - besides Chile, Brazil, Colombia and Canada - could be associated to project activities, if relevant and feasible. The action will also need to be strongly coordinated with Circular Economy Missions.

Result/output 1: Enhanced basis for relevant EU policy dialogues concerning plastic production and management

Result 1 will constitute the baseline analysis on which the Result/output 2 will engage, based on the production of a Status Report¹⁶, 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 (by producing a mapping of 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), 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 a regional report covering countries of the Amazon Cooperation Treaty Organization (“ACTO”).

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

Specific activities (this activity will apply differently to the countries according to opportunities identified under result/output 1) linked to result/output 2:

- 2.1 Legislative and, where appropriate, technical assistance to the national and to the extent possible local authorities in:
 - a) Supporting the development of well-designed and well-functioning waste management systems ensuring the separate collection of plastic and organic waste (prerequisite for maximising the recovery of resources). 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)¹⁷, and from the EU best practices examples.

¹⁶ 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.

¹⁷ <http://www.basel.int/Implementation/CountryLedInitiative/EnvironmentallySoundManagement/Overview/tabid/3615/Default.aspx>.

- b) Supporting the adoption of the waste hierarchy and its effective implementation, with a particular focus on plastic and plastic waste.
 - c) Supporting the implementation of extended producer responsibility (EPR) schemes to relieve public authorities of the cost of managing a specific waste stream and ensure effective and environmentally sound collection and treatment of that waste stream.
 - d) 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 in the form of a deposit. The deposit fee is returned to the consumer when bringing back the item. The examples of EU best practices shows that most functional deposit schemes have been set up for packaging waste (drinking bottles), but also for transport packaging (boxes and pallets), ensuring high return rates (above 95% or more in Germany and the Netherlands).
- 2.2 Increased awareness, via communication campaigns to producers and consumers, of the importance of sewage collection and waste water treatment for preventing plastic waste entering the oceans through the river route, in cooperation with local authorities, and the Amazon Cooperation Treaty Organization (“ACTO”) and, where existing in the selected countries, the river basin management authorities. The campaign will be locally based (linked to pilot projects).
- 2.3 Identification, inter alia in cooperation with EU Chamber of Commerce in the selected countries and Clusters, of opportunities for EU businesses in providing European solutions, approaches, technologies and know-how for the activities above. To serve this purpose, a database inventorying the best and easily replicable practices in the EU and partner countries for supporting sustainable production and consumption of plastic, addressing waste prevention, sound plastic waste management and wastewater 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.
- 2.4 Implement one to two pilot projects in each of the selected countries (with a minimum of five pilot projects), 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.

Throughout the above activities exchange of best practices from the EU and from the countries concerned, to both support the knowledge transfer and reinforce the joint cooperation on the thematic of circular economy, will be ensured.

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 chain. 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.
- 3.2 Support, inter alia through technical and legislative assistance and workshops, initiatives to promote the uptake of recycled plastics in new products and the development of appropriate standards for plastic recycles (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.

- 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.
- 3.4 Implement one to two pilot projects in each of the selected countries (with a minimum of five pilot projects), addressing the unsustainable use of plastic bags or other single-use plastic products and encouraging their reduction and elimination. These pilot projects will demonstrate the technical feasibility of these activities should be based on inventories of the most found items in the pilot area and will serve to better engage with the relevant authorities, industry, scientific and civil society stakeholders.

Throughout the above activities exchange of best practices from the EU and from the countries concerned, to both support the knowledge transfer and reinforce the joint cooperation on the thematic of circular economy, will be ensured.

Result/output 4: Green procurement policies, processes and cooperation are strengthened

Specific activities (tentatively implemented in partnership with Canada and Chile only) linked to result/output 4:

- 4.1 In cooperation with relevant public authorities:
 - 4.1.1 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.
 - 4.1.2 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).
- 4.2 Working with EU chamber of Commerce and Clusters (through fairs or exhibitions), identify opportunities for EU businesses in providing European solutions, approaches, technologies and know-how in fulfilling green public procurement standards in Canada, and co-organise relevant events.

Result/output 5: Awareness of public authorities and consumers about sustainable consumption and production of plastic and impacts on the environment is increased

Specific activities linked to result/output 5:

- 5.1 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, focusing on single used plastic. 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.
- 5.2 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.
- 5.3 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, in addition.

3.2 Stakeholders

Stakeholders include first and foremost relevant national and regional authorities within the selected countries; state/provincial and municipality levels will be key, as well as businesses (plastic producers and recyclers) and waste pickers. Think tanks, CSOs, University research centres, etc. active on the matter shall be adequately associated to the action. River management authorities, including the Amazon Cooperation Treaty Organization, will also need to be addressed by the action.

UN agencies should be involved when appropriate (as for example UNEP and its Global Partnership on Marine Litter (GPM) as well as United Nations Industrial Development Organization (UNIDO)).

3.3 Risk assessment and management

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'¹⁸ 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.

Risks

Risk description	Risk level (High, Medium, Low)	Mitigating measure
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.	H	This will be addressed by carefully considering the findings in the report Formulation of EU-funded action on Circular Economy 'Towards a global partnership on reducing plastic waste and marine litter' 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	M	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.	H	Awareness raising about the benefits for their livelihoods and employment situation. Encourage reward system for communities that actively participate in waste collection schemes.

The EU Delegations in the four selected countries will communicate 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.

¹⁸ 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.

3.4 Communication and EU 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 that shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

Indeed, 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.

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 Action¹⁹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

- (a) The programme will be implemented via service contract(s).
- (b) Indicative timing: call(s) for tender expected to be launched 1st Quarter 2020.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	5.0
Total	5.0

4.3 Organisational set-up and responsibilities

The FPI Regional Team – Americas, based in Brazil, will ensure the implementation, coordination, cross-fertilisation and learning exchanges among different projects and arbitrage of priorities.

DG Environment will offer technical support to the overall project.

Relevant Commission services will be associated to ensure coherence of this action with the thematic/sector specific priorities and the political dialogues that the EU has with strategic partners.

A Steering Committee, involving first and foremost the EU services (including EU Delegations) and DGs concerned, will be established to oversee the action and ensure a coordination among the components (i.e. per results), among the activities implemented and the cross-fertilisation among countries. Relevant public authorities and non-state actors could be invited to take part to the meetings of the Steering Committee.

¹⁹ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

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 that will include relevant indicators from the list of core and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

EN

ANNEX 22

Of the Commission Implementing Decision on the 2019 Annual Action programme for the Partnership Instrument

Action Document for Global Exchange on Religion in Society

1 KEY IDENTIFICATION DATA

Title of the Action	Global Exchange on Religion in Society			
Country/region/global	Global			
Sector of intervention	NA			
Indicative budget	Total: EUR 1 500 000 EC contribution: EUR 1 500 000 (100%) Other contributions: NA			
Duration and target start date of implementation	24 months – 1 st quarter 2020			
Method of implementation	Direct management – Procurement			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	99810			
Markers	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	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"/>
	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"/>

2 RATIONALE AND CONTEXT

2.1 Action summary

In an increasingly fractured and multipolar world, the EU needs to strengthen its position in order to guarantee its prosperity, security and values. Addressing the issue of the place of religion in society is crucial in this respect. The global conversation on the place of religion in society has very often been reduced to the narrative of the clash of civilisations. Extreme forces have exploited and fuelled this narrative. Yet religion can play and is already playing a positive role in building inclusive societies, where everybody can find their place and where people of different faiths – and none – coexist peacefully.

Through this action, the European Union (EU) proposes to set up an international exchange platform to connect positive experiences of coexistence among people of different faiths, and none, in societies across the globe. The platform will connect people inside and outside the EU. The exchange platform will facilitate the spread of best practices on promoting respect for one another and fostering social inclusion, to create transnational networks of actors from different faith traditions. It will also help these actors scale up their activities and reach out to a larger audience.

By doing so, the action will aim at empowering actors who are already playing a positive role within their own societies, and at amplifying their voice. It will thus contribute to making these societies more resilient – a key goal of the EU Global Strategy for Foreign and Security Policy. The action will also create a network of like-minded social actors, inside and outside the EU: it will represent a public diplomacy investment for the European Union.

2.2 Background/Context/Rationale for PI funding

Religion plays an important role in nearly every society around the world, contributing in a wide variety of ways – both positively and negatively – to many of the key issues in contemporary global affairs. In recent decades, the public conversation has often focused on religion as a source of social tensions between groups or individuals of different faith. The presence of “the other” has commonly been described as a source of existential danger or as something that compromises one’s sense of religious or cultural authenticity and identity. However, historic evidence and ongoing experiences from Europe and from around the world demonstrate that different ethnic, religious and belief groups as well as non-believers can live in peaceful coexistence. Such peaceful coexistence enriches society economically as well as culturally. Research shows that the coexistence of different groups and individuals in society becomes easier when they work collectively towards broadly shared goals. The proposed exchange platform will aim at connecting different experiences of civic engagement across religious boundaries, from all around the world.

Through the creation of the Global Exchange on Religion in Society, the EU has the potential to explore a specific model for engagement with religion. This approach recognizes religion as an important social force throughout the world, while emphasizing the importance of engaging religion and religious actors alongside other relevant and non-religious stakeholders (e.g. social, political economic) necessary for addressing the issue at hand. Such a model does not require endorsing specific religions or specific interpretations of religion, as a preferred solution to global problems. It focuses on the practical contribution of individuals and organisations to their societies: it aims at empowering those who work for positive change and for social inclusion in a religiously diverse environment.

The goal of the Global Exchange on Religion in Society is to contribute to social inclusion and societal resilience by setting up a global community-based initiative on the place and space of religion in society. The target groups are community actors (faith based or not) from across the religious landscape. Their selection will be calibrated according to their respective role in their societies and communities, rather than their nationality, ethnic origin, faith or no faith affiliation.

The Global Exchange will provide the space for a global network of such community actors to (1) allow their voices to be heard; (2) allow a cross-fertilisation of ideas and experiential learning between the participants, who will share and learn best practices regarding how religion and credible religious voices can promote social inclusion, respect for diversity, and a shared sense of citizenship; and (3) where tension or identity politics are at play, identify approaches from the grass-roots level to build bridges and help communities focus on what they have in common, while respecting everyone's specificity.

The scope and purpose of the Global Exchange touch upon a number of EU priorities as defined in the EU's Global Strategy, related to peace and security, democracy and respect for Human Rights, fundamental freedoms and the Rule of Law, respect for justice, solidarity, equality, non-discrimination, pluralism and respect for diversity.

As outlined in the Global Strategy, societal resilience is a key challenge: the EU should nurture resilience by increased outreach to cultural organisations, religious communities, social partners and human rights defenders, and by deepening our work on education, culture and youth to foster pluralism, coexistence and respect. Management of religious diversity, while important in itself, also helps build resilience.

The initiative will provide feedback that will help inform other policy areas such as peacebuilding, reconciliation and post-conflict dialogues, the EU's integrated approach to conflicts and crises, and policy to promote tolerance and respect for diversity.

This action is aligned with the Partnership Instrument (PI) Regulation, namely with its Objective 1: "Supporting the Union's bilateral, regional and inter-regional co-operation partnership strategies by developing collective approaches and responses to challenges of global concern".

In particular, the project contributes to the PI Multiannual Indicative Programme (MIP) 2018-20 priority "Peace and security" and mainstreams the following cross-cutting issues: Public and Cultural Diplomacy, Multilateralism (building alliances) contributing to a global order based on international law, EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity, the principles of equality, including gender equality, and solidarity); societal resilience.

2.3 Lesson learnt

The action is proposed as a follow-up to the pilot Policy Support Facility (PSF) action "Contextualizing Islam in Pluralistic Societies: Towards an International Exchange Platform on the place of religion in today's societies" (running from 15/12/2017 to 15/03/2019). In the framework of the pilot PSF action, the UK-based NGO "Lokahi Foundation" undertook a scoping study, three workshops and two pilot Exchanges with EU and non-EU participants, to test the general approach and the types of activities that could be carried out under this initiative. The pilot project showed great interest from all participants in the potential establishment by the EU of an exchange mechanism to explore how resources from religion can be mobilised to promote coexistence between people in diverse societies.

The pilot project has generated three main outcomes:

- Contributed to improving understanding and the visibility of the EU's work on religion and foreign policy;
- Contributed to the EU's work at the intersection of religion and social inclusion, which has been met with positive feedback by the workshop and pilot participants;
- Generated proposals for specific platform activities and therefore informed the programming exercise for the action implementation, which will tentatively start at the beginning of 2020 under the PI AAP 2019-phase II.

2.4 Coherence and complementarity

The EU is already engaged in a number of programmes dealing with religion and religious actors – from inter-religious dialogue to preventing violent extremism, from actions on freedom of religion and belief to “Article 17” dialogues with confessional and non-confessional leaders. This action will build on such experience, while investing in a different form of engagement with religion. Coherence and complementarity with other EU-funded actions will be ensured. These include ongoing projects by DEVCO, JUST, EAC and HOME,

The Global Exchange responds directly to the recognition on the part of the EU and its Member States that religion plays a vitally important role in nearly every society around the world, contributing in a wide variety of ways – both positively and negatively – to many key issues in contemporary global affairs. The Transatlantic Policy Network on Religion and Diplomacy is an expression of this recognition. The network aims to equip participants and their respective ministries to more effectively analyse religious dynamics and engage religious actors in the pursuit of shared policy objectives. This is also underscored by the EEAS Secretary General's instructions to senior management to increase the religious literacy of policy-making and the EU's ability to navigate the religion-political landscape both at Headquarters and in Delegations. The annual Heads of Delegations discussion meeting in September 2018 initiated the discussion at their level on the role of religious and cultural actors as an integral part of any civil society, shaping world views and thereby foreign policy. The Global Exchange inserts itself in this context.

With its broader focus on 'religion and society', as well as its particular target groups both inside and outside Europe, the Global Exchange on Religion in Society will complement and avoid duplicating other EU policy initiatives, such as:

- Initiatives under Article 17 of the Treaty on the Functioning of the European Union, focused on the consultation of confessional and non-confessional leaders inside Europe: the Exchange will focus on the interaction of community-based actors, selected for their experience in the field instead of their religious affiliation per se.
- Initiatives on Freedom of Religion or Belief (FoRB): the mandates of the EU Special Representative and the Commission's Special Envoy on the promotion of FoRB focus on non-EU countries. This initiative will establish a two-way exchange of best practices on how to live together, between countries inside and outside the European Union.
- Initiatives on preventing/countering violent extremism, which already recognise the need to use the positive force of religion and engagement with religious leaders: the Global Exchange will not focus primarily on addressing radicalisation, but on connecting positive experiences where religion has helped create not only resilience, but thriving communities across any religious landscape. By doing so, it will also indirectly contribute to countering radicalisation.
- Activities financed under the Development Cooperation Instrument (DCI) by DG DEVCO in non-EU countries, and DG JUST initiatives focused on EU Member States: this Exchange will involve community-based actors from both inside and outside Europe.

The broader “**religion and society approach**” (as distinct from “inter-faith engagement” or “religious engagement”) aims at reducing the chances of activities being perceived as endorsing or promoting particular religions, religious leaders, or ways of believing. This approach can help understand religious tensions in their broader context, where other social factors may have a more relevant role than religion itself. Conversely, this approach also makes possible to add a religious engagement or religious outreach component to work focused on issues that might not be explicitly religious. In short, the religion and society approach helps “right-size” the role of religion in particular issues.

The Global Exchange will aim at facilitating the cross-fertilisation of ideas and experiential learning between participants with respect to best practices on the role of religion in promoting societal pluralism. It will be a dynamic forward-looking exercise that will help inform policy in areas such as our general policy on Freedom of Religion or Belief, Integrated Approach and mediation and conflict prevention. In addition to the promotion of peaceful coexistence, it will also contribute to raising the awareness of the religious dimension of foreign policy in the EU.

An Advisory Board formed of experts in the field should be established, to provide expert guidance on the Exchange activities, with a particular eye to their impact and sustainability. The Advisory Board will liaise with relevant EEAS and COM services to ensure the Exchange's coherence with EU policies and its sustainability beyond the current mandate.

The awarding of micro-grants in support of ideas and projects conceived during the Exchanges, and the establishment of an alumni network, are also aimed at promoting sustainability of the project.

2.5 EU added value

The Global Exchange on Religion in Society aims to benefit its participants as well as to contribute to the EU's foreign policy goals, as defined in the EU Global Strategy for Foreign and Security Policy.

1. Impact for participants. Each session of the Global Exchange should be topic specific and focus on a practical issue, around which participants will gather with relevant experience from the field. Participants will share their experiences and learn from other participants, but also participate in field visits to organisations and institutions. Participants will learn specific skills (from project design to content production for social media), and become part of a global network of peers. Feedback from participants should be used to fine-tune activities as the Global Exchange unfolds.
2. Impact for the European Union. The creation of an alumni network should contribute to the EU's public diplomacy activities. The EU will reach out to foreign civil society organisations and leaders with whom we do not currently engage. The Global Exchange should empower individuals and organisations sharing the EU goal to promote coexistence in diverse societies.

The initiative will contribute to strengthening societal resilience outside the European Union. At the same time, the Global Exchange on Religion in Society will involve participants from inside the European Union, investing in social inclusion and pluralism within the EU's borders. The strong link between the internal and the external dimension represent an additional strength of this approach.

Additional benefits include:

- Learning practical lessons about living together, proactively connecting positive experiences from inside and outside Europe.
- Active acknowledgment of the positive role that religion and religious responses can play in the politics of inclusion both in Europe and globally. This can be seen as an antidote to those who want to use religion to polarise and to exclude.
- Increasing the EU's credibility externally by showing its willingness to look at its own track record of pluralism and social inclusion of all people of faith and none.
- More diverse insights should also help inform policy initiatives in the field of mediation and conflict resolution – not least where religion and religious leaders have become “part of the problem.”

2.6 Cross-cutting issues

Rule of law, good governance, human rights, gender equality and adhering to the highest standards of conduct, discipline and accountability are crosscutting issues for this project and will be directly targeted.

The action also mainstreams the following PI crosscutting issues: multilateralism, fostering the building of partnerships and alliances in a global context, global order based on international law; EU principles and values and resilience.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of the action is to enable and enhance greater cooperation between religious actors and broader civil society, across a broader range of issues with a focus on both “religious” and “non-religious” areas of policy concern.

The **specific objectives** of this action are:

SO 1 facilitate the cross-fertilisation of ideas and experimental learning between participants with respect to best practices on the role of religion in promoting respect for diversity and fostering social inclusion.

SO 2 create transnational networks of religious actors from different faith traditions working in the same professional sector (e.g. education, community development, conflict resolution).

SO 3 provide these actors with ideas and skills to help them scale up their activities and reach out to a larger audience.

The planned **results** of the action will be:

R 1 a contribution to the global conversation on the role of religion as a positive force for promoting respect for diversity, coexistence and social inclusion; a more active participatory and inclusive sense of citizenship across boundaries of belief and worldviews.

R 2 an alumni network of participants in the Exchange, sharing a similar understanding of the positive role religions can play towards social inclusion, conflict resolution and civic engagement.

R 3 greater diffusion of inclusive religious ideas: this will be achieved thanks to improved communication skills for the participants in the Exchange, and thanks to increased visibility for positive experiences of coexistence.

These results will be achieved by implementing the following indicative activities:

- exchange visits for civil society and religious actors, which should include both dialogues among participants and field visits to relevant projects and institutions;
- virtual meet-ups and exchange programmes;
- the creation of a transnational network of social media content creators focused on religion and social inclusion;
- potential “track 2” spin-off dialogues focused on identifying new solutions for overcoming complex challenges at the intersection of religion and society.

Some of the activities will aim at strengthening communication skills for individuals who deal with issues of faith and social inclusion, to raise awareness about positive, practical experiences of coexistence among people of different faiths (and none).

Each session of the Exchange should involve 20-25 participants and focus on a specific topic. The location of the Exchange should be relevant to the selected topic. At least two sessions should be held each year for two years.

Participants will have the opportunity to engage with questions about the place of religion in society and discuss issues such as:

- everyday coexistence in diverse societies;
- gender, religion and social equity;
- diversity and inclusion of minorities;
- integration and mutual learning;
- citizenship, belonging and religious identity;
- religion and freedom of expression.

Participants will be selected through two channels: 1. An open application process, with the call for applications circulated through a dedicated webpage and relevant professional networks; 2. A nomination process supervised by the Advisory Board, which will invite organisations identified as conducting high-quality work in the field of religion and social inclusion, as well as EU Delegations, EU institutions and Member States, to put forward the names of individuals from their own networks.

Participation in the Global Exchange on Religion in Society will not be based on religious affiliation: the Exchange will be open to people of all faiths and none, based on their experience concerning a selected range of issues that lie at the intersection of religion and society. Participation will be calibrated so as to have geographical diversity. Participants will be selected primarily on the basis of their respective roles in their communities, rather than their nationality per se.

The Global Exchange will represent a public diplomacy investment for the European Union. Some of the EU's foreign policy goals can only be achieved by engaging with civil society actors outside the EU's borders: these goals include fostering more resilient societies outside the EU, thus contributing to global peace and security. The Exchange will create a network of like-minded civil society actors, and enable these actors to better contribute to social inclusion and peaceful coexistence in their societies.

3.2 Stakeholders

Primary target groups include community-based actors (faith-based or not), representatives of civil society organisations, practitioners, experts and academics, and religious leaders whose work is focused on how religion can contribute to social inclusion in diverse societies. This includes intellectuals and civil society leaders who emphasise living together alongside peoples of diverse faiths as fellow citizens.

3.3 Risk assessment and management

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Platform misperceived as a primarily Countering Violent Terrorism (CVE) activity	M	Outreach to officials in HQ and delegations, and public diplomacy activities to disseminate the 'religion and society' approach
Over-focus on religious actors/leaders and issues	M	Outreach and public diplomacy activities will emphasise the

		grassroots and people-to-people nature of the Exchange and to highlight that faith and non-faith voices from civil society in the respective countries are involved.
Possible risks related to the selection of the participants.	M	Participants will be carefully selected under the supervision of the Advisory Board and in consultation with relevant EU bodies.
Tendency to reduce the platform to a sole issue of Freedom of Religion or Belief.	M	Outreach to officials in HQ and delegations to stress the unique nature of the 'religion and society' approach.

3.4 Communication and EU 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 Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Sustaining impact beyond each physical exchange is planned to be achieved through the creation of self-sustaining virtual groups as well as a possible alumni network among former participants and stakeholders. This will in turn help underpin the EU's visibility and public diplomacy efforts in this field.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

(a) The programme will be implemented via one service contract.

(b) Indicative timing: the call for tenders will be launched in third Quarter 2019 under a suspensive clause prior to the adoption of this decision. This is justified because advancing on this file as fast as possible is of fundamental importance to deliver on the policy commitment of HRVP Federica Mogherini. The action will also be announced at a public conference organised on 6 September 2019 by HRVP Federica Mogherini.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	1.5

¹ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

Total	1.5
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4.3 Organisational set-up and responsibilities

An Advisory Board should be established, composed of experienced figures from a range of sectors (e.g. academia, civil society, business, current or former government officials) known for their expertise, experience, and track record with respect to the intersection of religion and social inclusion. The Advisory Board should provide strategic guidance to the Global Exchange on Religion in Society, help identify or recommend thematic priorities for the various sessions of the Exchange, and potentially play a role in selecting Exchange participants. Members of the Advisory Board will be selected by the Contracting Authority, in consultation with relevant EU services.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

Of the Commission Implementing Decision on the 2019 Annual Action programme for the Partnership Instrument

Action Document for Building Partnerships on the Future of Work

1 KEY IDENTIFICATION DATA

Title of the Action	Building Partnerships on the Future of Work			
Country/region/global	Global, in particular G20 and G7			
Sector of intervention	Employment, trade and economic diplomacy, digital			
Indicative budget	Total: EUR 2 500 000 EC contribution: EUR 2 500 000 (100%) Other contributions: NA			
Duration and target start date of implementation	24 months – 1 st quarter 2020			
Method of implementation	Direct management – Grant Direct management with the Joint Research Centre (JRC) Indirect management with the International Labour Organisation (ILO)			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	99810			
Markers	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	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"/>
	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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2 RATIONALE AND CONTEXT

2.1 Action summary

The "Future of Work" is already part of our present. The combined effects of globalisation, technological, environmental, climate and demographic changes are transforming the world of work. The EU shares alongside other developed and developing countries the global challenges and opportunities deriving from these transformations. Such changes have been ongoing for quite some time, but their pace and scale have now substantially increased and their impact is widespread. This calls for decisive and prompt action to enable the EU to shape the future of work we want.

This means putting forward a EU's proactive response, by strengthening its societal and economic resilience and its leading role in global fora. It also means promoting EU's values and principles and putting them into action. On a global scale, and also within the EU, the extent and depth of the challenges vary across countries and regions. This means that policy responses and solutions will have to be adapted to such diversity and be as comprehensive as possible, involving all relevant stakeholders including policymakers, social partners, businesses and individuals.

The action "Building Partnerships on the Future of Work" contributes to shaping the future world of work in the interest of EU citizens, societies and economies. It does so by promoting globally EU approaches to the changing world of work, by protecting citizens through a proactive EU role and by finding workable and sustainable solutions to key challenges related to the changing nature of work. To this end, the project will develop intelligence around the Future of Work from both an EU and global angle. It will enable the EU to build alliances with key international and multilateral actors and non-EU countries.

2.2 Background/Context/Rationale for PI funding

Current situation in the concerned policy domain

The "Future of Work" is already part of our present. The EU shares alongside other developed and developing countries the global challenge of a world of work under transformation. Our working lives are being transformed by the combined effect of globalisation and technological, environmental, climate and demographic changes.¹ Such transformations have been ongoing for quite some time, but their pace and scale have now substantially increased and their impact is widespread. For instance, entire sectors of the economy are being reshaped, new forms of employment relationships and non-standard working arrangements have risen, and patterns of work and careers are becoming more varied.

Despite growing negative perceptions and concerns of EU citizens² about the instability that this could bring, it is recognised that these changes represent opportunities, including new jobs, more flexible forms of work, increased productivity and democratic participation. Nevertheless, if not properly and timely addressed, they could also bring insecurity and increased risks, notably for the most underrepresented and vulnerable groups, as well as for employers (especially SMEs). How we respond to and drive these transformations today will determine what the future world of work will look like as opportunities can be seized or challenges become obstacles.

On a global scale, including within the EU, the extent and depth of the challenges vary across countries and regions. This means that policy responses and solutions will have to be adapted to such diversity and be as comprehensive as possible, involving all relevant stakeholders including

¹ This includes issues related to societal ageing in advanced economies, demographic growth in developing countries and international migration dynamics.

² See for instance: [Special Eurobarometer 460 "Attitudes towards the impact of digitalisation and automation on daily life"](#), May 2017.

policymakers, social partners, businesses and individuals. In addition, some of these phenomena affect simultaneously several countries and regulatory frameworks: for instance, services may be provided in country A by a worker living in country B, through a platform registered in country C. The nature of these transformations implies that no national or regional strategy alone will be sufficient and that a coordinated global effort is necessary. Moreover, initiatives carried out by non-EU countries and at international level will have an impact on the EU labour market and economy.

It is crucial for the EU to act now, when most of these changes are still affecting a relatively small part of the European workforce³ and to act by better taking into account the issues related to the future of work in its external actions. This will enable us to shape the future of work we want by: preparing (instead of reacting), as well as strengthening our societal resilience and our leading role in global fora, through alliances with other key players.

Challenges:

In Europe, permanent full-time employment still represents by far the largest share of employment today. However, **the rising incidence of non-standard forms of employment**⁴, driven by several transformations (e.g. labour market reforms, globalisation, technological, environmental, climate and demographic changes) has brought with it **structural changes in work patterns**. Permanent full-time employment as a proportion of total employment has declined by 4 percentage points during the last 15 years, to below 60% in 2016.⁵ Solo self-employment (without employees) has become more common, as have temporary and part-time contracts. Since 2001, the number of part-time and temporary workers has grown by over 30%. Currently, 20% of total EU employment is part time work and 12% is temporary work. The number of self-employed workers without employees has also increased by over 13%.

The increase in non-standard forms of work has disproportionately affected **younger workers**, many of whom would prefer not to be in that situation. In addition, the structural changes following these trends impacted negatively on the working conditions and the quality of life of the other social groups who were less equipped to reap the benefits of the changes, such as **older workers, persons with disabilities as well as migrants**. Similar results have been obtained for **temporary workers**, and the same may apply to many future workers who engage in new forms of work that have become more popular through digitalisation, such as platform workers. Similar trends are taking place in other G7 and G20 members.

Changes in the world of work raise questions about the **quality of future jobs in terms of earnings, job security and working conditions as well as on access to adequate social protection**. While new types of contracts can be an entry to the world of work and offer more flexibility, non-standard working arrangements also bring a risk of increasing **labour market polarisation**, with rising **wage inequalities or more people trapped in low-quality jobs**. The lack of clarity regarding the employment status of some of these workers creates gaps in protection and rights, which may vary across countries.

With the current and foreseen pace of digitalisation and economic change, some of today's occupations and tasks will become obsolete and the skills needed to do them will become outdated. Routine occupations are particularly vulnerable to **automation**, increasing the likelihood of **job**

³See for instance, the [report](#) by the European Commission's Joint Research Centre presents the findings of the COLLEEM (COLLaborative Economy and Employment) survey, which was conducted in 2017 based on a sample of 32,000 people across 14 Member States. The study analyses the main characteristics of platform workers, their working conditions, the types of services they provide, and their motivations for doing so, as well as helping to ascertain the scale of such work across the EU. The proportion of adults who have provided work services through an online platform at some time is roughly 10% in the EU (ranging from 6% in Finland to 12% in Spain and the UK), while the proportion of people earning more than half of their income from platform work remains marginal, hovering slightly above 2 % in 2017.

⁴ I.e. workers in contractual relationships other than full-time open-ended contracts with a single employer (see: 2018 Employment and Social Developments in Europe.)

⁵ See: [2018 Employment and Social Developments in Europe](#), Chapter 2, European Commission.

displacement (especially for the low skilled workers). Non-standard forms of work may also translate in **less lifelong learning opportunities** for some workers, due to more frequent employment transitions, non-standard working conditions and nature of the employer/employee relations.

The greater diversity of jobs, the blurred distinction between employment and self-employment, the more fragmented careers and unpredictable income streams often associated with non-standard work, all pose additional **challenges to our active labour market policies, social protection systems and taxation regimes**. Moreover, non-standard work together with population ageing is likely to erode the financing base of social protection systems and require a rethink of the traditional ways in which these have been financed.

Industrial relations, social dialogue and collective bargaining are also strongly affected by the proliferation of non-standard forms of employment and new work patterns. Social partners and governments need to find ways of re-organising and strengthening social dialogue to ensure that it continues to be effective in the future and responsive to the changes in the world of work. They need to reinvigorate the social contract by placing people and the work they do at the centre of economic and social policy and business practice, in order to build a “**human-centred agenda for the future of work**”.⁶

The EU response to the Future of Work

The **European Pillar of Social Rights**, proclaimed in November 2017 by the European Council, the Council of the European Union, the European Parliament and the European Commission, is the EU first response to the challenges posed by new and non-standard forms of work. It calls for decent working conditions, social protection and equal opportunities for all, setting out a number of key principles and rights to support fair and well-functioning labour markets and welfare systems. The principles of the Pillar explicitly **address the challenges related to new forms of employment and adequate working conditions** in non-standard forms of employment. It provides a compass for complementing existing rights to take account of new realities. It is all about delivering new and more effective rights for citizens, and social partners have a key role to play in this. At the European level, all the various instruments available are being mobilised to implement the Pillar (EU legislation, funds, social dialogue, policy guidance, the European Semester).

As part of the follow-up to the Pillar, the European Commission adopted in December 2017 a proposal for a new Directive for more **Transparent and Predictable Working Conditions** across the EU, for all workers, which will benefit specifically workers in vulnerable situations.⁷ In February 2019, the co-legislators reached a political agreement on this proposal.

In March 2018, the Commission presented also the **Social Fairness Package** that included proposals on setting up the **European Labour Authority**, a **Recommendation on access to social protection**,⁸ and **monitoring of the implementation of the Pillar**.

To ensure that the right training, skills and support are made available to people in the EU, the **New Skills Agenda for Europe (June 2016)** aims, amongst other things, to make lifelong learning a reality for the most vulnerable, opening **upskilling pathways** for those who need to improve or update basic

⁶ See the Global Commission on the Future of Work’s [Report](#).

⁷ The Commission's proposal complements and modernises existing obligations with the specific aim of ensuring all workers in atypical contracts benefit from basic rights, regardless of the type of contract or employment relationship. It also adapts to the new world of work the existing EU framework for the protection of workers' rights, creating new minimum standards to ensure that all workers, including those on new forms of employment and atypical contracts, benefit from more predictability and clarity as regards their working conditions.

⁸ The Council Recommendation on access to social protection for workers and the self-employed (adopted on December 6, 2018) foresees: to close formal coverage gaps by ensuring that workers and the self-employed in comparable conditions can adhere to corresponding social security systems; to offer them adequate effective coverage, so that they can build up and claim adequate entitlements; to facilitate the transfer of social security entitlements from one job to the next; to provide workers and the self-employed with transparent information about their social security entitlements and obligations.

skills, including digital skills. The Skills agenda also promotes better skills intelligence – understanding skills bottlenecks and anticipating needs.

Moreover, as part of the **Digital Single Market**, the European Commission adopted new initiatives to improve key and digital competences of European citizens, to promote common values and inclusion, as well as increase the awareness of the functioning of the European Union. One of the measures proposed is the **Digital Education Action Plan**, adopted in January 2018, which includes 11 concrete actions to promote better use of digital technology for teaching and learning, development of digital competencies and skills, and improvement of education through data analysis and foresight. This is part of the initiatives developed by the European Commission to work towards a **European Education Area** by 2025, with the ambition of enabling all young people to receive the best education and training.

Furthermore, in April 2018, the European Commission published its **Communication on Artificial Intelligence (AI)** proposing a three-pronged approach to increase public and private investment in AI, prepare for **socio-economic changes**, and ensure an appropriate ethical and legal framework. In December 2018, the Commission published the "**Coordinated plan on the development of Artificial Intelligence in Europe**". In addition, in 2018, following an open selection, the European Commission appointed 52 experts to a new **High-Level Expert Group on Artificial Intelligence**, which will have the general objective to support the implementation of the European Strategy on Artificial Intelligence.

As outlined in the April 2018 communication on AI, the European Commission will support business-education partnerships to attract and keep more AI talent in Europe, set up dedicated training schemes with financial support from the **European Social Fund**, and support digital skills, competencies in science, technology, engineering and mathematics (STEM), entrepreneurship and creativity. Proposals under the EU's next multiannual financial framework (2021-2027) will include strengthened support for training in advanced digital skills, including AI-specific expertise.

In the next programming period 2021-2027, the European Commission aims to broaden the scope of the **European Globalisation Adjustment Fund (EGF)**⁹ in order to offer assistance to displaced workers when unexpected major restructuring events occur, in particular those caused by digitalisation and automation.

Finally, the European Commission continues to work together with the social partners and the other EU institutions to address the challenges deriving from a changing world of work through **social dialogue** (relaunched in March 2015 through the high-level conference a New Start for Social Dialogue). There are a growing number of good practices such as EU social partners' agreements as well as collective agreements, practices and regulations at national level on work related dimensions of digitalisation and on fair transitions.

Future of work in the global scene:

As most of phenomena driving these changes are global, international organisations (e.g. ILO, OECD) and multilateral fora (G7, G20) are also devoting an increasing attention to the topic of future of work. In particular:

- The future of work was one of the priorities of the Argentinian G20 Presidency in 2018¹⁰ and of the German G20 Presidency in 2017.¹¹ It is also one of the key priorities of the Japanese G20 Presidency in 2019.¹²

⁹In the current programming period 2014-2020, the EGF offers assistance to workers made redundant in the course of major unexpected restructuring events and is restricted to restructuring events caused by globalisation or an economic or financial crisis.

¹⁰ See for instance the 2018 G20 Labour and Employment Ministerial Declaration “Fostering opportunities for an inclusive, fair and sustainable future of work”, signed in Mendoza in September 2018. Future of work was also one of the priorities of the G20 Leaders’ Summit (Buenos Aires, 30 November-1 December). The commitments taken in the Mendoza Declaration were also reiterated by the Leaders’ Communiqué.

- Similarly, the future of work was one of the priorities of the Canadian G7 Presidency in 2018 and of the Italian G7 Presidency in 2017¹³ and it remains high on the agenda of the French G7 Presidency in 2019. The G7 work on this topic is supported by the Future of Work Forum (managed by the OECD) and the G7 Employment Task Force (created in 2018 by the Canadian Presidency).¹⁴
- In 2019, the International Labour Organization (ILO) will celebrate its 100th anniversary under the forward-looking topic of the “Future of Work”.¹⁵ This will be a key moment for the ILO to renew its mandate and continue to be relevant in a changing world of work. The culmination of the “Future of Work” initiative will be the 2019 International Labour Conference in June, with the expected adoption of a Centenary Declaration.¹⁶ As part of its Future of Work Centenary Initiative, in August 2017, the ILO established the Global Commission on the Future of Work, with the goal to provide the analytical basis for the delivery of the ILO’s social justice mandate in the twenty-first century by identifying the key challenges facing the world of work and making practical recommendations about how these may be addressed in the future. In January 2019, the Global Commission released its report “Work for a brighter future”, which presents a set of 10 recommendations that promote a human-centred agenda that puts people and the work they do at the centre of economic and social policy and business practice.¹⁷ These recommendations are to be discussed at the ILO

¹¹ See for instance the 2017 G20 Labour and Employment Ministerial Declaration “Towards an inclusive future: shaping the world of work” signed in Bad Neuenahr, May 2017.

¹² Under the overarching framework of future of work, the Japanese G20 Presidency has chosen as priorities for the Employment Working Group: demographic change, gender equality and new forms of work.

¹³ Preparing for the jobs of the future was one of the priorities of the Canadian G7 Presidency in 2018. This builds on the work undertaken during the 2017 Italian G7 Presidency, reflected in the G7 Labour and employment Ministers’ Declaration “For a Better Future of Work: Pathways for Action” (Turin, Italy, September 2017) and the G7 Leaders’ Communiqué “G7 People-centered action plan on innovation, skills and labor” (Taormina, Italy, May 2017).

¹⁴ In March 2018, G7 Employment Ministers met in Montreal and established a time-limited Employment Task Force to further the understanding of these issues and provide recommendations, including sharing best practices and possible policy approaches on issues such as how governments can adjust labour market programs, modernise labour standards and social protection systems. The Task Force will discuss with international organisations, labour organisations, business and subject-matter experts, including in the area of gender equality. It will be supported by a digital Future of Work Forum (managed by the Organisation for Economic Co-operation and Development), which was adopted in 2017 by G7 Labour and Employment Ministers and launched at the G7 Employment Ministerial meeting in March 2018. Canada hosted the first meeting of the Task Force on 2-3 October 2018 in Vancouver. This year, the French Presidency has foreseen three meetings of the Task Force, to support the preparation of the G7 Labour and Employment Ministerial Meeting (Paris, June 2019).

¹⁵ The ILO launched a Future of Work Centenary Initiative in 2015 to understand and respond effectively to new challenges likely to face the organization, as well as employers’, workers’ and governments in the future. Between 2016 and early 2017, over 110 countries participated in national dialogues during which they discussed the various transformations underway, including the transition to a green economy, rapid technological advancements, demographic change and changes in business models and working arrangements.

¹⁶ The declaration is expected to touch upon work and society, decent jobs for all, the organisation of work and production and the governance of work.

¹⁷ The approach of these recommendations converges with the European Pillar of Social Rights and with wider EU internal and external policies and actions. For more information see the webpage on the [Global Commission on the Future of Work](#). The [Report](#)’s advances three priorities: 1) **Investing in people’s capabilities** through a universal entitlement to lifelong learning; supporting people through the various future of work transitions; the adoption of a transformative agenda for gender equality and guaranteed universal social protection from birth to old-age. 2) **Investing in the institutions of work** by guaranteeing fundamental principles and rights at work, safe and healthy work places, maximum limits on working time and an adequate living wage; enabling greater working time autonomy; revitalizing collective representation by unions and employers’ organizations; and leveraging technology for decent work, including by putting the human back in control. 3) **Investing in decent and sustainable work** by promoting investment in transformative areas of the economy, including the green economy, the care economy, the rural economy and the digital economy; reshaping business incentive structures

Centenary International Labour Conference in June 2019. The ILO is expected to reinvigorate its mandate by adopting a Declaration for the Future of Work. This will provide a roadmap for social justice for the decades to come. The ILO will align its Programme and Budget, as well as its means of action with the orientations provided by this Centenary Declaration. Building on the strong EU-ILO cooperation to foster decent work, the EU is contributing to the ILO Centenary initiative on the Future of Work (also with the High Level Conference "The future of work: Today. Tomorrow. For all." held in Brussels on 9 April 2019).¹⁸

- The EU is also contributing to several strands of work related to the future of work by the Organisation for Economic Co-operation and Development (OECD), which has put future of work at the centre of some of its recent research and events (see for instance the presentation of the 2019 OECD Employment Outcome dedicated to this issue on 25 April 2019). In addition, in March 2019, the European Commission and the OECD launched a report on Policy responses to new forms of work¹⁹ (further information under sections 2.3 and 2.4).
- Furthermore, the future of work cannot be approached in isolation from the UN Sustainable Development Goals and their implementation. The theme of the meeting of the high-level political forum on sustainable development in July 2019 (convened under the auspices of the Economic and Social Council) will be "Empowering people and ensuring inclusiveness and equality". The set of goals to be reviewed in depth is the following: 4, 8, 10, 13, 16 and 17.²⁰ Furthermore, multilateral cooperation on preparations for the jobs of the future is also reflected in the adoption later this year of a United Nations Strategy on the Future of Work, by the High-Level Committee on Programmes under the leadership of the ILO.
- Moreover, the future of work is one of the priorities addressed in several bilateral dialogues between the EU and key partners (e.g. Canada, US, Japan, China).

These constitute the first elements of an international and multilateral response to the Future of Work. Clearly, more work is needed, both in terms of further developing relevant intelligence and in terms of capacity building, including through exchanges of practices and joint actions. While it is impossible to predict exactly which aspects of the debate on the Future of Work will be high on the agenda of the relevant EU and international stakeholders in the next few years, it is reasonable to expect that its overall importance will remain significant.

2.3 Lesson learnt

National, EU, international and multilateral stakeholders have analysed several policy areas and initiatives, putting forward a wide range of recommendations and observations.

The project will take into consideration the recommendations included in the report presented by the High-Level Expert Group on the Impact of the Digital Transformation on EU Labour Markets²¹ in April 2019.

to encourage longer-term investment; and developing supplementary indicators towards well-being, environmental sustainability and equality.

¹⁸ See: <https://ec.europa.eu/social/main.jsp?catId=88&langId=en&eventsId=1386&furtherEvents=yes>.

¹⁹ See: <http://www.oecd.org/els/policy-responses-to-new-forms-of-work-0763f1b7-en.htm>.

²⁰ See: <https://sustainabledevelopment.un.org/index.php?menu=4444>.

²¹ See: Following an open selection process, the European Commission appointed a group of experts to a High-Level Expert Group on the Impact of the Digital Transformation on EU Labour Markets, comprising representatives from academia, civil society, as well as industry. The final report of the group, published on 8 April 2019, can be found here: [High-Level Expert Group on the Impact of the Digital Transformation on EU Labour Markets](#).

In addition, the project will take into consideration the policy principles included in the above-mentioned European Commission-OECD report on Policy responses to new forms of work, which draws on results of a questionnaire responded to by 44 Ministries of Labour in EU, OECD and G20 members. The questionnaire asked countries to report any recent or emerging public policy responses to new forms of work across a range policy areas including employment regulation, working conditions, social protection and skills. The report shows that many countries are reflecting on whether existing systems of labour legislation, social protection and collective bargaining are sufficient to deal with current and future labour market trends.

2.4 Coherence and complementarity

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

- The European Pillar of Social Rights and initiatives taken under this framework, such as the Transparent and Predictable Working Conditions Directive, the Council Recommendation on Access to Social Protection for workers and self-employed, the Work-Life Balance Directive, the European Accessibility Act.
- Initiatives undertaken in the framework of the New Skills Agenda for Europe.
- The work to develop a European Education Area.
- Actions and studies within the Digital Single Market, such as the Digital Education Action Plan, the European Commission's Communication on AI, and the work by the High-Level Expert Group on AI.
- The above-mentioned joint European Commission - OECD report on Policy responses to new forms of work.
- The above-mentioned report by the High Level Group on the impact of digital transformation on the labour market.
- Recent and ongoing research and analysis, such as the latest editions of the Employment and Social Developments in Europe Review, as well as several projects and surveys by the Joint Research Centre (more on this under section 3.1).
- The work of the European Commission's informal Inter-service Group on the Future of Work.
- The PI-funded actions on the Economic empowerment of women at work, implemented by UN Women and ILO (We Empower in G7 members and Win-win, in Latin America and the Caribbean region) that focus *inter alia* on Future of Work as one of the main topics.
- The PI-funded actions on responsible supply chain management, including the labour dimension, in selected Asian and Latin American countries.
- The TAIEX Seminar on Social Dialogue that the Republic of Korea co-organised in 2018.
- The 4th ASEM Conference “Global ageing and human rights of older persons”, which will take place in Seoul, Republic of Korea, on 1-2 October 2019.
- Ongoing bilateral/regional/multilateral dialogues between the EU and key partners.
- ILO ongoing work on transitions, ageing societies, platform workers for G20, G7 and BRICS countries.
- ILO ongoing work on young people’s transition into labour markets, including the School-to-Work Transition Survey work and ongoing research for the Global Employment Trends for Youth on youth employment and technology, as well as one on inequalities and technology.
- ILO work on lifelong learning, skills forecasting, and skills for green jobs (for instance the “SKILL-UP programme: Upgrading skills for the changing world of work” funded by the Norwegian Ministry of Foreign Affairs).
- ILO ongoing research on workers and working conditions in the platform economy.
- Outcomes of the ILO’s Centenary Initiative, including actions decided at the 108th International Labour Conference (June 2019).
- G20 and G7 commitments in the area of Future of Work.
- Implementation of the UN Sustainable Development Goals.

2.5 EU added value

As previously noted, the nature of the transformations related to the future of work implies that no national or regional strategy alone will be sufficient and that a coordinated global effort is necessary. In addition, efforts carried out by non-EU countries and at international level will have an impact on the overall EU labour market and economy. It is, therefore, clear that actions at the EU level present an added value, both in terms of reach and resources.

To put forward effective responses to the ongoing transformations in the world of work, the EU can build on its proactive role in key international and multilateral fora, as well as on its broad range of internal and external policies and tools. In addition, as the extent of the challenges and the responses so far adopted vary across regions and countries (also within the EU), actions at the EU level will be instrumental in encouraging exchange of practices and knowledge and in building partnerships across different governance levels and stakeholders. While there are no one-size-fits-all responses and solutions, there is a clear added value in coordinated global responses.

2.6 Cross-cutting issues

The proposed action underpins multilateralism, fostering the building of partnerships and alliances in a global context, while advancing an interest-based discourse mainstreaming innovation and strengthening resilience.

The action has at its core the EU interest as it contributes to protecting EU citizens. This is based on the assumption that the policy choices in adapting to the future of work at global/multilateral level and in key partner countries will have direct consequence on the EU economic growth and that, conversely, EU external actions will promote the EU standards and values.

It should also be considered that transformations in the context of the Future of Work have had, and will have, positive and negative gender impacts, which depend on women's and men's place in the economy and society, their access to and control over productive resources and financial assets, their position in value/supply-chains, and the structure of domestic labour markets (UNCTAD, 2014). As Shauna Olney, Chief Gender, Equality and Diversity & ILOAIDS Branch puts it: “with commitment and courageous choices, there can be a quantum leap, so that the future of work does not reinforce the inequalities of the past.”²²

More generally, if properly addressed, these changes to the labour market could represent an opportunity to implement gender-sensitive activities, achieve gender-balance and foster inclusion and labour market participation of underrepresented groups, including low skilled, older workers, people with disabilities and migrants. This should be taken into account when designing policy responses to the Future of Work.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of the pilot action “Building Partnerships on the Future of Work” is to contribute to better and more actively shaping the future world of work, in a global context, in the interest of EU citizens, societies and economies. This will be done by building on, promoting and implementing the EU response to a changing world of work, notably the European Pillar of Social Rights. This action will also build on the extensive set of international standards and instruments elaborated by international organisations and multilateral fora (and adopted by the EU).

To this end, the action will achieve **two specific objectives**:

²² See: https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_674816/lang--en/index.htm

- SO1: develop further intelligence around the theme of the Future of Work focusing on aspects of relevance to the EU and selected non-EU regions. This specific objective will be the focus of the component "**Fact-based Analysis**".
- SO2: enable the EU to build or reinforce strategic alliances with key international and multilateral actors and non-EU countries in the area of the Future of Work. This specific objective will be the focus of the component "**Strategic Alliances**".

With this in mind, the component "Fact-based Analysis" will develop new knowledge and expertise on aspects of the Future of Work, relevant for the EU and other key countries, which require further analysis and understanding. The outcomes of this component will, therefore, contribute to fill existing research gaps and inform future evidence-based policies to better address the challenges and opportunities deriving from a changing world of work. This will build on and complement existing or planned work by EU services, as well as international intelligence and instruments. These results will be particularly useful to support the new European Commission and the EU in general, in defining its priorities and work programme. In addition, synergies will be sought with the outcomes of the ILO's Centenary Initiative, including actions decided at the 108th International Labour Conference (June 2019).

Activities carried out under the "Strategic Alliances" component will allow the EU to promote its policies and agenda, notably the European Pillar of Social Rights, as well as learn from the experience of other global partners. Initiatives in targeted countries could also support ongoing or new bilateral/regional/multilateral dialogues, e.g. through capacity building activities with EU trade and economic partners. Furthermore, by working also with G7 and G20 members, as well as with the ILO, the project could contribute to the definition of future global actions and/or internationally agreed policy principles and targets to address key issues related to the Future of Work.

These impacts are expected to remain beyond the implementation period of the proposed action. Indeed, activities conducted through the proposed action are will be designed with a view to create positive spill-over effects in the EU and non-EU countries, as well as on the ILO's activities.

The **expected results** at the end of the action are:

- R1. The EU is better equipped to play a key role regarding the Future of Work and its position in international/multilateral fora is strengthened through the collection of data that better informs EU policy-making and by building strategic alliances to promote a global uptake, define models, ways of doing and future scenarios.
- R2: Developments on Future of Work at global and G7/G20 level as well as in key non-EU countries are influenced and take into account EU interest in view of protecting EU citizens, societies and economies.

Activities foreseen under each component of the action are:

- A1: The component "Fact-based Analysis" foresees activities related to the collection, analysis, and taxonomy of data on selected aspects of a changing world of work that will inform policymakers on Future of Work trends and risks. It will be carried in the EU and in selected non-EU countries and it will be based on a mapping of existing research and data gaps;
- A2: The component "Strategic Alliances" includes technical assistance, peer-learning, sharing of best practices and workshops, to be organised in close collaboration with key global actors and with/in selected partner countries around relevant aspects of the Future of Work. A set of parallel activities will be implemented in each region, with key stakeholders, in order to offer a customised approach and maximise the project's impact according to the joint priorities identified by the EU and its partners. The issues to be addressed could be partially related to the topics analysed under the other component.

The Joint Research Centre (JRC) will implement the "Fact-based Analysis" component of the pilot, building on the strong complementarities with on-going and planned work, including in collaboration with the ILO and, where relevant, other international organisations. The project will focus on the collection and analysis of policy-relevant scientific evidence on the Future of Work, its dissemination and its mobilisation in support of technical assistance and peer learning activities, which could also go beyond the current Action.

Besides complementing this collection and analysis of data, including by bringing evidence from non-EU countries, the ILO will implement the "Strategic Alliances" component in selected partner countries and with key stakeholders. Its action will, therefore, contribute to facilitate strategic alliances between EU and non-EU countries and actors with a view to exchanging knowledge and experiences and building capacity.

Geographic scope

The primary scope of the action is global and targets mainly G7/G20 contexts, with activities focusing on selected key non-EU countries. Specific target countries in which activities will take place will be selected during the project inception and implementation phases on the basis of the following criteria:

- i. EU interest, in particular the degree of impact of a country policy on future of work for EU citizens;
- ii. Added value for the EU to exchange on a peer-to-peer basis with a partner country;
- iii. Dialogues and negotiations relevant for future of work in a partner country;
- iv. Countries particularly active on future of work in G7 and G20 contexts during the project implementation;
- v. Interest confirmed at the moment of the project formulation.

Consultations among key EU services and the ILO have started in order to map relevant and interested non-EU countries, among which the project team will choose the target countries for each activities under both components. The action will aim to foster synergies with other dialogues, negotiations and discussions with selected countries, while avoiding duplications.

Thematic scope

Considered as priority policy areas in the context of the Future of Work, the following aspects have been selected as an overall framework for this action:

1. Labour market, social dialogue, social protection and global supply chains,
2. Skills, education, vocational training and lifelong learning,
3. Demographic change and ageing,
4. Digitalization (impact of new technologies on employment).

Under both components, planned activities will indicatively cover one (or a combination) of these topics. Other sub-topics that could be covered according to shared interests may include issues such as: the impact of evolving labour markets on private sector and enterprises, including SMEs, and their role in addressing such changes; working conditions and occupational safety and health (OSH); social security and taxation of platform economy; minimum working conditions for platform work; the impact of climate change and green economy on labour market; the impact of international migration flows on future of work and implications of new forms of work on the integration of migrants.

3.2 Stakeholders

The main stakeholders of the proposed action are:

- International organisations and key partner countries, including EU Member States, actively involved in global and G7/G20's efforts on Future of Work;
- Social partners, workers, businesses and SMEs in the EU and in selected target countries;
- Civil society organisations, researchers and academics in the EU and in selected target countries.

3.3 Risk assessment and management

A key assumption underlying the implementation of this action is that Future of Work will remain high on the agenda of international and multilateral fora.

There are nevertheless a number of risks associated with the implementation of the proposed action. The Steering Committee and implementing partners will be required to take steps to mitigate them.

Risk description	Risk level (High, Medium, Low)	Mitigating measure
The visibility of EU's involvement and the focus on the EU interests could diminish and be taken over by the agenda of the external implementers (ILO/other external partner).	M	A governance structure, including through the Steering Committee, will safeguard focus of the programme and proper visibility of EU's commitments. The use of well visible EU logos in all the activities will also be ensured during implementation of the action. The implementation of the "Fact-based analysis" component by the JRC will further ensure the EU interests are taken into account throughout the project.
The project could duplicate existing or future national, EU, international and multilateral initiatives on the future of work.	L	The Steering Committee will regularly exchange with relevant Commission's services and national/external partners to map existing/planned initiatives in order to seek synergies and avoid duplications.
Organisational challenges may arise by not knowing all the partners' thematic and regional priorities related to future of work before the time of the implementation.	H	The Steering Committee will regularly meet to assess whether the planned course of action is still relevant or needs to be adjusted. Thanks to the active involvement of relevant Commission's services in G7, G20, ILO, the Steering Committee will receive information on the priorities and initiatives in the pipeline in these fora. This will allow identification of synergies and maximising the impact of the pilot project.
The interest of partner countries involved may vary during the action due to changes in the administration, the geopolitical or economic situation.	M	The Steering Committee will regularly meet to assess whether the planned course of action is still relevant or needs to be adjusted. Working through parallel actions (by country) will allow more flexibility in the implementation. If changes take place in one country, these will not impact the rest of the project.
The project objectives and activities could concern a large number of actors in a target country at national, provincial and municipal level. Organisation of activities could be challenging and time-consuming if internationally managed.	M	The project team of EU Delegations/ILO will facilitate the cooperation with the relevant authorities and stakeholders in targeted countries and will establish a management structure that includes local management capable of managing day-to-day operations.
Organisational challenges and problematic interlocution between	L	These aspects will receive the necessary attention at the moment of the negotiation

the main contractors and the implementing partners that should be associated in the different activities.		between the EU and the implementers. Particular attention will be devoted to designing an appropriate and solid architecture for project management, reflecting not only the need for strategic orientation but providing also adequate mechanism to respond to operational constraints.
The sustainability of the interventions could be limited given the limited funds foreseen under AAP 2019.	H	Given the relevance of the topic, a second phase in 2020 could be envisaged to cover further regions and policy priorities. External partners could also contribute through their funds.

3.4 Communication and EU visibility

A third of workers are anxious about the future and their job due to automation,²³ an anxiety that jeopardise confidence and the willingness to innovate. The narrative has to be changed, so that Future of Work can be perceived as an opportunity. While some occupations will see significant declines, new jobs will also be created. In this context of disinformation and pessimism, the EU cannot be seen as a passive actor and need to reassure its citizens, demonstrating that the issue is treated by the EU as a matter of priority.

The action will contribute to projecting the EU as a global actor and to the European Commission's corporate campaign "EU protects", demonstrating the EU responsibility to its citizens through stories, concrete activities and tangible deliverables.

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 Action²⁴, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Grants (direct management)

(a) Purpose of the grant(s)

Part of the budget will be reserved for a grant to allow the implementation of the Strategic Alliance component in countries where it is currently preferable to work directly with local partners.

(b) Type of applicants targeted

²³ PwC study available on: <https://press.pwc.com/News-releases/workers-facing-up-to-completely-retraining-or-reskilling-to-tackle-technology-s-impact-on-employment/s/f15a6ba8-c823-4fe0-94f5-3543a899ed64>.

²⁴ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

The potential applicants may include: legal entities, natural persons or groupings without legal personality; local authorities, public bodies, international organisations, NGOs, economic operators such as SMEs.

Direct management with the JRC and indirect management²⁵ with an International Organisation

A part of this action may be implemented in direct management with the JRC through administrative arrangement and in indirect management with the ILO.

This implementation entails that:

- The Joint Research Centre (JRC) will implement the "Fact-based Analysis" component of the pilot, building on the strong complementarities with on-going and planned work, including in collaboration with the ILO and, where relevant, other international organisations. The project will focus on the collection and analysis of policy-relevant scientific evidence on the Future of Work, its dissemination and its mobilisation in support of technical assistance and peer learning activities, which could also go beyond the current Action.
- Besides complementing this collection and analysis of data, including by bringing evidence from non-EU countries, the ILO will implement the "Strategic Alliances" component in selected partner countries and with key stakeholders. Its action will, therefore, facilitate strategic alliances between EU and non-EU countries and actors with a view to undertaking research, exchanging knowledge and building capacity.

The JRC has been selected according to its strong expertise in the relevant policy and research areas. It was also chosen in order to ensure, together with the work of the Steering Committee, the ownership of the project by the EU and its visibility. In particular, based on its expertise and capacity, the JRC work will be structured within the framework of the following areas: Job polarisation and structural transformation of labour markets; The future of social protection; Education and skills mismatches; Demographic change and ageing; Impact of technological change on employment; and The platform economy.

The ILO has been chosen to complement JRC research work regarding thematic or regional expertise that is out of the scope or capacity of the JRC. Indeed, given its extensive expertise and presence in several key third countries, as well as its cooperation with other international organisations and multilateral fora, including G7 and G20, the ILO can ensure that additional countries and topics are covered. In particular, the ILO is in a unique position to monitor and assess the effects of technological change, the transition to a green economy, demographic changes and new business models and working arrangements across different contexts. Its offices and presence in all regions can make a meaningful contribution to the project. More specifically, the work under one or both components will be structured within the following possible areas: Supporting work-life transitions in a lifelong active society; Gender Impacts of Automation in the Apparel Industry; The platform economy and new business models.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Grant direct management</i>	0.2
<i>Indirect management with an international organisation (ILO)</i>	1.2
<i>Direct management with the Joint Research Centre (JRC)</i>	1.1
Totals	2.5

²⁵ Article 154 FR - Selection of the entities entrusted with the implementation of EU funds in indirect management

4.3 Organisational set-up and responsibilities

It is hard to exactly know how the Future of Work will play out. With many complex and competing forces at play (e.g. policies, laws, political cycles, businesses' behaviour, consumption trends, citizen and workers' perceptions) it is difficult to make precise predictions. This said, data and research currently available can already orient the EU towards an analysis of needs in the short-medium term, which will allow outlining and implementing the first steps of the project's implementation. Building on this, the data and knowledge produced throughout the implementation of the project will provide further inputs to orient and adjust the actions, if needed, through a solid governance mechanism.

To this end, a Steering Committee composed by EU services (deemed relevant according to the specific topics addressed), including the JRC, as well as the selected external partners, such as the ILO, will be created. It will meet regularly to steer the project, ensure coherence and ownership, monitor the progresses, as well as assess whether the actions remain aligned with possibly evolving priorities.

To facilitate the implementation of both components, when needed, the project team of the relevant EU Delegations and the ILO (including possibly through regional offices) will work to facilitate the cooperation with the relevant authorities and stakeholders in targeted countries. For this, the project team could establish a management structure that includes local management capable of managing day-to-day operations.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 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.

EN

ANNEX 24

Of the Commission Implementing Decision on the 2019 Annual Action programme for the Partnership Instrument

Action Document for Support to the Asia-Europe Foundation (ASEF)

1 KEY IDENTIFICATION DATA

Title of the Action	Support to the Asia-Europe Foundation (ASEF)			
Country/region/global	ASEF activities are conducted in all ASEM partners ¹ (including five Strategic Partners)			
Sector of intervention	People-to-people connectivity, multilateralism Cultural/ education/ media exchanges			
Indicative budget	Total: EUR 1 000 000 EU contribution: EUR 1 000 000 (100%) Other contributions: NA			
Duration and target start date of implementation	24 months –1 st January 2020			
Method of implementation	Direct management – Grant			
Legal basis	Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	99810			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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"/>
	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"/>

¹ ASEM includes 53 partners: the European Union, the 28 EU MS, Norway and Switzerland on the European side and on the Asian side the ten ASEAN countries, the ASEAN Secretariat, plus Australia, Bangladesh, China, India, Japan, Kazakhstan, Mongolia, New Zealand, Pakistan, ROK and Russia.

2 RATIONALE AND CONTEXT

2.1 Action summary

The aim of this action is to promote EU strategic interests through continued EU support to carefully selected activities of the Asia-Europe Foundation (ASEF). The PI action will contribute to greater people-to-people exchanges with multiple Asian partners. Consequently, it will strengthen the EU's engagement in the overall Asia-Europe Meeting (ASEM) process, which is the main platform for region-to-region dialogue and cooperation between Asia and Europe.

The EU is financially contributing to ASEF activities that have been prioritised from the work plan approved by the ASEF Board of Governors (BoG) where the EU is represented in the Executive Board and is currently chairing the BoG (2019). This selection is based on relevant strategic documents such as the EU Global Strategy, the EU Strategy on Connecting Europe and Asia (especially the people-to-people aspect) and ASEM core documents including the Chair Statement of the ASEM12 Summit hosted in Brussels in October 2019 and chaired by the EU.

The ultimate goal is to enhance the EU's role as an international actor and to help promote the EU's relevance and commitment in multilateral Asia and with Asian partners at a time of numerous regional and global geo-political changes.

2.2 Background/Context/Rationale for FPI funding

The **Asia-Europe Meeting (ASEM)** is an informal forum for dialogue and cooperation, bringing together 53 partners (51 countries and 2 institutions) from across Europe and Asia. Its main purpose is to provide a platform for fostering political dialogue, strengthening economic cooperation and tackling together global challenges. Both Asia and Europe also share responsibilities in building greater understanding between the peoples of both regions through closer people-to-people contact. Thus, ASEM represents a key multilateral forum to pursue the objectives set out in the EU Global Strategy for Foreign and Security Policy and the recently adopted Joint Communication on Connecting Europe and Asia. ASEM aims to stimulate and facilitate progress in other fora without duplication.

The **Asia-Europe Foundation (ASEF)**, based in Singapore, was set up in 1997 as the only ASEM institution in order to promote better mutual understanding between Asia and Europe through greater intellectual, cultural and people-to-people exchanges. ASEF is funded by voluntary contributions from ASEM partners, among which the EU has been one of the biggest donor so far, resulting in high EU visibility and influence.

Presently both the Asian and European regions provide 50% each of the ASEF budget. With their contributions and participation in the Board of Governors (BoG), ASEM partners collectively recognise the importance of ASEF, which has been reflected in numerous ASEM Summit and ASEM Foreign Ministers' Meeting statements with various references to the importance of ASEF's work.

Under ASEM's socio-cultural 3rd pillar, ASEF runs more than 25 projects a year, consisting of around 100 activities, mainly conferences, seminars, workshops, lectures, publications, and online platforms, together with about 125 partner organisations. Each year over 3,000 Asians and Europeans participate in ASEF's activities, and wider audiences are reached through networks and web-portals.

With the EU's contribution, during 2016-2018 ASEF has (co-)organised several important side events alongside ASEM Summits and ASEM Foreign Ministers' Meetings. These include, among others, an Asia-Europe Young Leaders Forum, an ASEF Editors' Roundtable, the Asia-Europe Economic Forum and the ASEM Cultural Festival for the 12th ASEM Summit, an ASEF Journalists' Seminar and Model ASEM Conference (youth) for ASEM FMMs, and the Informal ASEM Seminar for Human Rights. Overall, the EU has supported 24 activities in the various thematic fields (culture, education, economy, human rights), with a total of 988 participants from Asia and Europe, including academia and students, government officials, business and private sector, media and civil society.

As ASEM does not have a permanent secretariat or other formal structure, ASEF partially plays the role of secretariat, for example by running the EU-funded ASEM InfoBoard and with projects and activities supporting the overall ASEM process and supporting the European insistence on the

importance of sustainability, transparency, project evaluation using the log frame methodology advanced by the EU.

At Summit level, most recently at the ASEM12 Summit which was hosted and chaired by the EU in Brussels on 18-19 October, Leaders have expressed their support for ASEF's work and the need to ensure the organisation has the means necessary to carry out its mandate. This commitment applies equally to the EU, especially as the EU acts as permanent coordinator of the European Group in ASEM.

This action will confirm the EU's political commitment to support dialogue and cooperation between Europe and Asia and to the ASEM process and ASEF. In recent years, and especially after the ASEM12 Summit in Brussels in 2018, there is a genuine need to enhance the EU's engagement in multilateralism with its Asian partners which has been identified repeatedly as a key priority for the EU at the highest political level (i.e. President of the European Council, President of the European Commission, the HR/VP and other Commissioners, as well as EU Foreign Ministers).

The ASEM framework offers a very useful forum for the EU and EU Member States to engage with numerous Asian partners and ASEF activities are an essential component of the overall ASEM process. As ASEM does not have permanent secretarial structure, ASEF is the only organisation that can play such a role in some of the domains facilitating the overall functioning (ASEM InfoBoard, side events, ASEM Sustainable Connectivity Portal's Scientific Conference).

Through a wide range of activities financed through ASEF, this action will provide the EU with opportunities to showcase the EU's contribution to the importance of the Euro-Asian cooperation and its enhancement as a European strategic goal which will also bring benefits beyond its regional context to the global arena.

Concretely, the proposed action will contribute to the following Objectives of the Partnership Instrument:

Objective 1: "Supporting the Union's bilateral, regional and inter-regional co-operation partnership strategies by developing collective approaches and responses to challenges of global concern" and

Objective 4: "Enhancing widespread understanding and visibility of the Union and of its role on the world scene by means of public diplomacy, people-to-people contacts, cooperation in educational and academic matters, think tank cooperation and outreach activities to promote the Union's values and interests".

Furthermore, this action will contribute to the EU's support to multilateralism.

2.3 Lesson learnt

This action builds on the experience from previous and ongoing support to ASEF. In particular, it will continue ongoing work to improve its delivery, in particular in the monitoring and evaluation of its projects/activities (see reference to the revision of its monitoring system to adapt it to the Partnership Instrument Monitoring System (PIMS) in section 4.4) and regarding communication and visibility of the EU and the ASEM process.

For the future, the EU is revising its priorities to support projects considered to bring added value to discussions that may already take place in other fora. Through this action, the EU will continue to support activities such as:

- the **ASEM InfoBoard**, the only ASEM website and a repository of documents that supports its functioning,
- the **ASEM Cultural Festival**, revitalised by the EU in the last Summit (October 2018),
- the **ASEM Human Rights Seminar**, politically important for us as it provides a fora to discuss on this topic with ASEM partners, and,
- the **Journalist Seminar** and the Editors Roundtable, to support independent media battle against fake news and give oxygen to journalists in Asia.

Finally, the EU will support *activities with the youth*, core strength of ASEF.

In addition, the EEAS will liaise closely with ASEF to ensure the political steer and the alignment of ASEF activities with EU priorities and ASEM discussions, as well as to strengthen the visibility of the EU in ASEF activities. The EU will work towards increased EU-participation in ASEM and ASEF events.

2.4 Coherence and complementarity

This EU-funded action constitutes an important part of ASEF's entire project portfolio, in line with the priorities of ASEM agenda and EU policies and strategies in the region and beyond. ASEF activities/projects provide a direct platform for dialogue between the government and civil society, channelling the latter's voice to the former, thus complementing the government-led ASEM process with valuable input from the civil society. In particular, through ASEF, this Action will complement and support implementation of the EU's connectivity strategy in Asia, particularly people-to-people connectivity, and contribute to strengthened engagement and empowerment of the youth, and the promotion of sustainable development in Europe and Asia.

The proposed actions will be closely coordinated with the PI Project "Advancing EU's role in Multilateral fora in Asia", aimed at ensuring a more active EU presence and engagement in all regional fora in Asia, including ASEM, Association of Southeast Asian Nations (ASEAN) and ASEAN Regional Forum (ARF). Apart from this project, the EU will work with ASEF to develop synergies and complementarities with other projects or activities supported by the EU through its various cooperation instruments in the various thematic areas of ASEF's work, i.e. culture, education, economy, human rights, governance, public health and sustainable development, as well as actions supporting EU involvement with civil society organisations in ASEAN.

Finally, regarding synergies with other actions, as mentioned, the EEAS will make sure that colleagues in the different EEAS and Commission services are informed of project activities, and participate and ensure coordination and complementarity with other EU funded activities.

2.5 EU added value

The EU has long been the biggest donor to ASEF. Our strong support for ASEF and the ASEM process evidences the EU's commitment to multilateralism. Through increased partnerships and people-to-people exchanges, ASEF raises awareness of Asia-Europe ties among youth, media and civil society actors thus contributing to more and deeper cooperation between both regions.

2.6 Cross-cutting issues

With this action, the EU will enhance its engagement on cross-cutting issues - such as the promotion of human rights and fundamental freedoms, multilateralism and EU principles and values, including EU commitments to boost gender equality, democracy, the rule of law as well as the fight against climate change. In all these fields ASEF is active and by continuing to offer EU support to ASEF the EU can maximise ASEF's role in helping to further these EU cross-cutting objectives.

3 ACTION DESCRIPTION

As described in several strategic documents, such as the Global Strategy, the EU Strategy on Connecting Europe and Asia, the EU is seeking an increasingly close relationship with Asia, going beyond traditional cooperation, and boosting the political component of its engagement and presenting a more united EU approach to connectivity including people-to-people exchanges.

This action will be part of the EU's strategy to advance the Union's role and promote EU's influence in multilateral Asia, targeting the ASEM process.

3.1 Objectives

The overall objective of the proposed Action is to contribute to strengthening the cooperation between Asia and Europe through the promotion of knowledge, mutual understanding and cooperation between the people of Asia and Europe.

For this, the EU's contribution to ASEF will support implementation of various activities included in the work plan approved by the ASEF Board of Governors selected based on EU priorities and with the aim to sensitise the Asian ASEM partners to EU goals and contributions to enhancing Euro-Asian cooperation and enhancing and defending rules-based multilateralism.

ASEF activities supported by the EU all serve the objectives outlined above and will pursue the following results:

- Result 1)** Strengthened Asia-Europe ties in areas of EU interest;
- Result 2)** Enhanced mutual understanding among ASEM partners as basis for deeper cooperation;
- Result 3)** Shared experiences for dialogue and learning;
- Result 4)** Improved functioning of the ASEM InfoBoard.

Activities contained in the present PI action will complement the development side with the connectivity, public diplomacy, cultural diplomacy, people-to-people exchanges as well as the security dimension.

ASEF works on the basis of annual plans of action approved by its Board of Governors, to which each ASEM partner (i.e. including the EU) nominates its representative. Its activities focus on 6 areas: culture, economy, education, governance, public health and sustainable development, with projects bringing together civil society representatives from Asia and Europe for greater mutual understanding and people to people exchanges between the two regions to contribute towards common development and prosperity as well as to peace and stability.

Longer-term and successful ASEF projects benefiting from EU funding which should continue for years 2020-2021 include:

- **Support to functioning of the ASEM InfoBoard.** As the EU is fully financing the AIB, it should be also used to enhance visibility of EU-funded projects and ensure transparency (documentation, events) and governance as well as collaboration with reaching out to targeted Asian audiences – youth and media.
- **ASEM Cultural Festival** accompanying ASEM Summits and Foreign Ministers Meetings (FMM) as agreed by the ASEM Leaders at the ASEM Summit on 18-19 October in Brussels (Chair's Statement).
- **Model ASEF Conference** (Young Leaders) accompanying ASEM Summit and Foreign Ministers with traditional reporting (to ASEM Summit Leaders) and possible meeting with FMs and HRVP focusing on youth (future leaders) while enhancing people-to-people connectivity as one of the EU priorities;
- **ASEF Summer University** support is also relevant to EU interests in the context of boosting youth-to-youth connectivity and having the programmes of the summer universities focus on relevant European policies;
- **Human Rights Seminar** (already 18 seminars organised) promoting governance and universal human rights and ensure exchanges with the Asian partners highlighting the cross-cutting nature of human rights while focusing on different aspects (children, ageing, countering violent extremism, people with disabilities) and labour rights;
- **Journalist Seminar** (accompanying ASEM FMMs) and Editors Roundtable (accompanying ASEM Summits) focusing on public affairs, especially media, with topics relevant for EU priorities. These events traditionally deal with relevant media issues (open media space, fake news, transparency, exchange) and extending networks among European and Asian journalists and

editors as well as presenting the ASEM Sustainable Connectivity Portal and encourage its further use.

3.2 Stakeholders

Stakeholders include countries' leaders, Government members, officials and civil society, including NGOs, academia, media and youth both in Europe and Asia.

On the EU side, close coordination between the European External Action Service (EEAS) and the Commission will be required. Also with EU Delegations in the ASEM partner countries and with and EU Member States.

3.3 Risk assessment and management

The principal assumptions behind the overall objective are that political and economic stability in Europe and Asia and the positive trend in relations continue and that the EU is able to operate, in its relations with multilateral Asia, in a cohesive and consistent way.

The ASEF Board of Governors, which is constituted by representatives nominated by ASEM partner governments, will have to ensure the adequate planning and execution of ASEF activities by the ASEF staff and their alignment with the overall government-led ASEM process.

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Political/reputational and financial risks associated to this action.	L	Any possible risks associated to this action are judged small in political/reputational terms and manageable through close coordination between ASEF and the EU/EEAS. The same is true for financial risks where adherence to existing financial procedures and guidelines will ensure the optimal use of resources.

3.4 Communication and EU 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 Action², which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be negotiated as part of the grant contract with ASEF, based on the 'Communication and Visibility Requirements' for EU funded actions that came into force on 1st January 2018, and apply.³

² https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

³ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

This comprehensive communication and visibility plan for EU-funded projects will build on actions already taken by ASEF in 2019 to ensure the full compliance with the updated EU Guidelines and will include innovative stakeholders’ engagement via social media and other digital solutions.

In the execution of this action, the EU will continue working closely with ASEF's leadership and staff to ensure adequate visibility for the EU's substantive support to ASEF and to the ASEM process, at events and in websites, social media platforms and all types of printed materials and audio-visual and photographic material.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Grants (direct management)

(a) Purpose of the grant(s)

The objective of the grant is to support the implementation of various activities included in the work plan approved by the ASEF Board of Governors (BoG) selected based on EU priorities and with the aim to sensitise the Asian ASEM partners to EU goals and contributions to enhancing Euro-Asian cooperation and enhancing and defending rules-based multilateralism. The grant agreement will be concluded indicatively during Q4 of 2019.

(b) Type of applicants targeted

The action will be implemented by the Asia-Europe Foundation (ASEF), which is the only permanent ASEM institution. As per its constitutive charter, ASEF has de jure monopoly on the promotion of the non-governmental dialogue between Asia and Europe emanating from ASEM decisions. EU and ASEM Leaders reaffirmed its strategic importance during the 12th ASEM Summit in Brussels in October 2018.

(c) 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 Asia-Europe Foundation (ASEF), in accordance with the provisions of article 195 (c) of the Financial Regulation (EU, Euratom) No 2018/1049.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Grant (direct management)</i>	1.0
Total	1.0

4.3 Organisational set-up and responsibilities

The main decision making body in ASEF is the Board of Governors (BoG) which approves the budget and future projects. The EU is represented in the Board as well as a member of the smaller Executive Committee and Finance and Audit Committees.

The EU is financially contributing to ASEF activities prioritised from the work plan approved by the ASEF BoG. This selection is done based on relevant strategic documents such as the EU Global Strategy, the EU Strategy on Connecting Europe and Asia (especially the people-to-people aspect) and ASEM core documents including the Chair Statement of the ASEM12 Summit hosted in Brussels in October 2019 and chaired by the EU.

The EEAS will continue to liaise with relevant Commission's services to assure alignment of ASEF activities to relevant DGs' priorities and EU strategic priorities based on existing EU strategic papers.

The EEAS will also continue to play an important and constructive role on the ASEF Board of Governors.

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, ASEF 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.

In the current project (Support to ASEF - phase V) ASEF has revised the project's Logframe Matrix (LFM) to adapt it to the Partnership Instrument Monitoring System (PIMS). ASEF reports this exercise has strengthened ASEF's project management practices as well as proved to be an excellent opportunity to set-up and successfully implement an improved data collection strategy, in particular for the websites. The new action will build on the still ongoing project and continue measuring progress and achievements of the action, both in quantitative and qualitative terms, at each level of the results chain (activity, output, outcome and impact).

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific action.

Of the Commission Implementing Decision on the 2019 Annual Action programme for the Partnership Instrument

Action Document for Policy Dialogue Support Facility EU-LAC (Latin America and the Caribbean)

1 KEY IDENTIFICATION DATA

Title of the Action	Policy Dialogue Support Facility EU-LAC (Latin America and the Caribbean)			
Country/region/global	Latin America and the Caribbean			
Sector of intervention	Multi Sector			
Indicative budget	Total: EUR 5 000 000 EC contribution: EUR 5 000 000 (100 %) Other contributions: NA			
Duration and target start date of implementation	36 months – 2 nd quarter 2020			
Method of implementation	Direct management – Procurement Direct management – Grant			
Legal basis	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 Programming			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	99810			
Markers	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers			
	Biological diversity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input 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 type="checkbox"/>	<input type="checkbox"/>

2 RATIONALE AND CONTEXT

2.1 Action summary

In line with the ambition to move towards a more strategic and targeted partnership with Latin America and the Caribbean (LAC), as called for in the recently adopted Joint Communication on EULAC relations and the Council Conclusions of 13 May, this Action aims to deepen the EU's engagement with the region on thematic areas of strategic interest. It will seek to advance policy dialogues where there is a high potential to advance, focusing on regional groups and countries who are willing and able to go further to promote common goals. The action will support dialogues at the bi-regional, sub-regional and country levels of EU-LAC relations, as foreseen in the agreements, action-plans and declarations concluded with various sub regional groups and countries. It is intended to spearhead engagement in additional sectors of high strategic value, while also contributing to further the dialogue beyond LAC governments, with civil society and the business community.

The proposed set of activities will contribute ultimately to bring concrete returns for the EU's foreign policy goals in LAC, further progress towards policy and regulatory convergence and alignment of positions and policy objectives in the global arena.

Through a mix of organisation of events linked to dialogues, specialised technical assistance, awareness raising, communication, and technical exchanges, the Programme will act as the EU's horizontal project facility for LAC by translating policy commitments agreed at the political level into follow-up actions and results. The Action will complement ongoing EU interventions in LAC.

2.2 Background/Context/Rationale for PI funding

The European Union and Latin America and the Caribbean have a longstanding relationship based on commitment to fundamental freedoms, sustainable development and a strong and rules based international system.

Over the last decades, the EU and LAC have reached an unprecedented level of integration. The EU has signed association, trade or political and cooperation agreements with 27 out of the 33 LAC countries. Close to six million people from the EU and LAC live and work across the Atlantic, and more than one third of LAC student studying abroad do so in the EU. The EU-LAC partnership has an increasingly strong global dimension. The EU and LAC countries cooperate closely on the Paris Agreement and 2030 Agenda for Sustainable Development, share the ambition for strong and effective global governance, aiming towards comprehensive WTO and UN reform, and are frequently aligned on work in the United Nations.

At the same time, the EU-LAC partnership is faced with new dynamics, such as the need to respond to the demands of the digital and integrated global economy, while safeguarding the environment and to ensuring fair social outcomes. The democratic values at the core of the bi-regional association have come under pressure in and beyond the regions, and accelerating climate change, migration and challenges to international security are reaffirming the need for regional and multilateral cooperation.

In response to changing global and regional realities, the EU has adopted the Joint Communication "The EU and Latin America and the Caribbean – joining forces for a common future", which aims to strengthening and modernising this relationship, establishing a partnership of equals that becomes a pillar for free, open and inclusive societies and a driver of a strong and fair multilateral order.

The Communication sets out a vision for a more targeted, strategic and coherent EU engagement with LAC. It will focus on four mutually reinforcing areas: prosperity, democracy, resilience, and effective global governance, concentrating partnering efforts on those regional groups and countries willing to step up engagement on shared goals, while making full and coherent use of the EU's political, trade and cooperation tools.

As regards prosperity, the EU seeks to work with LAC partners to facilitate inter and intra-regional trade and investment, tapping the full potential of existing and future free trade agreements. It will focus efforts on assisting the regions' transition towards more sustainable economies, equipped to compete in the global economy, promoting the digital, green and circular economy, competitive and responsible enterprises and investing in knowledge, innovation and human capital.

The EU will continue to further its value-based approach to foreign policy in LAC, with the breakdown of democratic principles at the basis of the crisis affecting the region. The EU will continue to partner with LAC to further the respect for democracy, to empower civil society and human rights defenders, to promote credible, transparent and inclusive electoral processes, to consolidate the rule of law and fight corruption, as well as to advance gender equality and the empowerment of women and girls.

The EU will work with LAC to advance economic, environmental and societal resilience, including cooperation on environmental and climate issues, but also fighting inequality, organised crime, ensuring citizen security and addressing migration, and advancing cultural collaboration.

As to the fourth priority area, effective global governance, the EU will strengthen its engagement with LAC as a mover and shaper of the international order, partnering to advance the Paris Agreement and Agenda 2030, and strengthening the multilateral trade system and the UN.

Support to regional cooperative orders remains a strategic objective. Through its multilevel approach, the EU will continue to advance the bi-regional partnership, underpinned by ambitious Action Plan, and on the sub-regional level advancing the longstanding relationship with CARICOM/CARIFORUM and the Central American Integration System (SICA). The Joint Declaration with the Pacific Alliance, to be signed in 2019, and the conclusion of a comprehensive trade and political agreement with Mercosur will open up new avenues for cooperation. There is an Economic Partnership Agreement in place between the EU and CARIFORUM States since 2008. Under the new EU-ACP agreement currently under negotiation, the regional partnership with the Caribbean will be modernised and the political dialogue reinforced.

This Action aims to contribute to put the above vision into practice through concrete activities.

The action would support thematic policy dialogues on the different levels of the EU-LAC partnership – bi-regional, sub-regional and bilateral. It would facilitate the organisation and follow-up of policy dialogues, where there is high potential to advance common agendas, guided by the priorities laid out in the EU-LAC Communication. On the bi-regional level, this could include dialogue with the EU-CELAC framework, such as citizen security, social cohesion, gender, or, if the political conditions make this unfeasible, advance dialogue on areas of strong EU interest with like-minded countries through more flexible set-ups. At the sub-regional level, this could include supporting the EU's engagement with regional formations like the Pacific Alliance, SICA, Mercosur and others. At the bilateral level, the EU's has established actions to support sectoral dialogues with strategic partners Brazil and Mexico. This action would allow the EU to further strengthening relations with key and like-minded countries in LAC.

In short, while this Action will support the ongoing policy dialogue mechanisms, it could support also new areas of cooperation with individual key partners in LAC, if and as long it is in the EU's strategic interest. In addition to formal policy dialogues, the Action is also intended to support to the EU's interest in enhancing civil society involvement and private sector engagement. It will target those dialogue processes and initiatives with high potential of success, considering elements such as alignment with foreign policy priorities, potential return for EU's interests, political interest and capacity of partner, and degree of commitment of competent EU service.

The Partnership Instrument aiming at supporting strategic partnerships to make the EU more influential, is best suited to respond to the needs presented by this action. Its comprehensive way of working, bringing together all the relevant EU services and in close collaboration with Member States, will enhance the coherence and add value to the EU's external action in LAC.

In terms of linkages with the objectives and priorities laid down in the PI Regulation, this Action is directly addressing the fulfilment of all four Objectives of the PI Regulation, and most specifically to the Objective 1 (through deepening the political and economic dialogue with a region of particular relevance in world affairs; by supporting engagement on bilateral and global issues of common concern; and by reinforcing the cooperation on global challenges), and to the Objective 2 (by enhancing policy dialogue and cooperation with LAC, and by supporting regulatory convergence between both). It also contributes to the priorities identified under PI Multiannual Indicative Programme (MIP) 2018-20 and mainstreams the cross-cutting issues of multilateralism, EU principles and values, as well as resilience/innovation.

Building on shared history and values, the EU proposes to strengthen the EU-LAC alliance to make the partnership a pillar for prosperous, free, open and inclusive societies and a driver of a strong and fair multilateral order, based on the new strategic approach outlined in the new Joint Communication on EU-LAC. This implies continuing the path of moving away from the old model of development assistance to a partnership of equals around the four areas of prosperity, democracy, resilience, and effective global governance. LAC countries are also interested in these areas and benefitting from multilateralism. They are keen on cooperating with the EU.

2.3 Lesson learnt

Policy Dialogue Support Facility projects (or similar) are being implemented in a number of other strategic partner countries of the EU. Despite similar objectives, stemming from the EU's intention to consolidate and enhance the existent strategic partnerships, the key lesson learned is that there is no "one size fits all" model. Each partnership is unique in its structure, scope, policy priorities and level of advancement. However, key elements to all are flexibility, to adjust the working methods and tools (means and activities) to the actual needs during the implementation period and, multi-sector/horizontal nature of the action.

A key element for the success of a horizontal facility, like the one proposed is active involvement and close technical steer from the different EU services at Head Quarters and Delegations. The setup of a comprehensive and workable Steering Committee and the appropriate planning and monitoring mechanisms will be essential to this purpose.

Another important element is to set up adequate criteria to prioritise the activities to be supported. For this action criteria will be set at the beginning of the action based on: alignment with foreign policy priorities, potential return for EU's interests, political interest and capacity of partner, and degree of commitment of competent EU service to accompany the implementation of the activity and to ensure its follow up.

Finally, the role of the project team leader will be especially important so special attention should be paid to the definition of his/her profile and eventual selection.

2.4 Coherence and complementarity

Throughout the implementation of the Action, synergies will be sought with all ongoing PI-supported stand-alone, PSF, and TAIEX actions in LAC and its sub-regions and individual countries, both bilateral and multilateral (global) ones. In this context, special attention will be given to the existing policy dialogue support facilities with Mexico and Brazil. Complementarities will be furthermore sought with the relevant programmes implemented in LAC by other Directorate Generals, in particular DEVCO, such as EUROCLIMA+, EuroSocial, AI-Invest, Elan, LAIF, COPOLAD, el PACto etc.

Outreach and coordination with the EU Member States and their projects implemented in LAC will be ensured from the onset, including through regular reporting on ongoing and planned activities under this Action to COLAC and the EU Delegations who will report to EU Heads of Missions in LAC countries. This will improve the impact of planned interventions, and ensure coherence in delivering the messages.

In terms of synergies with ongoing and future PI actions, the followings ones will be of particular relevance, even if they cover only some LAC countries: Sector Dialogue Support Facilities to Brazil and Mexico; International Urban Cooperation: Sustainable and Innovative Cities and Regions; Strategic Partnerships for the Implementation of the Paris Agreement (SPIPA); Promoting biodiversity and sustainability in the agriculture and food sector through economic valuation; Market Access/ Trade agreements implementation projects; IP Key Latin America, Responsible Business Conduct; Civil Aviation; Win-Win – Gender equality means good business; Low Carbon Business Support; Raw materials; EUPOP public diplomacy project; and other upcoming sectoral initiatives.

This Action aims to support and promote sectoral EU-run dialogues with LAC and regional subgroups, as well as individual countries, and is hence to be managed at the EU Headquarters level. This will allow for identification of synergies with the ongoing EU-supported projects in relevant fields in order to ensure that added value is produced through additional coordination with services of the Commission. In light of the multi-sectoral nature of this action, regular outreach and engagement with the EU Member States is planned for this action, as well as with their agencies and projects funded by them

2.5 EU added value

In the fluid and rapidly evolving context of EU-LAC relations, this horizontal support facility is needed to equip the EU with the capacity to act on emerging political opportunities and immediate needs that stem from the political agreements and high level meetings that take place at the different level of the partnership (e.g. implementation of conclusions, proposals and recommendations from ministerial, high-level political dialogues and meetings). If in the interest of the EU, the facility could also be used to implement political decisions at the bilateral level, or to support policy dialogues in those like-minded countries not covered by other cooperation actions. This approach will ensure further regulatory convergence, cooperation in the international fora, joint follow-up to decisions taken at the multilateral level and supported by parties, and ultimately reinforce the EU' credibility as an agile and committed partner.

2.6 Cross-cutting issues

The action will consistently mainstream cross-cutting issues, such as gender, democracy, rule of law, SDGs, human rights and fundamental freedoms, climate change and those inherent to the Partnership Instrument, such as multilateralism, global order, EU principles and values, resilience, innovation. The selected implementing partners will be required to demonstrate in the design of the project on how the relevant cross-cutting will be incorporated in this Action when preparing and implementing individual activities.

3 ACTION DESCRIPTION

3.1 Objectives

The **Overall Objective** of the Action is to contribute to the strengthening and expanding of the EU-LAC relationship in line with the overall approach and priorities set out in the EU Global Strategy and the Joint Communication on EU-LAC relations, and other relevant agreements and documents as they pertain to sub-regional and bilateral relations.

In this context, it will respond to political priorities and needs on a dialogue-driven basis, as relating to priorities and decisions taken in the framework of political and policy dialogues, joint working groups, summits, country team meetings, joint committees, etc. While the Action will primarily pursue and advocate the EU interests, under the overall political steering of EEAS and sectoral guidance by the Commission services, the set of agreed activities will take into account the interest and value added from the LAC side, primarily in areas in which the mutual interest has been identified and there is high potential to advance.

The **Specific Objectives** of this action are to contribute to policy convergence and aligned policy approaches in the global arena, to promote regulatory convergence, common standards and level playing fields through the support to ongoing and new dialogues and specific cooperation activities at regional, sub-regional and bilateral level (SO1) to support the engagement of civil society and private sector (SO2) and to improve the perception and knowledge of the EU's external action in LAC (SO3)

The main **expected results** for the proposed Action are:

R1: Strengthened and extended EU-LAC cooperation in key priority areas is demonstrated through regular holding of existing sectoral policy dialogues, expanding to new ones, and consistently followed up with side activities planned in the context of this Action.

R2: Mutual understanding, trust and understanding of policy objectives and strategic interests are further strengthened between the EU and LAC, as demonstrated through legislative harmonization, increased high-level exchanges, and enhanced people-to-people contacts.

R3: Improved participation of civil society and private sector in the activities supporting the dialogues.

R4: EU's information and communication on its external action in the LAC region is enhanced by complementing the already existing Public Diplomacy Actions and improving its coherence.

As per the EU-LAC Communication, and in line with the four priority areas (prosperity, democracy, resilience, and effective global governance), this Action will prioritise dialogue/activities on areas of strategic EU interests where there are favourable political conditions to make progress.

Possibilities include activities to promote decent work, labour standards, and social cohesion, productivity and circular economy, maritime transport; competition, including subsidies and a subsidy control mechanism; EGNSS and Earth Observation; public procurement; quality infrastructure; secure and sustainable energy and energy efficiency, environment; financial regulation; culture, migration, organized crime, citizen security, with provision for participation of civil society and business actors.

The action will also focus on furthering cooperation on the digital economy, as one important priority in the EU-LAC partnership. This could include activities such as support the follow-up of the EU-LAC digital cooperation workshops conducted in July 2018 and March 2019¹ and enhancing the outreach of EU Digital Single Market to the LAC region in support of existing digital economy dialogues covering topics including standardisation, 5G, AI and blockchain

Innovation is an important cross-cutting area for cooperation. Connecting innovation ecosystems in LAC and Europe would provide real opportunities for European companies looking to scale up in LAC and vice versa, making it easier to undertake joint business ideas and opening up new markets for European players.

¹ Such as enhancing cooperation between EU and LAC telecoms and audio visual regulators; alignment in international discussions on e-commerce and online platforms and discussions on the Network and Information Systems (NIS) Directive

Initiatives of public diplomacy will increase the impact of these dialogues and activities.

Indicative **Activities** under the proposed action are:

- (a) Organisation of dialogue meetings, events and exchanges of experiences and best practices (conferences, seminars, workshops, mutual technical visits, officials' exchanges, etc.);
- (b) Provision of specialised technical assistance in the key priority sectors, e.g. technical studies, comparative analyses, legal analyses, translations of relevant documents, etc.
- (c) Preparation of baseline studies and sectoral studies of relevance for developing and maintaining thematic policy dialogues and operational partnerships;
- (d) Awareness raising activities in thematic fields of strategic relevance to the partnership through outreach to potential multipliers throughout LAC.
- (e) Production of promotional/outreach material; running of media/social media/public awareness raising campaigns; outreach to the civil society, people-to-people contacts, etc.

The selected implementing partner(s) will be responsible for the implementation of the project and, in this context, be flexible and ready for new activities based on regular and in-depth following of the EU-LAC sectoral relations; stemming from the related discussions with the EEAS and Commission DGs; and in consultation with the relevant external stakeholders. While the EU will steer the project and prior clearing of individual activities by LAC partners is not foreseen, the cooperation with relevant counterparts in LAC will be sought on identification of resource persons and sectors in which interest exists

3.2 Stakeholders

The main stakeholders for the action include the EEAS; European Commission services; EU Agencies; EU Member States and their relevant agencies; regional organisations in LAC, LAC countries' Ministries, Agencies and State-level governmental bodies; LAC and EU think tanks, social partners, civil society, academia, private sector, local governments, and media in both regions. The above mentioned key stakeholders will be included in formulation and implementation of activities of their interest under the project in sectors of relevance to them.

Due attention will be paid to gender balanced participation amongst key stakeholders.

3.3 Risk assessment and management

Risk description	Risk level (High, Medium, Low)	Mitigating measure
Risk of overlapping activities; duplication.	H	Given that this is an Action potentially encompassing all of Latin America and the Caribbean, and many countries are covered by other EU programmes, specific care will have to be devoted to keeping all stakeholders abreast of planned activities. Twice-annual coordination meetings should

		overcome this risk.
Lack of interest on the side of LAC countries or regional groupings in expanding or maintaining partnership with the EU, due to higher presence and pressure of other international actors.	L	Continuous assessment of the political situation and policy priorities in LAC; consistent engagement with key LAC partners in areas of mutual interest/with potential for enhanced cooperation. Well-planned selection of key areas for project interventions. Consultation on project activities with LAC partners throughout the implementation period. EU Delegations involvement.
EU level of commitment decreases on furthering strategic engagement with LAC once momentum of new EU-LAC Joint Communication has passed.	L	Continuous dialogue, sharing of information on the project with EEAS and Commission services, and coordination with EU Member States to secure the support for enhancing policy dialogues with concrete operational tools. Ensuring high-level involvement in relevant project activities. Commission services actively taking responsibilities in the project implementation.
Rise to power of uncooperative leadership and governments not interested in multilateralism.	M	Intensify relations necessary for project implementation at the lower technical level in sectors of mutual interest.
Unexpected crisis or ad-hoc irritants undermine the EU-LAC biregional or sub-regional relations	L	Continuous analysis of the relations, mapping of possible irritants in the relations to address causes, and identification of tools to rectify the situation with concrete means. This action should help to reduce this risk.
Insufficient human and financial resources at disposal to advance on the sectoral partnerships in line with guidelines received at the political level.	M	Clear division on tasks between what this vs. other projects can do and achieve, and the related expectation management. Clear messaging to LAC partners on the EU vs. EUMS mandate in different areas of intervention. Priority on those areas with highest interest from both sides. Continuous coordination with EU Delegations so as to ensure they can plan and are not overloaded by a sudden request for support.
Poor quality of project experts, the	M	Strategic selection of the areas

provided expertise, and sub-optimal steering of the Action.		of intervention, in line with EU's interests/policy priorities. Extensive internal coordination within the EU Delegations, experts, EEAS and Commission services, and regular holding of the project steering committee meetings. EEAS and FPI daily steering and management to prevent those risks and to provide rapid solutions
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3.4 Communication and EU visibility

Communication and visibility of the EU is a legal obligation for all external Actions funded by the EU, moreover they are considered key components of this Action.

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 Action², which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1 Procurement (direct management)

- (a) The programme will be implemented via service contract(s).
- (b) Indicative timing: call(s) for tender will be launched in third Quarter 2019 under suspensive clause prior to the adoption of this decision. This is justified in order not to lose the momentum and given that some activities are ready to be financed, leading to an interest to fast forward the implementation of this Action.

4.1.2 Grants (direct management)

- (a) Purpose of the grant(s)

If deemed necessary and provided that sufficient conditions are met in terms of financial sustainability, a portion of the action will be implemented through a grant.

The grant will aim at strengthening and expanding of the EU-LAC relationship in line with the overall approach and priorities set out in the EU Global Strategy and the Joint Communication on EU-LAC relations.

- (b) Type of applicants targeted

² https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

The applicant targeted is the EU-LAC International Foundation, that, as per its constitutive charter, has a monopoly over the implementation at institutional level of the recommendations emanating from the EU-LAC political summits.

(c) 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 EU-LAC Foundation, in accordance with the provisions of article 195 (c) of the FR.

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 EU-LAC International Foundation is the only institution that has been established by a political decision of all the Heads of State or Government of the EU and LAC countries to strengthen the bi-regional partnership. The need for close contacts with the authorities of the partner countries require technical competence, high degree of specialization and institutional access that can only be provided altogether by the EU-LAC Foundation by virtue of the unique role and mandate it has been conferred upon. In compliance with its mandate set out in its Statutes and constitutive agreement, the Foundation will continue contributing to the strengthening of the CELAC-EU bi-regional partnership process involving participation and inputs of civil society and other social actors; encourage further mutual knowledge and understanding between both regions; and enhance the mutual visibility between both regions, as well as of the bi-regional strategic partnership itself.

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Procurement (direct management)</i>	4.7
<i>Grant (direct management)</i>	0.3
Totals	5.0

4.3 Organisational set-up and responsibilities

A project steering committee (PSC) will be set up and composed of representatives of relevant EU services in Headquarters and Delegation. It will give overall political steer to the facility and will validate the pipeline of activities identified and proposed by the different services (with the support of the project implementation team). The PSC will meet at least every six months.

A methodology that combines the need for planning and flexibility to respond to emerging political needs as well as criteria to define the activities will be set up by the management of the programme and shared with the PSC.

EU Member States will be regularly informed of the activities at HQ (COLAC) and at country level (Heads of Mission/ Commercial or sectoral Counsellors as relevant), to maximise synergies with their own activities.

Active involvement and participation of relevant LAC counterparts will be sought in the different activities implemented under 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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.

Of the Commission Implementing Decision on the 2019 Annual Action programme - – second phase for the Partnership Instrument

Action Document for Engagement with Civil Society in Indonesia, Singapore, Thailand, Vietnam, the ASEAN regional level, and New Zealand

1 KEY IDENTIFICATION DATA

Title of the Action	Engagement with Civil Society in Indonesia, Singapore, Thailand, Vietnam, the ASEAN regional level, and New Zealand			
Country/region/global	Indonesia, Singapore, Thailand, Vietnam, the ASEAN regional level, and New Zealand			
Sector of intervention	Public and Cultural Diplomacy			
Indicative budget	Total: EUR 1 980 000 EC contribution: EUR 1 800 000 (Grants: 90%) Other contributions: EUR 180 000(Grants: 10%)			
Duration and target start date of implementation	36 months – September 2020			
Method of implementation	Direct management – Grants			
Legal basis	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			
Programming document	European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020			
DAC code(s)	99810			
Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	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"/>
	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"/>

2 RATIONALE AND CONTEXT

2.1 Action summary

The proposed action aims to support actors in their endeavours to globally develop EU's soft power by building alliances and better-informed decision-making on priority EU themes such as response to global challenges, use of multilateralism, promotion of EU values and principles, economic partnerships and fundamental rights, including labour rights. It will also enhance widespread understanding and visibility of the EU and its role on the world scene. The following actions are envisaged:

- Support will be made available for people-to-people contacts and civil society dialogue in the Indonesia, ASEAN region, Singapore, Thailand, Vietnam, and New Zealand.

The action is composed of a set of activities, as follows: Civil society dialogues between the EU and the target countries; Youth and Student political and social engagement; Human Rights and Security; Sustainable consumption in particular of plastics items; sustainable urbanisation; Social entrepreneurship and social innovation; Inter-cultural exchanges with the EU; Cultural Heritage and cultural innovation; promotion of decent work,.

2.2 Background/Context/Rationale for PI funding

As the EU Global Strategy notes, we live today in a more interconnected, 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, including social partners, and cultural operators/artists) in order to increase mutual understanding, improve the perception of the EU and of its policies and, ultimately, identify and nurture like-minded allies for future cooperation.

This action refers to objective d) set out in article 1(2) of the Partnership Instrument (PI) Regulation¹ as further defined in multi-annual indicative programme 2018-2020 (objective 4)²: 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.

Furthermore, this action mainstreams the following cross-cutting issues: Multilateralism (building alliances) contributing to a global order based on international law, EU principles and values (democracy, rule of law, human rights and fundamental freedoms, respect for human dignity, the principles of equality, including gender equality, and solidarity); Resilience and Innovation.

2.3 Lesson learnt

The key lessons 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 EU's external action policies.

¹ Regulation (EU) No 234/2014 of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries, JO L77/77 15 March 2014.

² Decision C(2014)4453 of 3 July 2014, http://ec.europa.eu/dgs/fpi/key-documents/2014-annual-reports_en.htm

- ensure that implemented actions focus on issues that resonate among local target audiences.

2.4 Coherence and complementarity

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 Service for Foreign Policy Instruments - FPI), in particular with the EUPOP South East Asia and EUPOP Indonesia projects.

The EU Delegations and FPI 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 with 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"³, 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, 2017, 2018 and 2019 phase I, in particular:

- The project "Promoting Economic Empowerment of Women in Asia"
- The Circular Economy project "Reducing plastic waste and marine litter in East and South East Asia";
- The Policy Support Facility "Support the FTA Negotiations in New Zealand"
- "Support to the Asia-Europe Foundation" project;
- The "Partnership and Cooperation Agreement Facilities for Singapore and Vietnam"
- The "Global Covenant of Mayors for Climate and Energy initiative", as part of the "International Urban Cooperation Programme in South East Asia";

This programme will also build on existing partnerships with CSOs in Indonesia, Singapore, Thailand, Vietnam, and ASEAN under DEVCO thematic programmes, as well as previous initiatives involving civil society and the academia in New Zealand.

For maximum coherence, the formulation of this action has been checked for its complementarity and contribution to the objectives set out in the EU's Civil Society Roadmaps defined in each of the target countries and for ASEAN. In this sense, it provides an alternative opportunity for the EU to engage with CSOs beyond the traditional channels through a peer-to-peer and dialogue approach with EU stakeholders.

2.5 EU added value

In line with the EU Global Strategy, public diplomacy aims at enhancing the EU strategic communications, investing in and joining-up across different fields, in order to connect EU foreign policy with citizens and better communicate it to our partners.

The EU Global Strategy also outlines the need to develop a more joined-up approach to Public Diplomacy in order to be more effective in the way we engage over the long term with citizens in third countries. This has become particularly important at a time when citizens are increasingly exposed to competitive narratives and disinformation aimed at undermining the legitimacy of the EU and of our

³ http://eeas.europa.eu/delegations/ghana/documents/press_corner/20121231_en.pdf

policies. Building trust and mutual understanding with our partners has become increasingly important to support the implementation of our policy priorities.

While the action has the purpose to raise the profile and the knowledge of the EU in third countries, complementarity and added value of selected projects with on-going and planned initiatives supported by EU Member States will be ensured.

2.6 Cross-cutting issues

For the proposed action, different PI cross-cuttings issues have been identified, such as multilateralism, global challenges, EU principles and values.

Especially enhancing widespread knowledge of the Union and promoting the EU principles and values in partner countries is at the core of the public diplomacy and outreach activities in support of the objectives of the instrument.

3 ACTION DESCRIPTION

3.1 Objectives

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 between 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 (smart, sustainable and inclusive growth), Economic Partnership and Fundamental Rights.

In coherence with the EU's Civil Society Roadmap and complementary to existing bilateral and thematic support for Civil Society Organisations (CSOs) in each of the targeted country and ASEAN region, the **general objective of the proposed action is:**

To increase awareness of EU foreign policy objectives and of EU's engagement in Indonesia, Singapore, Thailand, Vietnam, the ASEAN regional level, and New Zealand, and to thereby raise the EU's profile as a strategic partner for those countries and region in tackling the relevant bilateral and global issues. The **specific objectives** of the action are:

To develop EU's soft power, understanding of the EU, and build trust through increased dialogue and exchanges between Civil Society Organisations and groupings, from the EU, Indonesia, Singapore, Thailand, Vietnam, ASEAN region, and New Zealand on issues of common interest or sensitive public opinion issues.

To positively shape and influence public opinion in Indonesia, Singapore, Thailand, Vietnam, ASEAN region, and New Zealand, through exposure to EU practices, standards, cultures, and models.

To bridge the cultural gap, especially amongst youths and promote better understanding of the growth of Asian and Pacific nations, and the role of the EU as a Historic and Global Actor.

The following indicative thematic sectors have been identified: Civil society dialogues between the EU and the target countries; Youth and Student political and social engagement; Human Rights and Security; Sustainable consumption in particular of plastic items; sustainable urbanisation; Social entrepreneurship and social innovation; Inter-cultural exchanges with the EU; Cultural Heritage and cultural innovation; promotion of decent work.

3.2 Stakeholders

The key stakeholders for this action are CSOs and existing civil society platforms, think tanks, academia, cultural stakeholders, artists, and groups of citizens and organisations which are informal or

not registered, in the EU and Indonesia, Singapore, Thailand, Vietnam, ASEAN, and New Zealand with thematic focus and expertise in the fields of mutual and strategic interests to the EU in its partnerships with Indonesia, Singapore, Thailand, Vietnam, ASEAN, and New Zealand.

Special focus on youth participation, on outreach to non-traditional civil society, and on establishing civil society involvement in support of bilateral and regional forums will be encouraged. Participation and contributions to bilateral partnership events, forums, and documents will also be encouraged.

Non-traditional civil society groups: citizens and informal or unregistered groups and organisations, including on labour rights, will be outreached and engaged coherently with their modes of mobilisation and participation, via social media, online dialogues, targeted calls for interests, local citizen activism or co-working approaches. Applicants will have to confirm their capacity to do so in their proposals.

Stakeholders for this action are expected to have the ambition to establish and sustain mid- and long-term working relations with peers from Indonesia, Singapore, Thailand, Vietnam, ASEAN, and New Zealand.

Target Groups: The action will target through deepened cooperation of CSOs , think tanks, and academia , non-traditional CSOs, and community associations, from Indonesia, Singapore, Thailand, Vietnam, ASEAN, and New Zealand and the EU the wider audiences, particularly Government and relevant policy makers; the media; businesses/private sector; students and youth, the academia/researchers, and other policy influencers.

3.3 Risk assessment and management

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 inclusion of this action with the EU Civil Society Roadmaps paired with the development of an overarching and flexible EU Public Diplomacy strategy that looks to engage the target audiences in the mid to long term significantly reduces such risk.
A major incident occurs (e.g. economic crisis) that severely influences the attitudes of foreign audiences towards the European Union.	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 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, as part of the Partnership Instrument Monitoring System (PIMS)
Limited interest by local target audiences of the initiatives implemented by the EU	M	Following the suggestions outlined in the above mentioned "EU Perception Study" to ensure that the content of the initiatives resonates among local target audiences will significantly reduce

		such risk.
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3.4 Communication and EU 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. This plan shall be aligned with EEAS and Commission communication services to secure long-term and wider visibility of the EU, beyond the specific action's activities.

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 Action⁴, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1. Grants (direct management)

(a) Purpose of the grant(s)

The objective is to increase awareness of EU foreign policy objectives and of EU's engagement in Indonesia, Singapore, Thailand, Vietnam, the ASEAN regional level, and New Zealand, and to thereby raise the EU's profile as a strategic partner for those countries and region in tackling the relevant bilateral and global issues.

The specific Objective is to facilitate the exchange of knowledge and ideas on the main areas of strategic importance for the EU in the implementation of its partnerships with Indonesia, Singapore, Thailand, Vietnam, the ASEAN regional level, and New Zealand.

Through structured and systematic engagement CSOs, including non-traditional groupings, will increase mutual understanding and perception among the wider audiences in the target countries and the EU, and thereby further consolidate the EU Partnerships and bilateral engagements.

The calls for proposals will indicatively launched in the 3rd quarter 2020.

(b) Type of applicants targeted

Civil Society Organisations established in the EU and in eligible countries according to CIR article 8.

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.

The maximum possible rate of co-financing for grants under this call is 90% of the eligible costs of the action.

⁴ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

4.2 Indicative budget

Method of Implementation	Amount in EUR million
<i>Grants (direct management)</i>	1.8
Total	1.8

4.3 Organisational set-up and responsibilities

The Contracting Authority will be responsible for all administrative, legal and financial issues relating to the contract, and will also monitor and supervise the implementation of the project. The Contractors will be responsible for day-to-day management of the project, mobilisation of the technical assistance and provision of outputs and reports.

The implementation of the activities will be under the oversight of the Contracting Authority in close cooperation with a Steering Committee composed of representatives of the relevant EU services who will provide constant policy support.

The task of the Steering Committee is to provide policy steering for project implementation. The Steering Committee will meet typically in its full formation twice a year. It will be composed of staff from relevant EU services. Concerned EU Delegations may be invited to participate, as needed.

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 and corporate 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 (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 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 4.4. above, will be funded from sources other than those allocated to this specific Action.