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**COMMISSION IMPLEMENTING DECISION**

**of 22.5.2017**

**on the 2017 Partnership Instrument Annual Action Programme for cooperation with  
third countries to be financed from the general budget of the European Union**

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### on the 2017 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

THE EUROPEAN COMMISSION,

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

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

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

Whereas:

- (1) The objectives pursued by the annual action programme to be financed under the Partnership Instrument<sup>3</sup> are to advance and promote Union and mutual interests through cooperation with third countries. The Commission has adopted an Implementing Decision on the first Multiannual Indicative Programme for the Partnership Instrument for the period 2014-2017<sup>4</sup>. In line with the Multiannual Indicative Programme, this annual action programme includes measures in the following areas: support for the Union's cooperation partnership strategies, cooperation on global challenges, implementation of the international dimension of the "Europe 2020" strategy and promotion of the Unions internal policies abroad, support for economic and trade relations as well as promotion of the Union's values and interests;
- (2) The action entitled "EU-China Energy Cooperation Platform (ECECP)" aims to promote and enhance the cooperation between EU and China on clean energy by supporting the implementation of the EU China Roadmap on Energy Cooperation signed in 2016. The action will be implemented in direct management via the procurement of services;
- (3) The action entitled "Energy Efficiency in Argentina" aims to support Argentina in its effort to shape a more sustainable, environment-friendly and efficient energy sector. The action will be implemented in direct management via the procurement of services;
- (4) The action entitled "Support to the India – EU Clean Energy and Climate Partnership (CECP)" aims to reinforce cooperation between EU and India on climate change and

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

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

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

<sup>4</sup> C(2014) 4453 final of 3 July 2014

energy with a view to ensure a secure, clean, affordable and reliable energy supply for all and to progress in the implementation of the Paris Agreement. The action will be implemented in direct management via the procurement of services;

- (5) The action entitled "Support to Urban Action Planning – EU International Urban Cooperation Programme" aims to strengthen the impact of international city-to-city cooperation on sustainable urban development. The action will be implemented in direct management via the direct award of a grant to the Agence Nationale pour la Rénovation Urbaine;
- (6) The action entitled "Support to Covenant of Mayors initiatives – cooperation with the European Commission Joint Research centre (JRC)" aims to contribute to the achievement of the EU's external climate and energy policies through the provision of scientific, technical and methodological support for the Global Covenant of Mayors for Climate and Energy initiative and the Covenants of Mayors supported through the EU's International Urban Cooperation (IUC) Programme. The action will be implemented in direct management via an administrative arrangement with the JRC;
- (7) The action entitled "Promoting biodiversity and sustainability in the agriculture and food sector through economic valuation" aims to protect biodiversity and contribute to a more sustainable agriculture and food sector in selected EU partner countries. The action will be implemented in indirect management with an international organisation, notably UNEP;
- (8) The action entitled "Environmental Diplomacy in G7/G20" aims to enhance the engagement of the EU in the G7/G20 on key EU priorities in the field of environment, in particular on resource efficiency and circular economy, marine litter, and green finance. The action will be implemented in direct management via the procurement of services;
- (9) The action entitled "Responsible business conduct in Latin America and Caribbean" aims to promote smart, sustainable and inclusive growth by supporting CSR/RBC practices in line with internationally agreed upon principles in this area. This will help move towards a level playing field by limiting unfair competition driven by low CSR/RBC standards. The action will be implemented in indirect management with international organisations, notably OECD and ILO;
- (10) The action entitled "Promoting economic empowerment of women at work through Responsible Business Conduct – Latin America and Caribbean (LAC)" aims to support sustainable, inclusive and equitable economic growth by promoting economic empowerment of women in LAC countries. This project will ultimately contribute to promote EU and international shared principles and values such as gender equality and women empowerment. The action will be implemented in indirect management with international organisations, notably UN Women and ILO;
- (11) The action entitled "Promoting economic empowerment of women at work through Responsible Business Conduct – G7 countries" aims to support sustainable, inclusive and equitable economic growth by promoting economic empowerment of women in public and private sector in G7 countries. This project will ultimately contribute to promote EU and international shared principles and values such as gender equality and women empowerment. The action will be implemented in indirect management with international organisations, notably UN Women and ILO;
- (12) The action entitled "EU-India cooperation and dialogue on Migration and Mobility" aims to contribute to a better management of mobility and legal migration between the

EU and India, as well as to prevent and address the challenges related to irregular migratory flows. The action will be implemented in indirect management with international organisations, notably ICMPD and ILO;

- (13) The action entitled "Schuman Fulbright Fellowship" aims to support the EU agenda for new skills and jobs under Europe 2020, through the exchange of mid-career professionals using the framework of the US Fulbright programme. The action will be implemented in direct management via a the direct award of a grant to the Belgium-Luxembourg Fulbright Commission;
- (14) The action entitled "Support to civil society participation in the implementation of EU trade agreements" aims to contribute to increased transparency and accountability of Sustainable Development (SD) chapters of Trade Agreements through increased and standardised participation of civil society. The action will be implemented in direct management via the procurement of services;
- (15) The action entitled "Public and Cultural Diplomacy" aims to build trust and support the EU become a stronger global actor. The action will be implemented in direct management via the procurement of services, calls for proposals and the direct award of a grant to the EU-Russia Civil Society Forum;
- (16) The action entitled "EU-China Partnership Facility (ECPF)" aims to contribute to the strengthening and enlargement of EU-China relations in line with the strategic framework represented by the EU Global Strategy, the EU Strategy for China, the EU-China 2020 Strategic Agenda for Cooperation and other relevant bilateral agreements. The action will be implemented in direct management via the procurement of services;
- (17) The action entitled "EU- Mexico Sector Dialogues Support Facility (SDSF)" aims to contribute to strengthening and further enlarging the strategic partnership between the EU and Mexico by supporting the implementation of the EU-Mexico Global Agreement and the EU-Mexico Strategic Partnership Joint Executive Plan, as well as other relevant agreements concluded between the EU and the Mexican Government. The action will be implemented in direct management via the procurement of services;
- (18) The action entitled "Support to project cycle management" aims to support the identification, formulation, implementation, monitoring, evaluation and audit of actions under the Partnership Instrument. The action will be implemented in direct management via the procurement of services;
- (19) The action entitled "Policy Support Facility (PSF)" aims to provide targeted, flexible and tailor-made support to specific EU's policy priorities. The action will be implemented in direct management via the procurement of services and calls for proposals;
- (20) The action entitled "Technical Assistance and Information Exchange (TAIEX)" aims to facilitate the implementation of EU bilateral Cooperation Agreements or similar agreements, with a focus on regulatory convergence in partner countries. The action will be implemented in direct management via the procurement of services;
- (21) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012<sup>5</sup>;

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

- (22) It is necessary to adopt a work programme for grants in accordance with Article 128(1) of Regulation (EU, Euratom) No 966/2012 and Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is set out in Annexes 4, 12, 14 and 18;
- (23) The action "Academic outreach through Jean Monnet activities", which is part of the action "Public and Cultural Diplomacy" should be implemented by the "Education, Audiovisual and Culture Executive Agency (EACEA)" in accordance with Decision No. 2013/776/EU of 18 December 2013;
- (24) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in Annexes 6, 8, 9, 10 and 11 to this Decision, subject to the conclusion of delegation agreements. In accordance with Article 60(1)(c) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the European Union equivalent to that required when the Commission manages European Union funds. Entities specified in Annex 8, 9, 10 and 11 to this Decision comply with the conditions set out in points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary. The entity specified in Annex 6 to this decision is currently undergoing the assessment provided for in Article 61 of Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entity's positive assessment prior to the entry into force of Regulation (EU, Euratom) No 966/2012 and on the long-standing and problem-free cooperation with it, budget-implementation tasks can be entrusted to United Nations Environment Programme (UNEP);
- (25) The authorising officer responsible should be able to award grants without a call for proposals only in the exceptional cases set out in Article 190 of Delegated Regulation (EU) No 1268/2012;
- (26) It is necessary to allow for the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012;
- (27) The measures provided for in this Decision are in accordance with the opinion of the Partnership Instrument Committee established under Article 7 of Regulation (EU) No 234/2014;

HAS DECIDED AS FOLLOWS:

#### *Article 1*

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

The Annual Action Programme 2017 (Phase 1) for the Partnership Instrument for cooperation with third countries, as set out in the Annexes, is adopted.

The programme shall include the following actions:

- (a) Annex 1: EU-China Energy Cooperation Platform
- (b) Annex 2: Energy Efficiency in Argentina
- (c) Annex 3: Support to the India – EU Clean Energy and Climate Partnership
- (d) Annex 4: Support to Urban Action Planning – EU International Urban Cooperation Programme

- (e) Annex 5: Support to Covenant of Mayors initiatives – cooperation with the European Commission Joint Research centre (JRC)
- (f) Annex 6: Promoting biodiversity and sustainability in the agriculture and food sector through economic valuation
- (g) Annex 7: Environmental Diplomacy in G7/G20
- (h) Annex 8: Responsible business conduct in Latin America and Caribbean
- (i) Annex 9: Promoting economic empowerment of women at work through Responsible Business Conduct – Latin America and Caribbean
- (j) Annex 10: Promoting economic empowerment of women at work through Responsible Business Conduct – G7 countries
- (k) Annex 11: EU-India cooperation and dialogue on Migration and Mobility
- (l) Annex 12: Schuman Fulbright Fellowship
- (m) Annex 13: Support to civil society participation in the implementation of EU trade agreements
- (n) Annex 14: Public and Cultural Diplomacy
- (o) Annex 15: EU-China Partnership Facility
- (p) Annex 16: EU- Mexico Sector Dialogues Support Facility
- (q) Annex 17: Support to project cycle management
- (r) Annex 18: Policy Support Facility
- (s) Annex 19: Technical Assistance and Information Exchange (TAIEX)

## *Article 2*

### **Financial contribution**

The maximum contribution of the European Union for the implementation of the programme referred to in Article 1 is set at EUR 87,600,000 and shall be financed from budget line 19.0501 of the general budget of the European Union for 2017.

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

## *Article 3*

### **Methods of implementation**

Budget-implementation tasks under indirect management may be entrusted to the entities identified in the Annexes 6, 8, 9, 10 and 11, subject to the conclusion of the relevant agreements.

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

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

*Article 4*

**Non-substantial changes**

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

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

Done at Brussels, 22.5.2017

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

**ANNEX 1**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for EU-China Energy Cooperation Platform (ECECP)****1. IDENTIFICATION**

Title of the action	EU-China Energy Cooperation Platform (ECECP)			
Country(ies)/ Region	People's Republic of China			
Total cost	Total estimated cost: EUR 3 500 000 Total amount of the EU budget contribution: EUR 3 500 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Direct management Procurement – Services			
Markers (from CRIS DAC form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

This action aims to promote and enhance the cooperation between EU and China on clean energy by supporting the implementation of the EU China Roadmap on Energy Cooperation signed in 2016. An EU-China Energy Cooperation Platform (ECECP) including stakeholders from EU and China will be established with this objective in

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.



mind. Based on EU's longstanding experience and vast know-how, this platform will bring together governments, regulatory agencies, business and other key stakeholders for the promotion of innovative approaches and for the elaboration of new policies and/or legislation on clean energy that is sustainable, reliable and predictable. The action will contribute to enhancing China's energy governance, promote bilateral confidence-building, foster the progressive uptake by China of best practices, and support the process of liberalisation of energy markets.

## **2.2. Context**

China plays a key role in the global transition towards clean energy and fighting climate change. It is the world's largest energy consumer and importer of oil. In recent years, China has been showing the willingness to transform its energy system, making it more sustainable, reliable and transparent. It has committed to reducing the emissions derived from its energy system and to increasing the share of non-fossil fuels in primary energy consumption from the current 11.2% to 15% by 2020 and 20% by 2030. This reform momentum is further enunciated in the 13<sup>th</sup> Five-Year Plan for the energy sector, in which China embarked on a series of sector-specific reforms, starting with the power sector, and extending into the oil and gas sector. Nevertheless, China's reform process still faces a range of institutional and regulatory barriers.

China's clean energy transition is very much in the interest of EU and its energy diplomacy, which promotes a global clean energy transition, open and transparent energy markets, and a global response to climate change. Greater use of clean energy sources by China would also have a positive impact on long term sustainable development in the country and globally. The present project is in line with the EU's Energy Union External Dimension, EU's Global Strategy, the EU-China 2020 Strategic Agenda for Cooperation, and the Paris Agreement on Climate Change.

The EU can offer experience in reforming energy markets, for example the inclusion of renewables in the energy system or the reduction of energy demand. A transfer of this expertise will help China reform its energy system, while at the same time facilitating regulatory and standards convergence. It will also help bring about new business opportunities to European companies offering clean energy technologies or services. Both EU and China, realising the mutual benefit of such clean energy cooperation, signed the EU-China Roadmap on Energy Cooperation in July 2016. The ECECP will help strengthen these efforts further by supporting the operationalization of the roadmap.

## **2.3. Lessons learnt**

ECECP would represent a form of continuity of the cooperation carried out under a previous project: **EC2 – EU-China Clean Energy Centre (funded DCI)** which ended in 2015. The EU-China Roadmap on Energy Cooperation is built on a consensus obtained through the project's activities, and was initiated through the EU-China 2020 Strategic Agenda for Cooperation agreed on at the 2013 EU-China Summit. The ECECP will build upon this legacy and experiences gained.

The implementation of EC2 showed that a clean energy cooperation project requires flexibility to accommodate the policy needs and strong support of all partners involved. It is proposed to use a service contract as the implementation methodology of ECECP to ensure such flexibility. Close involvement and technical steer from DG ENER would ensure that the action stays clearly in line with EU's policy priorities in the energy sector.

Given the relevance of the subject and the fact that many MS are active in this field in China, MS will be kept informed of the ECECP activities and be invited to participate in relevant activities of interest to them.

In order to ensure close involvement of China, appropriate Chinese authorities would be invited to participate in relevant meetings of the ECECP.

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

Complementarity with ongoing actions: There are no ongoing actions between EU and China in the field of energy *stricto sensu*. EC-Link, an ongoing EU project in the field of urbanisation, offers interesting avenues for cooperation and exchanges in the areas of renewable energy production and energy efficiency, but is foreseen to end in October 2017. EU Gateway, an ongoing PI project supports EU business to enter the Chinese market, including in the energy sector. Similarly, the EU SME Centre (funded under ICI+), another ongoing EU project, supports European SMEs in accessing China's market, including in the field of energy. The ECECP does not intend to replicate the EU Gateway's and EU SME Centre's match-making or service activities, but link energy-related EU firms and energy policy cooperation with China. Nevertheless, coordination, and exchange of information and of contacts will be actively sought between all three activities.

Coordination should also be pursued with the activities under the Industrial Energy Efficiency and Greenhouse Gases Emission Reduction Working Group between DG GROW and the Ministry of Industry and Information Technology (MIIT), in particular as regards energy efficiency activities and in order to mitigate the risks created by the fragmentations of policy competences in the Chinese government. Finally, some Member States are very active in cooperating with China in the field of energy, in particular the UK, Germany (wide coverage of sectors), Denmark (renewable energies) and France (nuclear sector). Coordination with MS activities will be ensured by keeping the MS informed of ECECP activities and inviting them to relevant activities of the platform.

The EU-China Partnership on Urbanisation, managed by DG ENER and the Chinese National Development and Reform Commission (NDRC), fosters the sustainable development of Chinese urban centres, and should be closely linked to the ECECP's activities on the energy efficiency of buildings and the decentralised renewable power generation. Further, the Platform's action should be coordinated with initiatives from the International Energy Agency and the Energy Charter. Finally, coordination should be sought with another multilateral initiative, Mission Innovation, launched in 2015 in conjunction with the Paris Agreement to accelerate clean energy innovation.

Complementarity with future actions: two PI actions currently under preparation would have complementarities with this Platform. One is the EU-China ETS project, which will support China in building its own ETS: it will be vital to avoid dissonances in the support provided by this project and this Platform, especially given the fact that both the projects are working with different interlocutors (NDRC and NEA). Another is the "International Urban Cooperation: sustainable and innovative cities and regions – regional action Asia." Also with a focus on low-carbon cities, it will offer opportunities to cooperate, exchange information and consolidate messages. In the field of energy research cooperation, Horizon 2020 is expected to finance new activities with China in the coming years. Though not directly related to this action, exchange of information will be ensured with the Policy Dialogue Support Facility under implementation in China. Finally, since the Platform can only be expected to start its activities end of 2017, a set of Policy Support Facility (PSF) activities could be launched to prepare the ground and support the EU-China Energy Dialogue.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of the ECECP is to enhance EU-China cooperation on clean energy. In line with the EU's Energy Union, the Clean Energy for All Europeans initiative, the Paris Agreement on Climate Change, and the EU's Global Strategy, this enhanced cooperation will help increase mutual trust and understanding between the two strategic partners and contribute to a global transition towards clean energy on the basis of a common vision of a sustainable, reliable and predictable energy system

The specific objective of this action is to strengthen EU-China energy dialogue and cooperation through the implementation of the EU-China Roadmap on Energy Cooperation. An EU-China Energy Cooperation Platform (ECECP) will be established with this objective and in addition to policy related work, will support EU businesses access opportunities in the energy sector in China.

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

The ECECP hence foresees to deliver two *outputs*, both directly based on the EU-China Roadmap on Energy Cooperation:

- *Output 1*: Enhanced EU-China cooperation on key energy policy areas identified under the Roadmap. The main areas of work under the platform will be energy efficiency, renewable energy production, energy regulation inter alia. Other areas of cooperation could include, but are not limited to, energy statistics and data, grid infrastructure, security of supply and market design. This cooperation would result in an increased understanding of each other's energy policy, an enhanced contact network of Chinese counterparts and energy experts, an intensified cooperation on energy policies through an exchange of views and practices in the field of energy, and an improved mutual trust. This cooperation will also contribute to ensuring continuation of Chinese commitment towards clean energy transition and the Paris Agreement on Climate Change, and an enhanced Chinese

willingness to cooperate with international partners and international organisation in the field of energy.

- *Output 2*: Strengthened EU-China business cooperation in energy sector. EU companies face substantial barriers when trying to access China's energy related market. Nevertheless, European firms possess the technology that can contribute to China's clean energy transition, and investors from the EU have ample experience in evaluating and financing clean energy projects. This project will facilitate EU businesses to access the energy related markets in China thus furthering the interest of both the partners.

Given the dynamic nature of bilateral cooperation as well as the evolving energy sector, the exact activities will be defined closer to the actual start of the implementation. Following is an indication of the type of activities that would help achieve the outputs and objectives detailed above:

- A. Technical and administrative services such as setting up the Platform, for the implementation of the EU-China Roadmap on Energy Cooperation, as well as coordination with Member State's energy cooperation with China.
- B. Workshops, conferences, study visits, etc. aiming to :
  1. strengthen and enhance EU's outreach to, and contacts with relevant Chinese governmental entities, regulatory agencies, academia and opinion makers;
  2. ensuring EU's participation and visibility in important energy-related conferences or events in China, in EU or in third countries if they have a link to China's energy policy;
  3. facilitate a common understanding of both side's respective energy policies, underlying principles and potential future implications;
  4. share best practices and learning on how to transform the energy system towards clean energy such as on energy efficiency, renewable integration, market design, subsidies and tariffs, open competition and markets, and the promotion, development and construction of new clean energy technologies such as combined heat and power (CHP) or renewables;
  5. promote EU practices, policies and standards for improved access of EU businesses to Chinese energy related markets on reciprocal terms with competition on a level playing-field;
  6. facilitate exchange of data and information on energy statistics, projections underlying the development of the energy sector, and the modelling tools utilised to derive these projection, including energy security strategies, and supply crisis prevention and management.
- C. Provision of information material, both in English and potentially Mandarin, such as studies, briefings and fact sheets to:

1. provide policy recommendations and summaries on areas covered by the EU-China Roadmap for Energy Cooperation;
2. support the preparation of information, communication and awareness raising activities on clean energy topics, including addressing businesses' and citizens' questions;
3. research technical and regulatory barriers faced by EU industry in China's energy market, and develop technical arguments against these policies in terms of the inefficiencies they entail for China's energy sector;
4. cater for legal advice on improving existing or implementing new clean energy legislation in China; and
5. identify opportunities for EU businesses' engagement in China.

### 3.3. Risks and assumptions

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Lack of ability of National Energy administrator (NEA) to coordinate with and mobilise other Chinese ministry stakeholders (e.g. MIIT and NDRC).	M	Ensure internal coordination among the EU services and functions to mobilise their respective Chinese counterpart interlocutors. Make use of channels developed through other initiatives, e.g. the Urbanisation Partnership with the NDRC. Include the EU Delegation to China and China's Mission to the EU as further discussion channels. Strive to recruit experts with experience working with NEA and other Chinese authorities.
Lack of Chinese commitment to implement the EU-China Energy Cooperation Roadmap;	L	Ensure involvement at the highest level from the EU side to ensure active Chinese involvement;
Low involvement of business stakeholders.	L	Involve EU business associations in the EU and China, from the outset including chambers of commerce, and use existing dialogue processes and fora.

Assumption: continued political commitment on the side of EU, EU Member States and China to cooperation on energy matters in line with the roadmap.

### 3.4. Stakeholders

- European Commission (DG ENER, DG CLIMA, DG ENV, DG GROW, TRADE, DG RTD, DG EMPL), EEAS and EU Delegation to China;
- EU Member States;

- Chinese authorities (NEA, NDRC, MIIT, Mission of China to the EU, MoHRSS);
- Energy-related EU businesses in China or EU businesses with a trade or investment interest in China, including their business associations or chambers of commerce;
- Other stakeholder such as the EU Agency for the Cooperation of Energy Regulators (ACER), ENTSO-G and ENTSO-E, international energy organisation (e.g. International Energy Agency), relevant think tanks, energy research institutions, environmental NGOs, civil society, and academia.

#### 4. IMPLEMENTATION ISSUES

##### 4.1. Method of implementation

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

(a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.

(b) Indicative timing to launch the call: 2<sup>nd</sup> quarter 2017.

##### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Procurement (direct management)	3.5
<b>Total</b>	<b>3.5</b>

##### 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of the project will be a continuous process and part of the implementing entity's responsibility. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate progress and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

A Steering Committee (SC) will be established and will be composed, indicatively, of relevant Commission services, EEAS, EUD China. Other stakeholders may be invited to join if relevant. The SC will meet at least once a year to review progress and provide guidance to the implementation of the action.

Coordination between the EU and China will be ensured through an, annual meeting of a Coordination Group (CG) co-chaired by DG ENER and the NEA. This coordination mechanism will be closely aligned with the follow up of the EU-China Roadmap on Energy Cooperation. Other stakeholders and services may be invited to join as relevant.

The European Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.4. Evaluation and audit**

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

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

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

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the ECECP. The implementing partner will establish a communication plan in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

**ANNEX 2**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Energy Efficiency in Argentina****1. IDENTIFICATION**

Title of the action	Energy Efficiency in Argentina			
Country(ies)/ Region	Argentina			
Total cost	Total estimated cost: EUR 4 500 000 Total amount of the EU budget contribution: EUR 4 500 000			
Total duration <sup>1</sup>	36 Months			
Method of implementation	Direct management Procurement – Services			
Markers (from CRIS DAC form)	Rio convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

This action aims to support Argentina in its effort to shape a more sustainable, environment-friendly and efficient energy sector. For this purpose the project will:

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<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.



- showcase state-of-the-art technological solutions and best practices;
- present international - in particular European - policy and regulatory frameworks to appropriate bodies in the Argentinian administration and other relevant actors;
- provide - for a limited duration of time - appropriate focused technical advice to the competent national authorities, with a view to:
  - adopting standards and labels schemes in end use equipment (e.g. heating and electrical appliances; road vehicles), efficiency plans in the industry;
  - phasing out fossil fuels (and possibly part of electricity) subsidies while transferring (part of) the associated budget to EE incentive programmes consistently combined with the above mentioned regulatory frameworks;
  - engage or strengthen the participation of Argentina in international networking and common work on energy efficiency, not only with the EU (which is the core of this project) but also with other multilateral initiatives like IPEEC (International Partnership on Energy Efficiency Collaboration), the CEM (Clean Energy Ministerial) or the IEA programmes with developing countries.
- provide technical assistance for the relevant institutions and agencies on how to draft a national plan on Energy Efficiency, defining the milestones for energy consumption, preferably following the best EU standards. This would ideally include the participation of Argentina's institutions (at national and local level) to the upcoming Global Covenant of Mayors in Latin America initiative (2015 PI project "International Urban cooperation").

## **2.2. Context**

The issues of sustainable growth and energy efficiency have not yet been fully incorporated into the national policies in Argentina, where companies have focused on surviving and adapting to a challenging macroeconomic context, in particular after the 2001 economic collapse (financial difficulties related to the high inflation rate, lack of access to international financial markets and recent slow growth).

The country is experiencing an energy deficit, which is linked to the inefficient use of energy resources and fossil fuel consumption subsidies, coupled with an historic lack of investment in capacities related to low energy prices, restrictive trade and investment policy, and unsustainable macroeconomic policies. This situation results in frequent power cuts in major urban centres, especially during the summer or the winter seasons when households consume on average more energy for air conditioning or for heating.

In such a context, there is ample space for the implementation of energy-efficient practices which will reduce operating costs for business and the need to import, as well as reduce the cost of public subsidies to energy and/or improve the purchase power of the population. Energy efficiency has a capacity to shorten or avoid electricity shortages as well as reduce their adverse effects (with e.g. food preserved

longer in well insulated fridges and freezers). Increased Energy Efficiency will also contribute to curb Argentina's greenhouse gas emissions, which have almost doubled since 1990, and facilitate the adoption of a more favourable position in implementing its Nationally Determined Contributions (NDCs). Consequently, the country will better prepare for the Facilitative Dialogue 2018 that should lead to an increased ambition level to reduce emissions under the United Nations Framework Convention on Climate Change (UNFCCC) negotiations. Furthermore, the path towards a more energy-efficient economy is likely to lead to the creation of new jobs linked to the green economy and to develop a positive outlook to sustainable growth, as it is the case in the EU.

Thanks to its experience of 20 years in implementing ambitious climate policies, the EU is well suited to share its experiences with other leading economies like Argentina in delivering greenhouse gas reductions without compromising economic growth. The so-called 'de-coupling' in the EU has since 1990 led in 2015 to emission reductions of 22%, while the EU GDP increased by more than 50%. Although the EU's population and GDP have grown since 2006, the Union's primary energy consumption has decreased considerably since then, partly as a result of the adoption of energy-efficient measures. The EU is therefore well positioned to share its experience and know-how in Energy Efficiency, so as to enable a smooth transition towards better sustainability, increased competitiveness and a more rational use of energy-related resources.

After years of detachment, the bilateral political relations have been deeply revitalized since the new administration took office in Argentina in December 2015. One of the areas that has been identified with potential interest for both sides is Energy Efficiency: a first small scale project on energy efficiency was funded by the Partnership Instrument (PI). During President Macri's visit to Brussels in July 2016, the HR/VP Mogherini specifically mentioned that the EU and Argentina would further deepen their cooperation in this field.

When selecting Argentina as a pilot country for its economic diplomacy initiative, the EU has chosen green economy as one of the top theme for promotion. At the same time, there is also a strong interest from the EU private sector in having a National Policy on Energy Efficiency in Argentina that would open up business opportunities in this sector.

In the global context, climate change is a major common challenge that requires a decisive, confident and sustained response from all major economies. The G20 members are particularly relevant in this context since they account for over 80% of global greenhouse gas emissions. A number of G20 countries already work together in the framework of the IPEEC and the CEM on EE and clean energy technologies. Participation of Argentina should be promoted in these forums as well as in the work undertaken by the IEA towards Emerging economies (all supported by the EU). Beyond political changeovers, the forward momentum needs to feed on new

cooperation, alliances and concrete results from the early implementation of the Paris Agreement<sup>2</sup>. The Energy Efficiency project contributes to this agenda.

Following the change of government in Argentina in 2015, climate change is figuring high at the political agenda which in December 2015 prompted establishment of the Ministry for the environment and sustainable development. In March 2016, the new National cabinet for climate change grouping together policy areas of 12 ministries started its functions. These institutional changes that facilitate co-ordination also with the energy sector lay ground for the institutional sustainability of the Energy Efficiency project and ensure its thematic connections to the climate change policy area.

### **2.3. Lessons learnt**

The project builds upon the experience gathered from the first PI study project in Argentina on “Sustainable Growth and Energy Efficiency in Argentina” supported under the Policy Support Facility. This study had the buy in of the Argentinian authorities and it paved the way for its constructive involvement since the inception phase.

The aim of the study-project was to identify policies and regulatory measures that need to be adopted at national level to encourage Energy Efficiency policies, and to explore how the experience of the European Union and its companies may be used and adapted to the Argentinian context.

The findings of the study recommended deepening cooperation in this field. As a result, the newly established Argentinian Sub Secretariat on Energy Efficiency has shown great interest in launching a longer-term programme with the EU.

The Argentinian authorities' main interest now is to obtain technical assistance for its relevant institutions and agencies on how to draft a national plan on Energy Efficiency, preferably following the EU standards. The sectors identified as priority by the Argentinian Ministry of Energy are housing, industry (including power generation) and transport.

The Covenant of Mayors (CoM), launched since 2008 in the EU has now a global coverage and is acknowledged as a unique instrument for local implementation of climate action and of sustainable and affordable energy access. The 2015 PI project "International urban cooperation: sustainable and innovative cities and regions– Asia and the Americas" recently established a regional secretariat in Latin America, named regional CoM office" that will promote the Global Covenant of Mayors initiative in the region and support cities through networking and technical support activities.

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<sup>2</sup> Building on the 2020 package, the EU climate and energy framework sets three key targets for the year 2030, including at least 40% cuts in greenhouse gas emissions (from 1990 levels), at least 27% share for renewable energy and at least 27% improvement in energy efficiency. The 2030 framework was also the substance of the EU NDC submitted in 2015 as part of the Paris Agreement.

The project Euroclima+ identified the links to be fostered with the CoM initiative in LA, so that the projects can support each-other.

Other interesting projects dealing with energy efficiency include MobilizeYourCity (ran by GIZ and AFD) and specific project in other countries of the region where a clear synergy has been identified and used to pursue local design and implementation of energy efficiency projects in various sectors. The link between energy efficiency – including urban planning and transportation, building efficiency, appliances – and local development proves to be very strong (along the line of what the IEA names "the multiple benefits of energy efficiency").

In its "Energy efficiency Market Report 2016", the IEA highlights that energy efficiency gains (in terms of energy intensity or productivity) are mostly achieved (i) in emerging economies and (ii) through regulatory measures that boost the EE markets and provide quick economy wide benefits. The EU model and experience are widely acknowledged in this regard.

It is also relevant to have a political dialogue that would back up the implementation of the project. Commission's DG ENER is willing to re-establish the dialogue on Energy with Argentina in 2017, and this would benefit the project.

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

Complementarities will be sought with ongoing and future PI actions (International Urban Cooperation, Raw Materials, EU Policy and Outreach Partnership, Public Procurement initiative, Market Access action etc.).

Synergies will also be sought with projects implemented under the responsibility of other Commission services, in particular DEVCO (ELAN, EUROCLIMA +, AL Invest.5, LAIF, IUC, etc.) and the FPI (International Urban Cooperation project supporting the implementation of the Global Covenant of Mayors in the region) as well as with relevant interventions developed by other donors (especially EU Member States and International Organisations) and by the Argentinian Government and institutions.

It is important to monitor all ongoing actions relevant to the identified priority areas in order to ensure complementarity, build on good experiences and avoid duplications.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of this action is to support Argentina in its effort to shape a more sustainable, environment-friendly and efficient energy sector.

The specific objectives are:

1. to provide support to Argentina for the development and adoption of a regulatory framework on Energy Efficiency (i.e. National Action Plan on Energy Efficiency).
2. to support the government's efforts, at central and local level, in promoting Energy Efficiency in key industrial sectors and in power generation.

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

#### *Expected Result 1*

Enhanced capacity of Argentinian authorities to create a sound regulatory framework and an enabling environment promoting Energy Efficiency (development of policies, regulations and standards in favour of Energy Efficiency; energy efficient planning at the local level).

#### *Activities:*

1.a. Contribution to the elaboration of the Regulatory Framework of Energy Efficiency: (i) provide guidance for the development of the National Action Plan for Energy Efficiency; (ii) technical assistance on policy and regulatory measures needed to foster the use of more efficient technologies and the introduction of an Energy Efficiency labelling plan for homes and vehicles.

EU experience on the regulatory framework for Energy Efficiency can be considered as a model. Argentina has expressed interest in developing their National Action Plan on Energy Efficiency following the EU model.

1.b. Technical assistance to elaborate a Usable Energy Balance for housing, industrial and transport sectors that will serve to generate baselines for the development of medium and long term Energy Efficiency plans.

When energy is converted or consumed for end-use, some of the potential energy content is lost due to friction, heat loss or other factors. The energy that is ultimately utilised is less than the energy supplied, and which was originally purchased. Knowledge about utilised energy and usable energy, usually synthesized in Sankey diagrams, constitutes the basis for working out a detailed Energy Efficiency policy.

1.c. Technical assistance to support the relevant national authorities in implementing the appropriate policy reforms and operationalising the EU know-how.

1.d. Organise an annual Argentina-EU event on topics related to Energy Efficiency, serving as a forum for decisions and contacts. Produce activity reports and plans, aiming to feed the bilateral dialogue on energy matters.

These annual events would be the opportunity to move the decentralized actions (implemented at local level) in an aggregating context, to generate critical mass and to give visibility to the EU initiative.

## *Expected Result 2*

Increased introduction of Energy Efficiency technologies and technical know-how in key industrial and power production sectors.

### *Activities:*

2.a. Audit on Energy Efficiency networks in areas of increased energy consumption (Electricity and Natural Gas): (i) Analysis and characterization of consumption in energy-intensive industries (Steel, Cement, Oil Companies, Chemical, etc.); (ii) Development of an Energy Efficiency map to identify best practices and potential opportunities for improvement and business development. For this purpose, sector specialists will run energy audits in selected industries, and on that basis they will issue recommendations and suggestions.

Companies that consume natural gas and electricity on a large scale, including power generation companies, represent opportunities for improvement (i.e. replacement of machinery and applying new energy efficient technologies). This is the reason why manufacturers play a key in achieving this goal.

2.b. Exchange of experience in financing models of Energy Efficiency projects. In collaboration with relevant actors (i.e. EIB, IDB, local banks etc., as deemed necessary and possible), transfer expertise on specific energy-saving financing models, programmatic approaches, and demand management programs.

2.c. Targeted support to municipalities to develop local Energy Efficiency plans in buildings and local transport. Given the division of powers in Argentina and the attributions conferred to local governments in terms of construction permits, etc., this action would be essential to tackle the tertiary sector and residential buildings. This line of action would be synergetic to those carried out in the framework of the Global Covenant of Mayors and the RAMCC (Red Argentina de Municipios frente al Cambio Climático) and other regional and global initiatives (i.e. <https://www.proyectoallas.net/>).

2.d. Organization of Matchmaking activities between European and Argentine private sector to promote exchange of know-how and experiences and facilitate the generation of cooperation agreements in the field of Energy Efficiency.

Experience, knowledge, technical know-how, new technologies are fundamental for a real switch to energy efficient private sectors. The matchmaking activities will encourage industrial cooperation for the development of energy efficient projects.

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

The key assumption of this project is that both EU and Argentina are committed to strengthening cooperation on energy related matters and green economy and devote to this the necessary resources.

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
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<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Current interest expressed by relevant stakeholders decreases over time.	L	The EU-Argentina co-operation on this issue is starting now upon the request of the Argentinian government. Their involvement in the Energy dialogue will be an opportunity for a continued discussion on Energy issues. Argentina National Authorities will be closely involved in the formulation phase of the project. During the implementation phase, they will be integral part of the steering mechanism as part of the project's steering committee.
Overlaps with other EU projects	L	Coordination with DEVCO, DG GROW, DG ENER and DG CLIMA will be ensured from the beginning.
Insufficient buy in from private sector, high energy-consuming industries	M	Mitigation of this risk will partly be the responsibility of Argentinian government that will have to take necessary measures to entice the private sector. The project will mitigate this risk through the pilot matchmaking activities aimed at encouraging actual involvement of the private sector.
Insufficient funding/resources are allocated from the Argentinian side to complement and follow up on this project	L	Mitigation of this risk will come from early detection and involvement of potential funding partners. Funding shall be mostly private. However, international funding institutions are relevant player also.

### **3.4. Stakeholders**

On the Argentinian side, the main stakeholders are: Argentinian Ministry of Energy and Mining, Undersecretary for Energy Efficiency, NDEC Instituto Nacional de Estadísticas y Censos, Ministry of Environment, Asociación de Distribuidores de Energía Eléctrica de la República Argentina, ADEME (Agencia para el Medio Ambiente y el Ahorro de la Energía), Instituto Nacional de Tecnología Industrial, private sectors and business associations such as clusters.

From the EU side, DG ENER, DG GROW, DG CLIMA, FPI and EEAS. In addition, European Strategic Cluster Partnerships will also be involved. These partnerships bring together clusters and their member companies and knowledge institutions from different sectors and countries.

Synergies with local governments and civil society organizations will be envisaged.

#### 4. IMPLEMENTATION ISSUES

##### 4.1. Method of implementation

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

(a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.

(b) Indicative timing to launch the call: 2<sup>nd</sup> quarter 2017.

##### 4.2. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. – Procurement (direct management)	4.5
<b>Totals</b>	<b>4.5</b>

##### 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of the project will be a continuous process and part of the implementing partner responsibility. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the action and elaborate progress and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

A Steering Committee (SC) will be established and will be composed, indicatively, of relevant EU services and Argentinian counterparts. The SC will meet at least twice a year to review progress and provide guidance to the implementation of the action.

The European Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

##### 4.4. Evaluation and audit

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



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

As the "N+1" applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 3.3 above, will be funded from sources other than those allocated to this specific action.

#### **4.5. Communication and visibility**

In order to ensure that the proposed project is reaching its objectives, the use of communication and visibility tools is crucial. A specific Communication and Visibility Plan in line with relevant guidelines shall be elaborated at the start of implementation of the service contract.

Communication and visibility activities will be an integral part of the project. The implementing partner will establish a communication plan in line with relevant guidelines that inter alia, will define the key messages and specific communication /EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

**ANNEX 3**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Support to the India – EU Clean Energy and Climate Partnership**

**1. IDENTIFICATION**

Title of the action	Support to the India – EU Clean Energy and Climate Partnership (CECP)			
Country(ies)/ Region	India			
Total cost	Total estimated cost: EUR 3 850 000 Total amount of the EU contribution: EUR 3 850 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Direct management Procurement – Services			
Markers (from CRIS DAC form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT**

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

This action aims to reinforce cooperation between EU and India on climate change and energy with a view to ensure a secure, clean, affordable and reliable energy supply for all and to progress in the implementation of the Paris Agreement.

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<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

Energy and climate change are at the core of the Joint Statement of the 13th EU-India Summit (Brussels, 30 March 2016), and of the summit vision document 'EU-India Agenda for Action-2020'. At the summit, leaders from both sides also agreed a Joint Declaration on a Clean Energy and Climate Partnership (CECP). By supporting the operationalization of the CECP, this action will help to implement the summit outcomes and deepen the ongoing, broad energy cooperation and considerably strengthen dialogue on climate action.

The project will directly support ongoing policy dialogue, create an enabling environment for new policy dialogue and support technical cooperation in the areas of clean energy, energy efficiency and climate action between India and the EU and its Member States. It will also contribute to support India's implementation of its Nationally Determined Contribution (NDC) and to enhance resilience to climate change in the country. Lastly, cooperation, will be fostered between public and private actors in India and the EU, particularly in the area of research and innovation and showcasing EU businesses' technologies and innovations

## **2.2. Context**

India, a Strategic Partner of the EU, is both an emerging power and, in certain ways, still a developing country. Its relative poverty and low per-capita energy use contrasts sharply with its large and ever growing population and overall emissions.

Energy Consumption: today, India is the third energy consumer behind China and US, despite a quarter of its population living without access to power and the use of biomass for cooking being widespread. India's energy consumption is expected to rise by 132 % by 2035, with electricity demand predicted to more than triple by 2045.

Energy Production: India's economy is heavily reliant on coal, with half of India's power generated through coal-fuelled plants. Petroleum is the second source of power. With only 9% of power generation through renewable energies, India has a lot more potential to tap into.

Emissions Profile: despite low per-capita carbon emissions (India: 1.7 metric tons, China: 6.2t, EU: 7.1t, US: 17.6t), India is the world's fourth largest emitter. The energy industries' sector accounts for more than half of India's emissions, while the manufacturing and construction sectors represent 25%.

Position on Climate change: given its size and its development potential, India is important for the international climate regime. It has been a key player in the in the negotiations of the Paris agreement and has ratified it. Its Intended Nationally Determined Contributions (INDC) targets include: i) reducing its emissions intensity (emissions per unit of GDP) by 33-35% of its GDP by 2030 from 2005 level. India's per capita emissions in 2030 will remain lower than the current global average of Developed Nations (8.98 metric tons of CO2 equivalent); ii) 40% of electric power installed capacity from non-fossil fuel would be achieved by 2030. Such targets highlight the need to develop international technology partnerships for development and implementation of climate friendly energy technologies as well as mitigation and adaptation to Climate Change.

The path of India's development is thus crucially relevant, also for the EU, in climate change discussions as well as for global energy security.

At the 13<sup>th</sup> EU-India Summit (Brussels, 30 March 2016), leaders agreed on a Joint Declaration on a Clean Energy and Climate Partnership. This action will implement the Summit outcomes (Summit joint statement and the EU-India Agenda for action 2020) and thereby help to deepen the ongoing, broad, energy related cooperation and initiate a dialogue on climate action with a special focus on the implementation of India's INDC and related mitigation and adaptation initiatives, including technology transfer and business cooperation. The Paris Agreement contributed to the creation of new markets and gave an impetus to foster such a collaborative action between the European Union and India.

### **2.3. Lessons learnt**

Given India's size (with regard to the energy consumption and production and GHG emissions), the European Union has a clear own interest to cooperate with the country to help diversify the energy production source and address global challenges.

Past and on-going initiatives in the clean energy sectors have shown the importance of giving a continuous support to India in addressing the present challenges the country is facing, and of keeping up a strategic cooperation with the country.

The ongoing energy dialogue and cooperation with India have clearly demonstrated the importance of good working relations with India's various energy related ministries. The present action aims at developing these relations further and giving them a durable character.

Moreover, the ongoing dialogue and projects in India confirm that more than a pure policy based cooperation, India is looking for hands-on solutions for a greener development and EU businesses can provide these solutions in areas such as clean energy production, more efficient use of energy, smart energy networks, low carbon production and other best practices and technologies.

Hence, this action will also focus on enhancing India's capabilities to deploy low carbon energy solutions through business-to-business and business-to-state cooperation and promoting research and innovation cooperation.

Lastly, past experience has demonstrated that high number of business opportunities exist at the state level in India. Keeping this in mind, special attention will be paid to identifying and tapping into these opportunities.

### **2.4. Complementary actions**

The proposed action is consistent with:

- The EU-India Strategic Partnership which includes amongst its key objectives sustainable development cooperation and sectorial dialogues on transport and energy;
- The outcomes of the 13<sup>th</sup> EU-India Summit (2016) and, in particular, the Joint Declaration on a Clean Energy and Climate Partnership;
- The EU Global Strategy on Foreign and Security Policy;
- The EU Energy Diplomacy Action Plan, and the Council Conclusions of 20 July 2015, that called for 'opening up opportunities for cooperation with ...India...' and for 'energy partnerships and dialogues promoting sustainable low carbon and

energy efficiency technologies including with a view for business opportunities for EU companies'.

At present three Development Cooperation Instruments (DCI) funded projects are being implemented in the energy sector in India. These projects are 1) *Scope Big – Scalable CSP Optimized Power Plant Engineered with Biomass integrated Gasification*, which aims at setting up a solar-biomass hybrid plant in the State of Bihar; 2) *Facilitating India's transition towards low carbon development by supporting implementation of national policies and programmes for offshore wind*, which assists the Government of India by mapping off-shore wind energy feasibility on the south and west coastlines; and 3) *Technical cooperation for Clean Energy in India*, which helps build institutional capacity in the Ministry of New and Renewable Energies (MNRE), in particular on roof top solar energy. These will end within 2018.

Under the Partnership Instrument, the *Clean Energy Cooperation in India (CECI)* is developing three specific actions in integration of solar parks, contribution to the first off-shore wind farm in India and supporting the development of energy efficiency standards for buildings. All these projects have a component to support the high level policy dialogue by facilitating events such as the EU-India energy week or the Joint Working groups during 2017 and the beginning of 2018. The projects also ensure the representation of the EU at key thematic events.

On climate change, a contract was signed in June 2016 under PI's Policy support Facility (PSF) to initiate the policy dialogue with the Indian government. This short project aims at facilitating European business and policy-level involvement in India's Climate Change agenda as well as to gather intelligence on India's policies and needs. Moreover, a new PSF initiative has started 2017 aiming at identifying possible activities that could be implemented between EU and India in the area of air quality management.

The current action will build on the expertise acquired and the ground work done with these EU funded projects. It will help strengthen and consolidate the policy dialogue and maintain the level of interest from all stakeholders in the sectors of clean energy and climate change.

Several Member States and other international actors are implementing projects in relation to clean energy and climate change. Some examples are - Germany supporting roof top solar energy production, Italy promoting energy efficient building materials or France facilitating the implementation of the international climate change agreement through the International Solar Alliance. EU Member States will be kept informed of the project activities and will be invited to associate themselves with this project as part of a loose coordination mechanism both in terms of their policy dialogues and their cooperation activities with India.

More concretely MS experts, industries and other MS stakeholders involved in energy and climate-related initiatives will be invited to participate in the events and exchanges organised by the project as part of its result 2. This coordinated EU approach would provide a "critical mass" for action by European actors and a much more powerful framework comprising all EU Member States vis-à-vis the Indian authorities.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of to reinforce cooperation between EU and India on climate change and energy with a view to ensure a secure, clean, affordable and reliable energy supply for all and to progress in the implementation of the Paris Agreement.

The **specific objective** of the action is promoting policy dialogue and cooperation in the areas of clean energy, energy efficiency and climate action by supporting the India-EU Clean Energy and Climate Partnership.

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

To achieve the above objective, this initiative will work towards two expected results:

1. Policy Dialogue between EU and India in the areas of clean energy (including the issue of access), energy efficiency and climate change strengthened.
2. Cooperation (including research and innovation) between India, EU, EU Member states and key stakeholders strengthened in the areas of clean energy, energy efficiency and climate change.

Following is an indicative list of activities that will be needed to achieve the above-mentioned results.

Result 1. Policy Dialogue between EU and India in the areas of clean energy, energy efficiency and climate change strengthened.

1. Provide coordination and administrative services for the Clean Energy and Climate partnership (CECP).
2. Support the definition of a 3-yearly work programme for the CECP.
3. Support the setting up of CECP coordination mechanism that will meet twice per year.
4. Support the preparation of the EU-India Energy Panel, preparation for the JWG meetings and related consultations.
5. Exchange of experiences, views and positions between EU and Indian government stakeholders in the areas of - implementing the INDCs and related climate mitigation and adaptation initiatives; implementing the transparency and accountability framework for climate action; strategies for sustainable patterns of consumption and production to lessen adverse impacts of climate change and; responses to climate adaptation needs.
6. Further develop the pre-dialogue conditions for an India-EU climate change dialogue, and later on support the dialogue structure through working group meetings and events.

7. Identification of Research and Innovation cooperation needs, opportunities and obstacles through the energy and climate policy dialogues and providing related input to the EU-India Joint Steering Committee for Science & Technology Cooperation (JSCC).

Result 2. Cooperation (including research and innovation) between India, EU, EU Member states and key stakeholders strengthened in the areas of clean energy (including its accessibility), energy efficiency and climate change.

1. Develop, organise and support high level visibility events (India-EU Energy and Climate Week, EU-India Green Energy Business Initiative) and ensure representation in national and international events to increase EU and EU MS visibility.
2. Develop and implement a nation-wide information and communication campaign on various aspects of clean energy and climate.
3. Support, through speaker events, workshops, webinars and other technical cooperation activities, to the International Solar Alliance and Mission Innovation, the Montreal Protocol on substances that deplete the ozone layer, on the initiative on emission reduction in the maritime and civil aviation sectors and other ongoing initiatives.
4. Support policy development and implementation and capacity building of Indian stakeholders through studies, training, speakers events, webinars, workshops and study tours presenting EU best practices in fields such as energy efficiency in buildings and industry, development and deployment of renewable energy sources, including solar energy and offshore wind energy, smart grid applications, as well as energy recovery from waste and cooperation aiming at increasing access to modern energy.
5. Support policy development and implementation and capacity building of Indian stakeholders through training, speakers events, webinars, workshops and study tours presenting EU best practices in fields such as mitigation and adaptation initiatives, accountability framework for climate action, sustainable patterns of consumption and production and climate adaptation.
6. Support to the integration of research and innovation activities into the CECP, including identification of innovative European solutions applicable to India, matching them with identified Indian demand, identify instruments for financing and promoting their uptake in the Indian context.
7. Support to developing joint research topics/themes and to identify instruments to implement cooperative projects.
8. Identifying and supporting opportunities for EU business' engagement in India at national and state level in the fields of energy efficiency, clean energy and climate change (through facilitating meetings between relevant stakeholders,

presentation of EU best practices and solutions, support to relevant pilot activities inter alia through punctual technical assistance).

9. Identifying and supporting opportunities for Indian and EU civil society (researchers, academics, scientists, start-ups, inter alia) engagement and interaction in the fields of energy efficiency, clean energy and climate change (through facilitating meetings between relevant stakeholders, presentation of EU best practices and solutions, support to relevant pilot activities through punctual technical assistance, study tours and roadshows inter alia).

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
National and State Governments support to the project decreases over time.	L	This risk is considered to be small given the obvious need for the initiative, the commitment previously expressed by the Indian administration and the close cooperation which could be established so far. Ongoing communication and discussions in the framework of policy dialogues with relevant GoI stakeholders will contribute to mitigating this risk further.
The activities concern a large number of authorities in India at national, State and municipal level, and a potential risk exist not all of them are adequately involved.	M	This risk will be mitigated by ensuring that the project maintains close contact with both national and State levels and that adequate mechanism are developed to ensure that the national level actors are involved in the coordination and implementation of activities.
EU Member States would prefer to implement bilateral cooperation activities rather than being involved in a EU-wide initiative.	M	This risk will be mitigated by involving EU MS experts closely in the steering of the Clean Energy and Climate Partnership and by involving them in a specially set up coordination mechanism between all partners where information on progress of activities will be shared on an ongoing basis.
Market access barriers created for example by the existing public procurement regulation might discourage EU business from seeking a more active involvement in India.	L	Business fora will take place back to back to high level political meetings and activities shall have as objective to create business opportunities. Business associations will be involved in this process and sectors and companies will be hand-picked because of their specific added value to the policy dialogue. Links will be made with other EU-funded initiatives in the area of public procurement.
<p><u>Assumptions:</u></p> <ul style="list-style-type: none"> <li>- Continued political commitment on the side of India and EU member states.</li> <li>- Key ministries are committed to devote resources to support the smooth discussion and implementation of the activities.</li> </ul>		



### 3.4. Stakeholders

- EU Delegation in India, European Commission (DG ENER, CLIMA, RTD, ENV, GROW, JRC, DG DEVCO) and the EEAS
- EU Member States
- Government of India agencies such as Ministry of New and Renewable Energy (MNRE), Ministry of Power (MoP), Ministry of Coal, Ministry of Environment, Forests and Climates Change (MoEFCC), Ministry of Commerce and Industry, National Institute of Wind Energy (NIWE), National Institute of Solar Energy (NISE) Central and State Pollution Control Boards, State Governments of the 29 Indian states
- The business sector on the Indian side, business representatives/associations (FICCI, CII, FISME, IIF, etc.) and SME associations/entrepreneurs engaged in clean energy or climate related businesses; and on the European side through bodies such as the Council of EU Chambers of Commerce in India, the European Centre of Employers and Enterprises providing Public services (CEEP), European Business Group (EBG), bilateral chambers of commerce, European and EU MS organisations, the civil society and academia

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

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

(a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.

(b) Indicative timing to launch the call: 2nd quarter 2017.

### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Procurement (direct management)	3.85
<b>Totals</b>	<b>3.85</b>

### 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this programme will be a continuous process and part of the implementing partner responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

In order to ensure overall steer, a project steering committee will be established with representation from Commission services (indicatively, DG ENER, DG CLIMA, DG RTD, DG DEVCO, FPI) EU Delegation to India, EEAS.

In addition, to ensure a fluid and ongoing communication and coordination, a coordination mechanism will be set up involving relevant Indian national and local authorities, EU MS and other stakeholders.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.4. Evaluation and audit**

For this 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 the contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

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

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the project. The implementing partner will establish a specific communication plan in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be implemented.

The EU Delegation will participate in the dissemination of information in order to facilitate programme implementation. Existing networks of stakeholders will be used for the dissemination of information and results to local actors. Existing networks of local authorities will also be involved.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU.

**ANNEX 4**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Support to Urban Action Planning – EU International Urban Cooperation Programme**

**1. IDENTIFICATION**

Title of the action	Support to Urban Action Planning – EU International Urban Cooperation Programme			
Country(ies)/ Region	Global			
Total cost	Total estimated cost: EUR 1 400 000 Total amount of the EU budget contribution: EUR 1 400 000			
Total duration <sup>1</sup>	30 months			
Method of implementation	Direct management Grant – direct award			
Markers (from CRIS DAC form)	Rio convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT**

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

This action aims to strengthen the impact of international city-to-city (C2C) cooperation on sustainable urban development put in place by the EU's International Urban Cooperation (IUC) programme funded under Partnership Instrument (PI).

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

Intended as an auxiliary support to the IUC programme, the action will reinforce its methodological basis by drawing upon the EU's existing URBACT programme to develop tailor-made sustainable urban development action planning methodology. Ultimately, the action and the IUC programme will support delivery on the EU voluntary commitments to the New Urban Agenda.

## 2.2. Context

Cities have a key role in tackling global challenges, such as climate change, and in promoting sustainable development. The urbanisation process, efficiently managed, can contribute not only to economic growth but also to environmental sustainability, social inclusion and citizen participation. Through cooperation between different cities facing similar challenges and with shared interests, effective urban solutions and new knowledge can be identified and transferred. Not least, by involving the private sector in C2C cooperation, new business opportunities, particularly for EU businesses, can be increased.

The EU's International Urban Cooperation (IUC) programme builds on this type of 'win-win' logic. Adopted under the PI-AAP 2015 and launched in end-2016, the programme is putting in place an annual cycle of cooperation through pairing between cities in the EU and cities in key partner countries in Asia and the Americas which focuses on sharing of best practices, knowledge and solutions to urban challenges, involving also business and other urban stakeholders in the cooperation. The IUC represents one of the mechanisms which allow the EU to develop and lead on urban development issues on a global scale in response particularly to the New Urban Agenda but also to the 2030 Agenda for Sustainable Development and the COP-21 Paris agreement. Working bilaterally, the IUC programme underpins policy dialogues between the EU and targeted partner countries and regions. It is fully in line with the [Urban Agenda for the EU](#), which shares the same vision for balanced, sustainable and integrated urban development with the "New Urban Agenda" adopted by the Third United Nations Conference on Housing and Sustainable Urban Development (known as Habitat III held in Quito, Ecuador, in October 2016).

The Council Conclusions 8824/16 of the 12/05/2016 on "*HABITAT III: The European Union and its Member States' objectives and priorities for the 3rd UN Conference on Housing and Sustainable Urban Development*", encourages fostering capacity building, including through exchange of knowledge. It considers in particular city to city cooperation as a beneficial contribution to long term partnerships that can facilitate a shared engagement.

The EU has developed a successful model for C2C cooperation within the EU context. The European Territorial Cooperation programme URBACT fosters integrated urban development through support to EU cities in developing integrated urban policies<sup>2</sup> through networking, sharing knowledge, and capacity-building for urban practitioners on different urban policy themes. To maximise the benefits to

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<sup>2</sup> The integrated approach to urban development includes two main elements : first, integrating different policies like economic, social, environmental and spatial when dealing with urban issues (horizontal integration) ; second, bringing together different stakeholders from citizens, to municipal staff, regional and national authorities in the design and implementation of local policies (vertical integration)

cities participating in the IUC programme also in view of implementing the New Urban Agenda, there is value added to draw upon this EU model as a basis for local action planning in the on-going external cooperation action.

A solid local action planning methodology which draws upon the URBACT expertise is expected to provide a strong basis for mutual understanding and cooperation between partner and EU cities. In the longer-term, the resulting cooperation could extend the reach of URBACT city networks beyond the EU, thereby contributing to strengthen the role of the EU as a global actor.

### **2.3. Lessons learnt**

No similar cooperation with URBACT has previously been undertaken, so there are not yet any specific lessons learnt. In general, the use of successful EU internal approaches in cooperation with third countries can enable these approaches to develop further and bring value also to the EU stakeholders already involved.

### **2.4. Complementary actions**

The action is designed to support delivery on the EU International Urban Cooperation Programme. It complements the EU's political commitment to deliver a New Urban Agenda on a global scale by putting forward a concrete tool for improved urban policy in the context of the IUC programme. In addition, as an auxiliary action to the IUC programme, the action will benefit from the overall synergies and complementarity established by the IUC programme with other initiatives. This includes EU funded programmes for development and cooperation on urbanisation in Asia and the Americas. Moreover, the proposed action will interact with the wider climate change cooperation component of the IUC programme, supporting the design and implementation of the Covenant of Mayors for Climate and Energy, to foster coherence in the way cities are encouraged to plan their climate action policies.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The *overall objective* of this project is to enhance the impact in qualitative terms of C2C cooperation on sustainable and integrated urban development within the context of the EU's programme on International Urban Cooperation.

The *specific objectives* are to develop a methodological basis for the elaboration of local action plans for sustainable urban development under the EU's IUC programme (SO1); and to build and strengthen capacities of IUC programme and city networks to implement local plans under the EU's IUC programme (SO2).

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

The *expected results* of the action are:

- R1 A fit-for-purpose, integrated, specific local action planning methodology for the IUC programme is developed
- R2 Capacity for implementing local action planning methodology by the IUC programme and participating city networks is strengthened
- R3 Quality backstopping support for local action plans under the IUC programme is provided
- R4 Networking between stakeholders in the IUC and in the URBACT programmes is enhanced

*Main indicative activities:*

*- Development of action planning methodology (A\_1.1)*

This methodology will guide the action planning undertaken by cities under the IUC programme and be based on the URBACT experience. The methodology will be continuously updated based on feedback received in the roll-out of the IUC programme.

*- Development of guidance materials (A\_2.1)*

Methodological support like guidelines, toolkits on integrated and participative action-planning, reference papers on results framework, self-assessment tools, monitoring tools, templates, stand-alone tools, surveys and questionnaires will be developed to guide the action planning process under the IUC programme.

*- Training (A\_2.2)*

Trainings /capacity-building seminars will be organised yearly for the IUC programme implementers on integrated urban development in general and the action planning methodology and tools specifically. The trainings will explore the "train the trainer's approach to allow for further multiplication effects including among city networks.

*- Implementation of continuous support through professional resources (A\_3.1)*

The action will establish a mechanism for continuous support of IUC programme implementers in complement to the trainings and guidance materials described above. IUC programme implementers will also benefit from direct expert support in the form of missions undertaken to support concretely the roll-out of the action planning methodology to IUC cities.

*- Organisation of networking and exchange and learning activities (A\_4.1)*

Networking, exchanges and learning activities will be organised between cities participating in the IUC and URBACT programmes in view of further supporting and adding value to existing C2C cooperation.

### 3.3. Risks and assumptions

#### *Assumption*

The main assumption of this action is that IUC programme implementers transfer adequately know-how on the C2C local action planning methodology to cities.

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
The adapted methodology will prove to be ill-suited to all or part of the non-EU contexts target by the IUC programme.	H	At the core of the action is the principle that the URBACT methodology will have to be adapted, developed and tailored in such a way as to provide the necessary flexibility for each country covered by the IUC programme.
Different timelines of the IUC programme and the proposed action	H	Flexibility in IUC programme implementation, allowing cities that have already begun cooperation to take part of adapted methodology once available.
URBACT as a methodology to improve public policies may not be able fully to integrate the business dimension which is important in the IUC programme	M	Adaptations to the methodology aim specifically to take this aspect into account.
Alignment between adapted methodology and the monitoring framework of New Urban Agenda	L	Recognition of the need to ensure coherence between the IUC action planning methodology and the New Urban Agenda.

### 3.4. Stakeholders

The main stakeholders of the proposed action are the cities participating in the IUC programme as well as the stakeholders responsible for IUC implementation. Important benefits are expected to spill over into URBACT itself.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1. Grants: Direct Award (*direct management*)

##### (a) Objectives of the grants

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

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

Under the responsibility of the Commission's responsible authorising officer, the grant may be awarded without a call for proposals to the Agence Nationale pour la Rénovation Urbaine.

In accordance with the provisions of article 190(1) (f) of the RAP, characteristics of this action require a particular type of body, notably the Agence Nationale pour la Rénovation Urbaine, on account of its technical competence, its high degree of specialisation and administrative power. In the case where the grant is awarded directly to the Agence Nationale pour la Rénovation Urbaine, this will be justified by the Commission's authorising officer responsible in the award decision, in line with Article 190(1) (f) of the RAP.

Given the high political relevance for the EU of promoting a successful EU model of sustainable urban development in its external action, it is judged as most appropriate to select as implementing partner of this project the Agence Nationale pour la Rénovation Urbaine which is in charge of the administrative, financial and HR management of the URBACT Programme.

URBACT is a programme of the EU financed under the EU's Structural and Investment Funds. As such, and in accordance with the principles of shared management, it has a Managing Authority located in France under the authority of the General Committee for Territorial Equalities (CGET) with responsibility for the day-to-day oversight of the programme. The administrative, financial and HR management of the URBACT Programme is delegated by the CGET to the Agence Nationale pour la Rénovation Urbaine.

In view of its position, the Agence Nationale pour la Rénovation Urbaine offers a unique combination of technical expertise of the URBACT programme and contacts with relevant URBACT stakeholders. As such, the Agence Nationale pour la Rénovation Urbaine has the necessary convening power and legitimacy vis-à-vis URBACT stakeholders to implement this action.

##### (c) Essential selection and award criteria



The essential selection criteria are the financial and operational capacity of the implementing partner. The Agence Nationale pour la Rénovation Urbaine has sufficient sources of funding and the technical competencies and qualifications to carry out the action.

The essential award criteria are relevance of the proposed action to the objectives of the project; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 100% of the eligible costs of the action.

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

## 4.2. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1 – Grants - Direct award (direct management)	1.4
<b>Totals</b>	<b>1.4</b>

## 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities.

To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and final reports. FPI and DG REGIO will closely supervise the implementation of the action.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

To ensure proper project governance and strategic orientation a steering group consisting of, at minimum, the relevant European Commission services and URBACT will be constituted.

The Commission may undertake project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.4. Evaluation and audit**

For this 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 the contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

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

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the action. A communication plan shall be prepared by the implementing partners and implemented in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

**ANNEX 5**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Support to Covenant of Mayors initiatives – cooperation with the JRC**

**1. IDENTIFICATION**

Title of the action	Support to Covenant of Mayors initiatives – cooperation with the European Commission Joint Research centre (JRC)			
Country(ies)/ Region	Global			
Total cost	Total estimated cost: EUR 900 000 Total amount of the EU budget contribution: EUR 900 000			
Total duration <sup>1</sup>	30 months			
Method of implementation	Direct management Administrative arrangement with the European Commission's Joint Research Centre			
Markers (from CRIS DAC form)	Rio convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT**

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

This action aims to contribute to the achievement of the EU's external climate and energy policies through the provision of scientific, technical and methodological support for the Global Covenant of Mayors for Climate and Energy initiative and the Covenants of Mayors supported through the EU's International Urban Cooperation (IUC) Programme funded under the Partnership Instrument.

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

Intended as an auxiliary support to the IUC programme, this action will engage in cooperation the European Commission's Joint Research Centre (JRC) to develop and support the implementation of bottom-up open-source methodological approaches for the Covenants for North America, Latin America and the Caribbean, East and South-East Asia, India, Japan, and the Global Covenant of Mayors for Climate and Energy. The cooperation with the JRC builds on its current successful role within the Covenant of Mayors (CoM) as the scientific backbone of this key climate action initiative.

This action is expected to make an important contribution to the success of the IUC programme as the provision of specific technical expertise will increase the legitimacy and the appeal of the Regional Covenants of Mayors initiative embedded in the programme.

Ultimately, the action and the IUC programme contribute the delivery on the UNFCCC Paris Agreement.

## **2.2. Context**

The EU recognises and promotes the essential role cities and regional governments have in addressing climate change. Globally, urban areas are responsible for about 70% of energy-related global greenhouse gas (GHG) emissions with the building and construction sector accountable for over 20% of global emissions. With at least two-thirds or more of the global population living in cities, these are also the places where the impact of climate change is felt by most people.

In Europe, broad city engagement on climate change has been operationalised through the EU Covenant of Mayors, a key EU policy implementation initiative, bringing together Mayors and local authorities in a movement which supports the adoption and implementation of (climate) Action Plans on sustainable energy, mitigation and adaptation. Initially launched in the EU in 2008, the initiative has grown to include the Eastern and Southern Neighbourhood countries and more recently Sub-Saharan Africa with dedicated Regional Covenants. The success of the Covenant of Mayors has demonstrated that climate action has gained political momentum on the local level also internationally. The Covenant of Mayors today counts more than 7000 signatories and over 5600 Action Plans have been adopted by city and town councils.

Since June 2016, the Covenant of Mayors has joined forces with the Compact of Mayors, set up by the U.N. Secretary-General's Special Envoy for Cities and Climate Change Michael Bloomberg. 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 will build on Regional/National Covenants, taking a bottom-up approach and using the EU Covenant of Mayors as a model for other Covenants. Over time, the Global Covenant of Mayors will work towards ensuring compatible and comparable reporting approaches for signatory cities. In this process, it is important to ensure that the EU can bring on board the specific expertise of its Joint Research Centre bearing

in mind the work and resources over the years put into developing, in cooperation with cities, a flexible, efficient and robust reporting and monitoring framework.

The EU's International Urban Cooperation (IUC) programme, funded through the Partnership Instrument (Annual Action Programme 2015) and designed to build on the Covenant's success by exporting it to the EU's strategic partners, is one of the EU's mechanisms to deliver on the Global Covenant and specifically on Covenants targeting key partner regions and countries. Working both internationally and bilaterally, the IUC programme is seen as a support to EU policy dialogues.

Under the IUC, Covenants of Mayors with their respective support teams are being set up in North America, Latin America and the Caribbean, India, Japan and East and South-East Asia. To remain relevant and effective and ultimately successful, each Covenant will need to reflect the specificity of a given region in terms of its commitments and the corresponding emissions inventory, vulnerability and risk assessment, access to energy assessment and Action Plan methodology. This adaptation to regional specificities requires scientific, technical and methodological knowledge and support beyond what is currently envisaged under the IUC programme. In this context, cooperation with the JRC is crucial.

Since 2009, the JRC has played a crucial role in the Covenant of Mayors initiative by providing support for the development, implementation and monitoring of the Covenant of Mayors initiative. Building on this successful experience, this action seeks to secure the support of the JRC in providing the scientific, technical and methodological support to the Global Covenant, and Covenant of Mayors initiatives supported through the IUC Programme. The action will continue and take to scale current limited start-up support provided by the JRC to the Covenants, as part of the overall support provided to the EU Covenant of Mayors. The enhanced cooperation with the JRC will reinforce the lead role of the EU in supporting sustainable climate and energy policies at the urban level, thus contributing to EU energy and climate policies.

### **2.3. Lessons learnt**

Thanks to the experience gained through the involvement in the EU CoM as well as in the CoM extension to the Eastern and Southern Partnership countries, the JRC has learnt useful lessons for the development of adapted methodological frameworks for local climate and energy planning. In particular, to make sure that the methodological framework is relevant to the specific circumstances of different regions, the following main aspects will have to be assessed beforehand:

- Level of autonomy of local governments in relation to national governments and decision-making processes.
- Intended Nationally Determined Contributions and/or national legislation requiring local and regional governments to develop climate/energy plans.
- Presence of a national methodology for local climate/energy plans.

- Administrative structure of the country and existing forms of supra-municipal collaboration or coordination.
- Most pressing climate- and energy-related issues.
- Availability of activity data and information to develop emission inventories, climate risks and vulnerability assessments, access to energy assessments.
- Availability of human and financial resources for local governments.
- Internal organization of municipal structures.
- Level of participation of local authorities in city networks active on climate and energy issues.

These aspects will be assessed through the involvement of a wide range of local practitioners in the development of the adapted methodological frameworks.

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

The action is designed to support delivery on the EU International Urban Cooperation programme and the wider Global Covenant of Mayors for Climate and Energy. It complements the EU's political commitment to deliver on the UNFCCC Paris agreement and to support sub-national climate action by putting in place a concrete tool for cooperation.

In addition, as an auxiliary action to the IUC programme, the action will benefit from the overall synergies and complementarity established by the IUC programme with other Covenant initiatives. This includes the EU Covenant of Mayors, Covenants in the eastern and southern Neighbourhood and in Sub-Saharan Africa. The proposed action will also interact with the wider urban cooperation component of the IUC programme to foster coherence in the engagement with city networks and other urban actors. In a separate action financed by DG DEVCO, JRC is providing technical and methodological input to the development of the regional Covenant of Mayors in Sub-Saharan Africa. Both actions will benefit from each other's local and regional experiences and activities.

In collaboration with the Mayors Adapt/Covenant of Mayors Office, the European Commission (DG CLIMA) is supporting local climate solutions by raising awareness on climate adaptation among city representatives (e.g. climate change networks to facilitate dialogue among relevant scientific communities). These actions are reinforced by the EU Research & Innovation Agenda on Adaptation (DG RTD), which contributes to closing knowledge gaps (e.g. Horizon 2020 supports research on the economics of climate change adaptation and on the design, testing, and deployment of innovative solutions to enhance climate resilience, with emphasis on nature-based solutions).

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The *overall objective* of this action is to contribute to the delivery of approaches which are beneficial to the achievement of the EU's external climate and energy policies

Designed as an auxiliary support to the IUC programme, the project will be organised in two mutually reinforcing work streams reflecting its *specific objectives*:

SO 1 to enable the Covenants of Mayors supported through the EU's IUC programme to develop adapted methodology and provide scientific, technical and methodological input to local authorities' action plans;

SO 2 to contribute to the Global Covenant of Mayors for Climate and Energy initiative, by ensuring EU expertise and leadership in the processes aiming to develop comparable and compatible data analysis and reporting approaches for the initiative, building on the EU Covenant of Mayors experience as well as internationally relevant frameworks.

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

The *expected results* of the action are:

- R1 Methodological basis for the Global and Covenants of Mayors initiatives developed
- R2 Cities of the Covenants supported in developing and implementing Action Plans
- R3 Aggregated city action assessed in terms of climate change mitigation, adaptation and access to energy
- R4 Helpdesk services provided to Covenant initiative
- R5 Covenant relevant IT tools strengthened

*Main indicative activities:*

- Research and stakeholder engagement activities

#### Covenants under the IUC programme

The action will conduct research on how to adapt commitments and methodologies defined and developed for the EU Covenant for planning and tracking mitigation and adaptation results to the other regions covered by the EU's IUC programme, taking into account processes such as national methodologies, the IPCC guidance and the enhanced transparency framework under the Paris Agreement, where relevant and feasible for cities. The research will also take into account the new Covenant dimension of access to clean and affordable energy. Specific attention will be paid to

analysing how national climate action plans involve city planning and implementation, particularly as a result of the Paris agreement.

The research will be conducted in parallel with stakeholder engagement to ensure the relevance of the research findings and the methodological proposals. The resulting adapted methodology will be made available through digital Guidebooks.

The process of developing adapted methodology will feed the work of the Global Covenant of Mayors for Climate and Energy on monitoring and reporting methodologies, bringing synergies across the initiative.

### Global Covenant

At the level of the Global Covenant initiative, the action will ensure consistent and substantial expertise on all aspects related to methodology, thus strengthening the EU contribution in these discussions.

- Training and capacity building activities

The action will provide regular technical training and capacity building of the five Covenant support teams (IUC programme implementers) on the adapted methodology. The trainings will explore the "train the trainer" – approach to allow for further multiplication effects.

For a limited number of pilot cities and city networks, the action will also provide targeted training on the adapted methodology. For these pilot cases, it will provide hands-on support on their draft action plans and advice on how to address specific challenges.

- Conducting and publicising assessments

To support cities in assessing the impact of their collective climate efforts and provide a substantial technical input into global climate discussion, the action will carry out assessments of the collective efforts of cities in the relevant regions, based on the data from submitted plans and implementation reports. It will present as far as possible in aggregate manner the level of ambition of signatory cities in relation to the three components of the initiative (mitigation, adaptation and access to energy) and will also measure progress towards each target. This will contribute to the assessment of the impact of the Global Covenant of Mayors community.

- Technical support activities

The action will support the five Covenant support teams to develop their helpdesk services, through a specific dedicated training. It will also operate a continuous “second-line technical helpdesk” which will complement the frontline helpdesk operated by the Covenant support teams in local language.

- Reprogramming JRC IT tools and database structure



Under the IUC supported Covenants initiative, it is expected that the JRC will need to adapt its existing IT tools to align them with the new (methodological) frameworks. This activity will ensure that the JRC systems supporting the Covenant of Mayors initiative stay fit-for-purpose.

As a cross-cutting activity, the action will enhance the visibility of the Global and Covenants of Mayors initiatives by presenting methodological achievements to the academic community, and to encourage research on the initiative.

### 3.3. Risks and assumptions

#### *Assumption*

The main assumption underpinning this action is the continued interest and commitment of national and/or local authorities in key EU partner countries and regions to engage in the Covenant of Mayors initiative.

Risk	Risk level (H/M/L)	Mitigating measure
Overlapping tasks with other Covenant of Mayors structures could harm the proper execution of JRC tasks.	<b>H</b>	Regular tri-lateral meetings (JRC – COM – CoM Offices in Brussels and in the partner countries) to be held to ensure smooth collaboration and clear repartition of roles and responsibilities.
Other methodologies competing with the Covenant but not adhering to its principles might seek international recognition and be willing to impose their approach	<b>M</b>	Reinforce the role of local experts to define adapted methodologies, suitable to the specific situation of each region. IUC-supported Covenants will not impose methodology but rather work on promoting an adapted methodology as a benchmark. However, participating cities should have methodological freedom within the parameters set by the Global Covenant.

### 3.4. Stakeholders

Key target groups of the action include cities and towns, and sub-national authorities; Central Covenant of Mayors Office (Brussels) and IUC programme implementers operating Covenant offices outside the EU; Global Covenant of Mayors initiative and in particular its secretariat and Founders' Council; City networks and representatives of Covenant-like initiatives who may be willing to promote their methodologies for the development of climate and energy plans worldwide.

Key stakeholders include EU Delegations, DGs ENER, CLIMA and FPI as responsible for the Covenants of Mayors under the EU's IUC programme. DGs NEAR and DEVCO will take part in project events particularly in relation to the Global Covenants of Mayors initiative. The proposed action forms part of the overall

cooperation between the following services of the European Commission: ENER, CLIMA, FPI, NEAR, DEVCO, REGIO and the JRC in the context of the Covenant of Mayors initiative and more recently, the Global Covenant of Mayors for Climate and Energy.

#### 4. IMPLEMENTATION ISSUES

##### 4.1. Method of implementation

###### **4.1.1 Administrative Arrangement (direct management)**

The proposed action will be implemented in direct management through the conclusion of an administrative arrangement (AA) with the EC's Joint Research Centre.

The main objective of the AA is to assign JRC with tasks to assist FPI in view of achievement of the objectives, expected results and main activities described above under section 3.1 and 3.2.

To enhance synergies and ensure a better strategic vision and efficiency of the cooperation, it is foreseen to explore the pooling of resources by DGs ENER, CLIMA and the FPI to the JRC through the conclusion of a single, joint administrative arrangement.

##### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1 – Administrative Arrangement with Joint Research Centre	0.9
<b>Total</b>	<b>0.9</b>

##### 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and final reports. FPI and DGs ENER and CLIMA will closely supervise the implementation of the action.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

In addition and as part of quality control, methodological and technical outputs by the JRC are subject to a hierarchical review through PUBSY (the JRC Outputs Management System) before they are authorised for publication. JRC will also explore the possibility to subject the outputs to a peer review by JRC experts in the

field, who are not directly involved in the Covenant. Prior to their publication, JRC outputs developed in the context of this action will be shared – upon request - with the DGs involved in the Covenant of Mayors for comments.

To ensure proper follow-up and strategic orientation regular meetings will be held between JRC and relevant Commission services to discuss progress on the activities and reconsider priorities.

The Commission may undertake project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.4. Evaluation and audit**

For this 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 the contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

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

#### **4.5. Communication and visibility**

To ensure adequate communication and visibility to the activities carried out by the JRC as part of this action, methodological and technical reports as well as other relevant JRC publications will be uploaded on the JRC Science Hub<sup>2</sup> and on the website of the Global and Regional Covenants of Mayors<sup>3</sup>. When appropriate, press releases and web headlines will also be prepared.

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<sup>2</sup> <https://ec.europa.eu/jrc/en>

<sup>3</sup> [www.covenantofmayors.eu](http://www.covenantofmayors.eu)

**ANNEX 6**

of the Commission Implementing Decision on the 2017 Annual Action programme  
for the Partnership Instrument

**Action Fiche for Promoting biodiversity and sustainability in the  
agriculture and food sector through economic valuation (TEEB  
implementation)**

**1. IDENTIFICATION**

Title of the action	Promoting biodiversity and sustainability in the agriculture and food sector through economic valuation (TEEB implementation)			
Countries	Brazil, China, India, Indonesia, Malaysia, Mexico and Thailand			
Total cost	Total estimated cost: EUR 10 600 000 Total amount of the EU contribution: EUR 8 500 000			
Total duration <sup>1</sup>	48 months			
Method of implementation	Indirect Management			
Markers (from CRIS DAC form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT**

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

This action aims to protect biodiversity and contribute to a more sustainable agriculture and food sector in selected EU partner countries with a view to moving towards a level playing field by avoiding unfair competition through low environmental standards. It is based on an internationally

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

agreed methodological framework<sup>2</sup>, introduced in the G8+5<sup>3</sup> context by the EU, addressing the economics of ecosystems and biodiversity.

The project will bring together governments, business and other key actors (stakeholders) from civil society to implement activities with a view to influencing decisions and behaviours in partner countries. For the first time the methodological framework developed by The Economics of Ecosystems and Biodiversity (TEEB) will be applied to an industrial sector across its entire value chain, assessing scenarios with a view to promote change.

Additionally, this project will create momentum for a deeper operationalization of TEEB in Brazil, China, India and Mexico where a project on Natural Capital Accounting and Valuation of Ecosystem Services is already ongoing.

## **2.2. Context**

The food and drink industry is the EU's biggest manufacturing sector in terms of jobs and value added. In the main, the EU imports unprocessed agricultural goods, whereas exports from the EU are principally processed food products. In this regard, the sector is important for the EU not only in terms of jobs (export-oriented) but also in terms of the quality of primary products (import-orientated) that are then processed within the EU.

If EU citizens are concerned about the quality of the food they eat, they are less aware of the impact that production and processing across the agri-food supply chain has on their health.

The production and processing methods of the agri-food sector and the agricultural raw materials sector<sup>4</sup> have an impact on the environment and biodiversity globally. These sectors depend on well-functioning ecosystems that can provide such services as pollination, biological plant protection and pest control, water regulation, soil formation, erosion prevention etc. However, the biodiversity and habitats that provide these critical ecosystem services are being depleted and degraded at unprecedented rates, partly by the agricultural sector. Not only is global sustainability at stake partly due to a non-sustainable agricultural sector, but the latter is itself at risk in business terms because of the progressive degradation of the environment. This risk is often not attended to and mitigated is because of a clear lack of awareness of the dependencies of agri-business on ecosystems and biodiversity.

The selected partner's countries (Brazil, China, India, Indonesia, Malaysia, Mexico and Thailand) for this project are large countries, very rich in nature and biodiversity. Much of the global biodiversity loss and damage to the

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<sup>2</sup> The Economics of Ecosystems and Biodiversity” (TEEB) for Agriculture and Food - henceforth ‘TEEBAgriFood’) - <http://www.teebweb.org/>

<sup>3</sup> Canada , France , Germany , Italy , Japan, Russia , United Kingdom , United States , European Union plus Brazil ,China , India, Mexico, South Africa

<sup>4</sup> The agri-food and non-food sectors are collectively termed ‘agri-business’ in this document. The project will assess both sectors.

environment comes from these economies. The EU aims to engage with these countries to take joint action on reducing biodiversity loss, by using an internationally agreed methodology and by promoting EU standards.

The Global Strategy for the European Union's Foreign and Security Policy, adopted in June 2016, stresses the importance to enhance energy and environmental resilience. There are political commitments that have been signed by the EU and all partners on halting the loss of biodiversity and environmental degradation globally. This project will contribute directly to achieving the objectives of the EU Biodiversity Strategy to 2020, while at international level it will contribute to the implementation of the Strategic Plan for Biodiversity 2011-2020 under the Convention on Biological Diversity (CBD), including the Aichi Targets. Among the EU commitments under the CBD, the most pertinent are the targets to address the underlying causes of biodiversity loss by mainstreaming biodiversity, notably Aichi Target 7: *'By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity*, and Target 5 *to reduce the rate of loss of all natural habitats, including forests, where feasible to zero'*.

In summary, the proposed action is framed in and is consistent with a large policy context as follows:

- The Global Strategy for the European Union's Foreign And Security Policy
- The EU Biodiversity Strategy<sup>5</sup> (including notably target 6: *By 2020, the EU has stepped up its contribution to averting global biodiversity loss.*)
- CBD Aichi targets<sup>6</sup>
- The Sustainable Development Goals with explicit focus on SDG 15 and where relevant 15 (*Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss*)
- The EU-Brazil, China, India, Indonesia, Mexico and Thailand sectorial dialogues on environment which include sustainable development cooperation
- The EU-CELAC dialogue conducted under the "Joint Initiative on Research and Innovation (JIRI).

Following the Cancun Declaration<sup>7</sup> adopted at the 2016 December CBD CoP, in which governments commit to mainstream biodiversity across all sectors, the project will contribute to incorporating biodiversity values into national accounting and reporting systems and will encourage sectors that depend or have an impact on biodiversity to adopt integrated approaches for its conservation and sustainable use. In addition, and in line with the Declaration, the project will contribute to supporting sustainable production

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<sup>5</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0244&from=EN>

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

<sup>7</sup> <https://www.cbd.int/cop/cop-13/hls/Cancun%20Declaration-EN.pdf>

and consumption throughout value chains, the safe and sustainable application of technologies, and the phasing out of harmful incentives and strengthening of positive incentives.

A series of actions could be taken to promote sustainable production practices, therein moving towards a level playing field for EU producers in the agri-business sector. These are options to be assessed as potential solutions:

1. **Information-provision** is a key opportunity on the supply-side. Agricultural extension work is concerned with informing farmers of the opportunities to improve their production systems. The aim is to adopt a holistic view and consider the linkages and dependencies within the agri-business system and across agricultural landscapes.

2. On the demand side, the establishment of **sustainability standards and certification** look at the environmental, social and economic performance of agricultural products across the supply chain. This approach takes advantage of the high interconnectivity between the EU and partner countries, highlighting the mutual impacts on consumers and producers, which are often found halfway across the world. Through these sustainability standards and certification, consumers can make informed decisions related to the products they are purchasing and the price premiums that they are willing to pay for goods that have a superior environmental and/or social performance. At the same time, consumers can send a clear message to producers regarding the market advantage of producing sustainability-certified products and enables preferential market conditions for such goods.

3. **Direct engagement** with farmers, agri-businesses and their associations, as well as with civil society in the sector, is a very powerful form of advocacy. In order to be successful, this engagement must not only present *challenges* (e.g. industry's dependency on ecosystem functioning and biodiversity, and the associated risks from habitat loss and degradation) but also identify and in particular promote *solutions* (e.g. tools and methodologies to facilitate actions taken by stakeholders and change agents from private business, such as Natural Capital Protocol sector guides).

4. **Market-based interventions** including the establishment of a Payment for Ecosystem Services (PES) scheme wherein beneficiaries directly compensate a second individual/group which is providing some benefit to them.

5. A further set of opportunities are **reforms to taxes and subsidies** in order to create a level playing field between producing countries and taking into account environmental externalities.

6. Other opportunities are identified and relate to different scales and multiple actors. For instance, starting from farm scale (i.e. setting up

farmers' cooperatives and peer to peer learning, setting up dedicated credit facilities, land tenure reform etc.) to the scale of multinationals' value chains (EU – partner country or vice-versa). This can include integrating demand needs (incl. reputation management with consumers – the downstream marketing) which could drive sustainable ecosystem-service based strategies at the farm level.

### 2.3. Lessons learnt

Information-provision is an opportunity on the supply-side. Agricultural extension<sup>8</sup> work is concerned with informing farmers of the opportunities to improve their production systems, i.e. to stimulate the adoption of innovations. To date it has been typically focussed solely on yields per hectare as a performance metric, whereas the metrics to assess the sustainability of farming systems, whilst including average yield levels, also would include inter alia yield variability (which affects food security), impacts on biodiversity and ecosystem resilience (agriculture is impossible in the medium term without well-functioning ecosystems that ensure pollination of crops or biological control of plant diseases), and greenhouse gas emissions from agricultural production. Interventions have, to date, failed to consider the linkages and dependencies within the agri-food system and across agricultural landscapes; this project intends to do so in a holistic manner.

Possible solutions are *market-based interventions* which might include the establishment of a Payment for Ecosystem Services (PES) scheme wherein one/a group of beneficiaries directly compensate a second individual/group which is providing some benefit to them. For instance, upstream farmers might modify their production processes so as to increase the flow rate and quality of freshwater available to downstream users, the latter users compensating the upstream farmers.

A set of opportunities are reforms to *taxes and subsidies* in order to create a level playing field between producing countries and taking into account environmental externalities. Some Common Agricultural Policies (CAP) interventions pay farmers for measures that improve biodiversity and ecosystem health. There are also instances where subsidies that stimulated unsustainable agricultural production practices have been removed, such as subsidies for pesticides and taxing their over-use or inappropriate application. Such practices, ensuring fair competition, freeing resources and promoting environmental protection need to be encouraged.

There are other opportunities as well (such as setting up farmers' cooperatives and peer to peer learning, the provision of micro-credit, land tenure reform *etc.*) and these options are to be assessed in the current project

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<sup>8</sup> *Agricultural extension* consists in advisory services to farmers helping them for production, on the basis of the application of scientific research and new knowledge to agricultural practices.



## 2.4. Complementary actions

This action will build on on-going UNEP-TEEB initiatives in the countries in scope. The following table provides an overview of these initiatives:

Country	Initiative
Cross-cutting	The Natural Capital Protocol has many signatories that operate in the countries in scope, and links will be made to ensure representation from those firms which have already committed to Protocol on the project meetings for each of the six countries.
Cross-cutting	The Partnership Instrument project "Natural Capital Accounting and Valuation of Ecosystem Services" (AAP 2015) involving UNDESA, UNEP-TEEB and the Secretariat of the Convention on Biological Diversity (sCBD) which aims to apply macro accounting in Brazil, India, China, South Africa and Mexico. The implementation of Experimental Ecosystem Accounting (EEA) under the System of Environmental-Economic Accounting (SEEA) will provide both baseline biophysical data on land use and land cover but also valuation estimates for ecosystem services. These data and estimates will be used as inputs for the current proposed project, for those countries common to both projects.
Brazil	<p>1. TEEB Brazil is a joint initiative between the Brazilian Ministry of the Environment, the Institute of Applied Economics Research (IPEA), UNEP Brazil, The Brazilian Ministry of Finance, the German Technical Operation Agency, the National Confederation Industry, the International Union for Conservation of Nature and Conservation International (CI). TEEB Brazil follows a similar approach as the global initiative, with studies focusing on national public decision making, on local and regional governments, on the business sector, and on citizens. In Brazil, these studies have respectively achieved different levels of progress.</p> <p>2. The Brazilian TEEB for Business study was launched in March 2014. The study was coordinated by CI-Brazil with support from Natura and Monsanto. The study compares the environmental value of different agricultural practices for producing palm oil and soybean, based on pilot studies carried out by cosmetics company Natura and agricultural products firm Monsanto. In both cases, the analysis proves the value of integrating natural capital in business decision making.</p> <p>3. TEEB Brazil for Regional and Local Policy Makers is being coordinated by the Ministry of the Environment with GIZ's technical support, and in partnership with the National Confederation Industry (CNI) and the Ministry of Finance, under a 4 years project. The project aims to include ecosystem services in the planning and implementation of the priority process of regional development. A Plan of Work has been developed (2013) and activities are to be coordinated with TEEB for National Policy Makers to achieve common and coherent goals and avoid overlap of activities.</p>

Country	Initiative
India	<p>India launched a national TEEB study in February 2011<sup>9</sup>. And a scoping report was jointly released by Ministry of Environment and Forests, Government of India, and GIZ in 2012<sup>10</sup>. The report presents an overview of status and trends, and a synthesis of valuation data on ecosystem services delivered by forests, inland wetlands, and coastal and marine ecosystems. The TEEB India Interim report was released in 2014<sup>11</sup>. The project will take the outcome into consideration.</p>
China	<p>In 2013, China adopted “ecological civilization”, a concept first presented at the 17th National Congress of the Communist Party of China in 2007. To achieve eco-civilization, the Government of China plans to improve property rights and use control systems of natural capital, draw ‘red lines’ or ‘no-go’ zones for ecological protection, implement instruments like payment for ecosystem services and ecological compensation, and reform environmental management systems. In this context, the Ministry of Environmental Protection (MEP) and The Chinese Academy of Sciences (CAS) decided to jointly develop the TEEB China project, to value ecosystem services and biodiversity, and mainstream these values into governmental policy decision processes at various scales.<sup>12</sup></p> <p>Currently, the TEEB China National Action Plan (NAP), led by MEP and CAS, has been approved by an expert review. It is planned to be implemented over the course of three years, with six components, and twenty two detailed actions. These components are: Systemizing current TEEB theory and methodologies, developing TEEB China methodology, selecting pilot sites and case studies, raising awareness and training for TEEB, international collaboration and communication, and promoting the mainstreaming of TEEB into policy.</p>
Mexico	<ol style="list-style-type: none"> <li>1. In January 2017, GIZ, in collaboration with UNEP Mexico, was due to start a German Climate Fund (IKI) – funded project on “mainstreaming biodiversity into the Mexican agriculture sector”, with the objective of integrating the value of biodiversity and ecosystem services into the decision-making and planning instruments of key change agents in the public and private sector in the Mexican agricultural sector. UNEP Mexico is the implementing partner for the TEEB component of this project (approximate value 500.000 EUR), and the UNEP-TEEB Office will provide technical support.</li> <li>2. UNEP Mexico also actively supports an inter-institutional working group on ecosystem service valuation, chaired by the Ministry for the Environment and Natural Resources (SEMARNAT) to exchange information on a regular basis in order to coordinate research efforts and to strengthen capacity.</li> <li>3. The National Biodiversity Agency of Mexico (CONABIO) is currently developing a global study on maize on behalf of TEEB with case studies in</li> </ol>

<sup>9</sup> <http://www.moef.nic.in/downloads/public-information/2011-02-23%20Press%20Brief%20-%20TEEB%20India.pdf>

<sup>10</sup> [http://www.academia.edu/2366448/TEEB-India\\_Initial\\_Assessment\\_and\\_Scoping\\_Report](http://www.academia.edu/2366448/TEEB-India_Initial_Assessment_and_Scoping_Report)

<sup>11</sup> <https://www.giz.de/en/downloads/giz2015-en-ecosystems-biodiversity-interim-report-india.pdf>

<sup>12</sup> [http://www.craes.cn/cn/news/2015-01/27/news\\_4511.html](http://www.craes.cn/cn/news/2015-01/27/news_4511.html)

Country	Initiative
	Mexico, Ecuador and the United States.
Thailand	In January 2017, UNEP-TEEB was due to start a German Climate Fund (IKI)-funded project on the implementation of the TEEBAgriFood framework to agricultural landscapes. There are four countries in scope for this 4.3 million EUR project, and Thailand is one of the four. As such, by 2018 a project Steering Committee for the IKI Thailand work would have been established, with membership comprising representation from the Ministries of Agriculture, Planning and Environment, agri-business, civil society etc. A host research institution will have been appointed to carry out scenario analysis of the effects of policy interventions on selected agricultural landscapes, compared with business-as-usual.
Indonesia	TEEB is working closely with UN-REDD which recently launched the Tropical Landscapes Finance Facility amidst great interest from government and the private sector. UN-REDD is also linked with the EU REDD Facility and we will seek representation from this initiative in the Indonesia project steering committee.
Malaysia	TEEB activities in Malaysia have been inspired by Aichi target 2 on integrating biodiversity values in national strategies and policies. The Ministry of Natural Resources and Environment, with support from UNDP, is leading TEEB-related activities in Malaysia, and UNEP TEEB Office has worked with them closely on TEEB discussions. A TEEB symposium was held in Kuala Lumpur in November 2013 with participation from UNEP TEEB Office. This partnership between UNEP and UNDP could be strengthened through this project.

Beyond these specific country links, there are complementarities between this project and initiatives providing guidance/opportunities vis-à-vis the solutions that will be tested in the project: FAO-OECD Guidelines on *Responsible Supply Chains* was adopted earlier this year; the *BioTrade* initiative managed by UNCTAD<sup>13</sup>; on *labelling*, DG Environment's Environmental Footprint scheme which includes food products such as coffee and dairy products<sup>14</sup>; the work partly funded by DG Trade by the International Trade Centre providing a comprehensive database of environmental social and other labels<sup>15</sup>; The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)<sup>16</sup> Conceptual Framework, IPBES being an intergovernmental body which assesses the state of biodiversity and of the ecosystem services it provides to society, in response to requests from decision makers; ESMERALDA<sup>17</sup> (Enhancing ecoSysteM sERVICES mApping for poLicy and Decision mAKing) which aims to deliver a flexible methodology to provide the

<sup>13</sup> [www.biotrade.org](http://www.biotrade.org)

<sup>14</sup> [http://ec.europa.eu/environment/eussd/smgp/ef\\_pilots.htm](http://ec.europa.eu/environment/eussd/smgp/ef_pilots.htm)

<sup>15</sup> [www.standardsmap.org](http://www.standardsmap.org)

<sup>16</sup> <http://www.ipbes.net/>

<sup>17</sup> <http://www.esmeralda-project.eu/>

building blocks for pan-European and regional assessments and India and China are following its developments; the FAO assessment / Platform on mainstreaming biodiversity in agricultural sectors<sup>18</sup>, and DG Research and Innovation initiatives such as FOOD 2030<sup>19</sup> organised in October 2016 which FOOD 2030 explored what is needed to transform and future-proof our food systems to be sustainable, resilient, competitive, diverse, responsible and performant in their provision of accessible, healthy and sustainable food and diets for all.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of this action is to protect biodiversity and contribute to a more sustainable agriculture and food sector with well-functioning ecosystems. This will help move towards a level playing field by limiting unfair competition driven by low environmental standards.

This overall objective will be achieved:

- by developing and applying instruments to capture the value of ecosystems services across the entire life cycle in the agri-food and the non-food agricultural raw material sectors;
- by identifying intervention options protecting biodiversity and promoting well-functioning ecosystems and by direct engagement with farmers, agri-businesses, as well as with civil society (including consumers).

The project will also identify options relevant to the sustainability of supply chains that individual EU businesses rely upon but cannot influence individually.

The specific objectives (SOs) of the project are:

SO.1 Uptake of intervention options by the agri-business community via increased knowledge adoption and application of the Natural Capital Protocol, and subsequent leading to changes in the dominant business model.

SO.2 Non-business actors (such as civil society, consumers, trade unions, regulators, local and national government etc.) use data and methods generated in the project to influence the sustainability of the agri-business sector.

The TEEBAgriFood Framework<sup>20</sup> will be used to assess the sectors for the EU Partner countries in scope. While the focus in this action is capturing the value of ecosystems services, protecting biodiversity and promoting well-functioning ecosystems the framework is not restricted to impacts on

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<sup>18</sup> <http://www.fao.org/biodiversity/en/>

<sup>19</sup> <http://ec.europa.eu/research/conferences/2016/food2030/index.cfm>

<sup>20</sup> <http://www.teebweb.org/agriculture-and-food/#framework>

ecosystems and biodiversity; it also includes inter alia employment, food security, human health etc. It aims to be comprehensive, from farm to fork (i.e. across the entire value chain). The Framework allows decision-makers (regulators, agri-business and farmers) to see explicitly any trade-offs that arise through the application of different measures, as compared with Business As Usual (BAU).

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

The main expected results of the action are:

R.1. European policies, best practices and lessons learned in the application of various interventions in the agri-business sector and/or by private companies in the sector are evaluated by the respective administrations, operators and civil society of the EU partner countries in scope.

R.2 Enhanced understanding and application of the TEEBAgriFood methodology to the agri-business sector for the EU partner countries in scope, and enhanced understanding of the values of biodiversity and ecosystem services to achieve resilient, secure supply from the agri-food sector. A menu of proposed options for changes in the agri-food sector for the EU partner countries in scope are assessed under the TEEBAgriFood Framework.

R3 Recommendations are provided for both (i) land use change and (ii) shifts in agricultural production systems and supply chains that have the potential to increase agricultural resilience, reduce supply chain risks for private companies in the sector, improve human health and reduce greenhouse gas production.

R.4 Theory of change developed and implemented, leading to a more level playing field between the agri-business sector of the EU and partner countries. This includes the promotion of natural capital and biodiversity accounting applying through the testing and application of the Natural Capital Protocol.

R.5 Increased visibility of the EU as a global actor promoting biodiversity highlighted in international fora, with outreach and dissemination to the global community.

On the basis of the above, the main indicative activities of the action will include:

A.1 In consultation with stakeholders in each country, conduct a critical review of instruments/interventions applied to modify production processes in the agri-business sector in the EU and across all selected EU partner countries, including (but not limited to) sustainability standards.

A.2 In consultation with the EU and Partner countries Ministries, determine and refine the case studies to be developed.

A.3 Carry out a comparative assessment: Business As Usual vs. the intervention in terms of social welfare benefits and/or corporate (private) benefits.

A.4 Outline a theory of change, i.e. which actors and institutions would need to be involved, what actions would need to be taken, and what obstacles to overcome to enact change and initiate steps to implement the change.

A.5 Promote institutional reform for change: the project will support change agents through the provision of training (including media) and technical assistance. While the specifics will depend on the nature of the interventions in each country, it is however likely that one key element will be promoting/mainstreaming the application of the Natural Capital Protocol (NCP) by companies in the agri-business sector in each country in scope. For promoting the application of the NCP, the training and technical assistance to implement it at corporate level will be adapted to each country in scope as appropriate.

A.6 Ensuring project sustainability: creating business and biodiversity platforms for each country in scope, and virtual (internet-based) business and biodiversity platforms. These will contribute to knowledge-sharing and capacity building both during the life span of the project and also after project completion, therein contributing to project sustainability.

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

The key assumptions of this project are the following:

- Partner countries share the overall objective of this project.
- Partners' commitment to devote resources (including human resources) to support dialogue and the smooth and timely implementation of the activities.

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Lack or decrease of buy-in / ownership by some of the targeted countries.	M	<p>The risk is limited to the country concerned. However, the following mitigating measures can be envisaged:</p> <ol style="list-style-type: none"> <li>1. The outcome of Activity A1 is a <i>menu</i> of possible interventions and thus the project is not limited to one type.</li> <li>2. Raise awareness among civil society and private sector.</li> <li>3. Obtain letters of support from firms that have already signed up to the NC Protocol and seek their representation on the Project Management Units.</li> <li>4. Use of UNEP and the internationally-credible TEEB 'brand'.</li> </ol>

<p>Political factors.</p> <p>Reduced interest of lack of willingness of some of the countries to engage on the TEEB methodology</p>	<p>M</p>	<p>This risk is limited to the country concerned.</p> <p>Overall the momentum is internationally in favour of understanding and addressing externalities in all sectors so that impacts are limited.</p> <p>However, the following mitigating measures can be envisaged:</p> <ol style="list-style-type: none"> <li>1. Monitor overall political context and communicate and adapt project accordingly together with the stakeholders, notably in civil society and the agri-business sector, DG AGRI and EU Delegations.</li> <li>2. Scope interventions that are consistent with political commitments, e.g. Mexico's Development Plan 2013-2018<sup>21</sup> which states as an objective: <i>“to promote a new agri-food strategy, with a focus on productivity, profitability and competitiveness, which is also inclusive and incorporates the sustainable management of natural resources”</i>.</li> <li>3. Link with in-country platforms that are supportive of TEEB. For instance, in May 2014 the EU-China Policy Dialogue Support Facility (PDSF) launched the EU-China TEEB Platform.<sup>22</sup></li> <li>4. UNEP and the reputation of TEEB as an internationally-recognized project with an established methodology will mitigate political concerns.</li> </ol>
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### 3.4. Stakeholders

The TEEBAgriFood Framework is closely aligned with the Natural Capital Coalition (NCC)<sup>23</sup>, a development of the TEEB for Business Coalition. Whereas the TEEBAgriFood Framework focuses on *determining* the sustainability impacts of production system, the NCC is concerned with

<sup>21</sup> Mexican Government (2013). Plan Nacional de Desarrollo 2013-2018 [National Development Plan 2013-2018]. Mexico City: Mexican Government. Accessed 30 June 2016. [http://www.sev.gob.mx/educacion-tecnologica/files/2013/05/PND\\_2013\\_2018.pdf](http://www.sev.gob.mx/educacion-tecnologica/files/2013/05/PND_2013_2018.pdf).

<sup>22</sup> EU-China Policy Dialogues Support Facility II. "EU-China TEEB Platform." Accessed 30 June 2016. <http://www.eu-chinapdsf.org/EN/pdsf2activity.asp?ActivityId=517>.

<sup>23</sup> <http://naturalcapitalcoalition.org/>



*implementation* by the business sector. The NCC was set up: (i) to bring together work being undertaken by business in relation to natural capital; and (ii) to engage key actors (stakeholders) from business, government and civil society in an open source collaboration, aimed at shaping the future of business thinking and action on natural capital. The NCC through its collaboration with change agents from inter alia business and finance, accountancy, science and academia, and conservation bodies, created the Natural Capital Protocol (NCP)<sup>24</sup>.

The Natural Capital Protocol is a framework designed to help generate credible and actionable information for business managers to inform their decisions. It builds on a number of approaches that already exist to help business measure and value natural capital, including the Corporate Ecosystem Services Review (WRI, WBCSD and the Meridian Institute. 2012<sup>25</sup>) and the Guide to Corporate Ecosystem Valuation (WBCSD, IUCN, ERM, and PwC. 2011<sup>26</sup>). The Protocol has developed two sector guides that are pertinent to the current proposal: (i) Food and Beverages; and (ii) Apparels – relevant for agricultural non-food raw materials.<sup>27</sup>

Business is a key constituency in the change process, but business is not the only actor or stakeholder to improve sustainability in the agri-food sector, and so the application of NCP-for-business is to be complemented with actions targeting other change agents. For instance, government policy needs to provide an appropriate enabling environment to catalyse change in the economy.

Stakeholders will also include: the European Commission (DG ENV, GROW, R&I, FPI) and the EEAS; EU Member States; Local Ministries and Agencies; Trade unions; Associations, federations in the sector.

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

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

###### ***4.1.1 Indirect management with an International Organisation***

This action may be implemented in indirect management with the United Nations Environment Programme (UNEP) in accordance with Article 58(1) (c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the project.

This implementation is justified because of the specific technical competence of UNEP on matters related to the development of international

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<sup>24</sup> <http://naturalcapitalcoalition.org/protocol/>

<sup>25</sup> [http://www.wri.org/sites/default/files/corporate\\_ecosystem\\_services\\_review\\_1.pdf](http://www.wri.org/sites/default/files/corporate_ecosystem_services_review_1.pdf)

<sup>26</sup> <https://portals.iucn.org/library/sites/library/files/documents/2011-013.pdf>

<sup>27</sup> [http://naturalcapitalcoalition.org/wp-content/uploads/2016/07/NCC\\_FoodAndBeverage\\_WEB\\_2016-07-12.pdf](http://naturalcapitalcoalition.org/wp-content/uploads/2016/07/NCC_FoodAndBeverage_WEB_2016-07-12.pdf);  
[http://naturalcapitalcoalition.org/wp-content/uploads/2016/07/NCC\\_Apparel\\_WEB\\_2016-07-12.pdf](http://naturalcapitalcoalition.org/wp-content/uploads/2016/07/NCC_Apparel_WEB_2016-07-12.pdf)

and national environmental tools. UNEP benefits from an internationally recognized mandate as leading global environmental authority.

In addition, this project consists of applying for the first time to an industrial sector across its entire value chain the methodological framework developed by "The Economics of Ecosystems and Biodiversity" (TEEB), whose office is hosted by UNEP under the Economics and Trade Branch (ETB) of the Economy Division. Only the TEEB office can define and develop TEEB methodologies.

Finally, this project offers interesting opportunities for synergies with the PI funded action Natural Capital Accounting (NCA, AAP 2015) that inter alia carries our valuation of ecosystem services using support from existing frameworks in the context of TEEB. UNEP is one of the co-beneficiaries of the grant signed between the EU and the UN Statistics Division (UNSD) for the Implementation of the NCA action.

Budget implementation tasks may include inter alia the provision of technical assistance and consultancy services, organisation of seminars/conferences/events, carrying out studies, analysis and research, award of grants for pilot actions as relevant.

UNEP is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisations can be entrusted with budget-implementation tasks under indirect management.

Indicative timeframe for the signature of the delegation agreement: second half of 2017.

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

If the above implementation modality with international organisations cannot be implemented due to unexpected circumstances, an alternative implementation modality in direct management can be foreseen, as described below.

##### *Grants - direct award (direct management)*

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

The project will be implemented exclusively through the signature of a grant agreement. As a result, objectives, expected results and main activities are those defined above under section 3.1 and 3.2. In particular, the overall objective of this action is to protect biodiversity and contribute to a more sustainable agriculture and food sector with well-functioning ecosystems.

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

Under the responsibility of the Commission's authorising officer responsible, in accordance with the provisions of article 190(1) (f) of the RAP, the grant may be awarded without a call for proposals to the UNEP. In the case where the grant is awarded directly to UNEP, this will be justified by the Commission's authorising officer responsible in the award decision.

In fact, this action has specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power. The need for close contacts with the authorities of the seven beneficiary partner countries require expertise at institutional level that can only be provided by UN, which combines both technical knowledge and institutional access.

UNEP benefits from an internationally recognized mandate as leading global environmental authority. Consequently, it has specific technical competence and a longstanding experience on matters related to the development of international and national environmental tools.

In addition, this project will apply the methodological framework developed by "The Economics of Ecosystems and Biodiversity (TEEB)", whose office is hosted by UNEP under the Economics and Trade Branch (ETB) of the Economy Division. Only the TEEB Office can define and develop TEEB methodologies.

Finally, UNEP is one of the implementing partners of the PI funded action Natural Capital Accounting (AAP 2015) that inter alia carries our valuation of ecosystem services using support from existing frameworks in the context of TEEB.

Consequently, UNEP is best placed and constitute a logical choice for managing this complex and sensitive EU intervention. It offers a unique combination of technical expertise, longstanding contacts with relevant stakeholders. In this respect, UNEP benefits from all the necessary legitimacy vis-à-vis stakeholders and in particular with the public authorities of the partner countries target by this action, which does constitute a key precondition to operate and cooperate in India in such a sensitive matter such as water management.

#### (d) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the action; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

#### (e) Maximum rate of co-financing

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

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality

of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(f) Indicative trimester to conclude the grant agreement

Indicatively, during the third quarter of 2018.

#### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1 – Indirect management	8.5
<b>Total</b>	<b>8.5</b>

#### 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

A Steering Committee will be set up in support of the action. It will consist of representatives of relevant Commission services (mainly DG ENV and FPI, but it could also be enlarged to other services such as DG DEVCO and DG RTD, as well as to the EEAS), EU Delegations in the respective countries of implementation, and UNEP.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### 4.4. Evaluation and audit

For this 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” applies for contracting under this Decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the action. The implementing organisation shall develop an information and communication plan that will ensure that the EU contribution to the action is fully recognised and that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

ANNEX 7

of the Commission Implementing Decision on the 2017 Annual Action programme  
for the Partnership Instrument

**Action Fiche for Environmental Diplomacy in G7/G20****1. IDENTIFICATION**

Title of the action	Environmental Diplomacy in G7/G20			
Countries	G7/G20			
Total cost	Total estimated cost: EUR 2 500 000 Total amount of the EU budget contribution: EUR 2 500 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Direct management Procurement – Services			
Markers (from CRIS DAC form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

The EU Global Strategy acknowledges that environmental issues exacerbate potential conflict, in light of their impact on desertification, land degradation, and water and food scarcity, and calls upon the EU to invest in its partnerships to enhance environmental resilience.

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

In this overall context, this action aims to enhance the engagement of the EU in the G7/G20 on key EU priorities in the field of environment, in particular on resource efficiency and circular economy, marine litter, and green finance. It will strengthen the EU's voice in the G7/G20 processes by delivering concrete results backing up initiatives within these fora.

This environment diplomacy action will ultimately reinforce the EU positioning in these multilateral fora as key interlocutor for contributing to the environment-related objectives of inter alia the 2030 Agenda on Sustainable Development and the Paris Agreement.

In particular, the action will facilitate EU's engagement in relevant environment diplomacy activities in G7/G20, including in the context of the G7 Alliance on Resource Efficiency, the Toyama Framework on Material Cycles, the G7 Action Plan to Combat Marine Litter, the G20 Green Finance Study Group, the G20 Partnership on Resource Efficiency, and G20 work to combat marine litter. The above is a tentative list of activities that will need to be adapted during the lifetime of this project to the evolving needs of the Commission and to the G7 and G20 agendas.

This action will build upon the work of a Policy Support Facility contract that is supporting environmental diplomacy in the G7/G20 in 2017.

## **2.2. Context**

The G7<sup>2</sup> is an informal, leaders-led forum that deals with such issues as global economic outlook and macroeconomic management, international trade, energy, climate change, environment, and relations with developing countries. The European Commission President and the European Council President participate to the summits. Alongside the summits, there are regular meetings of the G7 foreign ministers finance ministers. Other ministers may also meet, depending on the Presidency. In many of the areas covered by the G7, the EU has a competence, either exclusive or shared with its Member States. The last meeting of the G7 environment ministers took place in Toyama (Japan) on 15-16 May 2016, with the participation of Commissioner Vella.

The G20<sup>3</sup> is also an informal, leaders-led forum that promotes discussion between major advanced and emerging economies on key issues related to the global economy. The G20 exerts significant and growing influence in areas where Union's competence exists and where strategic interests of the EU are at stake, such as macroeconomic policies, structural reforms, financial regulation, taxation, multilateral trade issues, regional integration, environment and climate change, financing for development, combating the financing of terrorism. The Commission participates in the G20 summits,

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<sup>2</sup> Canada, France, Germany, Italy, Japan, the United Kingdom, the United States of America and the European Union.

<sup>3</sup> Argentina, Australia, Brazil, Canada, China, European Union, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom and the United States of America.

the ministerial meetings, the meetings at deputies' level and in the G20 working groups.

### **2.3. Lessons learnt**

The EU seeks to advance the prosperity of its people by promoting growth, jobs, equality, and a safe and healthy environment. With most world growth in near future expected to take place outside the EU, trade and investment will increasingly underpin our prosperity. While a prosperous EU is the basis for a stronger Europe in the world, prosperity must be shared and requires fulfilling the objectives of the 2030 Agenda for Sustainable Development, notably its Sustainable Development Goals (SDGs)<sup>4</sup>.

The EU has an interest in shaping global economic and environmental rules to this end by engaging with our key partners countries. The G7 and especially the G20 are two multilateral and authoritative fora where this can be done on the basis of informal processes, whereby leaders of these seven (G7) and nineteen (G20) countries and of the EU can determine not only national decisions but also exert their influence in guiding more formally institutionalised deliberations, such as at the level of the United Nations.

Experience shows that G7/G20 declarations may not be properly implemented unless follow-up activities are identified, developed and carried out. The present action supports the identification, development and implementation by the EU of follow-up G7/G20 activities in the field of environment.

### **2.4. Complementary actions**

In the area of resource efficiency and circular economy, complementarity will be sought with ongoing activities supported by the EU in a number of G20 members, in particular through SWITCH<sup>5</sup> and PAGE<sup>6</sup>.

Concerning marine litter, complementarity will be sought with the PI project that is under development 'Towards a global partnership on reducing plastic waste and marine litter' that has the objective of establishing cooperation with China, Indonesia, Japan, the Philippines, Thailand, Malaysia and Vietnam on circular economy with a view to reducing plastic waste in the environment, including marine litter.

This action will also profit from (and in turn contribute to) the Circular Economy Missions that the Commission may organise in relevant G20 countries in the period during which this project will be operational. These missions consist of a series of high-level political and business meetings in third countries to communicate and promote sustainable and resource-efficient policies. The missions aim to build bridges between European

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<sup>4</sup> <http://www.un.org/sustainabledevelopment/>.

<sup>5</sup> <http://www.switchtogreen.eu/?p=128>.

<sup>6</sup> <http://www.un-page.org/>.



institutions, NGOs and companies and the relevant stakeholders in those third countries, interested in the opportunities that the transition to the circular economy brings about<sup>7</sup>.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of the action is to develop high-profile EU environment diplomacy by supporting and fostering the environmental agenda in the G7 and G20 discussions and by strengthening the EU's voice and position in these multilateral fora as key interlocutor on environmental matters at global level.

The specific objective of the action is to support an enhanced engagement of the EU in the G7 and the G20 concerning priority aspects of EU interest related to environment topics, such as resource efficiency, marine litter, green financing and any other environment-related topics that G7/G20 presidencies in 2018-2020 will want to put on the agenda.

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

The main **expected results** of the action are:

1. More effective EU's environmental diplomacy in G7/G20 and strengthened EU capacity to steer decisions taken in these fora in line with EU policies in the field of environment.
2. Increased visibility of the EU in G7/G20 and in individual non-EU G7/G20 countries, including by providing relevant support to EU Delegations in these countries, e.g. through dedicated reports.
3. Improved knowledge of policy makers of the policy and business environment in non EU G7/G20 countries in the field of environment, in particular resource efficiency and circular economy, marine litter and plastics management, and green finance.
4. New areas of bilateral cooperation between the EU and non-EU G7/G20 countries are identified and existing bilateral policy dialogues in the field of environment are reinforced.
5. Indirect support is provided to EU circular economy missions in non-EU G7/G20 countries, particularly when these countries hold the G7/G20 presidency.

The **main activities** of the action will include:

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<sup>7</sup> [http://ec.europa.eu/environment/international\\_issues/missions\\_en.htm](http://ec.europa.eu/environment/international_issues/missions_en.htm).

1. Through e.g. dedicated studies, the publication of in-depth analysis and organisation of seminars, gaining a better understanding of the policy, legislation, funding and business opportunities in non-EU G7/G20 countries in the field of resource efficiency, green economy, sustainable consumption and production, circular economy, waste management, and marine litter (non-exhaustive list – adaptations to the evolving agendas of the G7/G20 will need to be embedded in the contract) that could serve the EU's interests (policy and business) and the EU's negotiators in G7 and G20.
2. Raising awareness on EU positions and fields of excellence in resource efficiency, green economy, sustainable consumption and production, waste management, and marine litter (non-exhaustive list) in non-EU G7/G20 countries, by providing basic facts and information to EU Delegations for dissemination through the press and social media, and by liaising with the local chambers of commerce and major industrial organisations of the country holding the G7/G20 presidency in any given year during the project's duration.
3. Identification of key challenges, opportunities and European solutions, to show-case in the framework of events organised through this action, to facilitate the involvement of European businesses, NGOs and CSOs in the events organised through this action,
4. Organising the logistical arrangements for a number of events (workshops, conferences) to take place in Brussels, in the countries holding the G7/G20 presidency in 2018-2020, or in other relevant locations (e.g. New York, Washington, Paris, Geneva, Presidencies' capital). Topics to be covered will include resource efficiency, circular economy, marine litter and green financing (non-exhaustive list).
5. Attending a number of environment-related events organised by G7/G20 countries in 2018-2020.
6. Organise one study visit to the EU per year in 2018-2020, to cover at least four EU Member States (two of which non-G7/G20 members), and/or EU institutions, for indicatively a maximum 40 officials at a time from non-EU G20 countries (to be further reassessed at due time based on actual needs) working in their national administrations on the implementation of policies related to resource efficiency, circular economy, marine litter or green financing.

### 3.3. Risks and assumptions

The main assumption is that environment and its related topics will continue to be of interests to members of G7/G20 during the project's duration.

Risk	Risk level (H/M/L)	Mitigating measure
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Risk	Risk level (H/M/L)	Mitigating measure
Agendas of G7/G20 are tabled by rotating presidencies, normally with short notice, which renders it difficult to know about priorities in advance. A risk exists that due to this rotation mechanism, environmental matters may receive less attention over time.	L	There are indications that Canada (G7 Presidency in 2018) would continue tackling environmental issues, especially resource efficiency and marine litter. The situation concerning Argentina (G20 Presidency in 2018) is less clear at this stage, although it is hoped that they will continue the work initiated by China in 2016 on green finance and by Germany in 2017 on resource efficiency and marine litter. The project in itself does constitute a mitigating measure for this risk as it aims to keep environment related matters at the core of the agendas of these two multilateral fora.
Lack of capacity by the project to reach out for dissemination at the level of each of the non-EU countries involved.	M	This risk will be mitigated by involving in the project, as relevant, EU Delegations, whose active engagement in G7/G20 matters would have positive repercussions on their bilateral work in the countries concerned.

### 3.4. Stakeholders

Potential partners of the action should include first and foremost EU Delegations in G7/G20 countries and EU Member States in G7/G20. The private sector, local governments, academia and civil society organizations will be associated when appropriate and relevant.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

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

- (a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.
- (b) Indicative timing to launch the call: second quarter 2017.

### 4.2. Indicative budget

Method of Implementation	Amount in
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	<b>EUR million</b>
4.1.1. – Procurement (direct management)	2.5
<b>Totals</b>	<b>2.5</b>

### **4.3. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of the action will be a continuous process and part of the implementing partner's responsibility. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate progress and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

A steering committee shall be set up in support of the action. It will be chaired by DG ENV and consist of representatives of relevant Commission services and the EEAS.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

### **4.4. Evaluation and audit**

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

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

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

### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the project. The implementing partners will establish a communication plan in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that is financed by the EU.

Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

**ANNEX 8**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Responsible business conduct in Latin America and Caribbean****1. IDENTIFICATION**

Title of the action	Responsible business conduct in Latin America and Caribbean			
Country(ies)/ Region	Brazil, Colombia, Chile, Costa Rica, Ecuador, Mexico, Panama and Peru			
Total cost	Total estimated cost: EUR 9 500 000 Total amount of the EU budget contribution: EUR 9 500 000			
Total duration <sup>1</sup>	48 months			
Method of implementation	Indirect management			
Markers (from CRIS DAC form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

This action aims to reinforce cooperation between the European Union (EU) and Latin American and Caribbean governments and businesses on Corporate Social Responsibility/Responsible Business Conduct (CSR/RBC), in particular on the implementation of international standards and best practices in this area. This project will contribute to promoting inclusive and smart economic growth. It will create enabling conditions for sustainable businesses for both EU and local actors by reducing unfair competition driven by low CSR/RBC standards.

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

The first component of this action will support governments of Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama and Peru in the establishment and/or implementation of National Action Plans (NAP) on Business and Human Rights<sup>2</sup> in line with the Santiago Declaration (2013)<sup>3</sup> and the UN Guiding Principles on Business and Human Rights. The second component will focus on improving relevant stakeholders' skills to identify negative impacts that private businesses may have on the environment, on labour, civil, political, economic, social and cultural rights. The last component will promote partnerships between Latin American and Caribbean and European companies for the implementation of projects to share experiences, best practices.

## 2.2. Context

Public interest and expectations in the EU and outside the EU have significantly grown on ensuring that goods and services are produced and supplied in a responsible manner, i.e. in compliance with standards and practices that guarantee the respect for human rights, decent work conditions and environmental protection. To address these challenges, the EU has developed a comprehensive approach as set out in the 2011 Communication "A renewed EU strategy 2011-14 for Corporate Social Responsibility". According to this approach, advancing both internally and internationally CSR/RBC and Business and Human Rights is a key priority for the EU.

Whereas in Latin American and Caribbean countries,<sup>4</sup> both governments<sup>5</sup> and businesses have shown an increased interest in the promotion of CSR, RBC and Business and Human Rights, actual implementation of international standards is weak. Since countries in the region are important trading partners for the EU,<sup>6</sup> it is fundamental to create the grounds for a more favourable business environment both for responsible EU companies operating in and sourcing from these countries and for local companies, which would result in an enhanced level playing field for responsible businesses. In addition, the EU and the Community of Latin American and Caribbean States (CELAC) recently committed to jointly promote "Investments and entrepreneurship for sustainable development" in the latest EU-CELAC Action Plan (notably chapter 8 on Investments and entrepreneurship for sustainable development).

### CSR/RBC/Business and Human Rights

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2 In this Action Fiche, Human Rights refer to the relationship between Businesses and Human Rights (i.e. how to better prevent and redress Human Rights violations perpetrated by business).

3 The Santiago Declaration aimed at renewing and deepening the EU-CELAC Strategic Partnership, under the theme: "Alliance for Sustainable Development: Promoting Investments of Social and Environmental Quality".

4 In this Action Fiche, "Latin American and Caribbean countries" mainly refers to the following target countries: Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, and Peru

5 Nearly all Latin American countries are part of relevant international initiatives and have experience in specific aspects of CSR/RBC and Human Rights.

6 The countries forming the Community of Latin American and Caribbean States (CELAC) represent collectively the fifth largest trading partner of the EU.

The European Commission defines Corporate Social Responsibility (CSR) as the responsibility of enterprises for their impact on society<sup>7</sup>. CSR should be company led. Public authorities can play a supporting role through a smart mix of voluntary policy measures and, where necessary, complementary regulation. Companies can become socially responsible by: (i) following the law; (ii) integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations.

Responsible Business Conduct (RBC) entails above all compliance with laws and standards, such as those on respecting human rights, environmental protection, labour relations and financial accountability.

The concept of Business and Human Rights mainly refers to standards and practices that allow better preventing and redressing of Human Rights violations perpetrated by business. The “UN Guiding Principles of Business and Human Rights”<sup>8</sup> is the main international reference in this area. It foresees three pillars to support Business and Human Rights: i) State duty to protect human rights<sup>9</sup> ii) corporate responsibility to respect Human Rights; and, iii) access to remedy i.e. the need for rights and obligations to be matched with appropriate and effective remedies when breached. The proposed action aims to promote these three pillars. The other international references in this area are the OECD Guidelines for Multinational Enterprises, the ten principles of the United Nations Global Compact, the ISO 26000 Guidance Standard on Social Responsibility and the ILO Tri-partite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

### *Policy framework*

This action is in line with the EU's policy framework on CSR/RBC, Business and Human Rights.

In 2011, the EU renewed strategy 2011-2014 for Corporate Social Responsibility<sup>10</sup> made a great contribution in terms of clarifying the concept of CSR as well as the main issues on an agenda for action, and in terms of making a suggestion for companies, members states and other stakeholders. Among other challenges stated in this communication, this project will contribute to raising visibility of CSR, improving citizen trust in business, promoting self- and co-regulation processes and improving disclosure of information.

One of the main drivers for this action is to advance the design and implementation of these NAPs as a way to achieve concrete results coming from the EU- CELAC partnership. Notably, the NAPs on CSR and businesses and Human Rights are

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<sup>7</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011DC0681&locale=en>

<sup>8</sup> [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

<sup>9</sup> This includes the duty to protect against human rights abuse by third parties, including business enterprises.

<sup>10</sup>

[www.europarl.europa.eu/meetdocs/2009\\_2014/documents/com/com\\_com\(2011\)0681\\_/com\\_com\(2011\)0681\\_en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/com/com_com(2011)0681_/com_com(2011)0681_en.pdf)



contemplated in the 2013 EU- CELAC Action Plan<sup>11</sup> and in the 2015 EU-CELAC Action Plan<sup>12</sup> (notably chapters 3, 5 and 8).

This action will also support the goals of the European Commission's new trade and investment strategy called "Trade for All"<sup>13</sup> adopted in October 2015 and promoting three key principles: effectiveness, transparency and values. This action will contribute to the effectiveness in supply chains and to the principle of transparency throughout due diligence processes under component two.

Furthermore, it adheres to the Council Conclusions on Responsible Global Value Chains (GVC)<sup>14</sup> adopted in May 2016. The EU can have a positive impact on sustainable development by promoting responsible management of GVCs and making them sustainable and inclusive. The Council notably underlined the importance of engaging with the private sector on these matters. GVCs is already being discussed within Latin American governments as more of their products and services provided through internationally linked value chains and involve sustainability challenges. Components one and two of this action relate specifically to GVCs.

Objectives of this project are fully in line with the Global Strategy for the European Union's Foreign and Security Policy<sup>15</sup> in that the strategy encourages to promote responsible business conduct, decent work opportunities and employment respectful to human rights in line with international agreed standards.

On 22 November 2016, the EU adopted the Communication "Next steps for a sustainable European future"<sup>16</sup> which was accompanied by the Commission Working Document "Key European action supporting the 2030 Agenda and SDGs"<sup>17</sup> where external and internal actions to implement the 17 SDGs are identified.

Finally, the project will also be aligned with the commitments on responsible supply chains recently agreed on in the G7<sup>18</sup>.

### *Current status and key challenges in the region*

In most Latin American and Caribbean countries, CSR/RBC and Business and Human Rights practices are still in their early stages. Until recently, these practices and standards were mainly associated with philanthropy. They have slowly evolved towards a more strategic approach, within companies, may they be large corporations or SMEs but also in relation to public sector and government endeavour.

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<sup>11</sup> [www.eeas.europa.eu/archives/docs/la/summits/docs/2013\\_santiago\\_summit\\_eu-celac\\_action\\_plan\\_en.pdf](http://www.eeas.europa.eu/archives/docs/la/summits/docs/2013_santiago_summit_eu-celac_action_plan_en.pdf)

<sup>12</sup> [https://ec.europa.eu/research/iscp/pdf/policy/eu-celac\\_action\\_plan\\_2015.pdf](https://ec.europa.eu/research/iscp/pdf/policy/eu-celac_action_plan_2015.pdf)

<sup>13</sup> <http://trade.ec.europa.eu/doclib/html/153846.htm>

<sup>14</sup> <http://www.consilium.europa.eu/en/press/press-releases/2016/05/12-conclusions-on-responsible-global-value-chains/>

<sup>15</sup> [https://europa.eu/globalstrategy/sites/globalstrategy/files/about/eugs\\_review\\_web\\_4.pdf](https://europa.eu/globalstrategy/sites/globalstrategy/files/about/eugs_review_web_4.pdf)

<sup>16</sup> [http://ec.europa.eu/europeaid/sites/devco/files/communication-next-steps-sustainable-europe-20161122\\_en.pdf](http://ec.europa.eu/europeaid/sites/devco/files/communication-next-steps-sustainable-europe-20161122_en.pdf)

<sup>17</sup> [http://ec.europa.eu/europeaid/sites/devco/files/swd-key-european-actions-2030-agenda-sdgs-390-20161122\\_en.pdf](http://ec.europa.eu/europeaid/sites/devco/files/swd-key-european-actions-2030-agenda-sdgs-390-20161122_en.pdf)

<sup>18</sup> More information about these agreements is available here: <https://www.oecd.org/corporate/OECD-Report-to-G7-Leaders-on-Responsible-Business-Conduct.pdf>; and <https://www.whitehouse.gov/the-press-office/2015/06/08/g-7-leaders-declaration>

Further promoting CSR/RBC and Business and Human Rights practices could contribute to overcoming growing conflicts between civil society and businesses about the exploitation of natural resources, especially in mining, hydrocarbons, timber and infrastructure companies.<sup>19</sup> Abuses related to labour practices such as working conditions, freedom of association to trade unions, forced and child labour continue to occur in countries of the region. Discrimination and stereotypes based on gender, ethnic and age are persistent and impact access to employment, health and education.

The current state of affairs country per country can be described as follows:

- **Brazil** has been a pioneer in the promotion of CSR initiatives since the International Conference of Rio de Janeiro in 1992. Human rights, however, have remained a distant and little attended topic by companies. Regarding this issue, national and subnational governments have mainly focused on sub-themes such as inequality, social inclusion, and slave and child labour, particularly in the framework of extractive industries and infrastructure projects. Two of the biggest issues faced by the government to advance the promotion of human rights within the business environment are the lack of inter-ministerial coordination and a major constraint in terms of financial and human resources, which have a negative impact on the development of a NAP. The perspective for Brazil is the establishment of a NAP on Business and Human Rights that includes prevention and promotion as features of the 3 pillars of business and human rights (to protect, to respect and to remedy).
- **Chile** has advanced with a NAP in CSR and will launch in 2017 a NAP on Business and Human Rights; however consultation on the implementation of specific measures is a pending issue. The indigenous rights need also a special attention so as to maximise the investment potential of the country.
- **Colombia** is implementing an ambitious NAP on Business and Human Rights, which covers all three pillars on the UNGPs, including remedy, and addresses the issue of monitoring, evaluation and accountability. Besides bringing best practices in the region, the perspective for Colombia is to increase opportunities for civil society for monitoring and evaluation. Moreover, strengthening mechanisms for remediation is one of the government priorities.
- **Costa Rica** has demonstrated strong commitment towards CSR/RBC and is, in fact, in the process of developing a Sustainable Responsibility NAP. However despite political will, there is limited expertise NAP's implementation and weak multi-stakeholder involvement.
- In **Ecuador**, there is no consensus within the Government for the promotion of CSR/RBC and Business and Human Rights.
- In **Mexico**, the government is working on two initiatives. The first one, coordinated by the Ministry of Interior, will lead to a draft NAP on Business and Human Rights. The second initiative, led by the OECD National Contact Point, aims to advance the effectiveness of the OECD Guidelines for Multinational Enterprises. The challenge is to support the government in ensuring that both initiatives converge. In addition, in both cases, there is a lack of human resources with the right skills to properly develop the initiatives.

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<sup>19</sup> These conflicts affect foreign investment and income generation in a region where there are still 200 million people, out of 595 million, living with less than 4-10 dollars a day.

- **Panama** has sufficient resources to invest in CSR/RBC. The private sector invests time and resources in this matter. However, these initiatives are limited in aspects related to business and human rights or on mitigating the negative impacts of value chains. Civil society organizations, many of them founded by the private sector, use various strategies to promote CSR/RBC, but the absence of a national policy, and of a NAP, means that it is not always possible to have social priorities converge with business priorities, nor is it systematically possible to avoid duplicating interventions or spending money in areas of low social or environmental impact.
- **Peru** has not developed a comprehensive strategy on CSR/RBC and Business and Human Rights. Nevertheless, the Ministry of Justice and Human Rights is currently developing a National Human Rights Plan which would partly address Business and Human Rights issues but not other CSR/RBC's related matters that are not pertaining to the sphere of Business and Human Rights.

Countries in the region face common challenges that can be summarised as follows:

1. Lack of technical skills and lack of coordination within national governments to establish and implement comprehensive policies and action plans on CSR/RBC and human rights.
2. Weak involvement of relevant stakeholders and corresponding consultation processes.
3. Lack of concrete actions from companies to include CSR/RBC and human rights in their value chains. Initiatives exist in the private sector to implement CSR/RBC and human rights but with a limited impact, mainly because they remain isolated and do not address social and environmental risks throughout value chains. In addition, in many cases the only structured CSR programmes are led by large (national or multinational) companies. Small and Medium Enterprises (SMEs) lack human and financial resources to develop such actions.

More commitment from governments is required to prevent misbehaviour of companies and protect victims of human rights abuses bringing remediation measures. There is not a clear understanding on how to identify and prevent risks and potential violations of human rights. Due diligence process is not well known and the concept of co-responsibility of large companies for human rights abuses within their value chains is emerging slowly but could significantly help to address human rights challenges.

In this context, it is important to continue promoting responsible management of businesses in the region by developing and disseminating CSR/RBC/Business and Human Rights practices and approaches in accordance with international standards and best practices. This will also help develop opportunities for EU businesses in key Latin American trading partners as a result of enhanced level playing field.

### **2.3. Lessons learnt**

An important milestone was the multi-stakeholder forum on CSR held by the European Commission on 3-4 February 2015. It gathered a wide array of actors from

a range of sectors, and confirmed the importance of responsible business conduct for business, civil society, governments and international organisations. CSR can serve as a driver for progress in areas such as transparency, good governance and local development.

EU lessons learnt on these issues<sup>20</sup> indicate that the proposed action should consider the following:

- A comprehensive approach that relates to value chains, and multi-stakeholder adherence to the NAPs.
- A smart mix approach including voluntary measures and regulatory frameworks.
- The inclusion of EU good practices and experiences regarding the involvement of key stakeholders on policy making and partnership initiatives.
- Awareness creation on avoiding unsustainable behaviour of companies as a competitive issue for increasing the inclusion of Latin America and Caribbean companies in global value chains.
- SMEs have little resources to internalise CSR/RBC and Human Rights practices. However, SMEs represent a huge potential in this area, in particular given their capacity to innovate.
- The most effective approach to the promotion of human rights in business is to identify priority sector(s) or theme(s) that will be the focus of the NAPs. Lessons show that working with specific sectors or themes allow quicker and more robust results that can be further extended to other sectors or themes.

#### 2.4. Complementary actions

This action is coherent and will complement the work of ongoing initiatives on CSR/RBC and Human Rights as follows:

- PI-action "Responsible supply chain in Asia" (€9 million, AAP 2016), on the promotion of responsible business conduct by addressing environmental protection, decent working conditions and the respect of human rights in Asia.
- Promoting economic empowerment of women at work through Responsible Business Conduct - Latin America and Caribbean (AAP 2017-I);
- Laboratorio de Cohesión Social México-Unión Europea, Phase II;
- AL-Invest 5.0;
- ELAN Network and Biz;

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<sup>20</sup> These lessons have been drawn from several sources including the following: the European Multistakeholder Forum on CSR, Final results & recommendations 29 Jun 2004; Development cooperation instrument (DCI) 2014-2020”, European Commission; Development Cooperation Instrument (DCI) 2014 - 2020“ Multianual Indicative Regional Programme for Latin America, European External Action Service and European Commission Directorate General for Development and Cooperation EUROPEAID; Compendium on CSR National Public Policies in the EU, 2014, 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 Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries, European Commission, 13 may 2014; Corporate Social Responsibility in the context of Relations between the European Union and the Community of Latin American and Caribbean States, EULAC Foundation, 2015.

- Latin America Investment Facility (LAIF);
- EU efforts in responsible management of global value chains in the garment sector coordinated by DEVCO;
- OECD – Responsible Supply Chains in the textile and garment sectors (December 2015 - 30 December 2016) [DG TRADE]
- 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]
- ILO – Project to strengthening local public administrations' capacity to improve the application of the 8 fundamental ILO Conventions (October 2015 – November 2017);
- ILO - To support civil society and social partners' actions on the 27 core international conventions in all GSP+ beneficiaries. Actions should be tailor-made to the needs of each of the countries targeted. Actions should be guided by the findings and recommendations of the relevant UN, ILO monitoring bodies in setting-up country specific priorities. [DG TRADE];
- The ILO revised in March 2017 the Tripartite Declaration of Principles Concerning Multinationals Enterprises and Social Policy providing universal instrument with principles and guidelines to companies, governments, employers' and workers' organisations in employment, training, working and living conditions and labour relations.
- Alliance in Costa Rica between ILO and Bedeese Asesores, AED and the private sector to strengthen labour practices of companies' supply chains according to existing labour laws and ISO 26000 guidelines.
- Global compact is a voluntary initiative in which companies commit to align their strategies and operation to principles: Human Rights, labour standards, environment and anti-corruption. Global local networks active in most of Latin America (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru and Uruguay).
- SIECA's capacity building project for the dissemination and implementation of ISO 26000 in Central America, aiming at promoting the fulfilment of the commitments made in the region, including the coordination of CSR initiatives among country members.
- The Enterprise Europe Network members and its Business Cooperation Centres outside the EU, regularly give assistance to SMEs wishing to internationalise, and have therefore developed a unique pool of international expertise on different issues relevant for RBC and SMEs. The Enterprise Europe Network has 17 expert groups, in which RBC aspects are/can be addressed.
- EU-LAC Foundation and Red Forum Empresa (2015) developed a textbook “Corporate Social Responsibility in the context of Relations between the European Union and the Community of Latin American and Caribbean States” including a baseline and suggestions for bi-regional cooperation. The main objective about this initiative was to report on the progress of the countries of the European Union (EU) and the Community of Latin American and Caribbean States (CELAC) in the construction of their NAPS or in the integration of CSR in their public policies.
- Quadrant is a CSR learning network managed by the Belgian Chambers of Commerce, which aims at integrating sustainability within companies and organisations. Specifically, Quadrant is an action-oriented approach to apply CSR in

companies and organisations, focusing mostly on the following themes: CSR framework, Sustainability analysis, Stakeholder consultation, CSR action plan / Roadmap, CSR reporting and communication.

- European development agencies have initiatives on supply chain. GIZ, Business France or AECI are present in Latin American countries with projects, amongst others, to improve the competitiveness and increase the market opportunities of the SMEs.

- The EU-CELAC Business Summit, held on 10 June 2015, focused on the theme "Europe, Latin America and the Caribbean: Promoting inclusive and sustainable growth by enhancing the role of Small and Medium-Sized Enterprises".

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The **overall objective** of the action is to promote smart, sustainable and inclusive growth in the EU and Latin America & Caribbean by supporting CSR/RBC practices in line with internationally agreed upon principles in this area, including the ILO and OECD instruments. This will help move towards a level playing field by limiting unfair competition driven by low CSR/RBC standards.

##### *Specific objectives*

The specific objectives of the intervention are to:

- Cooperate with national governments in their efforts to successfully establishing and/or implementing Business and Human Rights NAPs aligning their policy framework with internationally agreed CSR/RBC principles and guidelines.
- Raise awareness and improve knowledge of relevant stakeholders on responsible business conduct practices that have a positive impact on the environment, worker's rights, and affected communities.
- Foster corporate partnerships to increase the impact of CSR/RBC and Human Rights on specific social and environmental areas, specifically creating a learning network of EU and Latin American and Caribbean SMEs operating in the targeted countries to facilitate the inclusion of CSR/RBC and Human Rights in their policies and operations.

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

This action aims to achieve the following *expected results*:

- Staff of the involved Ministries are trained on how to establish and implement NAPs aligned with internationally agreed CSR/RBC/HR principles and guidelines;
- Internationally agreed principles and guidelines supported by the EU are promoted in the region;
- The EU policy making process on CSR/RBC, through the launch of official communications and Multistakeholder consultation, is better known among the Latin American and Caribbean governments of countries participating in the

project and starts being considered as a potential solution to national CSR/RBC challenges.

- Multi-stakeholder coordination and consultation processes are in place;
- The technical capacities of stakeholders to implement CSR/RBC and Business and Human Rights best practices, using, in particular, due diligence processes, are improved;
- CSR/RBC and HR best practices are promoted and information exchanges between Latin American and Caribbean and EU businesses are developed.
- The visibility on the relevance and benefits of CSR/RBC is increased.

These results will be achieved through the following main *indicative activities*:

The first core component of the proposed action aims to support Latin American and Caribbean governments in the establishment and/or implementation of NAPs in line with the Santiago Declaration (2013).

This component is the follow up of the first pilot action under which the EU technical assistance has been working with the Governments of the partner countries for the establishment of a roadmap for the establishment of NAP and for the organisation of multi-stakeholder consultations and workshops aiming at facilitating the elaboration of the roadmap.

During the new phase (this action), the work started under the pilot action will continue. For those target countries where the NAP has already been adopted, the activities will focus on implementation of the NAP, while for those target countries where there is a roadmap, the action will facilitate the technical and political process of drafting, approving and implementing the NAP. This component will also aim at increasing the awareness on the NAP in relevant areas and in the private sectors. Specific attention will be given to promoting and making available European tools and the integration of SDGs referred in the Agenda 2030 and the Guiding Principles.

Activities envisaged under this component may include *inter alia*: technical assistance that will accompany the governments in the establishment of the NAP through the engagement of non-governmental stakeholders. This technical assistance may focus *inter alia* on: the creation of a format for cross-departmental collaboration, the development of a work plan with allocation of adequate resources; the identification of business adverse impacts on environmental and social issues and the gaps in State and business implementation of CSR/RBC practices; the drafting, finalization and launch of the NAP. Workshops, seminars and surveys will be organised to directly involve and consult relevant organizations in the preparation process of the NAP, in particular in relation to identification of priority areas and consultations on the draft NAP. In countries where the NAP is established, activities will aim at facilitating the implementation of specific measures included in the NAP and to ensure multi-stakeholder monitoring. Where needed technical assistance to ensure cross-departmental collaboration may continue during the implementation of the NAP. Awareness raising activities on the NAP (or its roadmap) in relevant areas and in the private sector will also be supported under this component.

The second component aims at enhancing stakeholder's skills (mainly enterprises) to understand and implement due diligence processes as a tool to identify, prevent and

decrease the occurrence of risks and diminish businesses adverse impacts on environmental and social issues.

Due diligences methodologies, processes and tools enable to monitor and evaluate the advancement of human rights policies and practices within companies. Due diligence can both be used by civil society organizations to monitor large national companies and TNCs operating in the country or by companies interested in diminishing risks of human rights violations within their supply chains.

Envisaged main activities: setting up of training hubs (in partnership with universities and CSR organisations), interactive workshops, outreach and communication activities. These activities will target both CSR/RBC/HR organisations and civil society organisations working especially with indigenous communities, consumers, environmental and human rights defenders, labour organizations, and others representing businesses stakeholders rights.

The envisaged activities will adopt a “train the trainers” (ToT) approach with a view to enabling participants in the trainings to train colleagues, governments' representatives and business partners on due diligence processes. While the ToT approach is pertinent in light of its multiplying effect, experience shows that it can lack accountability for trainings to take place. Therefore, the implementation partners will specifically work with a limited number of universities and CSR/RBC/HR organisations to ensure proper follow up trainings on the ground through accompanying measures such as the development of a network of implementation partners that deliver trainings on the ground, and the provision of quality control and oversight as necessary.

This component will build on the experience gathered in the implementation of capacity-building and outreach activities developed in the framework of the action 'Responsible Supply Chains in Asia' funded under AAP 2016.

The third component aims at facilitating, through financial support, either under the form of grants or of punctual technical assistance, the development of joint initiatives that promote CSR/RBC practices to be implemented by Latin American and Caribbean and European companies.

The overall goal of this scheme is to support initiatives of enterprises operating in LAC that contribute to changes in the society and in business models at the local level. To facilitate the operationalization of this scheme, information sessions and events will be organised to allow EU and LAC enterprises to network and build-up partnerships (for the purpose of this specific financial support, or for other CSR/RBC-related activities not financially supported under this component). In addition, a platform will be created to share experiences and lesson learned on CSR/RBC initiatives funded under this scheme.<sup>21</sup>

Examples of initiatives that can benefit financial support include technical assistance or grants to *inter alia*: organise outreach and in-country roundtables for priority sectors on CSR/RBC practices, to facilitate peer-to-peer exchanges, to develop

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<sup>21</sup> Initiatives such as “Mais Unidos” in Brazil and the “Abvtex Certification Process”, also in Brazil, provide interesting experience on which the third component of the proposed action can build upon.



training on specific issues, to organise study visits to carry out comparative studies, to developing mechanisms to reach projects at the provincial or local level, etc.

<b>Component</b>	<b>Amount in EUR million</b>
Component 1 – Support for the establishment and implementation of NAPs	4.5
Component 2 – Increase capacity on Due diligence processes	3
Component 3 – Support to joint initiatives between Latin American and Caribbean and European companies	2
<b>TOTAL</b>	<b>9.5</b>

Allocations by component are indicative and will be reviewed according to prioritisation, further assessment and adjustment to be carried out on an annual basis, so as to ensure the necessary flexibility for a prompt response to evolving circumstances in the partner countries and/or political interests of the EU.

#### Geographic Scope of Activities

The proposed action will focus on relevant EU partners in this region. Activities will be directed to the following countries: Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, and Peru. All these countries have a business-to-business relationship with European companies and are important trading partners. In addition, the action will support, as needed, regional events with other key trading partners of the EU in the Latin American and Caribbean.

#### Sectoral Scope of Activities

For the sake of effectiveness and efficiency, most of the abovementioned activities should be tailored to specific sectors in the recipient countries. A clear identification of the target sectors will be further elaborated at the negotiation stage through a corresponding country analysis. Based on a preliminary analysis, it is envisioned to address :

- High-risk sectors of major economic interest to the EU;
- High-risk sectors with a large number of migrant workers (such as for example coffee, pineapple, flowers and banana in Costa Rica or clothing making in Brazil);
- Sectors with interlinked supply chain relations among more than one targeted country (such as for example in the textile sector, large businesses in Brazil and Mexico are interlinked with suppliers in Central America);
- Sectors where the implementing institutions can provide added value through their expertise, network, experience, and current sector-specific policy work.
- Sectors prone to socio-environmental conflict;
- Sectors that are representative in terms of their contribution to the national gross product.

These impacts are expected to remain beyond the implementation period of the proposed action. Indeed, activities conducted through the proposed action are expected to and will be further designed with a view to create positive spill-over effects in the region.

Cross-cutting issues like human rights, environment, gender equality, vulnerable, persons with disabilities, indigenous persons, children, youth and older persons are an integral dimension of this action and they will be continuously mainstreamed throughout the different project cycle management phases of the action.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
Interest for implementation of NAPs decreases over time or drafted NAPs are not approved/adopted by the political instances	M	The project will raise awareness on the importance of a NAP on CSR/HR among public officials and civil society organisation. The project will provide training to support stakeholders in implementing the actions foreseen in the NAP.
Civil society does not agree with prioritizing the NAP in CSR.	L	The project will raise awareness on the importance of a NAP on CSR/HR among major groups of civil society and will show that they represent a significant step towards binding mechanisms.
Governments and businesses do not have a common understanding of the concepts related to CSR.	H	The project will include activities such as advising and training public officers in order to clarify concepts.
There is not an agreement among the government, civil society and business sectors about priorities to be included in the NAP.	M	The project will support the creation of tripartite dialogue spaces. The project will facilitate the establishment of a trustful environment to encourage the participation of civil society representatives.
"Train the trainers" approach can lack continued accountability for follow up trainings to take place.	H	This is an inherent risk in the ToT approach. To mitigate it implementers will take appropriate measures during the selection of partners for ToT, will develop a network among selected ToT, and will provide quality control and oversight to ToT as necessary and to the extent possible.

### 3.4. Stakeholders

The proposed action will involve many stakeholders that can be grouped in the following categories:

- National authorities (Ministry of Trade, Ministry of Labour, Ministry of Industry, Ministry of Investment, Ministry of Justice, Ministry of Environment, etc.)
- European and Latin American business associations, including those that work with SMEs, and Chambers of Commerce;
- Workers' and employers' organisations and other Civil society organisations;
- Research entities and universities;
- International Organizations.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### ***4.1.1. Indirect management with international organisations***

This action may be implemented in indirect management with the OECD and ILO in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the project. This implementation is justified because of the technical competence of OECD/ILO in the field of CSR/RBC and labour standards and their longstanding experience and solid engagement with the relevant authorities in the region, as described below.

For more than 20 years, the OECD has been facilitating dialogue and advice in different areas (investment, environment, education, social inclusion, competition, good governance and transparency).<sup>22</sup> The OECD demonstrates capacity and coverage through National Contact Points (NCPs)<sup>23</sup> in the represented countries. OECD work on responsible business conduct builds on the implementation of the OECD Guidelines for Multinational Enterprises<sup>24</sup>.

The ILO has been generating instruments for the coordination of institutions, consultation and monitoring on the social dimension of sustainability, in particular as regards decent work. This is the institution in the region with wider experience in creating tripartite (governments, employers, and workers' representatives) agreements. The recent research paper on the 169 Convention in Costa Rica and

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<sup>22</sup> Currently, Chile and Mexico are members of OECD, while Colombia and Costa Rica are in adhesion process. Brazil is a key partner for the organization, and Peru has a specific cooperation programme.

<sup>23</sup> Chile, Colombia, Costa Rica, Mexico and Peru have a NCP in place. NCPs are set up by adhering governments to promote the Guidelines among business and other stakeholders and to provide good offices to address and resolve issues arising from implementation of the Guidelines. The NCPs are instrumental bodies for activities and promotional efforts relating to the development/ implementation of the NAP and can play a supporting role in building connections between governments and investors from Europe and companies based in LA, in particular SMEs.

<sup>24</sup> Chile, Mexico, Colombia Costa Rica, Brazil and Peru are adherents to the OECD Guidelines and members of the OECD Working Party on RBC which provides a platform for exchange of experience and good practices with EU countries and other Adherents to the Guidelines on RBC policies.

Chile on challenges and obstacles of the prior consultation processes related to investment projects evidenced not only a relevant but also a unique expertise that ILO will bring to this project. ILO expertise will especially contribute to the installation of indigenous and communities consultation mechanisms and the national implementation of 169 Convention. In this regards the Bureau for Employers' Activities of the ILO (ACT/EMP) has developed a training programme which could be expanded with this action.<sup>25</sup>

The OECD and ILO already have established close cooperation among themselves and with major organizations of the region<sup>26</sup>. They both implement highly relevant initiatives that demonstrate a unique combination of technical expertise and contacts with relevant authorities in governments, businesses and other relevant stakeholders of the targeted countries.

Existing cooperation that would benefit this action includes, among others: the OECD-LAC Investment Initiative<sup>27</sup>, the OECD-LAC Regional Programme<sup>28</sup>, Policy Framework for Investment<sup>29</sup>; the Action Plan, approved in 2016, to strengthen NCPs; the sectoral guidelines developed by OECD to help enterprises identify and respond to risks of adverse impacts associated with particular sectors<sup>30</sup>; the ILO involvement in the development of NAPs in the LAC region<sup>31</sup>; the ILO's linkages with the employers' organizations and other business networks such as the Global Compact local networks in a number of the target countries.

Budget implementation tasks may include *inter alia*: the provision of technical assistance and consultancy services, seminars/conferences/events, carrying out studies and analysis and awarding grants to fund specific pilot actions and partnerships.

Relevant entities may be actively involved in implementation of the action; *inter alia* the following stakeholders may be given consideration:

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<sup>25</sup> <http://libguides.ilo.org/c.php?g=556042&p=3823216&preview=5793c46a707c5f6cab4e855168c2dbfe>.  
[https://ilo.userservices.exlibrisgroup.com/view/delivery/41ILO\\_INST/1243199950002676](https://ilo.userservices.exlibrisgroup.com/view/delivery/41ILO_INST/1243199950002676)

<sup>26</sup> Such as CEPAL, BID, CAF, OEA and SEGIB

<sup>27</sup> The OECD LAC Investment Initiative was established in 2009 to promote sustainable investment and economic development in LAC. It gathers, on a regular basis, representatives of over 10 governments from across LAC. European and other OECD governments also participate in the Initiative allowing for experience-sharing and a transfer of knowledge. Companies, business associations, civil society and other stakeholders regularly participate in meetings to facilitate public-private dialogue and capacity-building.

<sup>28</sup> Created in January 2016, this regional programme focuses on three priorities: policy dialogues, exchanges of best policy practice and bringing the perspective of LAC countries into OECD's work. For more info: <http://www.oecd.org/latin-america/OECD-LAC-Regional-Programme-Information-Note.pdf>

<sup>29</sup> Investment policy reviews are conducted using [OECD investment instruments](#) and the [Policy Framework for Investment](#) in about 30 countries including Brazil, Chile, Colombia, Costa Rica, and Peru. As part of the [Investment Policy Reviews](#) of Costa Rica (2013) and Colombia (2012), the OECD provided comprehensive mapping and policy advice on the full spectrum of RBC policies and practices in these countries.

<sup>30</sup> This is of particular relevance for LAC countries, as most countries in the region are major recipients of investment in these sectors. OECD already closely collaborates with some countries in the region in the dissemination and implementation of this guidance (e.g., in a recent [Latin American workshop in responsible minerals supply chains](#), held in Bogotá in December 2016)

<sup>31</sup> Such as child labour and forced labour, but also discrimination (gender, indigenous) and freedom of association and collective bargaining challenges

- IADB, Forum Empresa, Global Compact, UNDP, Institutes of Human Rights, the UNHCHR Regional Office in Central America;
- European Chambers of Commerce, EU Member States agencies and other European entities with relevant experience in managing European and Latin American Business Networks (in particular for implementation of activities under component 3).

Indicative timing for signature of the Delegation Agreement(s): first quarter 2018.

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

If the above implementation modality with international organisations cannot be implemented due to unexpected circumstances, an alternative implementation modality in direct management can be foreseen, as described below.

##### *Grants - direct award (direct management)*

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

The project will be implemented exclusively through the signature of a grant agreement. As a result, objectives, expected results and main activities are those defined above under section 3.1 and 3.2. In particular, the specific objectives of the grant will be to promote the EU's approach to CSR/RBC in Latin America, in line with internationally agreed principles and guidelines, and tested instruments in this area.

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

Under the responsibility of the Commission's authorising officer responsible, in accordance with the provisions of article 190(1)(f) of the RAP, the grant may be awarded without a call for proposals to the OECD and the ILO. In the case where the grant is awarded directly to OECD/ILO, this will be justified by the Commission's authorising officer responsible in the award decision.

In fact, this action has specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power.

The OECD and ILO have longstanding and specialised expertise in supporting the promotion and implementation of CSR/RBC and have developed specific frameworks on the matter. Thus, the OECD and ILO constitute a logical choice for managing this complex and sensitive EU intervention. They offer a unique combination of technical expertise, longstanding working relations with relevant stakeholders and in particular with governments of partner countries. In this respect, they benefit from the necessary legitimacy vis-à-vis stakeholders and in particular public authorities partner countries, which does constitute a key precondition to operate and cooperate in such sensitive matters such as CSR/RBC.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the action; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing is 100% of the eligible costs of the action.

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

#### 4.2. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. – Indirect management	9.5
<b>Totals</b>	<b>9.5</b>

#### 4.3. Performance monitoring

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

To ensure proper project governance and strategic orientation a Steering Committee including representatives from the participating governments as relevant, the EU (Commission services as relevant, EEAS), OECD and ILO will be established. The OECD should consult the National Points of Contacts in the participating countries to guarantee a decision making process according to national priorities. The ILO should consult experts in their Latin American delegations. The governments of Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama and Peru will designate a contact person as a counterpart of this Project.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.4. Evaluation and audit**

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

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

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

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the project. The implementing partners will establish a communication plan in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

**ANNEX 9**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Promoting economic empowerment of women at work through Responsible Business Conduct – Latin America and Caribbean**

**1. IDENTIFICATION**

Title of the action	Promoting economic empowerment of women at work through Responsible Business Conduct – Latin America and Caribbean (LAC)			
Country(ies)/ Region	Argentina, Brazil, Uruguay, Chile, Costa Rica and Jamaica			
Total cost	Total estimated cost: EUR 9 500 000 <sup>1</sup> Total amount of the EU budget contribution: EUR 9 000 000			
Total duration <sup>2</sup>	36 months			
Method of implementation	Indirect management			
Markers (from CRIS Dac form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT**

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

Promoting gender equality is at the core of EU external action. The EU Global Strategy on Foreign and Security Policy calls for systematically mainstreaming human rights and gender across policy sectors and institutions. In March 2016, the

<sup>1</sup> Where possible, contributions from the targeted countries will also be sought in addition to the implementers' co-funding.

<sup>2</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.



priority theme agreed by the Commission on the Status of Women for 2017 is 'Women's economic empowerment in the changing world of work'.

In this context, this project will promote the economic empowerment of women in the corporate sector in the LAC region and help advance the EU-CELAC bi-regional partnership, where gender equality is one of the priorities identified under the 2015 EU-CELAC Action Plan (notably chapter 7).

Targeting women led enterprises, networks and relevant stakeholders in Europe and selected Latin American and Caribbean countries (Argentina, Brazil, Uruguay, Chile, Costa Rica and Jamaica), the project will promote business links, joint ventures and innovation between women from both regions, while supporting inter-regional dialogue and exchange of good practices for gender equal business.

## 2.2. Context

### *EU Strategies and political framework*

The EU and its Member States are at the forefront of the protection, fulfilment and the enjoyment of human rights by women and girls and strongly promote them in all external relations, also beyond development cooperation. The proposed action will adhere and contribute to EU strategies and political frameworks as follows.

The EU – CELAC action plan includes a chapter on Gender with the aim of prioritising gender issues in the context of bi-regional relations and to underscore the political will in both regions to guarantee gender equality and the protection, exercise and promotion of women's rights, including i) Political participation of women; ii) Elimination of all forms of violence against women and girls, including sexual violence; and iii) Economic empowerment of women and their participation in the world of work and in all decision making processes. It foresees the continuation of close cooperation with the UN, including in the UN Commission of the Status of Women and in the UN General Assembly.

On 16 June 2016, the Council adopted conclusions on gender equality<sup>3</sup>, in which it reaffirms its commitment to the promotion of equality between women and men and increasing visibility and awareness of gender equality in all policy areas. The Council conclusions underline that the Commission's Strategic engagement should be closely linked to the Europe 2020 Strategy and should take into account the United Nations 2030 Agenda for Sustainable Development, as gender equality is a prerequisite for economic growth, prosperity and competitiveness and thus for the sustainability and well-being of our societies. Although gender gaps have narrowed in recent decades, inequalities persist<sup>4</sup> and challenges remain in several critical areas. There are still significant gender gaps in employment, self-employment, part-time work, entrepreneurship and decision-making, as well as in pay and pensions, and thus women also face a higher risk of poverty compared with men. Women are more likely to have completed higher education but are significantly under-represented, for

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<sup>3</sup> <http://www.consilium.europa.eu/en/press/press-releases/2016/06/16-epsco-conclusions-gender-equality/>

<sup>4</sup> According to the Commission's 2014 Report on equality between women and men, at the present rate of change, it would take another 70 years to achieve gender equality.

example, in Science, technology, engineering and mathematics (STEM) studies and careers, in research and in senior posts at all levels of education.

The Strategic Engagement on Gender Equality within the EU for 2016-2019 as well as an ambitious and robust new EU Gender Action Plan in External Relations 2016-2020 were adopted by the EU in 2015, both of which place the economic empowerment of women at the core of EU action.

The Gender Action Plan 2016-2020 is a results-oriented document which stresses the need for the full realisation of women's and girls' full and equal enjoyment of all human rights and fundamental freedoms and the achievement of gender equality and the empowerment of women and girls. In its conclusions adopted on 26 October 2015<sup>5</sup> the Council reaffirmed its commitment to and calls on the Commission and the High Representative to deliver on the implementation of four pivotal areas outlined in the GAP in a measurable way by 2020: i. ensuring girls' and women's physical and psychological integrity; ii. promoting the social and economic rights / empowerment of women and girls; iii. strengthening girls' and women's voice and participation; iv. shifting the Institutional Culture to more effectively deliver on EU commitments. The EU Delegations in Argentina, Brazil, Uruguay, Chile and Costa Rica are in the process of producing the local EU Gender Action Plan together with the Member States. The proposed action will contribute to the implementation of objective 2 of the GAP in the five targeted countries.

In 2015, the EU and its Member States adopted the second EU Action Plan on Human Rights and Democracy<sup>6</sup>, a key guiding document for the work towards the advancement of human rights and democracy in EU's external action where gender equality and women's empowerment feature very highly.

#### *Non-EU political framework*

Gender equality garnered much-needed attention through several key agreements and events including the adoption of the 2030 Agenda for Sustainable Development; the 15th anniversary of United Nations Security Council resolution 1325 on Women, Peace and Security (UNSCR 1325) and its High Level Review; the 20th anniversary of the Beijing Declaration and Platform for Action; the Third International Conference on Financing for Development; and the Paris Agreement on Climate Change.

The 2030 Agenda for Sustainable Development reaffirms the essential role of gender equality and the empowerment of all women and girls as drivers for sustainable development, peace and for the full realisation of their human rights. Women's and girls' rights are at the core of the Sustainable Development Goals, both as a standalone goal and a cross-cutting issue.

The Addis Ababa Action Agenda emphasizes the importance of women's and girls' human rights and also stresses that women's empowerment can make a significant contribution to economic development for all. It commits countries to undertake legislation and administrative reforms to give women equal rights, and promotes

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<sup>5</sup> [Insert link or reference to Council conclusions]

<sup>6</sup> [http://eeas.europa.eu/human\\_rights/docs/eu\\_action\\_plan\\_on\\_human\\_rights\\_and\\_democracy\\_en.pdf](http://eeas.europa.eu/human_rights/docs/eu_action_plan_on_human_rights_and_democracy_en.pdf)

gender-responsive budgeting and tracking among other measures. Additional cross-cutting issues in the Action Agenda include scaling up efforts to promote full and productive employment and decent work for all. :

The 60<sup>th</sup> session of the Commission on the Status of Women (CSW) took place at the UN Headquarters in New York from 14 to 24 March 2016 on the priority theme of 'Women's empowerment and its link to sustainable development'. In its conclusions, the 60th CSW emphasized that no country has fully achieved gender equality and the empowerment of women and girls, that significant levels of inequality between women and men, girls and boys persist globally and that many women and girls experience vulnerability and marginalization owing to, inter alia, multiple and intersecting forms of discrimination throughout their life cycle. The priority theme agreed on by the 61<sup>st</sup> CSW for 2017 is 'Women's economic empowerment in the changing world of work'.

### *Situation in Latin America and Caribbean*

During the last decade, there has been significant progress towards gender equality and the empowerment of women across Latin America in the areas of political participation, education, access to services, social protection coverage and control over reproduction. In regard to economic empowerment, there has been an overall reduction of the number of women without income of their own, an increase of the percentage of women in formal employment and an increase in women's wages.

Nevertheless, it is evident that there is still much progress needed to reach gender equality in the world of work. In Latin America, 80 per cent of men and 52 per cent of women participate in the labour market; 60 per cent of women are in informal jobs; the gender pay gap is 19 per cent on average. The daily workload is higher for women as they spend 2-5 times than male counterparts in unpaid care and domestic work; and women's careers tend to stagnate when they have family responsibilities and/or children. Looking at the average wages of mothers and women without children, the wage gap between them is 21 per cent in Uruguay and Brazil and 16.8 per cent in Argentina.

In terms of women's leadership in the private sector, less than 2 per cent of companies in the sub-region have a woman CEO.<sup>7</sup> At the same time, the importance of gender diversity has gained ground in recent years, with a larger share of executives in Latin America now saying that gender diversity is a top agenda item at their companies.<sup>8</sup> According to a new study from workplace consulting firm Mercer, the women of Latin American are expected to make substantial progress, with women holding nearly half of all professional and managerial roles by 2025.<sup>9</sup>

The Statistical Institute for Jamaica is currently gathering data that will be invaluable for monitoring Jamaica's progress on meeting the Sustainable Development Goal 5<sup>10</sup>. According to the ILO, Jamaica has the highest number of women managers per

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<sup>7</sup> <http://www.as-coa.org/articles/weekly-chart-latin-american-women-leadership>

<sup>8</sup> <http://www.mckinsey.com/business-functions/organization/our-insights/why-top-management-eludes-women-in-latin-america-mckinsey-global-survey-results>

<sup>9</sup> <http://www.mercer.com/our-thinking/when-women-thrive-2016-report.html>

<sup>10</sup> <http://caribbean.unwomen.org/en/news-and-events/stories/2016/10/announcer-ed-visit-to-the-caribbean>

capita however there is still much that needs to be done. Jamaica still has a high percentage of women in the informal sector and faces the challenge of encouraging women's empowerment at the highest level. Jamaica's public sector boards have seen an increase in women's participation to 37%, but this participation in the private sector is lower<sup>11</sup>.

### **2.3. Lessons learnt**

One of the key areas of concern of UN Resolution 70/1 *Transforming our World: the 2030 Agenda for Sustainable Development* is the economic empowerment of women. Progress toward it depends not only on the adoption of a set of public policies by government, but also on the existence of an enabling environment and active engagement of the corporate sector. About 90 per cent of jobs in the world are in the private sector. This represents a huge potential to implement transformative actions

in the world of work and social responsibility in favour of women, benefiting the whole society. There is an increasing consciousness, interest and commitment of private and public sector companies on the value and benefits of gender equality and the economic empowerment of women and its role to achieve it.

It is becoming increasingly indisputable that reducing gender inequality and improving the status of women contribute to higher rates of economic growth and greater macroeconomic stability. For example, the McKinsey Global Institute (2015) estimates that if women in every country were to play an identical role to men in markets, as much as US\$12 trillion would be added to the global economy by 2025.<sup>12</sup> Promoting a transformative change in this context is not only a matter of women's human rights, it is also a smart public and corporate decision, and a contribution to overall economic development.

Due consideration has to be taken on the fact that the work culture cannot be changed without shaping gender stereotypes, cultures, and norms, as these also have an impact on the personal choices of workers. Discrimination exercised in various forms by employers (statistical discrimination, maternity-related discrimination, maternity harassment, etc.) is recognised as a component of the gender wage gap, in addition to the observable labour market characteristics (experience, level of education and the employment sector) and the lack of appropriate public policies.

### **2.4. Complementary actions**

This project will ensure complementarity and, where possible, build on at least the following EU-programmes and initiatives:

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<sup>11</sup> <http://www.japanandtheworld.net/2017/02/the-quest-for-womens-empowerment-why-jamaica-gets-it/>

<sup>12</sup> McKinsey Global Institute (2015). The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion To Global Growth  
[http://www.mckinsey.com/insights/growth/how\\_advancing\\_womens\\_equality\\_can\\_add\\_12\\_trillion\\_to\\_global\\_growth](http://www.mckinsey.com/insights/growth/how_advancing_womens_equality_can_add_12_trillion_to_global_growth)

- DG GROW initiatives, including the European on-line platform for women entrepreneurs WEgate<sup>13</sup> (where information on opportunities offered by this project could be disseminated), and the Enterprise Europe Network.
- *Women* and... sustainable energy funded by DEVCO: this action aims to enhance women (and girls) role in promoting sustainable energy and benefiting from it.
- Promoting Gender Equality and Women's and Girls' empowerment in developing countries, financed under the Development Cooperation Instrument (AAP 2017, GPGC).
- DG EMPL's external dialogue on the decent work agenda and recommendations on female employment.
- PI-funded action on Promoting economic empowerment of women at work through Responsible Business Conduct – G7 (currently under development, in parallel with this action);
- PI-ongoing action "G7: Gender equality: Economic empowerment of women in Japan": organisation of a High Level Seminar on the economic empowerment of women.
- The Commission works towards the new initiative on work-life balance, led by DG JUST, aiming to address work-life balance challenges faced by both women and men, including enabling men to take more care responsibilities in their families.
- One of the components of EUROsociAL+ (Development Cooperation Instrument) aims to strengthen the capacities of public institutions to adopt a gender perspective in different sectorial policies by strengthening national mechanisms, increasing capacities and knowledge of national institutions, fostering the implementation of the legal frameworks favourable to gender equality, improving the use of gender indicators and data, monitoring gender-related public expenditure, supporting the fight against all forms of violence and discrimination faced by women and girls.
- AL-Invest 5.0 (Development Cooperation Instrument) includes *inter alia* activities targeting Latin American women entrepreneurs. A programme to support the ongoing reforms of the Vocational Education and Training (VET) system in LA is foreseen to be launched in 2017 with the aim of increasing employment opportunities for young and adult people by better linking VET offer to labour market needs, and tackling the social inequality through an expanded access to VET provision. The programme will mainstream gender in the actions, while specific gender oriented activities will be envisaged as well.
- The ELAN (Development Cooperation Instrument) programme (European and Latin American Business Services and Innovation) is an EU initiative that seeks to increase and diversify the EU economic presence in Latin America, by meeting the Latin American demand for knowledge and innovative technology.
- The study "The issue of Gender in relations between the EU and LAC: State of the art and Opportunities for bi-regional cooperation" carried out by the EU-LAC Foundation<sup>14</sup>

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<sup>13</sup> <https://wegate.eu/>

<sup>14</sup> [https://eulacfoundation.org/en/system/files/EU\\_LAC\\_Web\\_Gende\\_Eng\\_RZ\\_1500520.pdf](https://eulacfoundation.org/en/system/files/EU_LAC_Web_Gende_Eng_RZ_1500520.pdf)

In addition, whenever possible, the work in Brazil and Argentina will explore opportunities linked to Women 20, the group created to promote gender equality and economic empowerment of women of G20 countries.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of this action is to support sustainable, inclusive and equitable economic growth by promoting economic empowerment of women in LAC countries. This project will ultimately contribute to promote EU and international shared principles and values such as gender equality and women empowerment.

The specific objectives of the intervention will contribute to:

1. Promote market access for European women led businesses and entrepreneurs in selected countries in Latin America and Caribbean;
2. Exchange good practices and promote dialogue on female corporate leadership and gender equal business in Europe and Latin America and Caribbean;
3. Promote bi-regional women led innovation and business ventures.

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

This action aims to achieve the following *expected results*:

- R.1: Internationally agreed principles and guidelines that the EU supports in the domain of women's empowerment and gender equality are promoted and widely disseminated
- R.2: Increased number of European women business owners and entrepreneurs accessing the Latin America and Caribbean market
- R.3: Improved capacity of companies to develop and implement gender equality practices tailored-made to their work culture and to genuinely integrate them into their corporate policy and practice;
- R.4: Enabling conditions are created for women workers and business owners to demand gender-equitable labour practices; ;
- R.5: Strengthened companies in voluntary monitoring and reporting on women empowerment and gender equality at work;
- R.6: Knowledge exchange among companies is enhanced so as to facilitate progressive uptake of gender equitable business practices.
- R.7: Increased number of EU-LAC women-led joint researches and innovations on areas of strategic interest.

These results will be achieved through the following *main indicative activities*:

## *I. Market access for European women led businesses in LAC*

This component will promote market access for European women led business/entrepreneurs in LAC. Activities will consist of the organisation of market scoping missions to Latin America and Caribbean for carefully selected EU women business owners with a view to providing a first contact with the market, including the public procurement market. The whole cycle of the scoping missions will be covered, including the promotion of the initiative, the selection of candidates, the actual organisation of the missions, the impact evaluation and assistance for the selected participants to benefit from procurement opportunities.

This component will also aim to increase among existing EU networks of women capacity to assert leadership, demand their rights, amplify their voices, and to compete for procurement and other business opportunities in Latin America and Caribbean, as well as to form collectives to advance common aims and for mutual support. These networks will integrate with the knowledge hub function described below, and will represent important advocates for change within companies. Activities under this component will include organization of communication action to support networking, as well researches, advocacy and other forms of collaboration to be determined by the networks.

EU different networks of European women businesses and initiatives (*infra* section 2.4) will be used as a basis, providing information, capacities and networks for those women interested in expanding into the Latin American and Caribbean market.

Crucial partners to be directly involved in the implementation of this component include European and Latin American and Caribbean chambers of commerce, employers' associations, trade unions.

## *II. EU-LAC champions, exchange of good practice and dialogue for gender equal business*

This action component is three-fold:

- Activities under the sub-component 'EU-LAC Champions' will engage business leaders, men and women corporate leaders in LAC focal countries and Europe that make the difference in terms of corporate gender quality, to serve as mentors, advocate for gender equal corporate practice, and promote EU-LAC shared values. These EU-LAC champions can be leveraged to develop national level commitments, including to engaging male employees to recognize and take action to challenge gender stereotypes that persist in the workplace, and to encourage others in the private sector to emulate their commitments and to publicize the same. Also this component will draw, as appropriate and possible, upon existing networks of European women businesses and EU initiatives (see section 2.4) that will be expanded to LAC.
- The sub-component 'EU-LAC Businesses - peer to peer exchange and implementation of the Women Empowerment Principles' targets WEP signatories in the region and include the following activities:

i) Creation of a clearinghouse of tools, training materials, reports, and promising practices that companies can access in the further development and refinement of their own operations and facilitation of exchange to uptake good practices on gender equitable business practice;

ii) Interventions for private sector aiming at enhancing capacities in companies so that they can create relevant corporate policies and practices for women empowerment implementation. Activities will include: technical assistance to assess specific needs, to develop responsive policies and relevant tools for their implementation, trainings and internal campaigns, documentation of progress in the application of tools and trainings.

iii) Activities aiming at fostering voluntary monitoring and reporting on women empowerment, which will include: development and expansion of new and existing tools, consultations, development of tailored made training materials and provision of training to use the tools, technical expertise to analyse reports, expertise to manage incentives projects, including events and media.

- The sub-component EU-LAC policy dialogue on women's economic empowerment aims to promote bi-regional policy/political dialogue on women's economic empowerment, involving governments and private sector from both regions, and promote exchange of good practice and policies, including those generated within the framework of the project and those promoted by Commission DGs at regional level on issues such as equal pay, life-work balance, decent work, etc.

### *III. EU- LAC women led innovation and business ventures*

This action component will support women led EU- LAC innovation and business ventures on areas of interest to both regions, such as for example green technologies, ICT, renewable energy solutions, in complementarity with existing EU initiatives (see section 2.4). Women led EU- LAC innovation and business ventures will be supported through small grants mechanisms (or targeted technical assistance as most appropriate), in which clearly defined thematic areas will be chosen throughout the project life cycle, and further details (ex. selection criteria, joint application by EU and LAC based companies/research institutions, etc) will be defined in the inception phase of the project.

A preliminary estimate of budget allocation per activity is provided in the table below. Allocations will have to be reviewed according to prioritisation, further assessment and adjustment to be carried out on an annual basis so as to ensure the necessary flexibility for a prompt response to evolving circumstances.

<b>Action component/Activity</b>	<b>Amount in EUR million</b>
I. Market access for European women led businesses in LAC	1



II. EU-LAC champions, exchange of good practice and dialogue for gender equal business	6.5
III. EU-LAC women led innovation and business ventures	1.5
<b>TOTAL</b>	<b>9</b>

The interventions detailed in the above mentioned components can be customized based on assessed needs, demands and priorities which will be further defined during the scoping stage of the project in each targeted country, with the participation of corporate and other partners. In particular, during the project inception phase, specific country plans will be defined through consultation processes to determine and tailor made specific actions and workplans, along with the construction of indicators, baselines and targets.

### 3.3. Risks and assumptions

Key assumptions underlying the implementation of this action are that (i) the economic framework under which businesses operate will be sufficiently stable to allow for Women's Economic Empowerment to remain an area of important engagement for business and that (ii) interest in this action so far expressed by relevant stakeholders remains stable over time.

There are a number of risks associated with the implementation of the proposed action, for which mitigating measures are identified:

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
The visibility of EU's involvement and scoping the interventions to EU's agenda could diminish and taken over by the implementers (UN Women and/or ILO) own agenda.	M	A governance structure 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 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.	L	The project team of UN Women/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.
The interest of substantial business entities could be limited thereby reducing the effectiveness and impact of the	M	The project team implementing the action will develop a smart-mix of advocacy, outreach and consultation activities appealing enough to ensure buy-in and

Risk	Risk level (H/M/L)	Mitigating measure
interventions. Agreements on specific activities with partner countries/other stakeholders could be delayed.		ownership of relevant constituencies.
Organisational challenges and problematic interlocution between the main contractors and the implementing partners that should be associated in the different activities.	L	These aspects will receive the necessary attention at the moment of the negotiation 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 long term impact of the interventions could be limited if purely based on external funding.	M	The project will solicit during the set-up of the annual plan of activities on a growing co-ownership (shown also via direct co-funding or in-kind contributions) and will adapt plans based on the interest and commitment.

### 3.4. Stakeholders

The primary target groups of this action will consist of:

- Major (multi-national and national) companies operating in the targeted countries, that will realize benefits, increase opportunity for inclusive and sustainable growth by achieving the expected results;
- Entrepreneurs, workers, businesswomen and businessmen that will directly benefit from the proposed action;
- The relevant national authorities and subnational governments as relevant;

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

- Businesses, employers', employers organisations, workers' organizations, chambers of commerce, businesses associations at national, regional and international level;
- Relevant civil society organisations, in particular specific organizations/networks focusing on promoting Women economic empowerment;

- Country specific highly qualified consultancy entities as well as academic institutions, research institutes and technology partners;
- International actors: Global Compact<sup>15</sup>, Inter-American Development Bank (IDB)<sup>16</sup>.
- European actors: European businesses operating in the region, EU Member States active in the field of women's economic empowerment in the targeted countries, European chambers of commerce operating in the targeted countries.

In addition to UN Women and the ILO as main implementing partners, partnerships with chambers of commerce, local chapters of the Global Compact, and women's business associations will be sought as relevant and possible in the targeted countries. In addition, other national entities are well equipped and may be considered for potential collaboration, in particular:

- In Argentina: the Ministry of Production (Centre for Women Development and Secretary of Entrepreneurship and Middle and Small Enterprises), Consejo Nacional de las Mujeres, el Ministerio de Trabajo, CAME (Mujeres Empresarias), Asociación Iberoamericana de Mujeres Empresarias (AIME), Unión Argentina de Trabajadores Rurales y Estibadores (UATRE), Unión De Trabajadores Del Turismo, Hoteleros Y Gastronómicos de la República Argentina (UTHGRA);
- In Brazil: Special Secretariat of Policies for Women of the Ministry of Justice, Apex (Brazilian Trade and Investment Promotion Agency), Business Women Association (Amex);
- In Uruguay: WeConnect,
- In Chile: Unilever, with which UN Women has a partnership to promote girls' self-esteem and Teck, a Canadian mining company that is contributing financial resources to UN Women to support indigenous women in the areas of their mining operations.
- In Costa Rica: AED, CADEXCO, UCCAEP, ALIARSE, INCAE, Voces Vitales, Banco Nacional/Banca Financiera para Mujeres, Banco Popular, ALAS, Fundación Riba, Foro de Empresarias de Costa Rica, BAC San José, AMUCOODE - network of women cooperativists, Instituto Tecnológico de Costa Rica, University of Costa Rica, national private sector adherents to HeforShe and Global Compact.
- In Jamaica: WeConnect, Women Entrepreneurs Network of the Caribbean, Ministry of Economic Growth, Jamaica Chamber of Commerce, Digicel (Usain Bolt is their spokesperson, and has become HeForShe representative), Jamaica Money Market Brokers (JMMB), Island Grill Inc, Grace Kennedy Foundation.

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<sup>15</sup> UN Global Compact is key partner through its role in the creation with UN Women of the Women Empowerment Principles and in the context of the Global Reporting Initiative (GRI).

<sup>16</sup> IDB is supporting the elaboration of the WEPs Gender Gap Analysis with UN Women and the Global Compact. This is a tool that intends to help companies assess performance against WEPs, identify strengths, gaps, and opportunities and to establish benchmarks when compared to industries and companies from same sector.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1. *Indirect management with international organisations*

This action may be implemented in indirect management with UN Women and the ILO in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the project.

This implementation is justified because of the specific technical competence of UN Women and ILO on matters related to economic empowerment of women and decent work, on which they have developed specific frameworks. UN Women and ILO benefit from internationally recognized mandates on gender equality/ women's empowerment and labour/workers conditions and rights, respectively. Both organisations have been active on these matters for decades in the targeted countries.

Consequently, UN Women and the ILO are best placed and constitute a logical choice for managing this complex EU intervention, due to unique combination of technical expertise and contacts with relevant authorities in governments of partner countries, with businesses and other stakeholders.

Since 2010, the EU and UN Women have developed a close partnership. Signed on 15 June 2016, the renewed Memorandum of Understanding between the EU and UN Women '*Stepping it up for gender equality and women's empowerment worldwide*' recalls the commitments for gender equality and women empowerment taken under the 2012 strategic partnership. The latter aimed to mutually develop and structure the cooperation between the EU and UN Women on gender equality and women's empowerment at global, regional and country level through joint policy dialogue, best practices exchanges, joint advocacy and programming. Working in concert, the EU and UN Women have made great strides to promote gender equality through shared dialogue, advocacy, and cooperation programmes. The EU-UN Women longstanding partnership focuses on five priorities, notably (i) increasing women's leadership and participation; (ii) ending violence against women; (iii) engaging women in all aspects of peace and security processes; (iv) enhancing women's economic empowerment; and (v) making gender equality central to national development planning and budgeting.

The EU and ILO have a longstanding partnership in promoting decent work for all. The Decent Work Agenda is based on an integrated approach covering productive and freely chosen employment, full respect for rights at work, including the core labour standards, social dialogue and social protection. Antidiscrimination and gender equality are crosscutting issues. Established in 1958 and renewed in 2001, the EU-ILO cooperation was complemented in 2004 by a strategic partnership for Development to foster the effective uptake of decent work and related issues in development cooperation. Part of UN, ILO's mandate is to promote rights at work, decent employment opportunities and strengthen dialogue on work related issues. In

this respect, ILO develops statistics and studies related to labour market and training modules on specific topics such as the Gender, Poverty and Employment Modules and Gender Audit that are of high relevance for this project. The ILO has launched the “Women at work” initiative in view of its Centenary in 2019.

UN Women and ILO already work closely in shaping the agenda for the priority theme “Women’s economic empowerment in the changing world of work” of the Commission on the Status of Women (March 2017).

Budget implementation tasks may include inter alia the provision of technical assistance and consultancy services, organisation of seminars/conferences/events, carrying out studies, analysis and research, awarding grants to fund pilot actions.

Indicative timing for signature of the co-delegation agreement: second half 2017.

#### 4.2. Indicative budget

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

#### 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibility. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and final reports.

To ensure proper project governance and strategic orientation a Steering Committee reflecting the EU-UN WOMEN-ILO tripartite nature of the action will be established.

On the basis of ongoing monitoring, policy choices related to the action (such activities and the choice of sectors) may be reviewed according to prioritisation, further assessment and adjustment.

Monitoring will need to include sex disaggregated data and gender sensitive indicators that will allow to measure impact and progress on gender equality and women's economic empowerment.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.4. Evaluation and audit**

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

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

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

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the action. A communication plan shall be prepared by the implementing partners and implemented in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

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**ANNEX 10**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Promoting economic empowerment of women at work through Responsible Business Conduct – G7 countries**

**1. IDENTIFICATION**

Title of the action	Promoting economic empowerment of women at work through Responsible Business Conduct – G7 countries			
Country(ies)/ Region	G7 countries			
Total cost <sup>1</sup>	Total estimated cost: EUR 6 500 000 Total amount of the EU budget contribution: EUR 6 000 000			
Total duration <sup>2</sup>	36 months			
Method of implementation	Indirect management			
Markers (from CRIS Dac form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Where possible, contributions from the targeted countries will also be sought in addition to the implementers' co-funding.

<sup>2</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

## **2. RATIONALE AND CONTEXT**

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

Gender equality and women's rights are at the core of European values and enshrined within the European Union legal and political framework. The G7 has likewise put women's economic empowerment on the global agenda as it is recognised that women are a key driver of innovation, growth and jobs.

As progress toward economic empowerment of women depends not only on the adoption of a set of public policies by government, but also on the existence of an enabling environment and active engagement of the corporate sector, this action will work on two tracks: i) engagement of G7 governments and public institutions with the private sector; ii) strengthening and disseminating business practices on women's empowerment in the private sector.

This project underpins the Global Strategy on Foreign and Security Policy for the European Union<sup>3</sup> in its endeavour to fight inequality, promote responsible business and champion decent work opportunities, notably for women. In addition, interventions under this Action will promote EU values as enshrined in international agreed standards, will contribute to advancing the gender dimensions of the SDGs<sup>4</sup> and support the key principles of multilateralism with the United Nations at its core.

### **2.2. Context**

#### *EU Strategies and political framework*

In the Communication on the "Next steps for a sustainable European future" adopted on 2 November 2016<sup>5</sup>, the Commission reiterated its commitment towards gender equality.

On 16 June 2016, the Council adopted conclusions on gender equality<sup>6</sup>, in which it reaffirms its commitment to the promotion of equality between women and men and increasing visibility and awareness of gender equality in all policy areas. The Council conclusions underline that the Commission's Strategic engagement should be closely linked to the Europe 2020 Strategy and should take into account the United Nations 2030 Agenda for Sustainable Development, as gender equality is a prerequisite for economic growth, prosperity and competitiveness and thus for the sustainability and well-being of our societies. Although gender gaps have narrowed in recent decades, inequalities persist<sup>7</sup> and challenges remain in several critical areas.

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<sup>3</sup> A Global Strategy for the European Union's Foreign and Security Policy "Shared Vision, Common Action: A Stronger Europe", June 2016

<sup>4</sup> In particular, Sustainable Development Goals 5 (Achieve gender equality and empower all women and girls), 8 (Promote inclusive and sustainable development, decent work and employment for all) and 17 (Revitalize the global partnership for sustainable development)

<sup>5</sup> (COM(2016) 739 final), [http://ec.europa.eu/europeaid/sites/devco/files/communication-next-steps-sustainable-europe-20161122\\_en.pdf](http://ec.europa.eu/europeaid/sites/devco/files/communication-next-steps-sustainable-europe-20161122_en.pdf)

<sup>6</sup> <http://www.consilium.europa.eu/en/press/press-releases/2016/06/16-epsco-conclusions-gender-equality/>

<sup>7</sup> According to the Commission's 2014 Report on equality between women and men, at the present rate of change, it would take another 70 years to achieve gender equality.



There are still significant gender gaps in employment, self-employment, part-time work, entrepreneurship and decision-making, as well as in pay and pensions. Women also face a higher risk of poverty compared with men. Women are more likely to have completed higher education but are significantly under-represented, for example, in Science, technology, engineering and mathematics (STEM) studies and careers, in research and in senior posts at all levels of education.

The Strategic Engagement on Gender Equality within the EU for 2016-2019 as well as an ambitious and robust new EU Gender Action Plan in External Relations 2016-2020 were adopted by the EU in 2015, both of which place the economic empowerment of women at the core of EU action. The Gender Action Plan 2016-2020 is a results-oriented document which stresses the need for the achievement of gender equality and the empowerment of women and girls. In its conclusions adopted on 26 October 2015<sup>8</sup> the Council reaffirmed its commitment and called on the Commission and the High Representative to deliver on the implementation of four pivotal areas outlined in the GAP in a measurable way by 2020: i. ensuring girls' and women's physical and psychological integrity; ii. promoting the social and economic rights / empowerment of women and girls; iii. strengthening girls' and women's voice and participation<sup>9</sup>; iv. shifting the Institutional Culture to more effectively deliver on EU commitments.

In 2015, the EU and its Member States adopted the second EU Action Plan on Human Rights and Democracy<sup>10</sup>, a key guiding document where gender equality and women's empowerment feature very highly.

#### *Non-EU political framework*

Gender equality garnered much-needed attention through several recent key multilateral agreements and events.

In September 2015, the UN General Assembly adopted unanimously the Resolution 70/1 "Transforming our World": the 2030 Agenda for Sustainable Development. Gender equality and women's empowerment is at the heart of the agenda, as several goals and targets addresses structural barriers to achieve equal rights and opportunities between women and men, girls and boys.

The focus of the 61st edition of the Commission on the Status of Women (CSW) (March 2017) is "Women's economic empowerment in the changing world of work"

The world's leading industrialized nations cited women's economic empowerment as a top global priority in the Joint leader's declaration presented at the G7 summit in Schloss Elmau (Germany) in June 2015. The declaration highlighted the importance of propelling women's entrepreneurship as a key driver of innovation, growth and jobs, underlining the vital role of the private sector in creating an environment in which women can more meaningfully participate in the economy. Building on the progress made at the Schloss Elmau Summit in 2015, which saw the creation of the

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<sup>8</sup> <http://www.consilium.europa.eu/en/press/press-releases/2015/10/26-fac-conclusions-gender-development/>

<sup>9</sup> should better ensure women's and young women's voice and participation in all phases of the project

<sup>10</sup> [http://eeas.europa.eu/human\\_rights/docs/eu\\_action\\_plan\\_on\\_human\\_rights\\_and\\_democracy\\_en.pdf](http://eeas.europa.eu/human_rights/docs/eu_action_plan_on_human_rights_and_democracy_en.pdf)

G7 working group on women, the G7 Ise-Shima Leaders' Declaration issued in Japan in May 2016, included the commitment to empower women through education, promoting greater engagement in natural sciences and technology, and in accelerating the international momentum for women to take on even greater roles in a wider range of areas. In this context, leaders underlined the importance of increasing women's education and training, as well as providing greater access to science, technology, engineering and maths subjects, as set out in the G7 Guiding Principles for Building the Capacity of Women and Girls<sup>11</sup>. In September 2015, the world's 20 leading economies launched a new grouping, the W20, aimed at boosting the role of women in global economic growth, with the aim to work toward empowering women and ensuring their participation in economic growth. In May 2017, the G7 leaders will gather in Taormina to discuss also the promotion of women's empowerment.

### *Situation in G7 countries*

Despite global economic recovery from the financial and economic crisis, the unemployment rate in some G7 countries is still too high. At the same time, the necessary skills, mind-sets and learning opportunities for participation in economic life is rapidly changing. Changes in the labour market are particularly pronounced in the science, technology and innovation sectors which offer fast growing and high paying and influential work. However, these are sectors from which women are highly underrepresented.

Efforts need to be stepped up to ensure that women are equipped with relevant skills for decent work, particularly in emerging and high paid sectors. In addition to improving formal education, there are opportunities in the space of informal learning, technical and vocational training and through ICTs.

Innovative solutions are required to accelerate progress and bring these efforts to scale. The private sector plays an important role in creating an environment in which women can meaningfully participate in the working world, and in equipping them with the required skills, since it is leading these rapid shifts in labour force participation requirements.

There is also an increasing recognition within G7 countries that women's entrepreneurship is a key driver of innovation, growth and job creation, and that women provide society with different perspectives and approaches to management, organization and business issues. The returns for economies and societies from proactive policies for women entrepreneurs are multiple and sizable.

Fewer women than men run their own businesses due to systemic barriers in starting and growing a business. Additionally, according to OECD 2016 data self-employed women are more likely than men to work in low-skilled activities, and therefore earn far less than men do. Efforts to counter this situation would require tackling gender stereotypes, increasing access to information, capacity development and networking opportunities as well as enhanced access to financial services.

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<sup>11</sup> <http://www.mofa.go.jp/files/000160274.pdf>

For the **European Union**, active policies remain a necessity to better utilise female talent and improve the participation of women in the labour market, their economic independence, pay and pensions, equality in leadership positions, fighting gender-based violence, and more gender equality in our external action. Progress has been achieved in recent years, for example, by the highest employment rate ever recorded for women (65.3% in the second quarter of 2016) up from 62.8% in 2008<sup>12</sup>, although a gender gap in employment still remains. From 2003 to 2016 the share of women on boards of the largest publicly listed companies in the EU rose from 8.5% to 23%<sup>13</sup>. Challenges on the pay and pension gap remain large: the gender gaps in pay and in pensions show no sign of narrowing. Even if women are reaping the benefits of education, in 2014 they were still paid 16.7% less than men per hour of work and their pension is 40% lower than men's pension on average<sup>14</sup>.

The **United States** sees a drop in its ranking of Gender Gap due to a decrease on its Economic Participation and Opportunity score. The US slipped down to 45th on their ranking of countries by gender equality, behind all major European countries, and down from 28th last year. This is partly due to a revised estimate of the size of the gender gap (76%) in estimated earned income; however, the country's female labor force participation has also been stagnating for a number of years, including among legislators, senior officials and managers. Women's participation in the labor force has declined over the past year and the number of women in senior positions is shrinking. More positively, the United States has reached gender parity in education, highlighting the large latent talent pool in the country's adult female population.<sup>15</sup>

**Japan's** efforts to bridge the gender divide have failed to translate into substantial change, with the nation sliding down in the global inequality ranking. This is despite Prime Minister Shinzo Abe's push for women to play a greater role in society as the nation had done little to make more use of its female talent. Contributing most to the drop was the gender gap for professional and technical workers. However, it has made progress in reducing the gender gap in areas such as tertiary education enrolment and women's representation among lawmakers, senior officials and managers, and in improving wage equality for similar work. In Japan, the favorable parental-leave system is mainly a response to their ageing populations and shrinking labor forces; but in other respects they are far behind the Nordic countries.<sup>16</sup>

**Canada's** gender gap in educational attainment has been closed since 2013. However there is a drop in female legislators, senior officials and managers from last year. Addressing the pay gap in the Canadian marketplace and implementing supportive work environments and policies are at stake. Closing this wage gap will not only deliver a significant increase in overall female labor earnings, but it will also benefit Canada's economy.<sup>17</sup>

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<sup>12</sup> Eurostat

<sup>13</sup> [http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/business-finance/supervisory-board-board-directors/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/business-finance/supervisory-board-board-directors/index_en.htm)

<sup>14</sup> Eurostat

<sup>15</sup> [http://www3.weforum.org/docs/GGGR16/WEF\\_Global\\_Gender\\_Gap\\_Report\\_2016.pdf](http://www3.weforum.org/docs/GGGR16/WEF_Global_Gender_Gap_Report_2016.pdf) P/364/65

<sup>16</sup> <http://reports.weforum.org/global-gender-gap-report-2016/economies/#economy=JPN>

<sup>17</sup> <http://reports.weforum.org/global-gender-gap-report-2016/economies/#economy=CAN>

### 2.3. Lessons learnt

A recent study on the perception of the EU abroad<sup>18</sup> highlights that EU's performance in gender equality is perceived among EU's strategic partner countries as the most positive among human rights related issues.

One of the key areas of concern in the 2030 Agenda is the economic empowerment of women. Progress towards it depends not only on the adoption of a set of public policies by government, but also on the existence of an enabling environment and active engagement of the corporate sector. About 90% of jobs in the world are in the private sector. This represents a huge potential to implement transformative actions in the workplace and social responsibility in favour of women, benefiting the whole of society. There is an increasing consciousness of, interest in and commitment by the private and public sectors to the value and benefits of gender equality and the economic empowerment of women and their role in achieving it.

It is becoming increasingly indisputable that reducing gender inequality and improving the status of women contribute to higher rates of economic growth and greater macroeconomic stability. The McKinsey Global Institute (2015) estimates that if women in every country were to play an identical role to men in markets, as much as US\$12 trillion would be added to the global economy by 2025.<sup>19</sup> Promoting a transformative change in this context is not only a matter of women's human rights; it is also a smart public and corporate decision, and an important contribution to overall economic development.

Due consideration has to be taken of the fact that the work culture cannot be changed without shaping gender stereotypes, cultures and norms, as these also have an impact on the personal choices of workers. Discrimination exercised in various forms by employers (statistical discrimination, maternity-related discrimination, sexual harassment, etc.) is recognised as a component of the gender wage gap, in addition to the observable labour market characteristics (experience, level of education and the employment sector) and the lack of appropriate public policies.

### 2.4. Complementary actions

The proposed action will complement ongoing initiatives as follows:

#### *EU initiatives on women's economic empowerment*

- DG GROW initiatives, including the European Network of Female Entrepreneurship Ambassadors – the aim of which is to have successful entrepreneurs campaigning on the ground to inspire women of all ages to become entrepreneurs and to set up their own businesses, – mentoring schemes, European Network to Promote Women's Entrepreneurship, the WEGATE platform, the forthcoming European Community of Women business Angels.

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<sup>18</sup> [http://ec.europa.eu/dgs/fpi/showcases/eu\\_perceptions\\_study\\_en.htm](http://ec.europa.eu/dgs/fpi/showcases/eu_perceptions_study_en.htm)

<sup>19</sup> McKinsey Global Institute (2015). The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion To Global Growth

- The Commission works towards the new initiative on work-life balance, led by DG JUST, aiming to address work-life balance challenges faced by both women and men, including enabling men to take more care responsibilities in their families.
- Managed by RTD, the EU Prize for Women Innovators, rewards the outstanding achievement of women entrepreneurs who have brought an innovation to market, along with a new additional fourth prize for young female entrepreneurs, the Rising Innovators award.
- PI-funded action on "Promoting economic empowerment of women at work through Responsible Business Conduct – Latin America" (currently under development in parallel with this action);
- PI-funded action "G7: Gender equality: Economic empowerment of women in Japan": organisation of a High Level Seminar on the economic empowerment of women in Tokyo on 12 December 2016

*Non-EU initiatives on women's economic empowerment*

- The Women's Empowerment Principles (WEPs). Launched in 2010, the WEPs are a set of principles for business offering guidance on how to empower women in the workplace, marketplace and community. Coordinated by UN Women and the UN Global Compact, the principles emphasize the business case for corporate action to promote gender equality and women's empowerment and are informed by real-life business practices and inputs gathered from across the globe. UN Women has established a WEPs Secretariat to effectively process WEPs registrations and feature the companies on EmpowerWomen.org.
- 'Empower Women' was launched in 2013 at the High-Level Segment of the UN General Assembly in New York. It was developed to host a registered members' network, a crowdsourced resource library and a discussions board for debates and exchange of experiences, lessons learned and good practices on women's economic empowerment.
- Hosted on EmpowerWomen.org, the Virtual School, currently in development, will provide a virtual learning platform to overcome women's and girls' physical, cost and other opportunity barriers, and offer courses and training, certification, and learning pathways.
- Secretary-General's High-Level Panel on Women's Economic Empowerment. In January 2016, the UN Secretary-General announced the establishment of a High-Level Panel (HLP) of leaders from business, government, civil society and academia to lead the charge to close the economic gender gap and place the economic empowerment of women at the top of the global agenda. Panel members focus on six major issue areas: (1) Eliminating legal barriers to female economic empowerment; (2) Addressing the care economy; (3) Reducing gender pay gaps; (4) Expanding opportunities for women who work informally; (5) Promoting financial and digital inclusion for women; (6) Fostering female entrepreneurship and enhancing the productivity of women-owned enterprises.

- In 2015 UN Women unveiled the HeForShe IMPACT 10X10X10 initiative to engage 10 key decision-makers in governments, corporations and universities around the world to drive change from the top. The Corporate Impact Champions made gender equality an institutional priority when they signed up, which will help them measure commitments and inspire action from other employers. Most of the 10 CEOs of the Champions are from companies from G7 countries. Each of these companies' global presence can be leveraged to develop national level commitments in the G7 countries, including to engaging male employees to recognize and take action to challenge gender stereotypes that persist in the workplace, and to encourage others in the private sector to emulate their commitments and to publicize the same.
- Gender Diversity in Corporate Leadership Act of 2016, supported by the US Chamber of Commerce<sup>20</sup>.
- G7 working group on women: created by the G7 Leaders the working group will help to coordinate G7 efforts surrounding women's economic empowerment. The G7 Guiding Principles for Capacity-Building of Women and Girls, adopted at the G7 Ise-Shima Summit, emphasized the need to eliminate gender disparities and stereotypes in education and careers.
- In June 2016, UN Women's Executive Director engaged in a dialogue with the Prime Minister of Canada, Ministers and senior management in Global Affairs Canada along with key private sector, youth and civil society actors in Ottawa, Toronto and Waterloo. Discussions highlighted the special role of Canada as a leader in achieving gender equality domestically and supporting this agenda globally. Women's economic empowerment was reflected as a key priority area. Discussions also included the possibilities of hosting the Fifth World Conference on Women in Canada. UN-Women and UN Global Compact are organising, in Toronto, on 3 April 2017, the Gender Equality Forum 2017. Canada will host the G7 Summit in 2018.
- In September 2012, the United States of America with the two co-chairs, UN Women and the World Bank, launched the Equal Futures Partnership to help galvanize efforts by governments around the world to address barriers to women's economic and political participation. In four years, a partnership that began with 11 governments has more than doubled to include 27 countries and the European Union, along with a number of private sector, non-profit, and multilateral partners. Equal Futures partner countries commit to taking actions—including legal, regulatory, and policy reforms—to help ensure that women fully participate in public life at the local, regional, and national levels, and that they lead and benefit from inclusive economic growth.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of this action is to support sustainable, inclusive and equitable economic growth by promoting economic empowerment of women in public and private sector in G7 countries. This project will ultimately contribute to promote EU

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<sup>20</sup> <https://www.congress.gov/bill/114th-congress/house-bill/4718/text>

and international shared principles and values such as gender equality and women empowerment.

The specific objectives of the intervention are:

1. To facilitate dialogues and exchanges among G7 countries' public and private sector;
2. To further engage with the private sector in the elimination of gender inequality faced by women in the world of work.

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

This action aims to achieve the following *expected results*:

- R.1: Internationally agreed principles and guidelines that the EU supports in the domain of women's empowerment and gender equality are promoted and widely disseminated, including on anti-discriminatory measures and monitoring systems at all levels;
- R.2: Multi-stakeholder dialogues to advance the agenda of gender equality in the world of work are actively engaged between companies, G7 governments and public institutions, anti-discriminatory measures and monitoring systems at all levels.
- R.3: Improved capacity of companies to develop and implement gender equality practices tailored-made to their work culture and to genuinely integrate them into their corporate policy and practice;
- R.4: Enabling conditions are created for women workers and business owners to demand gender-equitable labour practices;
- R.5: Strengthened companies in voluntary monitoring and reporting on women empowerment and gender equality at work;
- R.6: Knowledge exchange among companies to ensure uptake of gender equitable business practices is facilitated.
- R.7: Conditions are created for women's access to quality jobs to progressively increase and gender gap in workforce participation to diminish.

These results will be achieved through the following *main indicative activities*:

#### *Track I: Policy dialogues and knowledge management among G7 countries*

- Establishing multi-stakeholder dialogues to support legislative and policy change advancing the agenda of gender equality in the world of work.

G7 governments, public institutions, companies and women's groups engage in multi-stakeholder dialogues to support legislative and policy change advancing the

agenda of gender equality in the world of work. To this end, the following interventions are proposed: develop/update tools and/or incentives to drive the gender equality in the changing world of work agenda within G7 countries; convene, within the G7 countries, policy dialogues on the tools and/or incentives for improving the situation of women at work, including on job creation and decent work, gender pay gaps, gender gaps in management positions, work-life balance, parental leave provisions and child care facilities; support the coordination with partner countries beyond the G7.

- Stimulating exchanges and uptakes among G7 countries and with other companies across the world

Companies, G7 governments and public institutions, and the broader public of women and men, will benefit from knowledge and learning from lessons learned and good practices, and engage in stimulating exchanges and uptakes with other companies across the world. To this end, it is necessary to: document, translate and feature lessons learned and good practices on EmpowerWomen.org, including by featuring successful women beneficiaries in emerging and high value sectors (e.g. STEM); facilitate online and offline peer-to-peer learning events, including the annual WEPs event, through study tours and webinars, to boost implementation and collect lessons learned and good practices that could be replicated across the world; develop and implement an effective communication strategy to showcase the programme results and provide further incentives to the participating companies.

*Track II: Private sector engagement and the WEPs to eliminate gender inequality faced by women in the world of work*

- Increasing companies' WEPs awareness and CEO statements of support.

The activities will consist of promoting the WEPs through advocacy and campaigns within the G7 countries to increase the number of CEO signatories<sup>21</sup>, including at relevant G7 meetings. By signing onto the WEPs, companies commit to review their policies, benefits and career development programs to increase the participation and opportunities for women in their own organization and their impact in the communities. The project will help companies operationalize the aspirational WEPs commitments by tailoring them to the reality of a company/sector and by helping the company to implement them concretely.

- Assisting companies in developing and implementing women's empowerment-aligned corporate policy and practice and engaging with women in the workplace, market place and community.

Development of newly developed gender-responsive tools, or improvement of existing ones, on work-life balance to equip companies with effective tools, to help them identify incentives and to increase their capacity to develop and implement

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<sup>21</sup> Currently, more than 1,300 CEOs have signed onto the WEP, 387 of which are located in the G7 countries. In particular the number of WEPs signatories per G7 country is the following: Canada 12; France 43; Germany 19; Italy 14; Japan 222; United Kingdom 22; United States 55.



women empowerment-aligned corporate policies and practices, including on equal pay for equal work, and work of equal value, and workplace policies and programmes on health, safety and wellbeing.

- Creating pipelines of qualified women aspiring to engage in corporate value chains through employment and entrepreneurship

Support activities (e.g. map existing capacity-building, trainings, workshops, develop a database/pipeline of qualified Virtual Skills School graduates for WEPs companies) that will influence companies to cultivate internal and access external pipelines of qualified women aspiring to engage in corporate value chains through employment and entrepreneurship. Support activities for women's equal access to financial services in order to enhancing women entrepreneurship.

- Training companies to measure, monitor and report on their results

Fill the gap in the availability of tools, capacities and incentives to voluntarily monitor progress in women's empowerment implementation in the private sector.

During the project inception phase, specific country plans and activities will be formulated or adjusted in consultation with relevant stakeholders, along with indicators, baselines and targets.

### 3.3. Risks and assumptions

Key assumptions underlying the implementation of this action are that (i) the economic framework under which businesses operate will be sufficiently stable to allow for Women's Economic Empowerment to remain an area of important engagement for business and that (ii) interest in this action so far expressed by relevant stakeholders remains stable over time.

There are a number of risks associated with the implementation of the proposed action, for which mitigating measures are identified:

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
The visibility of EU's involvement and scoping the interventions to EU's agenda could diminish and taken over by the implementers (UN Women and/or ILO) own agenda.	M	A governance structure 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 project objectives and activities could concern a large number of actors in a target country at national, provincial	L	The project team of UN Women/ILO will facilitate the cooperation with the relevant authorities and stakeholders in targeted countries and will establish a management

and municipal level. Organisation of activities could be challenging and time consuming if internationally managed.		structure that includes local management capable of managing day-to-day operations.
The interest of substantial business entities could be limited thereby reducing the effectiveness and impact of the interventions. Agreements on specific activities with partner countries/other stakeholders could be delayed.	M	The project team implementing the action will develop a smart-mix of advocacy, outreach and consultation activities appealing enough to ensure buy-in and ownership of relevant constituencies.
Organisational challenges and problematic interlocution between the main contractors and the implementing partners that should be associated in the different activities.	L	These aspects will receive the necessary attention at the moment of the negotiation 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 long term impact of the interventions could be limited if purely based on external funding.	M	The project will solicit during the set-up of the annual plan of activities on a growing co-ownership (shown also via direct co-funding or in-kind contributions) and will adapt plans based on the interest and commitment.

### 3.4. Stakeholders

The primary target groups consist of women and men employed by private and public companies, women who aspire to get employed in these companies or to engage in their value chains, communities in which these companies operate, women entrepreneurs, and corporate associations and networks.

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

- International organisations: UN Women, ILO, UN Global Compact in close collaboration with businesses, employers, employer's organisations, workers' organizations, chambers of commerce, businesses associations as well as trade union organisations at national, regional and international level.

- Outreach partners: G7 national/federal and local governments, business associations and networks, established businesswomen and women entrepreneurs, CSOs, trade and labour unions, educational institutions, media.
- Technology partners to be further identified

In addition to UN Women and the ILO as main implementing partners, several other national entities are well equipped and interesting for potential collaboration, in particular:

- In Canada, Status of Women, Global Affairs, National Council of Women, Universities and NGOs, Networks of women entrepreneurs;
- In Japan, the Ministry of Health, Labour and Welfare, the Ministry of Foreign Affairs, the Gender Equality Bureau of the Cabinet Office, Members of the Diet, business organisations including Keidanren and Keizai Doyukai, Japanese companies, academia, the Japan Bar Association, women leaders, media, CSOs (Action Center for Working Women, Few: For Empowering Women in Japan, National Council of Women's Centers, Japanese Association of University Women New Japan Women's Association, National Women's Education Center of Japan)
- The US Chamber of Commerce; US Chamber of Commerce Foundation – Women's Economic Empowerment Initiative<sup>11</sup>; National Organisation of Women Foundation; National Association for Female Executives; National Association of Women Business Owners; National Women's Business Council; Harvard University Kennedy School of Government's Corporate Social Responsibility Initiative.

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

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

###### **4.1.1. *Indirect management with international organisations***

This action may be implemented in indirect management with UN Women and the ILO in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the project.

This implementation is justified because of the specific technical competence of UN Women and ILO on matters related to economic empowerment of women and decent work, on which they have developed specific frameworks. UN Women and ILO benefit from internationally recognized mandates on gender equality/ women's empowerment and labour/workers conditions and rights, respectively. Both organisations have been active for decades in G7 countries on these matters.

Consequently, UN Women and the ILO are best placed and constitute a logical choice for managing this complex EU intervention, due to the unique combination of technical expertise and contacts with relevant authorities in governments of partner countries, with businesses and other stakeholders.

Since 2010, the EU and UN Women have developed a close partnership. Signed on 15 June 2016, the renewed Memorandum of Understanding between the EU and UN Women '*Stepping it up for gender equality and women's empowerment worldwide*' recalls the commitments for gender equality and women empowerment taken under the 2012 strategic partnership. The latter aimed to mutually develop and structure the cooperation between the EU and UN Women on gender equality and women's empowerment at global, regional and country level through joint policy dialogue, best practices exchanges, joint advocacy and programming. Working in concert, the EU and UN Women have made great strides to promote gender equality through shared dialogue, advocacy, and cooperation programmes. The EU-UN Women longstanding partnership focuses on five priorities, notably (i) increasing women's leadership and participation; (ii) ending violence against women; (iii) engaging women in all aspects of peace and security processes; (iv) enhancing women's economic empowerment; and (v) making gender equality central to national development planning and budgeting.

The EU and ILO have a longstanding partnership in promoting decent work for all. The Decent Work Agenda is based on an integrated approach covering productive and freely chosen employment, full respect for rights at work, including the core labour standards, social dialogue and social protection. Antidiscrimination and gender equality are crosscutting issues. Established in 1958 and renewed in 2001, the EU-ILO cooperation was complemented in 2004 with a strategic partnership for Development to foster the effective uptake of decent work and related issues at all levels. A UN agency, ILO's mandate is to promote social justice, including rights at work, decent employment opportunities and strengthen dialogue on work related issues. In this respect, ILO develops statistics and studies related to labour market and training modules on specific topics such as the Gender, Poverty and Employment Modules and Gender Audit that are of high relevance for this project. The ILO has further launched the "Women at work" initiative in view of its Centenary in 2019.

UN Women and ILO already work closely in shaping the agenda for the priority theme "Women's economic empowerment in the changing world of work" of the Commission on the Status of Women (March 2017).

Budget implementation tasks may include inter alia the provision of technical assistance and consultancy services, organisation of seminars/conferences/events, carrying out studies, analysis and research.

Indicative timing for signature of the co-delegation agreement: second half 2017

#### 4.2. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1 - Indirect management	6
<b>Totals</b>	<b>6</b>

#### 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of the action will be a continuous process and part of the implementing partner's responsibility. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate progress and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

Monitoring will include sex disaggregated data and gender sensitive indicators that will allow to measure impact and progress on gender equality and women's economic empowerment.

To ensure proper project governance and strategic orientation a Steering Committee reflecting the EU-UN WOMEN-ILO tripartite nature of the action will be established.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### 4.4. Evaluation and audit

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

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

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

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the action. A communication plan shall be prepared by the implementing partners and implemented in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

**ANNEX 11**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Strengthening the EU-India cooperation and dialogue on Migration and Mobility**

**1. IDENTIFICATION**

Title of the action	EU-India cooperation and dialogue on Migration and Mobility			
Country(ies)/ Region	India			
Total cost	Total estimated cost: EUR 3 000 000 Total amount of the EU budget contribution: EUR 3 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Indirect management			
Markers (from CRIS DAC form)	Rio convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT**

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

In view of strengthening EU-India migration and mobility dialogue and cooperation, this action will support the implementation of the EU-India Common Agenda on

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

Migration and Mobility (CAMM) and its annex of actions, as well as the EU-India High Level Dialogue on Migration and Mobility (HLDMM), which provides the overall steering of the implementation of the CAMM.

The action will promote the EU's and India's mutual interest in jointly addressing the global challenges caused by irregular migration while harnessing the positive economic and social potential of legal migration.

The action will seek to strengthen cooperation along the four priority areas of the EU Global Approach to Migration and Mobility (GAMM), including better organising legal migration, preventing and combatting irregular migration and addressing trafficking of human beings, international protection, and development impact of migration and mobility.

## **2.2. Context**

Migration is an increasing global phenomenon which represents a series of challenges but also opportunities for the EU and the international community. As reconfirmed in the European Agenda on Migration, migration remains a key political priority of the EU. It is also a priority in the EU's relationship with India.

India is an important country of origin of migration to the EU, as well as an important country of destination for migrants itself, which provides a solid basis for EU-India exchange and dialogue. India has a very pro-active policy of emigration and protects the interests of its migrant workers abroad. Legal migration flows from India to the EU and opportunities for skills matching (matching Indian skills to European demand) continue to grow. The number of Schengen visas issued to Indian nationals has increased by 60% since 2010. Indian authorities have recently refocused their efforts on increasing the skills of Indian migrants, aiming at exploring new migration routes and sectors of migration beyond the traditional destinations for low-skilled workers.

Visa cooperation poses considerable challenges to EU-India relations, both in light of growing Indian pressure to ease the Schengen visa regime and difficulties for EU citizens in obtaining Indian visas. With over 17,625 irregular Indian migrants found in the EU in 2015, cooperation on return and readmission is increasingly relevant while remaining challenging.

Asylum and international protection also remain relevant in relation to India. EU Member States receive annually nearly 5,000 asylum applications from Indian citizens, out of which about 40% are granted protection. India furthermore hosts a population of approximately 200,000 refugees and asylum seekers, and cooperates with UNHCR providing de facto treatment in line with certain international standards, although it is not a signatory to the Geneva Convention on Refugees.

Reflecting the growing importance of migration and mobility in the EU-India relation, the EU-India Common Agenda for Migration and Mobility (CAMM) was endorsed at the EU-India Summit of 30 March 2016, bringing cooperation to a new level. A strengthened cooperation on migration and mobility including through CAMM implementation was also reflected in the EU-India Agenda for Action-2020, endorsed at the Summit. The CAMM was agreed within the context of the High



Level Dialogue on Migration and Mobility. Currently the EU and India are jointly preparing for the next meeting of the High Level Dialogue on Migration and Mobility, which is scheduled for 4 April 2017, to advance on the CAMM annex of actions.

### **2.3. Lessons learnt**

While there has so far not been any projects supporting EU-India migration and mobility cooperation at the policy level, a number of previous migration relevant projects have produced lessons learnt which this will build upon.

Previous attempts at providing small-scale, targeted support and capacity-building to Indian migration authorities have shown the need to work with a project implementer with an established presence and institutional recognition in India.

As a consequence, the proposed action is envisaged to be entrusted to the International Labour Organisation (ILO) and the International Centre for Migration Policy Development (ICMPD), thus leveraging their respective strengths. The ILO has a strong presence and access to relevant interlocutors in India, while ICMPD has a strong European character.

In more general terms, the importance has been noted of underpinning policy dialogue with concrete technical cooperation activities to ensure that dialogue does not remain sterile but produces actual results. In this view, this action will be essential in deepening the High Level Dialogue on Migration and Mobility and in developing and implementing jointly an annex of actions to the EU-India Common Agenda for Migration and Mobility.

### **2.4. Complementary actions**

While India is currently not benefitting from migration related activities funded by the EU, several EU Member States pursue actively labour migration and mobility policies with regards to India. The focus of these policies is on attracting highly-skilled migrants (i.e. IT and healthcare professionals, students) on one hand, while on the other hand seeking to reduce irregular migration and promoting the return of irregular migrants. The UK has recently established a dedicated "Senior UK-India dialogue on home affairs issues" with a main focus on migration. In addition, in October 2016 the EU Member States initiative European Integrated Approach on Return towards Third Countries (EURINT) appointed a Return Liaison Officer for the European Union in India. Activities under EURINT will contribute to the implementation of the CAMM and will be coordinated with this action.

UN Agencies also remain active in India as far as migration and mobility is concerned. The ILO India office is the most active with relevant actions in the area of labour migration, skills and employability, as well as social security. The International Organisation on Migration (IOM) presence is smaller than in other countries in the region and activities focus on the organisation of pre-departure trainings. The activities of the UN Office on Drugs and Crime (UNODC) relate primarily to preventing migrant smuggling and trafficking in human beings, while the World Bank remains key in discussion on maximising the impact of remittances.

The action will seek to establish synergies with the 2017-G20 process, in particular the conclusion of the G20 Labour and Employment Minister meeting of 18-19 May 2017, including the “Policy Principles for the Fair and Effective Labour Market Integration of Migrants and Refugees”.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of the action is to contribute to a better management of mobility and legal migration between the EU and India, as well as to prevent and address the challenges related to irregular migratory flows stemming from India.

Its specific objective is to support the EU-India High Level Dialogue on Migration and Mobility (HLDMM) and the implementation of the Common Agenda for Migration and Mobility (CAMM) and its annex of actions.

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

##### *Expected results*

- R.1: Regular, structured and reliable dialogue on issues related to migration and mobility between India and the EU is strengthened
- R.2: Improved knowledge base of migration flows between India and the EU
- R.3: Enhanced legal, policy and administrative institutional capacity of India and the EU on migration management
- R.4: Relevant actors in India have increased awareness and tools to effectively progress towards implementation of international standards and best practices on migration management

The *main activities* of the action will consist of technical assistance and advisory services in relation to the EU-India High Level Dialogue on Migration and Mobility and CAMM implementation. It should be noted that as the annex of actions of the Common Agenda for Migration and Mobility is yet to be finalised, the activities below are of an indicative nature and need will be refined at the action implementation stage.

- Provision of technical secretariat and coordination tasks in the framework of the HLDMM and CAMM implementation (A\_1.1)
- Provision of expertise and analysis to support the development of the HLDMM, the CAMM annex of actions and future EU-India agreements on migration and mobility (A\_1.2)
- Stock-taking of existing cooperation activities between India and the EU on migration and mobility (A\_2.1)
- Support to joint data collection and management, research and analysis on all aspects of migration between India and the EU (A\_2.2)

- Technical cooperation and knowledge exchange on legislation, policies and best practice on the four priority areas of the CAMM. This includes regular experts meetings, studies, study tours, peer-to-peer exchanges, trainings and webinars for example in the field of preventing and combatting irregular migration flows (A\_1.3, A\_2.3 and A\_3.1)

Studies supported could include *inter alia*: i) matching immigration to labour market needs and skills recognition; ii) barriers to legal migration and innovative ways to foster well-governed labour migration; iii) contribution of migrants to the economies of destination countries as well as to the country of origin, in particular on women migrants; v) Indian Diaspora engagement policy, needs and networks; and vi) circular migration, in particular migration to Gulf countries and the link with EU Member States.

- Monitoring and supporting progress of India towards implementation of international protection (A\_4.1)

- Awareness raising and communication activities directed towards different audiences on the risks of irregular migration, international human rights and labour standards in the management of migration (A\_4.2)

It is foreseen that the project activities should cover in a balanced way all four priority areas of the CAMM.

### 3.3. Risks and assumptions

#### *Assumptions*

There is a continued interest, buy-in and ownership of the EU-India Common Agenda for Migration and Mobility and High Level Dialogue on Migration and Mobility by both India and the EU and its Member States.

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Lack or slowness of intra- and inter-ministerial coordination in India.	M	The project will ensure close collaboration with key ministries. The EU will make all necessary diplomatic efforts so that migration and mobility remains a high priority in the EU-India strategic partnership.
India has a strong interest in particular in mobility and this could affect the project by not addressing all four priority areas of the CAMM equally.	M	The activities will be framed by the CAMM and its annex of actions that will be developed so as to be balanced for all priority areas. Throughout the implementation, the project will keep track of activities and their relation to the CAMM priority areas.
Indian central government has more interest in mobility of workers	M	The project will develop activities with several regional authorities (States) as

towards the Gulf States, and thus it is less inclined to work on EU centred activities.		some have expressed strong interest in working with the EU. Experiences obtained at the state level can then feed bilateral government discussions.
Organisational challenges and problematic interlocution between the two organisations associated in the different activities.	M	<p>These aspects will receive the necessary attention at the moment of the negotiation between the EU and the implementing partners. 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 mechanisms to respond to operational constraints.</p> <p>The EU will organise regular tripartite meetings during the implementation to ensure close cooperation of both entities.</p>

### 3.4. Stakeholders

The main stakeholders for the action are the relevant and specialised Indian authorities (Ministry of External Affairs, Ministry of Home Affairs, Ministry of Labour and Employment, Ministry of Human Resources Development, Ministry of Women and Child Development, Ministry of Skills Development and Entrepreneurship, Ministry of Tourism, etc.), the EU Member States, relevant EU specialised agencies (European Asylum Support Office, FRONTEX) , international organisations and employers and workers representative organisations.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### *4.1.1 Indirect management with international organisations*

This action may be implemented in indirect management with the International Labour Organisation (ILO) and the International Centre for Migration Policy Development (ICMPD) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the project.

This implementation modality is justified because of the specialised technical competence of the ICMPD on migration in the EU and of the ILO on labour migration flows, including in India. Collectively, by virtue of the high level of technical expertise, the longstanding experience in the migration sector in India and

in Europe and the access to relevant Indian authorities, ILO and ICMPD together offer a unique set-up to deliver technical cooperation of an institutional nature.

Budget-implementation tasks may include inter alia the provision of technical assistance and consultancy services to through procurement of consultants or inputs from other key organisations, procurement of support services carrying out studies and for organisation of events and procurement of support services for communication outputs such as website, webinars, publications, social media and translations/interpretations.

ICMPD is an international organisation composed only of European states (most of them EU Member States) and has a specific mandate and expertise in the area of migration. It already has a proven track record in successfully implementing EU-funded projects, in particular in the support of EU migration dialogues. As implementer of the Mobility Partnership Facility (MPF), as well as a number of projects directly related to mobility partnerships in the South Caucasus, Jordan and elsewhere, ICMPD has a detailed understanding of both the political and operational side of mobility partnerships/CAMMs. ICMPD works closely with EU Member States and can mobilise their experts whenever needed. Given the high sensitivity of the area of migration and the need to ensure EU's strategic role and visibility in this project, ICMPD brings a strong EU perspective to the action.

ILO complements the implementation set-up by bringing in a strong knowledge of and presence in India. ILO is the preferred technical advisory body on the Indian government on migration matters. ILO is able to draw upon expertise in migration and mobility policy and has extensive experience implementing advocacy, outreach and capacity building projects.

A good relationship exists between the two organisations, which are already implementing joint projects and/or sharing offices in some countries. Both organisations have confirmed their willingness and availability to support the EU in the framework of this action and to work in partnership with other international organisations and EU MS agencies wherever pertinent.

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

If the above mentioned implementation modality with international organisations cannot be implemented due to unexpected circumstances, an alternative implementation modality in direct management can be foreseen, as follows:

##### *Grants - direct award (direct management)*

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

The project will be implemented exclusively through the signature of grant(s) agreement. As a result, objectives, expected results and main activities are those defined above under section 3.1 and 3.2. In particular, the specific objectives of the grants will be to contribute to a better management of mobility and legal migration between the EU and India, as well as to prevent and address the challenges related to irregular migratory flows stemming from India.

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

Under the responsibility of the Commission's authorising officer responsible, in accordance with the provisions of article 190(1) (f) of the RAP, the grant may be awarded without a call for proposals to the ICMPD and the ILO. In the case where the grant is awarded directly to ILO/ICMPD, this will be justified by the Commission's authorising officer responsible in the award decision.

In fact, this action has specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power. Consequently, even if a co-delegation agreement cannot be signed, ILO and ICPMD remain the best placed for managing this EU intervention. They benefit from all the necessary technical knowledge, legitimacy vis-à-vis stakeholders and in particular public authorities partner countries which does constitute a key precondition to operate and cooperate in such sensitive matters such as migration and mobility.

#### (d) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the action; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

#### (e) Maximum rate of co-financing

The maximum possible rate of co-financing is 100% of the eligible costs of the action.

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

## 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1 – Indirect management	3
<b>Total</b>	<b>3</b>

## 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

To ensure proper project governance and strategic orientation a Steering Committee reflecting the EU-ILO-ICMPD tripartite nature of the action will be established. DG HOME in particular will be responsible for setting the framework of the EU-India HLDMM and follow up to CAMM implementation. To facilitate coordination with EU Member States, these may be invited as observers to attend the committee meetings as relevant.

The Commission may undertake project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.4. Evaluation and audit**

For this 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 the contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

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

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the action. A communication plan shall be prepared by the implementing partners and implemented in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

The EU Delegation will participate in the dissemination of information in order to facilitate programme implementation. Existing networks of stakeholders will be used for the dissemination of information and results to local actors. Existing networks of local authorities will also be involved.

**ANNEX 12**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Schuman Fulbright Fellowships****1. IDENTIFICATION**

Title of the action	Schuman Fulbright Fellowships			
Country(ies)/ Region	United States of America			
Total cost	Total estimated cost: EUR 1 750 000 Total amount of the EU budget contribution: EUR 1 050 000			
Total duration <sup>1</sup>	48 months			
Method of implementation	Direct management Grants – direct award			
Markers (from CRIS Dac form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

A three cycles fellowship scheme, co-funded by the European Commission and the US Department of State to allow mid-career professionals the opportunity to research or lecture for 3 to 9 months per cycle in any area of EU-US relations (one cycle has a duration of one year).

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<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.



## **2.2. Context**

The action contributes and supports the Europe 2020 strategy in its initiative called Agenda for new skills and jobs. The Agenda for new skills and jobs is one of the 7 flagship initiative of Europe 2020 Strategy. It also supports the "Youth on the Move" initiative.

## **2.3. Lessons learnt**

The Schuman-Fulbright programme has been running since 2002 and was one of the actions run under the renewed Agreement between the EC and the US for cooperation in higher education and vocational educational training signed in 2006. Since then, several evaluations of the programme took place, always very positive. The budget has been steadily increased as has the number of participants.

## **2.4. Complementary actions**

Some MS have scholarship programmes with the US but this specific action benefits from the "Fulbright" experience and reputation which benefits the participants and open doors for them in larger companies in Europe and in the world. Fellows can also benefit from the large network of former Fulbright alumni. There is a complementarity also with Erasmus + Programme which supports mobility and joint degrees on wider subjects but which does not specifically at developing EU-US relations.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The Schuman-Fulbright programme supports the EU agenda for new skills and jobs under Europe 2020, through the exchange of mid-career professionals using the framework of the US Fulbright programme. Grants fund fellowships for research and lecturing in the fields of US-EU relations, EU policy, or EU institutions.

The scheme is intended to create a cohort of high quality Europeans who have the chance to investigate policy areas of interest to the transatlantic relationship and act as ambassadors for European values while in the US, and then as ambassadors for EU-US relations upon their return.

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

After a selection process taking place in all EU Member States, EU professionals receive fellowships from 3-9 months a year to spend in the United States. Grantees must arrange their own placement at an independent research centre, vocational training/professional institution or accredited university in the USA. The scheme funds up to 20 EU nationals per year and per cycle (total of 60) to spend 3-9 months a year in the US, from the EU contribution. The size of the EU contribution amounts to a maximum of 29.000 EUR per grantee a year.

The US State Department pays for the reciprocal scheme whereby American, mid-career professionals receive fellowships to come to Europe and undertake lecturing or research,

funding up to 15 US nationals per cycle (total of 45) to spend 3-9 months a year in the EU, paid for by the US contribution.

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

Main assumption and risk are closely linked together. In fact, while it is assumed that high quality candidates willing to undertake the secondment will be found, a risk exists that not all of them will match the expected profile. However, risk seems limited in light of experience over the last two years, where the number of EU applicants has doubled and quality of EU candidates has been very high. At the moment, the numbers of US applicants to come to Europe are less impressive and the US Dept. of State is undertaking promotional activities to publicise the fellowships.

### **3.4. Stakeholders**

European young professionals in the field of EU-US transatlantic relations. Academic institutions and EU institutions could directly benefit from the results of the activities carried through this action.

## **4. IMPLEMENTATION ISSUES**

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

#### ***4.1.1. Grant – Direct award (direct management)***

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

To provide grants to fund fellowships for research, and lecturing in the fields of US-EU relations, EU policy, or EU institutions (Schuman-Fulbright Fellowship).

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

Under the responsibility of the Commission's authorising officer responsible (DG EAC based on the co-delegation in force between FPI and EAC) , the grant may be awarded without a call for proposals to the Belgium-Luxembourg Fulbright Commission, in accordance with the provisions of article 190(1)(f) of the RAP.

The EU and US authorities have jointly designated the Belgium-Luxembourg Fulbright Commission with this task since 1995 for the reason that actions carried out under the Schuman-Fulbright scheme have very specific characteristics as part of the wider Fulbright programme. This programme is only implemented through the network of national Fulbright commissions in Europe. EU grants are subject to the Financial Regulation and Rules of Application of the EU. Belgium-Luxembourg Fulbright Commission is therefore the only organisation combining expertise in implementing the Fulbright Programme and following the FR and its implementing rules as set out in the Schuman-Fulbright Scheme.

##### **(c) Essential selection and award criteria**

The selection criteria is given by Annex I of Council Decision of 4/12/2006 on the conclusion of the Agreement between the European Union and the United States of

America renewing the co-operation programme in higher education and vocational education and training (2006/964/EC) provides that for the purpose of promoting "Schuman-Fulbright" grants and supporting grantees, the Parties may provide financial support to an organisation that they shall jointly designate.

The essential award criterion is the capacity and competence to fulfil the provisions set out in the above mentioned agreement with the US.

(d) Maximum rate of co-financing

Financing via this agreement is based on matching funds between the Parties following the laws and regulations, policies and programmes of the European Union and the United States. Maximum possible rate of co-financing<sup>2</sup> for this grant to the Belgium-Luxembourg Fulbright Commission is 60% of the eligible costs of the action.

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

(e) Indicative trimester to conclude the grant agreement

The grant agreement will be concluded indicatively during Q1 of 2018. The contracting authority will be DG EAC based on the co-delegation in force between FPI and EAC.

#### 4.2. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1 - Grant – direct award (direct management)	1.05
<b>Totals</b>	<b>1.05</b>

#### 4.3. Performance monitoring

The programme is run by the Commission for Educational Exchange between the United States and Belgium based in Brussels, who undertake pre-departure briefing and post-fellowship monitoring of the grantees are also obliged to final reports to Belgian Fulbright Commission. The European alumni are then called upon to help promote the benefits of the transatlantic relationship and the Schuman Fulbright programme around Europe.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants.

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<sup>2</sup> Article 192 FR – full financing of an external action

#### **4.4. Evaluation and audit**

The Commission for Educational Exchange between the United States and Belgium produce an interim report after 18 months to check the progress of scholarship selection as well as a final report after 36 months when all the grantees have finished their secondments.

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

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

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

#### **4.5. Communication and visibility**

Promotion of the fellowship scheme is organised via a network of national Fulbright Commissions around Europe and via the Fulbright network in US higher education institutions. Grantees are actively encouraged to blog about their fellowships and are invited to make video testimonials on [www.youtube.com/fulbrightbe](http://www.youtube.com/fulbrightbe).

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is co-financed by the EU.

**ANNEX 13**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Support to civil society participation in the implementation of EU trade agreements**

**1. IDENTIFICATION**

Title of the action	Support to civil society participation in the implementation of EU trade agreements			
Country(ies)/ Region	Global (countries with which the EU has signed trade agreements)			
Total cost	Total estimated cost: EUR 3 000 000 Total amount of the EU budget contribution: EUR 3 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Direct Management Procurement – Services			
Markers (from CRIS DAC form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT**

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

This action aims to improve the efficiency on how civil society organisations (CSO) monitor the implementation of trade agreements. Trade Agreements and Economic

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

Partnership Agreements are signed between the EU and partner countries around the world. Chapters such as Trade and Sustainable Development (TSD) include dedicated civil society engagement mechanisms, either with direct provisions in the agreement itself or through the provisions established in the Cotonou Agreement.

Each new trade agreement leads to the setup of a dedicated EU civil society working group. The increase in the number of agreements, an uneven output and the limited involvement of some of these working groups has led the European Commission to seek a more systemic approach. With a total of seven agreements in place and between four and eight expected in the coming years, the European Commission, together with its partners, will no longer be able to adequately implement the increased workload.

Through this action the EU intends to develop robust and efficient systems to implement international best practices on civil society engagement so that participation of both the European and partner countries' civil society in the implementation of the agreements is maintained constant and where possible increased.

## **2.2. Context**

The EU has been negotiating multilateral trade agreements at the level of the World Trade Organization (WTO, replacing the GATT<sup>2</sup>) since its creation in 1994; the global and consensual nature of WTO negotiations with its 164 members drastically limits the speed of progress in multilateral trade. Therefore, the EU has in parallel engaged in bilateral and regional negotiations with third countries.

EU trade agreements concluded since the EU-Korea agreement in 2011 are part of a new generation of trade agreements. They include, among other novelties, provisions on trade and sustainable development, addressing labour and environmental issues of relevance in a trade and investment context. These provisions establish dedicated mechanisms involving civil society in the monitoring of the TSD chapter implementation.

The mechanisms are established with different modalities according to the specificities of the agreement and countries, while the substance remains consistent across agreements. Formats include mechanisms at domestic level, within the EU and partner countries respectively (Domestic Advisory Groups - DAGs), as well as at joint level between the partners (e.g. Joint Civil Society Dialogue Forum, Joint Consultative Committee).

There is strong societal and political expectation, notably from the European Parliament (EP), that the EU will ensure full and effective implementation of such mechanisms. Concerns have been raised by the EP and other stakeholders as to whether current implementation of the agreements enables full use of these mechanisms by both EU and partner countries' civil society.

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<sup>2</sup> General Agreement on Tariffs and Trade, created in 1947.

So far, working groups have been set up with South Korea, Colombia-Peru-Ecuador, Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama), Georgia, Moldova, Ukraine and the Cariforum countries. Partner countries are requested to set up DAGs simultaneously.

For each agreement, three to four meetings a year are planned to reflect on the implementation of the TSD chapters. At least one of the meetings is a forum, i.e. a joint meeting between the EU and the partners' country DAG. The outcomes of these meetings are forwarded to the Parties who, generally in a back to back session, integrate their conclusions into their agendas.

EU's ultimate objective is to make sure that the implementation of its trade agreements delivers positive outcomes in terms of transparency and accountability, and to contribute to the implementation of the trade and sustainable development chapters of the agreements, which includes the international core labour standards and multilateral environmental agreements, climate change, corporate social responsibility, biological diversity, forestry and fisheries. In other words, overall aim is to promote and defend internationally agreed standards and values.

The European Commissions' 'Trade for All Communication'<sup>3</sup> adopted in October 2015 - in line with the '2030 UN Sustainable Development Goals'<sup>4</sup> - recalls that "the Commission will actively engage with civil society" in order to "raise people's awareness and get feedback from stakeholders".

### **2.3. Lessons learnt**

DG TRADE has coordinated civil society working groups in trade agreements for the last four years and has seen its number increase to a level that can no longer be adequately managed on an ad hoc basis. This is not only true for the institutions coordinating the advisory groups (European Commission and EESC<sup>5</sup>). Civil society organisations have difficulties too in participating to the many meeting planned (17 in 2016). This project aims to better organise and coordinate these meetings, as well as to rationalise work by consolidating meetings by region or topic.

### **2.4. Complementary actions**

Several DGs in the European Commission fund projects that are directly or indirectly related to the implementation of trade agreements or programs connected to labour and environmental issues. Synergies with this project should be encouraged.

DG EMPL: EMPL co-funds a pilot project on surveys on the effective application of core labour standards in GSP-plus<sup>6</sup> and FTA partner countries. EMPL closely cooperates with DG TRADE on this issue. It has programmed resources for extending these surveys to all GSP-plus and FTA partners. The objective is to obtain real time and validated information on the effective situation of core labour standards

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<sup>3</sup> <http://trade.ec.europa.eu/doclib/html/153846.htm>

<sup>4</sup> <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

<sup>5</sup> The European Economic and Social Committee

<sup>6</sup> <http://ec.europa.eu/trade/policy/countries-and-regions/development/generalised-scheme-of-preferences/>

application. It involves social partners and other civil society. EU delegations have been requested by TRADE and EMPL to cooperate with the contracted experts.

DG NEAR: civil society participation is in line with NEAR's policies. Countries under the remit of NEAR have to commit between 5 to 15% of their total envelope dedicated to bilateral aid/support to the support of CSOs' involvement. In some cases, parts of these amounts are allocated to similar projects of Trade Agreements monitoring (with different protocols and under different modalities). Communication channels with these projects will be developed in order to avoid overlaps and to reinforce complementarity and synergies whenever possible.

DG DEVCO: DEVCO's funds are allocated to the consultation of CSOs at large in the development agenda with a specific view to address cross-cutting issues in a comprehensive way with the support of Civil Society. The targeted stakeholders of DEVCO and TRADE are quite similar; therefore exchange of information is crucial. DEVCO gives support both to ITUC and the IOE (employers' organisations) with grants (direct award), which are a key stakeholder in the landscape of interested parties concerned by the proposed action. The European Development Fund provides development aid to ACP countries, including in the economic field. Similarly to bilateral aid to countries under the remit of DG NEAR, this includes as well support to local non-state actors, among which the private sector and all the related stakeholders (trade unions and business corporations).

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of this project is to contribute to increased transparency and accountability of Sustainable Development (SD) chapters of Trade Agreements through increased and standardised participation of civil society.

The specific objectives are:

1. Developing civil society engagement mechanisms that work as efficiently as possible;
2. Fostering better links between civil society in the EU and in partner countries;
3. Implementing international best practice and, over time, increasing and maintaining the genuine and meaningful participation of both European and partner countries' civil society in follow up of SD provisions of Trade Agreements.

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

The *expected results* of the action are:

- R1: Robust, harmonised and efficient systems to deliver civil society involvement;
- R2: More and better quality inputs to the implementation of trade and sustainable development provisions;



- R3: Follow-up mechanisms in place with regular feedback from the domestic advisory groups;
- R4: Positive impact on business practices in the context of trade relations;
- R5: Inputs by civil society mechanisms to the implementation of the relevant provisions in Trade Agreements are strengthened;
- R6: Strengthened civil society working groups regarding the number of participants, the coherence of the issues between working groups by sharing learning across the different countries' civil society mechanisms and interactions.

*Main indicative activities:*

1. Establish a unified methodology for CSO consultation

This will be based on the current methodologies developed by DG TRADE on the one hand and EESC on the other hand.

2. Organise training sessions for new DAG members on the following key topics:

- (1) Agreement framework and content,
- (2) DAG functioning,
- (3) Expectations on members,
- (4) Rights of members,
- (5) Specific issues (labour / environment / ...),
- (6) Opinion drafting.

3. Preparation for the DAG sessions; 3 to 4 meetings a year per Trade Agreement

This includes agenda setting, invitations, note taking, and all matters related to logistics and organisation.

One of the annual meetings takes the form of a forum, i.e. a joint meeting between the EU and the partner country DAG.

4. Dissemination of results and outcomes of DAG sessions to the Parties

This includes formalisation of the process with a similar approach between all DAGs concerned.

The outcomes of these meetings are forwarded to the Parties who, generally in a back to back session, integrate their conclusions into their agendas.

For each agreement, three to four meetings a year are planned to reflect on the implementation of the TSD provisions. At least one of the meetings is a forum.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
Low or unbalanced participation of independent civil society organisations to the advisory groups, because of a limited interest in some of the agreements	M	An information strategy in the EU and in the Partner country/region will be developed to encourage CSO to participate into the advisory groups. Involvement of institutions (EESC) as well as networks of EU organisations that have contacts with organisations locally will be explored.
Limited results due to lack of political willingness by the Parties or/and jeopardised administrative process by third country Party	M	The Parties will be reminded their commitments to yield positive results; ratifying and implementing ILO conventions and Multilateral Environmental Agreements are as important as delivering a positive agenda, such as CSR or climate change. Opinions issued by the Domestic Advisory Group sessions will be presented to and discussed between Parties.
Civil society organisations criticize their government beyond the limits of the SD chapters that are under their scrutiny in the present exercise	M	It is important that the groups are independent and have a balanced representation between business, trade unions and NGOs, in order to deliver balanced opinions on issues related to the SD chapters. It is the role of the Parties to make sure the DAGs are set up accordingly and that CSOs and private sector representatives are briefed about their roles and the limits of these roles.

### 3.4. Stakeholders

EU DAG members are identified by DG TRADE through a call issued via its civil society dialogue database<sup>7</sup>. To become a member of a DAG, an organisation needs to be registered in the transparency register of the European Commission/European Parliament<sup>8</sup>. Organisations are independent from EU institutions, not for profit and

<sup>7</sup> <http://trade.ec.europa.eu/civilsoc/search.cfm>

<sup>8</sup> <http://ec.europa.eu/transparencyregister/public/homePage.do>

have an expertise in trade issues related to sustainable development. Examples of members are NGOs, trade unions and business organisations. Potential members signal their interest to DG TRADE, and those who meet the criteria then meet as a group to agree and approve a balanced membership which represents economic, social and environmental interests. In addition to this the EESC also selects members for the DAG, one in each of its groups.

Members of the DAG are de facto members of the joint committees. Partner country DAG members are identified through similar mechanisms in their respective countries.

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

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

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

(a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.

(b) Indicative timing to launch the call: 2nd quarter 2017.

The call for tenders will be managed by FPI, whereas the contract will be managed through a cross sub-delegation of funds to DG TRADE.

##### **4.2. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1. – Procurement (direct management)	3
<b>Totals</b>	<b>3</b>

##### **4.3. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of the project will be a continuous process and part of the implementing partner's responsibility. To this end, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate progress and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

The action will be supervised by a steering committee, whose indicative composition comprises Commissions' DGs TRADE, ENV, DEVCO, EMPL, NEAR, the EESC and other EU services (EEAS/FPI) as relevant. DG TRADE will provide the technical oversight of the action.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews

#### **4.4. Evaluation and audit**

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

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

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

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the project. The implementing partner will establish a communication plan in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

**ANNEX 14**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Public and Cultural Diplomacy****1. IDENTIFICATION**

Title of the action	Public and Cultural Diplomacy			
Country(ies)/ Region	Global			
Total cost	Total estimated cost: EUR 14 165 000 Total amount of the EU budget contribution: EUR 12 400 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Direct management – Grants - call(s) for proposals – Grants – direct award – Procurement - Services			
Markers (from CRIS Dac form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

The proposed action aims to continue supporting actors globally in their endeavours to further develop EU's soft power by enhancing widespread understanding and visibility of the EU and its role on the world scene, through public diplomacy and outreach activities on themes of relevance to a bilateral relation or on EU themes

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

such as Global Challenges, Europe 2020 strategy, Economic Partnership and Fundamental Rights.

In 2017, the PI will invest in Public Diplomacy activities reinforcing the study, research, teaching and debate on European Union-related-issues among students and academics through Jean Monnet Actions in a selection of priority countries. The indicative list includes Australia, China, India, Indonesia, Iran, Macao, Mexico, New Zealand, Russia, South Africa, Taiwan and the US.

Secondly, funds will be provided to reinforce the capacity of the EU Delegation in Indonesia to do outreach and develop partnership with local stakeholders by using a methodology already deployed in other EU strategic partner countries.

Finally, renewed support to the people to people contacts and civil society dialogue in Russia will be made available. Should the need arise and budget be available, additional activities may be included under phase-II of the AAP 2017.

On Cultural Diplomacy, PI action will be significantly boosted through two actions which operationalise the EEAS-EAC Joint Communication "Towards an EU strategy for international cultural relations". One will facilitate the organisation of European Film Festivals across the world through the creation of a repository of films and the organisation side-events that will create spaces for intercultural dialogue; the other will foster people to people contacts by enhancing the engagement with the community of alumni of various European programmes in third countries. More detailed information is provided below.

## 2.2. Context

As the EU Global Strategy notes it, we live today in a more connected, complex and contested world. It follows that the way the EU engages with citizens in third countries needs to adapt. Public Diplomacy under the Partnership Instrument supports the implementation of EU Foreign Policy objectives by strengthening the EU's ability to engage meaningfully with selected audiences in third countries (i.e. students/academics, multipliers/influencers, civil society and cultural operators/artists) in order to increase mutual understanding, improve the perception of the EU and of its policies and, ultimately, facilitate future cooperation.

This action refers to objective d) set out in article 1(2) of the Partnership Instrument Regulation<sup>2</sup> as further defined in multi-annual indicative programme 2014-2017 (objective 4)<sup>3</sup>: *Enhancing widespread understanding and visibility of the Union and its role on the world scene through 1) Education/academic co-operation; 2) Public Diplomacy and outreach activities to promote the Union's values and interests.*

The EU study "Analysis of the perception of the EU and EU's policies abroad" was published on 18 March 2016<sup>4</sup> and recommended "establishing a centralised EU Public Diplomacy strategy comprising a finite set of core messages with the implementation adjusted to local specificities, context and capacities". Its findings

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

<sup>3</sup> Decision C(2014)4453 of 3 July 2014, [http://ec.europa.eu/dgs/fpi/key-documents/2014-annual-reports\\_en.htm](http://ec.europa.eu/dgs/fpi/key-documents/2014-annual-reports_en.htm)

<sup>4</sup> [http://ec.europa.eu/dgs/fpi/showcases/eu\\_perceptions\\_study\\_en.htm](http://ec.europa.eu/dgs/fpi/showcases/eu_perceptions_study_en.htm)

enabled the EU to tailor the development of public diplomacy initiatives to the local perceptions of Europe, 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.

### **2.3. Lessons learnt**

The key lessons that can be drawn from the experience of the previous and on-going Partnership Instrument actions supporting public diplomacy are the following:

- avoid a piecemeal approach in order to ensure the manageability of the actions and better measurement of results thanks to a streamlined programming process based on a clearer set of strands adapted to the various target audiences (i.e. think tank, academia, civil society, cultural stakeholders) and implementation modalities (i.e. grant, service contract);
- ensure that the programming of public diplomacy actions reflect strategic prioritisation from the EEAS at the appropriate level;
- ensure that actions implemented focus on issues that resonate among local target audiences.

### **2.4. Complementary actions**

Subsidiarity and complementarity with other interventions in the field of (or related to) Public Diplomacy at the 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 constantly update a mapping of public diplomacy related activities funded under the Partnership Instrument and ensure complementarity and cross-fertilisation with other relevant activities implemented at the country, regional and global levels. In particular, coordination will be sought for activities funded through the EEAS' managed Press & Information budget. Where possible, joint "Public Diplomacy Mapping" for engagement with civil society in third countries will be developed.

In line with the "Information and Communication Handbook for EU Delegations"<sup>5</sup>, EU Delegations will ensure complementarity and added value of selected projects with on-going and planned initiatives supported by EU Member States and other relevant actors.

Complementarity will be sought with projects currently running under the Annual Action Programmes 2014, 2015 and 2016.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The Annex of the PI Regulation sets out a general framework for the programming in line with thematic priorities and objectives set out in point (d) of Article 1(2):

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<sup>5</sup> [http://eeas.europa.eu/delegations/ghana/documents/press\\_corner/20121231\\_en.pdf](http://eeas.europa.eu/delegations/ghana/documents/press_corner/20121231_en.pdf)

1) Enhancing cooperation in higher education: enhancing student and academic staff mobility, leading to the creation of partnerships aimed at improving the quality of higher education and of joint degrees leading to academic recognition ("Erasmus+ Programme").

2) Enhancing widespread knowledge of the Union and raising its profile: promoting the Union's values and interests in partner countries through enhanced public diplomacy and outreach activities in support of the objectives of the instrument.

To achieve these objectives, under the Annual Action Programme 2017, it is envisaged to support actions to strengthen stakeholders' institutional, operational and networking capacity in four **strands** relating to Public Diplomacy<sup>6</sup>:

- **STRAND 1: Academic outreach through Jean Monnet activities**

The proposed action envisages continued support to Jean Monnet activities. The latter aims to increase knowledge about European integration in strategic countries by promoting teaching, research and debate and are funded under Erasmus+. The discontinuation of the previously FPI funded EU Centres Programme and the streamlining of EU's academic outreach in the field of EU affairs through the Jean Monnet will reinforce the dialogue between academics, students and decision makers in the EU and abroad and will increase widespread understanding and visibility of the EU and its role on the world scene. Funds under the Partnership Instrument will be used to open a "PI Window" in the Jean Monnet activities that for 2017 will indicatively include the following countries/regions: Australia, China, India, Indonesia, Iran, Macao, Mexico, New Zealand, Russia, South Africa, Taiwan and US.

- **STRAND 2: EU Policy and Outreach Partnerships**

This strand will allow engaging directly with think tanks in partnership with other key stakeholders (e.g. medias, business organisations, universities, and other opinion-makers/influencers) in the partner countries, as well as in the EU, on policies of common interest, related *inter alia* to Global Challenges, Europe 2020 strategy, Economic Partnership and Fundamental Rights. The areas covered will depend both on the local perception and on the EU policy priorities.

The following action under strand 2 "EU Policy and Outreach Partnerships" is proposed:

**1. EU Policy and Outreach Partnership in Indonesia**

Building on existing actions worldwide and to ensure that the EU can engage with local publics in Indonesia directly and on specific key areas of concern, partnership for 2017 will be developed through a service contract managed by the EU Delegation in Jakarta.

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<sup>6</sup> The strand on 'Cultural Diplomacy' is funded under Annex 14 of the PI Annual Action Programme 2015.



- **STRAND 3: Civil Society engagement**

Engagement with civil society is crucial for the EU to be (and to be perceived as) an open and receptive foreign policy actor. The primary objective of this strand is to strengthen and stimulate genuine dialogues among EU and strategic partner countries' civil society organisations in areas of common interest, with a particular focus on the fields of Global Challenges, Europe 2020 Strategy, Economic Partnership and Fundamental Rights.

The following actions under strand 3 'Civil society engagement' are proposed:

1. EU-Canada Transatlantic Civil Society Dialogues

Following the signature of the EU-Canada Strategic Partnership Agreement, and building on existing similar actions, such as the "EU-US Transatlantic Civil Society Dialogues", which engage civil society organisation on both sides of the Atlantic, the EU will support civil society engagement initiatives in Canada to be implemented through grants managed by the EU Delegation.

The proposed action also aims to promote civil society consultations and exchanges between European and Canadian civil society platforms in order to mobilise EU and Canadian NGOs around concrete themes of common interest.

2. EU-Russia Civil Society Forum

The EU-Russia Civil Society Forum acts as an independent cooperation platform between European and Russian civil society actors and grassroots organisations and is instrumental in diffusing EU values. The Forum increases people-to-people links and improves political and inter-cultural understanding among civil society actors on both sides, making their voice heard in European and Russian policy processes.

In view of the demonstrated clear orientation towards conducting outreach activities from a civil society perspective towards target audiences in the EU and Russia, with the aim of engaging in a mutually beneficial dialogue and contributing to better EU-Russia relations in the coming years, the further support of the Forum is instrumental in promoting people-to-people contacts, strengthening cooperation and enhancing dialogue between societies in the EU and Russia.

- **STRAND 4: Cultural Diplomacy**

In the framework of this strand, specific attention will be given to foster the role that culture in external relations can play in Public Diplomacy. This relates in particular to enable cultural operators to develop a platform able to organise training and conference and policy advice. Such actions will increase mutual understanding and confidence through dialogues and contribute to promote shared values as well as intercultural tolerance in strategic countries.

Building on the Joint Communication to the European Parliament and to the Council 'Towards an EU strategy for international cultural relations'<sup>7</sup>, it is proposed to

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<sup>7</sup> JOIN/2016/029 final

support cultural diplomacy by means of a service contract managed by FPI-Headquarters at global level.

The following actions under strand 4 'Cultural Diplomacy' are proposed:

### 1. EU Alumni Engagement Initiative

The EU Alumni Engagement Initiative aims at reinforcing EU's capacity to sustain a long term meaningful engagement with individuals in third countries who have already benefitted from EU funded programmes in the past by supporting the work of EU delegations.

By investing in individuals that have already been in contact with the EU at one point in their lives, this action aims at upgrading the relationship between the alumni and the EU into a long lasting partnership based on trust and broad mutual understanding. This initiative would not substitute any existing (of future) alumni initiative but simply provide additional support to the EU Delegation's engagement efforts.

In more in details the initiative would include the organisation of annual EU alumni gatherings, the creation of an online tool allowing delegations to keep track and engage with beneficiaries of selected EU-funded programmes more easily and will contribute enhancing the visibility of selected EU programmes among alumni.

### 2. Film festivals at EU Delegations – Support for a repository of European films

The proposed action builds on the 2014 EU feasibility study on "Exploring different possible modus operandi for making available a package of European films"<sup>8</sup> and the needs of the EU Delegations expressed in the study.

The proposed action will reinforce the capacity of EU delegations to organise EU Film Festivals through the preparation of a curated repository of high quality European movies for the use of the EU Delegations (e.g. selection, negotiation/acquisition of rights, distribution, consolidation of existing repositories of available European movies, subtitling). It also includes the provision of technical assistance to the EU delegations to the organization of their own Film Festivals across the world in particular for the EU's strategic partner countries (e.g. hiring of curators, support for local partnerships, support in branding and communication activities).

Finally it includes resources to allow the organisation of side-events in order to ensure that EU film festivals become also occasions to foster mutual understanding and intercultural dialogue. Furthermore the action supports the involvement of the European audio-visual sector.

Actions aiming at developing mechanisms to enhance coordination and operational cooperation between separate entities and organisations, as well as those creating synergies with existing EU funded activities will be particularly encouraged.

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<sup>8</sup><https://publications.europa.eu/en/publication-detail/-/publication/d6b6c149-cbd2-11e5-a4b5-01aa75ed71a1/language-en>

This initiative would not substitute any existing (of future) film festival initiative but simply provide additional support to the EU Delegation's efforts.

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

The Action aims to achieve the following expected **results**:

R.1: For the strand 'Academic outreach through Jean Monnet activities': wider knowledge and understanding of the EU and its policies within academic circles (including students and professors);

R.2: For the strand 'EU Policy and Outreach Partnership': improved networking, advocacy and outreach capabilities jointly with key actors in policy areas of strategic interest for the EU; development of platforms providing relevant policy inputs;

R.3: For the strand 'Civil Society engagement': established or enhanced dialogues between civil society actors and local, national, regional or international institutions on policy areas of common interest to the EU and its strategic partners;

R.4: For the strand 'Cultural Diplomacy': enhanced engagement with key target audiences (e.g. alumni of EU programmes) and better engagement of both general public and artists by improving the organisation of European film festivals.

These results will be achieved through the following **main indicative activities**:

- For the strand 'Academic outreach through Jean Monnet activities': organising and coordinating human and documentary resources related to EU studies; leading research activities in specific EU subjects developing content and tools on EU subjects; update and complement the current courses and curricula; enhancing the debate, network and exchange of experiences about the EU; publication of the results of research activities; organisation of academic outreach activities also involving local communities, such as debates, information activities and publications.

- For the strand 'EU Policy and Outreach Partnership': Providing technical assistance to the EU to run public diplomacy activities focusing on targeted audience in areas of interest for the EU. Activities will include: organising and coordinating round-tables, seminars, visitors programmes, "travelling" debates, platform for high level opinion makers and business leaders' interaction, conferences, workshops, briefing sessions, webinars and forums; EU talks supported by audio-visual products; social-media campaigning; media programmes advocacy and awareness raising campaigns; media and other forms of campaigns in support of specific EU trade priorities or market access issues; documentary screenings; sectorial dialogues; exchanges of best practice; networking events, elaboration and dissemination of studies, policy papers, public opinion polls, creation of databases.

- For the strand 'Civil Society engagement': civil society organisations-led activities such as dialogues, round-tables, conferences, seminars, etc. involving civil society actors that can play multiplier effects;

- For the strand 'Cultural Diplomacy': gathering of alumni of European programmes on the basis of their experience and interests, screening of European films and organisation of side events to facilitate intercultural dialogue and enhance the visibility of European audio-visual sector.

### 3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measure
In general, there is a possible risk of change of priorities as well as changes in political relations with the concerned partner countries.	M	The development of an overarching EU Public Diplomacy strategy would significantly reduce such risk.
A major incidence 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 EC "Perception Study" to ensure that the content of the initiatives resonates among local target audiences would significantly reduce such risk.

### 3.4. 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.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1. Grants: call for proposal<sup>9</sup> (direct management)

##### 4.1.1.1. Call for proposals - Jean Monnet activities

###### (a) Objectives of the grants

These grants fall into strand 'Academic outreach through Jean Monnet activities' (see infra section 3.1).

Grants covering three years for either: i) Modules: a short teaching programme in the field of European Union studies of 40 teaching hours; ii) Chairs: teaching posts with a specialisation in European Union studies for university professors or senior lecturers; iii) Centre of Excellence: a focal point of competence and knowledge on European Union subjects; iv) Networks: support the creation and development of consortia of international players (HEIs, Centres of Excellence, departments, etc.) in area of EU studies; v) Projects: support for innovation, cross-fertilisation and the spreading of the EU content; and vi) Support to Associations: contribution to support the study of the EU integration process. These actions will be based on unilateral proposals - although the proposed activities may involve other partners – and may last up to 36 months.

###### (b) Eligibility conditions

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

###### (c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant:

- Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out and to participate in its funding.
- Applicants must have the professional competences and qualifications required to complete the proposed action.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action. Essential award criteria are:

- Quality of the project design and implementation;
- Quality of the project team and cooperation arrangements;

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<sup>9</sup> Article 189 (RAP) (article 128 FR) – Content of calls for proposals

- Impact and dissemination.

(d) Maximum rate of co-financing<sup>10</sup>

The maximum possible rate of co-financing for grants under this call depends on the activities funded: i) Modules: the maximum grant that can be awarded is EUR 30.000 that can represent the maximum of 75% of the total costs of the Jean Monnet Module; ii) Chair: the maximum grant that can be awarded is EUR 50.000 that can represent the maximum of 75% of the total cost of the Jean Monnet Chair; iii) Centre of Excellence: the maximum grant that can be awarded is EUR 100 000 that can represent the maximum of 80% of the total eligible costs; iv) Networks: the maximum grant that can be awarded is EUR 300.000 that can represent the maximum of 80% of the total costs; v) Projects: the maximum grant that can be awarded is EUR 60.000 that can represent the maximum of 75% of the total costs; vi) Support to Association: the maximum grant that can be awarded is EUR 50.000 that can represent the maximum of 80% of the total costs.

(e) Indicative trimester to launch the call

The indicative trimester to launch the annual general call Erasmus+ is the third trimester of 2017. The call will be launched by the Education, Audiovisual and Culture Executive Agency (EACEA) based on the co-delegation in force between FPI and EACEA.

(f) Exception to the non-retroactivity of costs: NA

4.1.1.2. *Call for proposals – EU-Canada Transatlantic Civil Society Dialogues*

(a) Objectives of the grants

Part of the public diplomacy envelope in the AAP 2017 will be implemented through the award of grants. Indicatively, it is estimated that one call for proposals will be launched.

Grant agreements resulting from the above mentioned call will mainly fall under strand 'Civil Society engagement' (see *infra* section 3.1).

Following a joint EEAS/FPI screening of priorities, one national action in Canada has been retained. The above selection was based on local needs as expressed by EU Delegations and on priorities for public diplomacy at national level.

Action/Countries	EUR million
Jean Monnet activities	3.5
EU-Canada Transatlantic Civil Society Dialogues	0.9
<b>Total</b>	<b>4.4</b>

<sup>10</sup> Article 192 FR – full financing of an external action

In the event that it does not prove possible to conclude the grant agreements related to the EU-Canada Transatlantic Civil Society Dialogues from the Delegation, the implementation of the call for proposals will be ensured at HQ level by the Service for Foreign Policy Instrument.

(b) Eligibility conditions: Civil Society Organisations established in the EU and in eligible countries according to CIR article 8.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing<sup>11</sup>

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

(e) The indicative trimester to launch the calls for proposals is the second trimester of 2017.

#### **4.1.2. Grants – direct award (direct management)**

##### *4.1.2.1 Grant (direct award) - EU-Russia Civil Society Forum*

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The EU-Russia Civil Society Forum will foster systematic contacts and cooperation between independent civil society actors in Russia and the EU. It will continue giving European and Russian civil society actors an opportunity to raise their voice on topics of common interest.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the EU-Russia Civil Society Forum. The recourse to an award of a grant without a call for proposals in line with Article 190 1. (f) RAP is justified because Russia is experiencing a shrinking space for expressing different points of view. Eighty percent of Russian citizens receive their information through state controlled media, mainly TV, dominated by patriotic slogans and anti-Western rhetoric. Although the EU sanctions are designed to put pressure only on individuals and companies directly involved in the Ukraine crisis,

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<sup>11</sup> Article 192 FR – full financing of an external action

this is not accurately conveyed to the Russian public. As a result, Russians feel personally affected by the EU sanctions. All of this has led to worsening public opinion about the EU in Russia.

At the same time, the operating environment of Russian civil society is becoming increasingly difficult due to the governmental pressure on NGOs since 2012. Russia's still fragile independent civil society is victim of this increasingly restrictive policy.

The EU-Russia Civil Society Forum (the Forum) was initially supported as an EU pilot project introduced by the European Parliament and it has received continued EU support ever since. Since 2015, the Partnership Instrument co-funds the Forum which represents an excellent entry point for maintaining dialogue with the Russian civil society. In this respect, the Forum provides a unique platform with a wide scope of cooperation between the EU and Russian civil society actors. The Forum is also a key component of the ongoing dialogue between EU and Russia in the area of civil society within the framework of the Partnership for Modernisation.

(c) Essential selection and award criteria

Essential selection criteria: technical capacity (incl. experience and knowledge in the field) and financial capacity to perform the tasks.

Essential award criteria: relevance of the project; quality of the project design and implementation; quality of the project team; impact and dissemination.

e) Maximum rate of co-financing

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

(f) Indicative trimester to conclude the grant agreement: first trimester 2018

<b>Action/Country</b>	<b>EUR million</b>
EU-Russia Civil Society Forum	2
<b>Total</b>	<b>2</b>

**4.1.3. Procurement (direct management)**

(a) The project will be implemented through the procurement of services. Indicatively, three service contracts will be signed.

(b) Indicative timing to launch the call: 2nd quarter 2017.



<b>Action/Countries</b>	<b>EUR million</b>
EU Policy and Outreach Partnership in Indonesia	2
EU Alumni Engagement – [global]	2
European Film Festival – [global]	2
<b>Total</b>	<b>6</b>

This list can be adapted pending the results of the calls for tenders, 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.

The call for tenders will indicatively be launched between the second trimester of 2017 and the first semester of 2018.

#### **4.2. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
<b>4.1.1. – Call for proposals (direct management)</b>	<b>4.4</b>
4.1.1.1. Call for proposals Jean Monnet activities (launched by EACEA)	3.5
4.1.1.2. Call for proposals – EU-Canada Transatlantic Civil Society Dialogues	0.9
<b>4.1.2. Grant (direct award)</b>	<b>2</b>
4.1.2.1. EU-Russia Civil Society Forum	2
<b>4.1.2 – Procurement (direct management)</b>	<b>6</b>
4.1.2.1. Procurement – EU Policy and Outreach Partnerships actions	2
4.1.2.2. Procurement – EU Alumni Engagement	2
4.1.2.3. Procurement – European Film Festival	2
<b>Totals</b>	<b>12.4</b>

#### **4.3. Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of the above actions will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.4. Evaluation and audit**

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

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

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

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the action. A communication plan shall be prepared by the implementing partners and implemented in line with relevant guidelines on communication and visibility. All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU. Exceptions to this rule may be considered on a case by case basis for duly justified reasons.

**ANNEX 15**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for EU- China Partnership Facility****1. IDENTIFICATION**

Title of the action	EU-China Partnership Facility (ECPF)			
Country	China			
Total cost	Total estimated cost: EUR 8 000 000 Total amount of the EU budget contribution: EUR 8 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Direct management Procurement – Services			
Markers (from CRIS Dac form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

This action aims to strengthen EU-China relations by supporting bilateral dialogues and partnerships in key priority areas. It will contribute, through expert and logistical assistance in targeted interventions, to the implementation of the EU Global Strategy, the EU Strategy for China, the EU – China 2020 Strategic Agenda for Cooperation, and other bilateral Memoranda of Understanding, as well as Declarations and Agendas in place between EU Institutions (mostly relevant European Commission

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

Directorates General and the European External Action Service) and their Chinese counterparts.

## **2.2. Context**

The EU-China Comprehensive Strategic Partnership has grown into a multi-faceted relationship including a vast array of domains, as reflected in the new EU Strategy on China adopted in 2016<sup>2</sup>. The 'EU-China 2020 Strategic Agenda for Cooperation', jointly signed in 2013, also covers the broad areas of peace and security, prosperity, sustainable development, and people-to-people exchanges. The annual bilateral Summits provide strategic guidance to a relationship sustained by three high-level pillars: a) the annual High-Level Strategic Dialogue; b) the annual High Level Economic and Trade Dialogue; and c) the biennial High-Level People-to-People Dialogue. Additionally, over 60 regular high level and senior officials' dialogues - covering all pillars- underpin those three areas. The Global Strategy for the European Union's Foreign and Security Policy also frames the engagement with China.

As global players and strategic partners, the EU and China increasingly cooperate with each other in many other key bilateral, regional and international issues. The EU is also China's biggest trading partner, while China is the second largest two-way trading partner for the EU. Considering the evolution of the bilateral dialogues and the momentum for further expansion provided by the new strategy, the need for a tool to advance the agenda on issues of strategic interest remains vital for EU-China relations.

## **2.3. Lessons learnt**

The proposed action builds on the experience of previous China-specific policy support and trade-related facilities funded by the EU and points to the importance of identifying priority areas for enhancing the partnership, allowing the facility's efforts to be concentrated in sectors with clear strategic interest, specific engagements and foreseeable EU or shared benefits. A mechanism<sup>3</sup> to establish priorities and links between the political agreements or sector dialogues and activities will be developed and implemented as part of the action's implementation taking into account overall evolving priorities and the new policy framework for EU engagement with China.

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 ensure that the demand-driven mechanism is combined with a strategic approach to the use of the facility and that financial and logistic uncertainties are properly handled. It will be also essential to ensure the active participation relevant DGs responsible for each dialogue in the very labour intensive follow-up of political engagements.

Additional lessons include the importance of ensuring that actions continuously feed the political dialogues. Also, the facilities' activities have added more value when

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<sup>2</sup> The strategy is formed by the Council conclusions on the "EU Strategy on China" in July 2016 and the High Representative's and European Commission's Joint Communication "Elements for a new EU Strategy on China".

<sup>3</sup> To be defined once the AAP2017 1<sup>st</sup> phase will be adopted.

appropriately framed inside the EU strategic framework towards China, limiting the number of isolated events. Finally, it is paramount to ensure adequate buy-in from the Chinese counterparts, their early involvement and contribution to the actions.

## **2.4. Complementary actions**

Complementarities will be sought with all relevant PI actions in China and the region (for instance, the Migration and Mobility Support Project, Gateway to China, Legal Affairs Dialogue, Public Diplomacy, etc.) as well as other ongoing and future Partnership Instrument (PI) projects, in particular through the PSF and TAIEX.

Complementarities will also be explored with ongoing DEVCO and other DGs' projects (H2020, COSME, EEN, etc.) as well as with the relevant interventions developed by other donors (especially EU Member States and International Organisations) and by the Chinese Government and institutions.

It will be important to continuously monitor ongoing actions relevant to the identified priority areas, in particular those undertaken by EU Member States, in order to ensure complementarity, build on good experiences and avoid duplications.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of the EU-China Partnership Facility (ECPF) is to contribute to the strengthening and enlargement of EU-China relations in line with the strategic framework represented by the EU Global Strategy, the EU Strategy for China, the EU-China 2020 Strategic Agenda for Cooperation and other relevant bilateral agreements.

The specific objective is to help advance EU-China bilateral dialogues and partnerships in specific priority areas of EU and mutual interest.

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

The main expected results of the project are:

- R.1: Extended and strengthened basis for the EU-China relationship in the framework of the EU China Strategy and the bilateral Strategic Partnership.
- R.2: Active implementation of EU-China Memoranda of Understanding and Agreements in different areas (signed between EEAS/EC and Chinese Ministries and Institutions).
- R.3: The external dimension of a number of key EU policies is promoted with the ultimate aim of influencing decision making processes by Chinese institutions in relevant policy areas of EU and mutual interest.
- R.4: Cooperation in priority areas is reinforced and concrete follow-up measures to sector dialogues are put in place and implemented.
- R.5: Updated information available and regularly disseminated on the evolution, contents and results of the different dialogues.

R.6: Regulatory convergence in selected areas is promoted.

R.7: New areas of cooperation of EU and mutual interest are identified and developed.

The indicative project activities will include:

- The preparation of baselines, benchmarking and specific sector studies on issues that are relevant for the dialogues and partnership;
- The organisation of events (conferences, seminars, workshops, mutual technical visits and other exchange activities, etc.) within the scope of the dialogues;
- The provision of specialised technical assistance to relevant stakeholders;
- The consolidation and further development of monitoring, communication and visibility tools.

### 3.3. Risks and assumptions

The main assumption is that Chinese and European authorities are committed to further strengthening the EU-China Comprehensive Strategic Partnership and engaging in concrete actions to foster sector dialogues in the framework of the Agenda 2020. Policy measures stemming from the new Chinese 13th Five Year Plan will also have to be taken into account in order to elicit the interest of the Chinese counterparts.

While major risks would arise from the non-confirmation of this main assumption, the commitment of both parties to promoting the Strategic Partnership and the agreed sectoral dialogues, together with the ongoing dynamism already evidenced by the stakeholders, show that the occurrence of such risks should be limited.

In order to achieve the action's results, it will also be important to take stock of previous facilities' lessons, including the adequate design of action and the careful selection of key experts working in the country. In this sense, previous implementation structures should evolve to reflect the new nature and scope of this facility. A new approach will be proposed whereby the team of experts will be independent from the Government, while operating in full cooperation with the partner country relevant institutions/entities, as well as with any other stakeholders, under the clear steer of the Commission. This will allow better tailoring the actions to the facility's objectives, understanding specific needs and constraints and adjusting the project to the real possibilities of implementation.

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Lack or decreasing commitment to implement the EU-China Strategic Agenda; lack of staff availability from Chinese counterparts.	L	Ensure involvement at the highest level from the EU and Chinese side and use high-level commitment to press for lower level implementation and mobilise counterparts.
Poor availability of EU institutions/DGs to get involved	M	Strategic selection of the areas of intervention, in line with EU's

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
in the actions, including the necessary provision of human resources needed to steer them.		interests and policy priorities. Extensive internal coordination among EU services.
Irritants coming from political developments, trade-related disputes or human rights issues negatively affect bilateral relations.	M	Carefully monitoring of the bilateral agenda and continuous engagement with Chinese counterparts. Project will monitor political developments so as to adapt to evolving circumstances.
Overlaps with activities from other DGs or EU MS.	L	Internal monitoring and informal coordination with MS through the EU Delegation in Beijing; ensure enough flexibility to avoid overlaps.
Frustration in counterparts when specific proposals are rejected.	L	Extensive coordination, dissemination and preparatory work with relevant counterparts, linked to the bilateral policy dialogues.

### 3.4. Stakeholders

The key stakeholders are:

- EU institutions, including the EEAS and European Commission Directorate Generals;
- EU Member States and their relevant Institutions;
- Chinese Ministries and Agencies;
- To a lesser extent European and Chinese Academia and Civil Society. Private sector, local governments and other actors will also be associated when appropriate and relevant.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

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

(a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.

(b) Indicative timing to launch the call for tenders: 2nd quarter 2017

#### 4.2. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1 Procurement (direct management)	8
<b>Total</b>	<b>8</b>

#### 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of the project will be a continuous process and part of the implementing partner's responsibility, with regard to the opinions of the SC and under the supervision of the EU Delegation. To this end, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate progress and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

A Steering Committee (SC) composed of EEAS and Commission Services will be established to provide strategic guidance to the project –following agreements and decisions taken at higher political levels-, ensure the regular monitoring of its implementation, appraise the results achieved and propose eventually needed corrective measures. The SC will meet at least twice a year and will ensure that specific actions will also be coordinated with relevant Chinese counterparts.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### 4.4. Evaluation and audit

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

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

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

#### 4.5. Communication and visibility

In order to ensure that the proposed project is reaching its objectives, the use of communication and visibility tools is crucial. A specific Communication and Visibility Plan in line with relevant guidelines shall be elaborated at the start of



implementation of the service contract. It will also feed into the Public Diplomacy activities of the Delegation and related PI actions in China.

Communication and visibility activities will create an integral part of each event organised in the framework of the ECPF. Regular information will be sent to key stakeholders (including media, think tank representatives) alerting on the outcomes of the actions and diffusing background information on key issues. All communication activities will respect the relevant EU Visibility Guidelines. All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU.

**ANNEX 16**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for EU- Mexico Sector Dialogues Support Facility****1. IDENTIFICATION**

Title of the action	EU- Mexico Sector Dialogues Support Facility (SDSF)			
Country(ies)/ Region	Mexico			
Total cost	Total estimated cost: EUR 3 000 000 Total amount of the EU budget contribution: EUR 3 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Direct management Procurement – Services			
Markers (from CRIS DAC form)	Rio convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

This action puts in place an EU-Mexico Sector Dialogues Support Facility (SDSF) whose aim is to contribute to strengthening and to further enlarging EU-Mexico bilateral relations by fostering sector dialogues on priority themes of mutual interest. In line with the overall strategic framework defined by the EU Global Strategy for Foreign and Security Policy, the project will support the implementation of the EU-Mexico Strategic Partnership and the revised EU-Mexico Global Agreement.

The EU-Mexico Global Agreement of 2000 and the Strategic Partnership of 2010 set up 13 high level dialogues on Social Cohesion and Employment, Climate Change, Environment, Culture, Higher Education, Human Rights, Security and Law Enforcement, Security and Public Security, Macroeconomics, Cooperation and

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

Economic Affairs, Migration, Regional Development and Transport. In addition, a Joint Steering Committee on Science and Technology was set up by the 2004 Science and Technology Cooperation Agreement. Eight of these dialogues are currently active with regular meetings (human rights, environment, climate change, education and youth, science and technology, social cohesion, security and justice and macroeconomics) and a 14<sup>th</sup> dialogue on ICTs is planned to take place in May 2017.

In 2016, the negotiations for the modernisation of the global agreement between Mexico and the EU have been launched, this process will continue during 2017 and the result will probably lead to the inclusion of additional dialogues in sectors already identified as mutually strategic.

The project will accompany the bilateral high level dialogues with concrete follow up actions agreed at political level, thus allowing enhanced cooperation and facilitation of exchanges between relevant EU and Mexican stakeholders that are involved in the specific sector dialogues.

## **2.2. Context**

The EU Global Agreement with Mexico from 2000 covers three pillars: political, trade and cooperation. In 2016, HRVP Federica Mogherini visited Mexico and announced that the European Council adopted the negotiating directives for the modernization of the Agreement.

This has become necessary as there have been a lot of changes and developments in the global scene over the past 16 years, especially in the trade field. Additionally the cooperation pillar needs to be redefined as no bilateral envelopes for Mexico are available under the DCI in the MFF 2014-2020.

The changed nature of EU-Mexico relations goes hand in hand with an economic and social context that has evolved in the last decade and suggests that a clear potential exists for a substantial expansion of some of the sectoral dialogues and their scope. Additionally, these challenges required the creation of new dialogue in the field of ICTs.

Mexico is a reference country for the Central American region and for Latin America. It is a key ally for the EU in the global fora, sharing values, challenges and commitments towards inclusive and sustainable development, and its economic growth provides notable opportunities for EU companies.

While dialogues at political and administrative level have been in most of the cases useful and productive in the past, the availability of this cooperation tool to advance those dialogues on issues of mutual interest opens new interesting avenues for strengthening EU-Mexico relations, including more effective follow-up and operationalisation of conclusions reached in High Level Dialogues.

The EU-Mexico Sector Dialogues Support Facility (SDSF) builds on similar, successful experiences in Brazil and China, providing the ideal tool for moving away from the traditional "donor-recipient oriented" perception of EU-Mexico bilateral cooperation, towards a more strategic, mutually beneficial cooperation between equal partners, in line with the spirit and objectives of the PI. The EEAS and the Commission DGs, on equal footing with their Mexican counterparts, will share the responsibility to identify, propose and select activities to be implemented under the Facility.

Through the existing high level bilateral dialogues, EU and Mexico will identify areas for enhancing the strategic partnership, where there is a clear mutual interest, potential for improvement, and foreseeable benefits for the EU. A mechanism to establish a clear link between sectorial dialogues and project activities will be developed and applied during the implementation of the action. This tool will ensure that actions financed under the proposed facility are in line with the sectorial dialogues and their conclusions. As a result, actions are expected to be implemented, in principle, in the period of time between two sessions of the dialogues and in preparation of the forthcoming ones. The relevant session of the dialogue will also evaluate the action and propose follow-up activities. The Facility will provide added value to keep the momentum between dialogues and advance on key policy areas.

The Facility will guarantee a high degree of flexibility to be able to respond to new priorities or political commitments that, in addition to the dialogues, could arise from EU-Mexico summits or high level bilateral meetings.

### **2.3. Lessons learnt**

The proposed action builds on the experience and the evaluations drawn from similar Sector Dialogues Support Facilities in China and in Brazil:

- Although the SDSF will be designed to follow a flexible approach, experience from the previous and existing SDSFs has shown that translating agreements reached in the context of political dialogues into concrete actions is often not straightforward. Therefore it is recommended that the agreements reached at political level include operational aspects. The services responsible for each dialogue should participate actively in this process.
- The financial continuity of actions is vital for sustaining sectorial dialogues and for reaching concrete results. At the same time it is to be ensured that the result of these actions feed into the high level political dialogue.
- Finally, the China/Brazil SDSFs have shown that the actions undertaken should have a comprehensive logical structure and be embedded in the wider cooperation framework between the EU and Mexico, rather than being limited to isolated events, such as missions or conferences.

### **2.4. Complementary actions**

Complementarities will be sought with ongoing PI actions such as the Low Carbon Business Project, the International Urbanization Cooperation, the EU Policy and Outreach Partnership, the several Policy Support Facility and TAIEX initiatives in Mexico and future PI actions.

In addition, complementarities will be sought with possible EU future action in support of the implementation of the Paris Agreement in major economies, including Mexico.

Synergies will also be sought with DEVCO (bilateral, thematic and regional) and other DGs' ongoing projects (ELAN, COSME, EEN, etc.) as well as with the relevant interventions developed by other donors (especially EU Member States and International Organisations) and by the Mexican Government and institutions.

All ongoing actions relevant to the identified priority areas will be closely monitored in order to ensure complementarity and to build on good experiences while avoiding duplications.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of this action is to contribute to strengthening and further enlarging the strategic partnership between the EU and Mexico.

Its specific objective is to foster dialogue in specific priority areas of EU and mutual interest and to support the implementation of the EU-Mexico Global Agreement and the EU-Mexico Strategic Partnership Joint Executive Plan, as well as other relevant agreements concluded between the EU and the Mexican Government.

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

The main expected results of the project are:

- R.1: Extended and strengthened EU-Mexico relationship in the framework of the Strategic Partnership.
- R.2: The external dimension of EU policies in shared priority areas is promoted and influences the dialogue with Mexican institutions.
- R.3: Cooperation in shared priority areas is reinforced and concrete follow-up measures to sector dialogues are put in place and implemented.
- R.4: Updated information is available and regularly disseminated on the evolution and “state of the art”, contents and results of the different dialogues.
- R.5: Regulatory convergence in selected areas is promoted.
- R.6: New areas of cooperation of EU and mutual interest are identified and developed.

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, mutual technical visits and other exchange activities, etc.) within the scope of the dialogues;
- the provision of specialised technical assistance to the relevant stakeholders;
- the consolidation and further development of the project monitoring, communication and visibility tools;
- exchange of experiences and best practices.

A technical assistance team will be in charge of the implementation of the project. While being fully independent from the Mexican Government, the team will operate in cooperation with the relevant institutions/entities in the partner country, as well as with any other stakeholders, under the steer of the EU Delegation in Mexico and in close cooperation with the EEAS and Commission DGs.

Discussions will be held with the Mexican Ministry of Foreign Affairs (or delegated entity) for the establishment of a consultative mechanism, the 'Consultative Committee' – hereafter the CC which shall provide strategic guidance to the project, according to the agreements made at political levels. The CC will also ensure a

regular monitoring and follow-up of the projects proposed and implemented, suggesting corrective measures when needed.

The structure of the CC shall reflect the fact that both the EU and the Mexican counterparts will have the right of initiative to submit proposals for actions. Selection of projects will be done jointly, involving representatives from the relevant EU and Mexican institutions. The priorities and the criteria for the identification and selection of projects shall be established jointly.

The composition of this Consultative Committee can vary according to the sectorial dialogue concerned. The CC will meet at least twice a year.

As this is a new facility with regards to the EU relations with Mexico, an internal decision making mechanism, (the 'Steering Committee') among the EEAS, the EU Delegation and the relevant Commission services shall be set up to define the EU's priorities and objectives prior to each one of the Consultative Committee meetings. Additionally, a reflection exercise will take place during the implementation of the action to evaluate if prioritisation should be given to a limited number of dialogues in order to avoid scattered activities that might dilute the impact of the facility.

### 3.3. Risks and assumptions

The main assumption is that Mexico and the EU are committed to further strengthening the EU-Mexico Strategic Partnership, including through the ongoing revision of the EU-Mexico Global Agreement.

Risk	Risk level (H/M/L)	Mitigating measure
Poor or decreasing commitment from Mexican and European authorities to further strengthen the EU-Mexican Strategic Partnership and engage in concrete actions to foster sector dialogues.	L	Ensure involvement at the highest level from the EU and Mexican side and use high-level commitment to press for lower level implementation and mobilise counterparts.
The political and economic landscape in Mexico ahead and following the federal elections in 2018 could negatively impact on project implementation.	L	Permanent monitoring by the EU Delegation on political developments and continuous engagement with Mexican counterparts at political and technical level with a view to adapting the project to evolving circumstances.
The level of commitment of the EU services towards the project might be discontinued.	L	Careful selection of the areas of intervention, in line with EU's interests and policy priorities.
Frustration rises in Mexican Ministries and/or EU services when good proposals are rejected.	L	Good preparatory work and continuous dialogue between both parties in the Consultative Committee. Ensure that the selection is made in a collegial manner.

### 3.4. Stakeholders

The key stakeholders are:

- EU institutions and services;
- EU Member States and their relevant Institutions;
- Mexican Ministries, Agencies and other relevant governmental bodies;
- European and Mexican Academia and Civil Society;
- The private sector and local governments will be associated to the actions when appropriate and relevant.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1. Procurement (direct management)

(a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.

(b) Indicative timing to launch the call for tenders: 2nd quarter 2017

### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1 – Procurement (direct management)	3
<b>Total</b>	<b>3</b>

### 4.3. Performance monitoring

The day-to-day technical and financial monitoring of the implementation of the project will be a continuous process and part of the implementing partner's responsibility. To this end, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate progress and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

The action will be supervised by the Steering Committee, whose indicative composition comprises the EU Delegation in Mexico, involved line DGs and other EU services (i.e. EEAS/FPI), as relevant.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.4. Evaluation and audit**

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

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

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

#### **4.5. Communication and visibility**

Communication and visibility will be an integral part of the project. The implementing partners will establish a communication plan in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU.



**ANNEX 17**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Support to project cycle management****1. IDENTIFICATION**

Title of the action	Support to project cycle management			
Country(ies)/ Region	Global			
Total cost	Total estimated cost: EUR 1 000 000 Total amount of the EU budget contribution: EUR 1 000 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Direct management Procurement - Services			
Markers (from CRIS Dac form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

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.

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<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

## 2.2. Context

Article 3 of the "Common rules and procedures for the implementation of the Union's instruments for financing external action"<sup>2</sup> 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 Regulation<sup>3</sup> 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 Rules<sup>4</sup>.

Furthermore, recital (22) of the Partnership Instrument 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. This is of particular relevance in view of the forthcoming Mid-Term Review, which will be conducted in 2017.

## 2.3. Lessons 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.

Given the limited amount of resources available under the PI and the wide scope in terms of geographical coverage and objectives it is essential to ensure an appropriate identification and formulation 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.

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<sup>2</sup> Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014

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

<sup>4</sup> Ibid (footnote #2)

The programming exercises for the Annual Action Programmes 2014-2015-2016 have clearly exposed this need. Line DGs often lack experience on project management under the EU external action, which is key to turn policy needs and priorities into viable projects, often of a complex nature. Hence, ad hoc expertise is needed for 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. Complementary actions

This component will complement not only the budget allocations foreseen for administrative expenditure (BA budget line) but also the Policy Support Facility (PSF, Annex 5 of the AAP 2015), 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, and in particular lot 2 (Technical assistance, training and evaluation). It will also complement the technical assistance provided through TAIEX.

## 3. DETAILED 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.

### 3.2. Expected results and main activities

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/programmes<sup>5</sup>

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 projects<sup>6</sup> 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.

### 3.3. Risks and assumptions

N/A

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<sup>5</sup> 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](https://myintracomm.ec.europa.eu/dg/devco/quality-impact/Documents/New%20intranet/Project%20and%20Programme%20Cycle%20Management/europeaid_adm_pcm_guidelines_2004_en.pdf)

<sup>6</sup> Ibid

### 3.4. Stakeholders

N/A

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### 4.1.1. Procurement (direct management)

(a) The project will be implemented through the procurement of services. Given the nature of the action, several service contracts will be signed.

(b) Indicative timing to launch the procurement of services: all along the duration of the action.

### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. Procurement (direct management)	1
<b>Totals</b>	<b>1</b>

### 4.3. Performance monitoring

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. Evaluation and audit

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

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

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

#### **4.5. Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. However, given the nature of the services to be provided in the framework of this action, the Contracting Authority will assess the need and scope of the visibility and communication activities to be linked to each of the specific actions and will specify them in the related request for services.

**ANNEX 18**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Policy Support Facility (PSF)****1. IDENTIFICATION**

Title of the action	Policy Support Facility (PSF)			
Country(ies)/ Region	Global			
Total cost	Total estimated cost: EUR 5 500 000 Total amount of the EU budget contribution: EUR 5 500 000			
Total duration <sup>1</sup>	24 months			
Method of implementation	Direct management Procurement – Services Grants – call for proposals			
Markers (from CRIS Dac form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

The overall aim of the Policy Support Facility (PSF) is to support the EU's priorities and to influence the partner countries/regions' agenda positively, so that it aligns as much as possible with the EU's policies, objectives and values (especially when it relates to values, governance, standards, consumer protection including consumer

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

product safety, climate change or the protection of the environment); an active and engaging policy dialogue will foster mutual understanding as well as common responses to global challenges.

## **2.2. Context**

The Partnership Instrument (PI) includes, amongst its thematic priorities, support for the implementation of Partnership and Cooperation Agreements, Action Plans and similar bilateral instruments, strengthening the political and economic dialogue with third countries of particular relevance in world affairs, including in foreign policy; supporting engagement with relevant third countries on bilateral and global issues of common concern; enhancing policy dialogues and cooperation with relevant third countries, taking into consideration all areas within the scope of the Europe 2020 strategy; promoting the Union's internal policies with key partner countries and supporting regulatory convergence in this regard.

In order to address these priorities, a Policy Support Facility (PSF) was created by the PI 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 AAP 2015 and AAP 2016 included a further allocation for the PSF which allowed the continuation of the implementation of the facility. The PSF allocation in AAP 2016 was already increased by EUR 1.500.000 early 2017 using 2017 budget through a non-substantial amendment of AAP 2016.

This PSF is conceived as a rapid-response tool enabling targeted, flexible and tailor-made short-term actions. As such, it is implemented primarily through a multiple Global Framework Contract with three lots; in duly justified cases however, services may be contracted through other existing framework contracts managed by other DGs upon agreement by the responsible service and/or tendered outside existing framework contracts. For some activities under this facility, in particular those targeting multilateral relations of the European Union, a grant under direct management is the most suitable implementation method.

## **2.3. Lessons learnt**

The design of the PSF and its internal processes was based on lessons from existing similar dialogue facilities that point to the importance of identifying priority areas for enhancing the partnerships, allowing the facility's efforts to be concentrated in sectors with clear strategic interest, specific engagements and foreseeable EU or shared benefits. However, several actions under these different facilities have not necessarily served the policy dialogue in the long-run due to their isolation, a lack of vision and/or work programme of the dialogue and/or the unwillingness of one of the partners to implement the activity. FPI strives to avoid the repetition of these shortcomings by an enhanced proposal assessment processes under the PSF.

Previous projects have shown the importance of maintaining a high degree of flexibility to respond to changing priorities or political commitments, while also planning and ensuring continuity of activities in a number of key priority areas. Careful planning will 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 very labour intensive follow-up of political engagements.

## **2.4. Complementary actions**

This global Policy Support Facility co-exists with several country-specific policy dialogue facilities funded through the PI (for Brazil under AAP 2015, China and Mexico under the current AAP). 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.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

To support policy dialogues between the EU and partner countries on bilateral and global issues of common concern and to facilitate economic and trade relations with partner countries.

It will complement/support the external dimension of internal policies conducted under the other EU political programmes and instruments.

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

R1: Improved bases for policy dialogues of the EU with partner countries and the improvement of the quality of co-operation with those partner countries in areas of common interest.

R2: Improved bases for activating or renewing debates relevant to EU, international or joint agendas.

R3: Improved bases for adoption/approximation to EU and international standards.

For the purpose of the PSF a Global Framework Contract was tendered, consisting of the following three Lots:

- Lot 1 – Event organisation: logistics, travel and accommodation associated to conferences, forums, workshops, study visits, incl. logistical support for working sessions on policy dialogues (in Europe or partner country), etc.
- Lot 3 – Information and communication: information and communication actions of the EU.
- Lot 4 – Market Access and Trade & Investment Agreement Negotiation & Implementation: legal analysis and advice, expertise to support Delegations coordinating Market Access Teams, translations, statistics and collection of

data and analysis, expert seminars, workshops, technical assistance to support partner countries implement necessary reforms, monitoring of trade agreements.

An additional Lot (Lot 2) on technical expertise was abandoned during the procurement procedure. The needs of this lot will be covered by the existing Framework Contracts such as BENE2013 managed by DEVCO; this was rendered possible following an amendment of the Financial Regulation which came into force in January 2016.

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

- R.1. The activity is an isolated event and does not contribute to deepening the policy dialogue.
- M.1 A proposal has to be presented for approval of the activity and one of the requirements for approval is that the proposal makes it made clear how this activity is embedded in a policy dialogue and/or agenda.
- R2. The activity overlaps with or duplicates activities carried out by other Commission services.
- M2. As part of the approval process, all relevant European Commission services are consulted on the proposed activity.
- R3. Insufficient absorption capacity of the users (EEAS, European Commission line DGs) to provide the technical and policy steer of the activity.
- R4. A proposal has to be presented along with an endorsement letter at an appropriate level of hierarchy; the endorsement letter specifically appoints a focal person in charge of the technical and/or policy steer.
- A1 Sufficient staff is available in FPI both at HQ level and in EU Delegations to manage this facility.

### **3.4. Stakeholders**

- Direct stakeholders and partners of the different activities within the facility are partner country administrations involved in the dialogues, together with the corresponding services of the European Commission, the EEAS and other partner country and European public and private institutions interested in the policy dialogues (regional and local governments, universities and research centres, business and socio-professional associations, NGOs, cultural institutions etc.).
- Indirect stakeholders are EU Member States, all private and institutional/public stakeholders at different levels in Europe and partner countries that may be consulted or involved in the implementation of the different activities.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

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

- (a) Contracts: A Global Framework Contract consisting of 3 Lots was concluded in order to implement this facility. In duly justified cases, for a particular activity services may be contracted through other existing framework contracts managed by other DGs upon agreement by the responsible service and/or tendered outside existing framework contracts.
- (b) Indicative number of specific contracts to be signed under the Global Framework Contract : 20
- (c) Indicative number of direct contracts under calls for tenders: 5
- (d) Indicative timing: Proposals are being received on an ongoing basis.

#### 4.1.2. *Grants: call for proposals (direct management)*

In duly justified cases, grants may be deemed the most suitable implementation method for a particular activity under this facility.

- (a) Objectives of the grants

Grants may be used to support organisations such as civil society organisations or international organisations in their activities that underpin policy dialogues.

- (b) Eligibility conditions

The eligibility conditions will be developed on the basis of the actual needs.

- (c) Essential selection and award criteria

The essential selection criteria will be financial and operational capacity of the applicant.

The essential award criteria will be relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

- (d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under these calls is 100% of the eligible costs of the action.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be

justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to launch the call

It will be further developed if and when required.

#### **4.2. Indicative budget**

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1 – Procurement (direct management)	5
4.1.2 – Grants (direct management)	0.5
<b>Total</b>	<b>5.5</b>

#### **4.3. Performance monitoring**

Day-to-day technical and financial monitoring of the implementation of the facility is carried out by FPI. Furthermore, concerned Commission DGs/ EEAS are required to monitor closely the performance of activities that have been proposed by them. Common Partnership Instrument indicators will be used to monitor the performance of the actions under this facility. The Commission may undertake additional project monitoring visits through independent consultants recruited directly by the Commission for independent monitoring reviews.

#### **4.4. Evaluation and audit**

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

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

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

#### **4.5. Communication and visibility**

Most of the activities (conferences, seminars, workshops, etc.) are in themselves visibility-related activities, but it is essential to publicise results and achievements in the appropriate forums to increase visibility.

All documentation and promotional material produced in the framework of the project bears the EU flag and mentions that it is financed by the EU.

**ANNEX 19**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Technical Assistance and Information Exchange (TAIEX)****1. IDENTIFICATION**

Title of the action	Technical Assistance and Information Exchange (TAIEX)			
Country(ies)/ Region	Global			
Total cost	Total estimated cost: EUR 1 000 000 Total amount of the EU budget contribution: EUR 1 000 000			
Total duration <sup>1</sup>	24 months			
Method of implementation	Direct management Procurement – Service Contract Assistance for the implementation of TAIEX activities: Provision of logistical services and financial management tasks. (EuropeAid/137627/DH/SER/Multi)			
Markers (from CRIS Dac form)	Rio Convention Markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. RATIONALE AND CONTEXT****2.1. Summary of the action and its objectives**

The expertise provided through TAIEX is mainly provided by EU Member States (EUMS) public administration experts, to assist in the legal harmonisation process and capacity building of implementing and enforcement bodies as well as in support to the implementation of the Partnership and Cooperation Agreements, Association

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

Agreements and Agendas or other existing and future agreements and jointly agreed action plans.

TAIEX facilitates the transfer of know-how through workshops, seminars, conferences, experts' missions (practitioners-to-practitioners) to partner countries as well as through study visits to EUMS. It facilitates the delivery of tailor-made expertise to address issues at short notice. For the Partnership Instrument (PI), TAIEX can now serve upfront and proactively the strategic core missions of the EU by matching its political priorities with operational targeted events in the countries covered by the PI. TAIEX will provide expertise in a different fashion, since the request will be issued from the EU (Commission line DGs or EEAS, including EU delegations) rather than from the partner country in areas of common interest.

The requests for using TAIEX will be inter alia assessed on the basis of their relevance to the objectives of the PI.

## **2.2. Context**

The use of TAIEX under the PI is justified as it allows the EU to push forward its legislations, norms and standards in the partner country or to align the country's agenda to its own and, therefore, promote the EU's interests abroad.

TAIEX is a tool that is used primarily to exchange knowledge with strategic partners or any other interested country to coordinate practices and/or norms and regulatory frameworks that could benefit both sides.

## **2.3. Lessons learnt**

TAIEX was initially created for candidate countries. One of its main assets is its flexibility, tailoring services according to requirements and constraints, and speed to mobilise expertise at relative short notice. Like the Policy Support Facility, TAIEX has allowed the PI to implement small scale actions in countries where its limited envelope would not allow implementing actions of a larger scale or only with a regional scope.

The specificity of the expertise, stemming from the public sector of the EUMS, allows as well TAIEX to multiply the actions for a very limited amount per action.

After two years of utilisation, the TAIEX events that have been organised in more than 20 countries and have been praised by all stakeholders as an excellent implementation modality, allowing the partner country to enhance either its functioning/approach of a specific policy, or its legal framework and standards or norms to align it to the EU's, recognising implicitly the EU's expertise in the concerned policy/topic.

TAIEX still needs broader recognition and awareness raising as well as a more programmatic approach to improve its impact and its utilisation in a more appropriate way; this will be enhanced through the current funding.

## **2.4. Complementary actions**

TAIEX is complementary to the Policy Support Facility (PSF) in that the PSF can provide technical assistance through Experts from the private sector, while TAIEX relies on public administration experts.

Consistency and complementarity between TAIEX and the PSF will be guaranteed through regular coordination across all actors, EU Delegations in the target countries, relevant Commission services and the EEAS.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall purpose is to facilitate, in all areas required, the implementation of EU bilateral Cooperation Agreements or similar agreements, with a focus on regulatory convergence in partner countries, to share with the partner countries experience, know-how and information on EU policies and legislation in the widest sense and to support the partner country in fulfilling their commitments under the Agreements (Association or Partnership and Cooperation Agreements or any other bilateral agreement or cooperation framework with the EU or where the EU expects a like-minded approach).

TAIEX coordinates requests for assistance and cooperation to Member States for the delivery of short-term, tailor-made public administration expertise to address specific requirements at short notice.

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

EU best practices, standards and know-how are shared with partner countries through the provision of short term technical assistance delivered mainly by experts from Member States Public Administration.

Other *expected results* are:

- i) Information and updates on EU legislation and policies are provided by experts from European Union Member States Public Administration;
- ii) Cooperation to improve regulatory convergence and legislative approximation towards higher standards is intensified;
- iii) Enhancement and deepening of the relationship and collaboration between the EU and the partner country (or group of countries).

The *indicators* to measure those results are:

- Number of renewed requests for the same country/policy after a first event;
- Number and typology of modifications in the relevant administration/public agency of the partner country;
- Number of events, participants and experts;

- Number and quality of assessment reports provided by EU experts and by the partner country's stakeholders;
- Changes to the national regulatory framework brought in line with the EU's in the target countries.

The activities to achieve the expected results are:

Seminars, workshops, conferences, expert missions and study visits.

### 3.3. Risks and assumptions

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
Requests submitted by partner countries instead of EU institutions	M	The request is rejected by the Programme Manager
Requests submitted by colleagues irrelevant for the PI objectives and/or to TAIEX format.	L	Efforts made by FPI.4 and DG NEAR to explain the nature of TAIEX and of the PI objectives
Requests submitted that are not supported/accepted by the partner country	L	Awareness raising about the fact that the buy-in of the partner country is a pre-condition of a successful event.

One of the main risks could be the lack of engagement of the target countries. However, TAIEX is flexible and allows for timely mitigations in a difficult context. Operational difficulties could also occur in relation to visa regimes being applied. Advanced planning and specific attention in the early phases of an event preparation should help overcome these. The general assumption is that the Member States will support the scheme by facilitating the use of public sector expertise.

### 3.4. Stakeholders

Potential stakeholders can include public (central or lower levels) administrations, national parliaments' administrations, judiciary bodies, social partners and, when appropriate, private sector associations (on the partner country side).



#### 4. IMPLEMENTATION ISSUES

##### 4.1. Method of implementation

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

Direct management will apply. The implementation of the programme will be delegated by the Service for Foreign Policy Instruments (FPI) to the Directorate-General Neighbourhood and Enlargement Negotiations (DG NEAR).

The services will be provided through the contract "EuropeAid/137627/DH/SER/Multi - Assistance for the implementation of TAIEX activities: Provision of logistical services and financial management tasks".

##### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Procurement (direct management)	1
<b>Totals</b>	<b>1</b>

##### 4.3. Performance monitoring

The Commission may undertake any actions it deems necessary to monitor the programme. In particular, the procedure of evaluation and monitoring described in section 4.4 will apply.

##### 4.4. Evaluation and audit

The "Impact Feedback" gathers information on tangible impacts of TAIEX activities six months after their implementation. Before the organisation of the activity the partner administration at the receiving end is asked to identify a person to assess its impact. Six months later, this same person is asked to fill in a questionnaire. The results of the evaluation are taken into account in the programming and implementation cycle.

##### 4.5. Communication and visibility

This project will contain communication and visibility measures in line with the Service Level Agreement signed between NEAR.C3 and FPI.4. It will be supported with the budget indicated under point 4.2.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The implementation of the communication activities shall be the responsibility of the contractor, and shall be funded from the amounts allocated to the Action.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU.



Brussels, 17.11.2017  
C(2017) 7573 final

**COMMISSION IMPLEMENTING DECISION**

**of 17.11.2017**

**amending the Commission Implementing Decision C(2017) 3311 of 22.5.2017 on the 2017 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 17.11.2017

## **amending the Commission Implementing Decision C(2017) 3311 of 22.5.2017 on the 2017 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union**

THE EUROPEAN COMMISSION,

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

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

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

Whereas:

- (1) The objectives pursued by the annual action programme to be financed under the Partnership Instrument<sup>3</sup> are to advance and promote Union and mutual interests through cooperation with third countries. The Commission has adopted an Implementing Decision on the first Multiannual Indicative Programme for the Partnership Instrument for the period 2014-2017<sup>4</sup>. In line with the Multiannual Indicative Programme, the 2017 Partnership Instrument Annual Action Programme (AAP) was adopted by the Commission Implementing Decision C(2017)3311 of 22.5.2017 including measures in the following areas: support for the Union's cooperation partnership strategies, cooperation on global challenges, implementation of the international dimension of the "Europe 2020" strategy and promotion of the Unions internal policies abroad, support for economic and trade relations as well as promotion of the Union's values and interests;
- (2) The 2017 Partnership Instrument AAP should now be adapted by the adoption of a Phase II amendment, which includes: a supplementary EU contribution, an integration of the Annex 5 of the said Decision previously amended through non-substantial modification, and four new actions to be included in the existing AAP.
- (3) The action entitled "Cooperation with major economies for the implementation of the Paris Agreement" aims to promote the effective implementation of the Paris Agreement and of Nationally-Determined Contributions in major non-European economies by strengthening bilateral policy and technical dialogues on climate and

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

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

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

<sup>4</sup> C(2014) 4453 final of 3 July 2014

energy policy. The action will be implemented in indirect management with a Member State agency, notably GIZ;

- (4) The action entitled "Strengthening international protection, reception and integration of refugees in Argentina" aims to contribute to shared EU-Argentina global responsibility and solidarity on migration in relation to Syrian refugees. The action will be implemented in indirect management with international organisations, notably IOM and UNHCR;
- (5) The action entitled "Business support to the EU- India Policy Dialogues" aims to contribute to enriching interaction between policy dialogues and business cooperation in the context of the EU-India bilateral partnership. The action will be implemented in direct management via the procurement of services;
- (6) The action entitled "Support to EU-LAC Foundation - phase 2" aims to contribute to expand cooperation and strengthen the EU-Latin America and the Caribbean bi-regional strategic partnership by fostering dialogues based on shared values and interest. The action will be implemented in direct management via the direct award of a grant to the EU-LAC Foundation;
- (7) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012<sup>5</sup>;
- (8) It is necessary to adopt a work programme for grants in accordance with Article 128(1) of Regulation (EU, Euratom) No 966/2012 and Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is set out in Annex 23;
- (9) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in Annexes 20 and 21 to this Decision, subject to the conclusion of delegation agreements. In accordance with Article 60(1)(c) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the European Union equivalent to that required when the Commission manages European Union funds.. Entities specified in Annexes 20 and 21 to this Decision comply with the conditions of points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary.
- (10) The authorising officer responsible should be able to award grants without a call for proposals only in the exceptional cases set out in Article 190 of Delegated Regulation (EU) No 1268/2012;
- (11) It is necessary to allow for the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012;
- (12) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (13) The measures provided for in this Decision are in accordance with the opinion of the Partnership Instrument Committee established under Article 7 of Regulation (EU) No 234/2014;

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

HAS DECIDED AS FOLLOWS:

*Article 1*

**Adoption of the amended Annual Action Programme**

The Commission Implementing Decision C(2017)3311 of 22.5.2017 is modified as follows:

- Annex 5 to this Decision is replaced by a revised Annex 5, which was previously modified through non substantial amendment;

- the following Annexes are added to the existing Annexes:

Annex 20: Cooperation with major economies for the implementation of the Paris Agreement

Annex 21: Strengthening international protection, reception and integration of refugees in Argentina

Annex 22: Business support to the EU- India Policy Dialogues

Annex 23: Support to EU-LAC Foundation - phase 2

*Article 2*

**Financial contribution**

The maximum contribution of the European Union authorised by this Decision for the implementation of the 2017 Partnership Instrument Annual Action Programme (Phase II) for cooperation with third countries is at EUR 23,799,000 to be financed from budget line 19.0501 of the general budget of the European Union for 2017, bringing the total EU contribution for the AAP 2017 to EUR 111, 399, 000.

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

*Article 3*

**Methods of implementation**

Budget-implementation tasks under indirect management may be entrusted to the entities identified in the Annexes 20 and 21, subject to the conclusion of the relevant agreements.

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

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

*Article 4*

**Non-substantial changes**

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

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

Done at Brussels, 17.11.2017

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

EN

**ANNEX 20**

of the Commission Implementing Decision on the 2017 Annual Action programme  
for the Partnership Instrument

**Action Fiche for Cooperation with major economies for the  
implementation of the Paris Agreement**

**1. IDENTIFICATION**

Title of the action	Cooperation with major economies for the implementation of the Paris Agreement			
Countries	Argentina, Australia, Brazil, Canada, China, India, Indonesia, Iran, Japan, Mexico, Republic of Korea, Russia, Saudi Arabia, South Africa and United States of America			
Total cost	Total estimated cost: EUR 19 200 000 Total amount of the EU contribution: EUR 16 500 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Indirect Management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

## **2. RATIONALE AND CONTEXT**

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

The 2015 Paris Agreement on Climate Change is a landmark in the global fight against climate change. It steers the world towards a global transition to a low emission and climate resilient economy.

The EU is increasingly called upon by its international partners to lead and drive the process of implementing the Paris Agreement. This action is designed to support the EU's international climate leadership through providing solid EU inputs to the efforts of key partner countries to implement their commitments to the Paris Agreement. It targets non-EU G20 members, with the exception of Turkey and with the addition of Iran. The action focusses on four priority areas: mitigation policy instruments, mid-century strategies & renewal/updating of Nationally-Determined Contributions (NDCs), transparency and adaptation planning. The action is embedded in bilateral climate policy dialogues with the targeted major economies and in the EU's action at multilateral fora.

The action contributes to the implementation of the Global Strategy for the European Union's Foreign and Security Policy<sup>2</sup> and the EU's 2030 climate and energy framework.

### **2.2. Context**

Climate change is a global challenge that requires a decisive and confident response from all major economies. The early entry into force of the Paris Agreement and the endorsement of the Marrakech Proclamation demonstrate that the international community remains strong in its determination to confront this global challenge. As the nexus between climate change and security are steadily becoming more evident, the EU as a key proponent of international action strives to answer to the renewed calls for more multilateralism and sustain and build upon the positive international momentum, cooperation and alliances. This priority is identified in the EU's Global Strategy and it has been the central objective for the successful EU climate diplomacy in the past years.

Europe has a head start in the implementation of ambitious climate policies and several major economies are expressing their interest in making use of existing expertise and experience. Industry and investors in Europe and globally would also benefit from cooperation on regulatory models and tools for accelerating low carbon transition in key partner countries.

The proposed action aims to make more systematic use of the EU's unique experience and expertise through scaled-up policy collaboration with international partners. The target countries of this action - Argentina, Australia, Brazil, Canada, China, India, Indonesia, Iran, Japan, Mexico, Republic of Korea, Russia, Saudi Arabia, South Africa and United States of America - account for some 80% of global emissions with the EU and are hence particularly relevant for achieving climate impact. By early July 2017, all countries targeted by this action had signed the Paris Agreement and, with the exception of Iran and Russia, had ratified it and presented

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<sup>2</sup> <https://europa.eu/globalstrategy/en>



their Nationally Determined Contributions (NDC). The United States administration had announced its intention to withdraw from the Paris Agreement.

However, despite this broadly positive picture, independent assessments demonstrate that the pledged collective climate action of major economies cannot be considered to be fully consistent with the key requirements of the Paris Agreement and is still far from where it needs to be to meet the Paris Agreement's temperature goals. It is against this background that the EU Foreign Affairs Council Conclusions of 6 March 2017 (Implementing the European Union's Global Strategy for Foreign and Security Policy - strengthening synergies between EU climate and energy diplomacies and elements for priorities for 2017), underlined the particular importance of climate and energy diplomacies' action in major economies.

Responding to this challenge, the action is designed to focus on stepping up upstream policy collaboration in four priority areas: mitigation policy instruments, mid-century strategies & renewal/updating of Nationally-Determined Contributions (NDCs), transparency and adaptation planning. The choice of these priority areas is justified by their direct relevance to the commitments and particular time-bound deliverables of the Parties to the Paris Agreement, as well as by EU's unique experience and expertise in those areas compared to the partner countries. By making more systematic use of that experience and expertise through seminars/visits, technical cooperation, and support to like-minded civil society organisations, to be prioritised country-by-country depending on national circumstances and bilateral relations, EU can seize the potential for advancing our climate policy collaboration with the intended partner countries.

The action proposes to include as well international shipping and aviation, although these sectors were not expressly covered by the Paris Agreement; however, in order for the Paris Agreement to achieve its objective to keep the global temperature increase to well below 2°C, all sectors (including international shipping and aviation) would be required to contribute by reducing their CO<sub>2</sub> emissions. Enhancing the cooperation with the target countries in the areas of international shipping and aviation is particularly relevant in the context of the development and implementation of the initiatives to reduce greenhouse gas emissions from these sectors being carried out by the International Maritime Organization (IMO) and International Civil Aviation Organisation (ICAO).

### **2.3. Lessons learnt**

The project complements, builds upon and benefits from the lessons learnt and experience gathered from on-going projects in major economies at bilateral and multi-country level. These projects are detailed in section 2.4 below.

### **2.4. Complementary actions**

Complementarity will be sought with the following on-going actions:

- **"Implementation of an Emissions Trading System in the Republic of Korea"**. This project supports the implementation of the Korean Government's national Emissions Trading System (ETS). It aims to share the EU experience

and knowledge built from the past 10 years of the ETS operation with key stakeholders in Korea.

- **"Low Carbon Action in Korea"**. This project intends to support Korea's efforts in transitioning to a low carbon economy. More specifically, it aims to establish an EU-Korea Joint Platform on Low Carbon Economy and joint Partnership Agreements in Green Urban Development between the European and Korean stakeholders to enhance networking and dialogue on climate change and to stimulate uptake of low carbon urban development strategies.
- **"Green Gateway to Japan"**. The EU is engaged in negotiations with Japan to conclude a Strategic Partnership Agreement (SPA) and a comprehensive Free-Trade Agreement (FTA). At the last EU-Japan Summit on 6<sup>th</sup> July 2017, the EU and Japanese leaders agreed in principle to an Economic Partnership Agreement. In that context, the "Gateway to Japan" programme is designed to assist European Small and Medium Sized Enterprises (SMEs) access the Japanese market with a focus on the sector of green technologies as well as in the field of Japan's public procurement markets.
- **"Low carbon business action in Brazil and Mexico"**. The overall objective of this initiative is greening industries by adopting low carbon technology (including energy efficiency) in areas such as energy production and consumption, transport, manufacturing process, waste management, agriculture and forestry.
- **"Support to the India-EU Clean Energy and Climate Partnership"**. The overall objective of this action is to reinforce cooperation and dialogue in the areas of clean energy, energy efficiency and climate action to enhance the Clean Energy and Climate Partnership between India, the EU and the EU Member States in order to ensure a secure, clean, affordable and reliable energy supply for all and to support the implementation of the Paris Agreement.
- **"Platform for Policy Dialogue and Cooperation between EU and China on Emissions Trading"**. The project aims to enhance the cooperation between the EU and China on policies tackling climate change by continuing and reinforcing cooperation on emission trading.
- **"International Urban cooperation"**. The International Urban Cooperation programme offers a European contribution to the implementation on the New Urban Agenda and enables city climate action under the Covenant of Mayors for Climate and Energy initiative.
- **"The Covenant of Mayors in Sub-Saharan Africa"**. The EU supports regional Covenant of Mayors in Sub-Saharan Africa (CoM SSA). It seeks to increase access to sustainable energy and to implement local actions to combat climate change and its impacts.
- **"EU – GCC Clean Energy Network"**. The overall aim of the network is to strengthen EU energy cooperation with Gulf Cooperation Countries (GCC) in areas where the EU can provide an added value, such as clean energy technologies, energy efficiency, renewable and sustainable use of energy.

- **"Green Gateway | EU Business Avenues in South East Asia"**. The action strengthens the EU's position in environmental and low carbon goods and services sectors in markets such as China, South Korea and the South East Asia (SEA) region which have growth potential. It is fully anchored on the EU-South Korea Free Trade Agreement (FTA) of 2011 and the Partnership and Cooperation Agreements (PCAs) concluded with several of the SEA partner countries.
- **"Black Carbon in the Arctic"**. The action aims to contribute to the development of collective responses to reduce black carbon emissions in the Arctic and to the reinforcement of international cooperation to protect the Arctic environment.

Other relevant activities supported by the EU's Development Cooperation Instrument (DCI) include:

- a) The Euroclima+3 programme (summer of 2017 – 2020), implemented with Development Agencies of EU Member States, which provides support to ARG, BRA and MEX and 15 other Latin American countries for the implementation of NDCs and related themes.
- b) The Global Climate Change Alliance + thematic flagship initiative (**GCCA+**) set up to facilitate the transition to a climate resilient low-carbon future with a focus on LDCs and SIDS. The initiative has two pillars: policy dialogue and support to implementation, backed by a strong knowledge component. GCCA+ has so far supported over 50 projects in 41 countries and 8 regions around the world.<sup>4</sup>
- c) The Partnership for Market Readiness (PMR)<sup>5</sup> managed by the World Bank that provides support to Argentina,, Brazil, China, Indonesia, India, Mexico and the Republic of South Africa.
- d) The Low Emission Capacity Building Programme (LECB)<sup>6</sup> managed by UNDP that provides support to Argentina, China, Indonesia and Mexico
- e) The Energy Efficiency in Emerging Economies programme (E4)<sup>7</sup> (2014-2018), managed by the International Energy Agency (IEA), supports energy efficiency activities in China, Indonesia, India, Mexico, South Africa and Ukraine.
- f) International Maritime Organization (IMO) -European Union Project on capacity building for climate mitigation in maritime shipping industry (2016-2020), managed by the IMO with the aim to support participating developing countries in limiting and reducing GHG emissions from their shipping sector through technical assistance and capacity-building to promote ship energy efficiency. The developing countries included among the target countries of this action can benefit also from the IMO-EU project.

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<sup>3</sup> <http://www.euroclima.org/>

<sup>4</sup> <http://www.gcca.eu/>

<sup>5</sup> <https://www.thepmr.org/>

<sup>6</sup> <http://www.lowemissiondevelopment.org/>

<sup>7</sup> <https://www.iea.org/topics/energyefficiency/e4/>

- g) ICAO - European Union Joint Assistance Project: Capacity Building for CO2 Mitigation from international aviation. The joint ICAO-EU assistance project "*Capacity building for CO2 mitigation from international aviation*" aims at providing assistance to a selected group of 14 States in Africa and the Caribbean to contribute to the mitigation of CO2 emissions from international aviation, by implementing capacity building activities that will support the development of low carbon air transport and environmental sustainability.

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

Reflecting the commitments of the Paris Agreement, this action will integrate a number of key cross-cutting issues in the design of policy options and activities.

### *Environment*

Ecosystems are subject to many pressures such as land-use change, resource demands and population changes. Climate change constitutes an additional pressure that could change or endanger ecosystems and the many goods and services they provide. There now is a substantial core of observational and experimental studies demonstrating the link between climate and biological or physical processes in ecosystems (e.g., shifting range boundaries, flowering time or migration times, ice break-up on streams and rivers), most evident in high latitudes. Recent modelling studies continue to show the potential for significant disruption of ecosystems under climate change.<sup>8</sup>

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

The integration of gender considerations throughout this action will be crucial for its long-term sustainability and effectiveness. Research shows that when women are able to access entrepreneurial opportunities, they are effective at driving sustainable (renewable) energy solutions. In addition, ensuring the effective participation of women in decision-making processes enables women to act as agents of change and climate change related actions considerably benefit from the insights, knowledge and other resources that women bring in crafting effective and sustainable solutions for adapting to and mitigating climate change impacts. The equitable involvement of women and men is thus recognised as a central component of addressing climate change. The existing work plan on gender and climate change was extended at the latest UN Climate Change Conference. This action will use existing dedicated tools and guidelines<sup>9</sup> to ensure gender and equitable involvement of women and men in its activities.

### *Human rights*

The UN Human Rights Council has recognized the links between climate change and human rights. An effective response to climate change requires the cooperation of communities. As such, climate action that benefits people and protects their rights garners support and helps to foster ambitious approaches. Ambitious action on climate change at a local, regional and global scale also directly protects people and

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<sup>8</sup> <http://www.ipcc.ch/ipccreports/tar/wg2/index.php?idp=197>

<sup>9</sup> <http://unfccc.int/resource/docs/2016/tp/02.pdf>

their rights and can deliver positive outcomes in terms of sustainable development. Decisions taken by the UN climate conferences in relation to the participation of indigenous people and local communities, access to information, gender equality, gender balance and environmental and social safeguards demonstrate a commitment by the Paris Agreement Parties to human rights in climate action. This action will contribute to upholding these commitments.

### *Good governance*

Good governance in the context of climate action means integrated, inclusive, transparent, responsive, and participatory policy making. It also involves effectiveness, accountability and respect for the rule of law. This Action will promote best practices in these areas by facilitating the sharing of experience and by dialoguing with subnational authorities, business and other Non-State entities.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of the proposed action is to promote the effective implementation of the Paris Agreement and of Nationally-Determined Contributions in major economies. The specific objectives of this action are to:

- SO.1 Facilitate the exchange of climate policy options and good practices between the EU and non-European major economies with a view to enable policy changes
- SO.2 Advance bilateral cooperation and investment in pursuit of the goals of the Paris Agreement and of Nationally-Determined Contributions
- SO.3 Contribute to improve public awareness, including by the business community, of challenges and opportunities associated with the implementation of the Paris Agreement

### *Scope*

The target countries of this action are major economies, which should be understood in the purpose of this project as meaning all non-European G20 countries, with the exception of Turkey which will be covered by cooperation managed under the Instrument for Pre-accession Assistance, and with the addition of Iran, which is a major greenhouse gas emitter and whose authorities have demonstrated a strong desire to cooperate with the EU on clean energy and climate change issues.

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

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

- R.1 Enhanced understanding of partner countries' policies and good practices in the field of climate action.

- R.2 Increased knowledge by the partner country administrations, academia, business community, civil society and other stakeholders of European policies, good practices and lessons learned in the field of climate action.
- R.3 Customized policy and practice options developed for partner countries in support of the implementation of the Paris Agreement.
- R.4 Enabling conditions created for the development of advanced bilateral cooperation and investment among businesses, government agencies, subnational governments, the academia and civil society organisations in pursuit of the goals of the Paris Agreement and of NDCs.
- R.5 Increased awareness of the opportunities and challenges related to the Paris Agreement and of EU-partner country cooperation.

### *Thematic axes*

To add most value and to ensure partner interest, the project activities will focus on specific priority areas of action, which will be the thematic axes of the project. These thematic axes are the policy areas, where (a) the EU has advanced approaches compared to the intended partner countries or would benefit from sharing experiences with them, and (b) all Parties to the Paris Agreement have committed to strengthen their action, and/or come forward with time-bound deliverables.

In line with the above, the EU "offering" for intensified cooperation would focus on four broad areas<sup>10</sup>:

TA1. Mitigation policy instruments<sup>11</sup>, including:

- Emissions trading and other carbon pricing instruments;
- Effort sharing among jurisdictions;
- Renewable energy Directive, Guidance for support schemes, Sustainability criteria for biomass;
- Energy Efficiency Directive, product standards and buildings;
- Low emission mobility, including in the area of international shipping and aviation; and
- Fluorinated gases phase-down/"green cooling".

TA.2 Mid-century strategies<sup>12</sup> and renewal/updating of NDCs<sup>13</sup>, including:

- Methodological aspects of emission scenarios modelling;

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<sup>10</sup> For a description of EU climate and energy policies, please refer to <https://ec.europa.eu/clima/policies> and <https://ec.europa.eu/energy/en/topics/>

<sup>11</sup> Paris Agreement, Article 4.2: "(...) Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of [nationally determined] contributions."

<sup>12</sup> Paris Agreement, Article 4.11: "All Parties should strive to formulate and communicate long-term low greenhouse gas emission development strategies (...)."

<sup>13</sup> Paris Agreement, Article 4.9: "Each Party shall communicate a nationally determined contribution every five years (...)."

- Impact assessment; and
- Stakeholder dialogue.

TA.3 Transparency<sup>14</sup>, including:

- Managing information flows across branches and levels of administration; assuring quality and promoting continuous improvement. Relevant EU instruments are Greenhouse gas monitoring mechanism regulation (MMR, EU Regulation No 525/2013), the Commission delegated regulation (C(2014) 1539) establishing substantive requirements for the Union inventory system, and the Commission Staff Working Document that provides guidance on the Union Inventory System<sup>15</sup> and the new climate and energy governance system<sup>16</sup>; and
- Land use monitoring, in particular with access to data and services from the EU Copernicus programme.

TA.4 Adaptation planning<sup>17</sup>, including the main pillars of the EU adaptation strategy and their key instruments:

- Tools and instruments for adaptation planning at different levels of government, including coordination of local /national/EU-level action and vulnerability assessments: guidance for national adaptation plans, adaptation preparedness scoreboard, and support for city-level action through the Covenant of Mayors for Climate and Energy;
- Information platforms on vulnerabilities and adaptation action: European climate adaptation platform (Climate-ADAPT);
- Budget mainstreaming and infrastructure resilience: series of methodological fact sheets; and
- Dialogue on international security issues, using tools such as the JRC knowledge centres on migration and demography and on disaster risk management.

The level of engagement by thematic axis will differ by target country depending on national circumstances that help identify the demands and interests of the partner countries and existing relations with the EU.

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<sup>14</sup> Paris Agreement, Article 13.7: "Each Party shall regularly provide the following information: (a) A national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases (...); and (b) Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4."

<sup>15</sup> [https://ec.europa.eu/clima/sites/clima/files/strategies/progress/monitoring/docs/swd\\_2013\\_308\\_en.pdf](https://ec.europa.eu/clima/sites/clima/files/strategies/progress/monitoring/docs/swd_2013_308_en.pdf)

<sup>16</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2016:759:REV1>

<sup>17</sup> Paris Agreement, Article 7.9: "Each Party shall, as appropriate, engage in adaptation planning processes and the implementation of actions, including the development or enhancement of relevant plans, policies and/or contributions (...)"

The indicative list of types of project activities (PA) include a combination of seminars/visits/exchanges, technical cooperation, support to civil society initiatives, and communication/information management.

PA1: Seminars, visits and exchanges include:

- a. Organisation of thematic workshops in-country, including logistics and expertise; and
- b. Invitation/exchange of experts from target countries for study visits in Europe.

PA2: Technical cooperation includes:

- a. Cooperation among technical institutes and knowledge centres to customise relevant EU regulatory instruments, guidance, economic models, software or information systems to the specific needs of a partner country;
- b. Cooperation among subnational governments, building, where relevant, on ongoing efforts such as the Regional and National Covenants of Mayors for Climate and Energy; and
- c. Cooperation among business/industry/banking federations on matters related to innovation, low emission technology, enabling environment for climate-friendly investment and long-term vision.

PA3: Support to civil society organisations involved in actions related to climate empowerment<sup>18</sup> (education, training, public awareness, public participation, public access to information and cooperation at all levels on matters related to the implementation of the Paris Agreement).

PA4: Communication/information management includes:

- a. Developing and implementing a communication strategy and action plan on the Paris Agreement, EU climate and clean energy policies, EU cooperation with target countries, including through this project, and EU's global role in the implementation of the Paris Agreement building on existing materials to the extent possible;
- b. Maintaining intelligence on each partner country ambitions, the intended means of delivery, the main actors and opinion leaders;
- c. Maintaining a roster of European expert organisations/individuals available to provide support on an ad-hoc basis, such as for short missions and media interventions in partner countries; and
- d. Contributing to plurilateral or multilateral events in order to increase exposure to project narratives and achievements, if relevant.

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<sup>18</sup> Paris Agreement, Article 12: "*Parties shall cooperate in taking measures, as appropriate, to enhance climate change education, training, public awareness, public participation and public access to information (...).*"



Country specific approaches will be developed for each targeted country based on consultations with partner country actors. They will reflect country-specific circumstances, progress/state of bilateral policy dialogues and outcomes of seminars/visits.

### 3.3. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measures
The action overlaps with projects from other donors	L	Informal coordination with other donors to avoid overlaps; Project design introduces necessary level of flexibility to avoid overlaps.
The action overlaps with existing EU-funded projects at national and regional level	L	Direct involvement of relevant stakeholders ensures full knowledge of parallel EU-funded activities.
Changes in the priorities of partner countries and in bilateral relationships	L	Project design introduces necessary level of flexibility to adapt to such changes by focusing on other priority topics and/or by involving stakeholders from a wide spectrum.
<b>Assumptions</b>		
Sustained willingness of partner countries to engage with the EU on climate action		
Sustained commitment of partner countries to implement the Paris Agreement		

### 3.4. Stakeholders

Stakeholders from the EU include:

- Commission services;
- The European Environment Agency (EEA);
- The European External Action Service; and
- Relevant EU Delegations.

Other EU stakeholders may include EU scientific and technical institutions, EU development aid agencies and financial institutions, business and civil society organizations engaged in bilateral cooperation with the respective partner countries.

Correspondingly, stakeholders from the partner countries may include governmental and state authorities and institutions, domestic non-state actors such as scientific and

technical institutions, urban and provincial authorities, and business and civil society organizations.

#### 4. IMPLEMENTATION ISSUES

##### 4.1. Method of implementation

###### *4.1.1 Indirect management<sup>19</sup> with a Member State agency*

This action may be implemented in indirect management with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

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

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

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

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

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

- (a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.
- (b) Indicative timing to launch the call: 4th quarter 2017.

##### 4.2. Indicative budget

<b>Method of Implementation</b>	<b>Amount in EUR million</b>
4.1.1 – Indirect management	16.5
<b>Total</b>	<b>16.5</b>

<sup>19</sup> Article 216 RAP (Article 139 FR) Selection of the entities entrusted with the implementation of financial instruments in indirect management

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

A Steering Committee will be set up in support of the action. It will consist of representatives of relevant Commission services as well as the EEAS, EU Delegations in the respective countries of implementation, the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, and the implementing agency. In addition, country-specific liaison teams will be established to monitor the workplan at country-level and decide on issues relevant to day-to-day operations.

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

Provisions will be made for regular exchange of information with project partners including European Environmental Agency, European Commission Joint Research Centre, International Energy Agency, Agence Française de Développement, and possibly International Renewable Energy Agency, UNFCCC Secretariat, UNDP and the NDC Partnership.

### **4.4. Performance monitoring**

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

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

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

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.

### **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” applies for contracting under this Decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

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

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

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

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

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

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**ANNEX 21**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Strengthening international protection, reception and integration of refugees in Argentina**

**1. IDENTIFICATION**

Title of the action	Strengthening international protection, reception and integration of refugees in Argentina			
Country(ies)/ Region	Argentina			
Total cost	Total estimated cost: EUR 2 000 000 Total amount of the EU budget contribution: EUR 2 000 000			
Total duration <sup>1</sup>	24 months			
Method of implementation	Indirect management			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio convention markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature

## **2. RATIONALE AND CONTEXT**

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

In line with the Global Strategy on the European Union's Foreign and Security Policy and the European Agenda on Migration, this action aims to contribute to the shared EU-Argentina global responsibility and solidarity on migration and forced displacement by strengthening the capacity of Argentina to implement a high standard of international protection for displaced persons affected by the Syria conflict. The action will reinforce refugee reception and integration schemes at national, provincial and local levels and work in close partnership with civil society and host communities.

By promoting the EU's and Argentina's mutual interest in jointly addressing the global and forced displacement challenge, the action will strengthen the overall EU-Argentina political relationship.

### **2.2. Context**

Global forced displacement is at an unprecedented high, with 65.6 million people forcibly displaced, as a result of persecution, conflict, generalized violence, or human rights violations. Among them are nearly 22.5 million refugees. The Syrian conflict alone has generated some 5 million refugees in addition to 6.3 million internally displaced people.

The scale of the Syria refugee crisis makes it a global challenge, which demands a global response from all key international players. In this context and in the spirit of the EU Global Strategy, the 2030 Agenda for Sustainable Development, the 2016 UNGA New York Declaration for Refugees and Migrants and the negotiations to establish a Global Compact on Refugees, the EU has actively advocated for shared responsibility, whereby the global community is encouraged to show solidarity and recognise the global nature of the crisis. Concretely, the EU is seeking the support of partner countries in three areas:

- increasing the international community's global response and assistance so that immediate and long term needs of refugees and host communities are met;
- stimulating international financial institutions and donors to raise their assistance;
- promoting the establishment of a global resettlement scheme around the world.

The EU's approach to forced displacement, as laid out in the Communication on forced displacement and development<sup>2</sup> and subsequent Council Conclusions<sup>3</sup>, promotes a development-led approach to displacement crises from the outset. It aims to strengthen the self-reliance and resilience of the forcibly displaced and their host communities, by focusing on socio-economic inclusion and cohesion. As such, the EU is actively supporting the roll-out of the Comprehensive Refugee Response Framework (CRRF), which focuses on early and joint engagement of all actors, self-reliance of refugees and support to host countries. The most advanced roll-out of the CRRF is taking place in the Horn of Africa, with strong EU support. Specifically in Latin America, Honduras has been at the forefront of engagement with UNHCR to roll-out the CRRF, and was recently joined by Guatemala, Costa Rica and Mexico.

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<sup>2</sup> COM(2016) 234 final

<sup>3</sup> Council conclusions on the EU approach to forced displacement and development, 12 May 2016;

Argentina, which is home to communities of Syrian and Lebanese descent, has expressed a willingness to accept asylum seekers originating from Syria through its humanitarian visa program "Programa Siria" (Special Program for the Humanitarian Visas for People affected by the conflict in the Arab Republic of Syria – or in short - the Syria Programme)<sup>4</sup>. Established in 2014, the "Programa Siria" grants temporary humanitarian visas for Syrian nationals sponsored by Argentinean individuals, organisations or institutions for their living costs. Arriving Syrians can apply for permanent residency after the expiry of the temporary humanitarian visa. The "Programa Siria" is coordinated by the "Mesa Siria" (Working table of the Syria Program), headed by National Migration Agency and with participation of several government actors. Argentina has requested financial and other assistance from the international community to support its delivery on "Programa Siria" in particular as regards enhancing government capacities and improving existing or incipient mechanisms for international protection, reception and integration. During high-level discussions between the Argentine President Macri, Foreign Minister Malcorra and the HR/VP Mogherini in 2016, the HRVP expressed EU support for Argentina's ambitions to assist in receiving displaced persons affected by the Syrian conflict.

The envisaged cooperation which focuses on strengthening Argentina's capacities to take forward "Programa Siria" and support local integration of refugees is conceived to strengthen the overall EU-Argentina political relationship. The cooperation is also an opportunity to contribute to building up a sustainable international protection programme in Argentina in the long term.

### **2.3. Lessons learnt**

While there has so far not been any projects supporting EU-Argentina cooperation on forced displacement, some general lessons learnt can be drawn from other EU-supported actions on forced displacement and migration, which this will action build upon. These include:

- Importance of close cooperation with relevant government authorities to align strategies and activities with national policy and to ensure national legal framework is fit for purpose to facilitate local integration of refugees (i.e. access to the labour market, access to national service delivery schemes including education and legal redress, access to financial services);
- Importance of working closely with communities in the areas where refugees will be resettled, to ensure programming is conducive to social cohesion and reflect as much as possible preferences, needs and vulnerabilities;
- Centrality of protection, both to empower the displaced and to enhance the protection environment;
- Involvement of Civil Society working in the field of international protection; and
- Coordination with other donors, international organizations, specifically UNHCR and IOM, and civil society organizations working in the field of international protection/migration;

As a consequence, the implementation of the proposed action is envisaged to be entrusted to the International Organisation for Migration (IOM) in partnership with United Nations High Commissioner for Refugees (UNHCR), thus leveraging their respective strengths.

Close coordination with governmental institutions and cooperation from non-governmental actors will be ensured.

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<sup>4</sup> <http://www.migraciones.gov.ar/programasiria/?acercaprograma>

## **2.4. Complementary actions**

The Office of the United Nations High Commissioner for Refugees (UNHCR) has a long experience of cooperation with Argentina to establish and consolidate the protection framework for refugees and asylum seekers.

Particularly in the context of the Mexico Plan of Action of 2004, Argentina and UNHCR signed an agreement to implement a Solidarity Resettlement Programme for refugees fleeing from the so-called Colombian Situation. The programme, funded mainly by UNHCR, supported Argentina to receive almost 300 resettled refugees.

In the Cartagena+30 sub-regional consultations which paved the way to the adoption of the Brazil Plan of Action in 2014<sup>5</sup>, countries highlighted the strategic importance of resettlement as a protection and solidarity tool and asked UNHCR to conduct an evaluation of “Solidarity Resettlement”, in order to allow governments to identify obstacles and share best practices.

Based on the latter, Argentina decided to shift from a traditional Resettlement Programme to a sponsorship Resettlement model through the broadening of its Humanitarian Visa Programme.

Since 2014 when the "Programa Siria" was adopted, UNHCR has been working with the Argentinian Government to strengthen and consolidate it and, recently, to analyse the possibilities of expanding a similar model to refugees coming from others countries of asylum.

Since the opening of its office in Argentina in 1953, IOM has been developing and implementing technical cooperation programmes for migrant assistance and integration with the Argentine State at national, provincial and municipal levels. More recently, IOM Argentina has been actively participating in the government’s Mesa Siria which is the technical instance for the implementation of the “Programa Siria”.

In this context, a study of the living conditions of the Syrian refugees living in Argentina was conducted by the National Migration Agency, the National Population Agency, IOM and UNHCR, which identified the main issues and needs of the Syrian refugees and Syrian humanitarian visa holders living in Argentina. Finally, IOM Argentina has recently started the implementation - in coordination with UNHCR - of the Emerging Resettlement Countries Joint Support Mechanism (ERCM) that aims to enhance resettlement activities undertaken by new and emerging resettlement countries, including through harnessing the expertise of experienced resettlement countries and other actors.

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

Building on the experience of the IOM<sup>6</sup>, the action will promote human rights and will mainstream gender by addressing refugees/asylum seekers' right to health, education, work and access to regularization, as well the right of refugees/asylum seeker women to work, health, and a life free from violence.

To this end, the action will incorporate relevant indicators disaggregated by sex and activities will seek to address barriers that migrant women have to overcome in order to fully exercise their rights.

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<sup>5</sup> (<http://www.acnur.org/cartagena30/declaracion-y-plan-de-accion-de-brasil/>)

<sup>6</sup> Through the project “Promoting Human Rights of Migrants from a Gender Perspective”, implemented by IOM in Argentina



### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The **overall objective** of the action is to contribute to shared EU-Argentina global responsibility and solidarity on forced displacement and migration by strengthening the capacity of Argentina to implement a high standard of international protection for displaced persons affected by the Syrian conflict and to support its admission and integration schemes through the promotion of sustainable solutions.

The **specific objectives** of this action are:

SO. 1 To enhance the institutional and organizational capacity of Argentina to develop and deliver fair, efficient, effective and sustainable humanitarian admission schemes in line with international standards

SO. 2 To support implementation by Argentina of effective social, cultural and labour integration mechanisms

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

The expected results of this action are:

- R.1 Capacity of Mesa Siria and other relevant actors on international protection standards is improved
- R.2 Knowledge base of beneficiaries of "Programa Siria" is strengthened
- R.3 Language learning facilities for beneficiaries of "Programa Siria" is improved
- R.4 Labour market integration and micro-entrepreneurship mechanisms for beneficiaries of "Programa Siria" is improved

The main indicative activities of the action include:

- Technical advice, capacity strengthening and training on humanitarian assistance and local integration practices to Mesa Syria's technical group and other governmental structures at provincial and local level
- Support for the design and implementation of an information and monitoring system, on "Programa Siria" beneficiaries.
- Development of an innovative e-learning mechanism for intensive Spanish language and culture learning, building upon on-going similar initiatives supported by UNHCR
- Design and provision of training to support labour market integration and the creation of small enterprises by beneficiaries of "Programa Siria". This activity will include: mapping of existing job programs/services; and delivery of training to beneficiaries on topics such as job searching, access to microcredits, and the creation and management of small businesses.
- Capacity development for effective labour integration. This activity will include delivery of trainings to public authorities on labour integration strategies, technical advice on recognition systems of work skills and professional degrees, and support to the creation of public-private working groups and Training-of-Trainers for vocational or professional trainings in areas identified as of high workforce demand

- Support to establish a system of welcoming communities and identifying civil society champions to encourage local communities to engage in local immigrant and refugee integration efforts
- Promotion of public-private partnerships for Corporate Social Responsibility (CSR), based on the experience of an on-going UNHCR initiative

For all activities the engagement of government, private sector, social entrepreneurs, NGOs, and academic and financial institutions will be essential to reach the overall objective.

### 3.3. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measures
Low integration rate of Syrian refugees catered by this action	L	Integration issues mainstreamed through all the implementation activities and monitoring follow up actions
Rejection or criticism to the reception of Syrian displaced persons by sectors of the society and the media	L	Governmental sensitization and advocacy actions will neutralized society's misperception
<b>Assumptions</b>		
<p>GoA is committed to cooperate with the EU on humanitarian admissions schemes including on institutional and organizational capacity strengthening</p> <p>Key governmental actors have clearly defined roles and tasks under GoA humanitarian admissions schemes.</p> <p>Articulation between the GoA and private sponsors as well as between national governmental institutions and other provincial and local stakeholders proceeds smoothly.</p> <p>Economic situation in Argentina does not deteriorate to a point that affects individual sponsors' commitment to take care of arriving Syrians for a year or longer.</p>		

### 3.4. Stakeholders

The main stakeholders for the action are the relevant and specialised Argentinian authorities, including Secretariat for Strategic Affairs of the Presidency; Ministry of Foreign Affairs, (Human Rights Division, Consular Affairs Directorate and White Helmets), Ministry of Interior (Migration Directorate), Ministry of Justice and the Federal Council of Human

Rights; Ministry of Labour; Ministries of Health and Education; Federal Intelligence Agency; Ministry of Social Development; National Migration Agency; CONARE; Ministry of Security. Other stakeholders are civil society organisations including representatives of workers and employers' organisations, and international organisations in the relevant fields (e.g. IOM, UNHCR, International Red Cross, ILO etc.). The main stakeholders from the EU are the European External Action Service, the European Commission and the EU Delegation.

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

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

###### ***4.1.1 Indirect management<sup>7</sup> with international organisations***

This action may be implemented in indirect management with the International Organisation for Migration (IOM) and/or the United Nations High Commissioner for Refugees (UNHCR), in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the project.

This implementation is justified because of the specialised technical competence of the IOM and UNHCR on migration and refugees issues and for their longstanding experience in the migration and international protection sectors in Argentina and in Europe and their access to relevant Argentinian authorities. IOM and UNHCR together offer a unique set-up to deliver technical assistance and cooperation at institutional level required by this action.

The entrusted entities would carry out budget-implementation tasks that may include *inter alia* the provision of technical assistance and advisory services, organisation of seminars/conferences/events, carrying out studies and analysis, procurement of consultants or inputs from other key organisations and procurement of support services to carry out the activities.

IOM, also known as the UN Migration Agency, is the leading inter-governmental organization in the field of migration and works closely with governmental, intergovernmental and non-governmental partners.

With 166 member states, a further 8 states holding observer status and offices in over 100 countries, IOM is dedicated to promoting humane and orderly migration for the benefit of all. It does so by providing services and advice to governments and migrants.

IOM activities include the promotion of international migration law, policy debate and guidance, protection of migrants' rights, migration health and the gender dimension of migration.

The Office of the United Nations High Commissioner for Refugees (UNHCR), also known as the UN Refugee Agency, has the mandate to protect and find durable solutions for refugees, asylum seekers and other persons in need of international protection. Under its framework to find durable solutions for the refugee population, UNHCR leads the implementation of Resettlement Programmes all over the world and, in recent years, in the Southern Cone of Latin America in the framework of the Brazil Plan of Action.

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<sup>7</sup> Article 216 RAP (Article 139 FR) Selection of the entities entrusted with the implementation of financial instruments in indirect management

A good relationship exists between the two organisations, which are already implementing joint projects. Both organisations have confirmed their willingness and availability to support the EU in the framework of this action and to work in partnership with other international organisations and EU Member States agencies wherever pertinent.

Both IOM and UNHCR are present in Argentina and have standing cooperation agreements with the Argentinian National Migration Agency, as well as with the Ministry of Foreign Affairs and other key public and civil society stakeholders linked with refugee protection.

#### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
Indirect management	2
<b>Total</b>	<b>2</b>

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

A Steering Committee will be set up in support of the action. It will consist of representatives of the Government of Argentina, relevant EU services, and representatives of IOM and UNHCR. Civil Society Organizations, active in the field, will be invited to attend the steering committee meetings as observers and will be consulted on key issues concerning the implementation at local level.

The Steering Committee will provide strategic guidance to the action, according to the decisions taken and agreements made at the higher political levels, ensure the regular monitoring of its implementation, appraise the results achieved and propose corrective measures if 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 common Partnership Instrument indicators.

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

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for

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

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

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

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

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

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

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

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

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

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

**ANNEX 22**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Action Fiche for Business Support to the EU - India Policy Dialogues****1. IDENTIFICATION**

Title of the action	Business Support to the EU - India Policy Dialogues			
Country(ies)/ Region	India			
Total cost	Total estimated cost: EUR 3 799 000 Total amount of the EU budget contribution: EUR 3 799 000			
Total duration <sup>1</sup>	36 months			
Method of implementation	Direct management –Procurement of services			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature.

## **2. RATIONALE AND CONTEXT**

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

This action aims to enrich EU - India Policy Dialogues with hands-on technical solutions from EU businesses, notably small and medium-sized enterprises (SMEs) in sectors where the EU has a strong potential, such as Environment, Energy, Climate and Urbanisation.

In keeping with the EU-India Summit of March 30, 2016 which recalled the need to strengthen dialogue between EU and Indian businesses, including SMEs, the action will facilitate and underpin this dialogue including through the conduct of research and analysis, and the dissemination of information. It will also enable EU-wide advocacy efforts by EU Member States, EU business organisations and businesses, to remove trade barriers and identify regulatory and economic trends with a particular focus on the needs of EU SMEs.

By meeting the Indian demand for knowledge and innovative technologies while at the same time facilitating the export of EU technologies, standards and business best-practices in key sectors, this action will contribute to an increased and diversified presence of EU companies, notably SMEs, in the Indian market. The project will play an important role in ensuring cooperation with and amongst EU Members States including through building upon existing resources and work in this field.

### **2.2. Context**

With 1.25 billion people and the world's fourth-largest economy, India has enjoyed consistent rates of GDP growth since 2012. With a growth rate of 7.1 % for the fiscal year 2016-2017, India topped the World Bank's growth chart for major economies. While the fast economic growth has translated into major progress on key development indicators, it has also highlighted existing gaps in equality and poverty reduction. The imperative of faster, more inclusive and sustainable growth is central to the government's national development agenda.

In its drive to shift to cleaner solutions for a more sustainable development and to honour its pledge to fight the consequences of climate change under the Paris Agreement, the Government of India (GoI) is implementing a number of programmes such as Clean Ganga, Clean India, National Solar Mission and Smart Cities. Following a results-oriented approach to policy dialogue, the GoI is actively looking to collaborate with mature markets such as Europe to bring in proven know-how, better regulations and standards and cutting edge technological and management solutions to quickly advance on these flagship initiatives.

India, with its large market and high growth rate, represents an important opportunity for EU companies including for European SMEs. Currently, EU is India's largest trading partner and India is the EU's 9th largest trading partner. The European Union is also the largest investor in India. Nonetheless, EU commercial organizations and enterprises, notably SMEs, experience a variety of problems operating in India relating to market access, non-tariff barriers to trade and investment, lack of accurate information about the regulatory regimes applicable and practical restrictions and obstacles to commercial establishment.

In line with the EU-India Agenda for Action 2020<sup>2</sup>, EU sees benefit in accompanying and complementing its policy dialogues with India with a business component. This action is therefore developed to support the EU-India partnerships in sectors with an on-going or upcoming EU-India policy dialogue of high potential and interest for cooperation, such as Environment, Energy, Climate and Urbanisation. If considered relevant, a limited number of additional policy areas can be added during the course of the project

The action will aim at providing European companies in India or in the EU who are innovators or leading actors in their sector, notably SMEs, greater opportunities for accessing information related to the Indian market and support their access to Indian stakeholders within the frame of the sectoral partnerships. By focussing on the above sectors, the action will strengthen the EU's image in India as a main actor in addressing global challenges and facilitate the participation of EU companies, notably SMEs, in the context of relevant dialogues. This action will also enable coordinated advocacy efforts carried out by EU Member States, EU businesses and EU business organisations. Activities include the development of a common advocacy strategy and the design of supporting materials. The European Business Group India (EBG), launched in September 1997 and identified as an effective actor for doing EU business advocacy in India, will also be assisted in its capacity to develop specific technical expertise and better respond to the needs of EU businesses, in particular SMEs, in the selected policy sectors. The action does not foresee any direct financial assistance to the EBG or to other business organisations as such organisation should be created, organised, led and financed by EU companies or business organisations.

The action is in line with the EU-India Strategic Partnership; the outcome of the 13th EU-India Summit (2016); the EU-India Agenda for Action 2020; the Joint Declaration on a Clean Energy and Climate Partnership and Joint Declaration on Water Partnership adopted at the EU-India 2016 Summit; and the Global Strategy for the European Union's Foreign and Security Policy.<sup>3</sup>

### **2.3. Lessons learnt**

The action builds upon the lessons learnt from the European Business and Technology Centre (EBTC), an EU initiative to support EU SMEs to enter the Indian market to establish business trade and linkages in the sectors of energy, environment, biotechnology and transport. While overall the EBTC experience was considered beneficial in promoting EU interests in India and has provided high quality services to clients, the EBTC focused on European companies already present in India while the needs of companies not yet in India remained largely unmet.

Keeping in mind these lessons learnt, this action has been designed with a defined sector focus, ensuring complementarity with the work of EU Member States and business organisations. To ensure appropriate outreach to EU companies not yet established in India, the action will put emphasis on building a communication strategy focused towards companies in Europe. The action will use various existing structures as relay, such as sectoral

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<sup>2</sup> EU-India Agenda for Action 2020, March 2016, available at:  
[http://www.consilium.europa.eu/en/meetings/international-summit/2016/03/20160330-agenda-action-eu-india\\_pdf/](http://www.consilium.europa.eu/en/meetings/international-summit/2016/03/20160330-agenda-action-eu-india_pdf/)

<sup>3</sup> Global Strategy for the European Union's Foreign and Security Policy, A Global Strategy for the European Union's Foreign And Security Policy, June 2016, available at  
[https://europa.eu/globalstrategy/sites/globalstrategy/files/regions/files/eugs\\_review\\_web\\_0.pdf](https://europa.eu/globalstrategy/sites/globalstrategy/files/regions/files/eugs_review_web_0.pdf)



associations and European Commission initiatives H2020, European Innovation Partnerships, and COSME.

Moreover, past and ongoing business and sectoral cooperation with India has demonstrated that high number of business opportunities beyond the central level in India remain untapped. Based on this learning, special attention will be paid to identifying and tapping into the opportunities at the sub national level.

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

The project will work closely with and will be complementary to on-going activities in support of EU-India policy dialogues. These include:

- The *Clean Energy Cooperation with India*, whose objective is to support the energy policy dialogue under the EU-India Energy Panel through creating and consolidating a well-established cooperation framework that can reply to the mutual strategic interests and through giving a firm footing to implementing activities with a focus on renewable.
- The *Sustainable Urbanisation Partnership* to be developed, and whose objective will be to strengthen urban diplomacy and cooperation between EU and India on sustainable urban development, climate change through a focus on sustainable energy and innovation through *the International Urban Cooperation project* and the widening of the *EU-Mumbai Partnership*.
- The *Resource Efficiency Initiative*, whose objective is to make resource consumption more efficient in India so as to contribute to the global agenda on sustainable consumption and production, to promote green economy and to boost jobs and growth in Europe.
- The *Indo-European Water Partnership*, whose objective is to influence Indian policy making in the water sector, thereby facilitating progressive convergence by India towards relevant EU policies and standards on water management.
- *The Clean Energy and Climate Partnership (CECP)* support project, whose objective is to reinforce the dialogue in the areas of clean energy, energy efficiency and climate action to enhance the CECP partnership between India, the EU and the EU Member States in order to ensure a secure, clean, affordable and reliable energy supply for all and to support the implementation of the Paris Agreement.

The project will work closely with the European Business Group India (EBG), providing technical expertise for their efficient contribution to the advocacy component with a spirit of building upon the work already carried on by them and increasing the voice for European SMEs in this area of work.

The action has been designed based on extensive consultations with EU Member States and business stakeholders on the ground. This process of information, consultation and coordination will be further strengthened during action implementation.

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

Activities under this action will be implemented in a manner that contribute reducing inequalities between women and men, promoting women's empowerment and ensuring cities

are safe for women and girls. In addition, the action will mainstream throughout its implementation environmental protection.

To this end, the action will incorporate indicators for meaningful gender, inclusion and environmental protection mainstreaming. Furthermore, EU companies selected to participate in the different activities will be assessed as regards their environmental, gender equality, human and worker rights policies also with a view to share responsible business practice alongside technical solutions. The pan EU advocacy is also expected to allow for the sharing of EU standards and values with decision-makers.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The overall objective of this action is to enrich EU - India Policy Dialogues with hands-on technical solutions from EU businesses, notably small and medium-sized enterprises (SMEs). In the long-term, the action will facilitate the positioning of the EU as a credible partner of India and will contribute to an increased and diversified presence of EU companies in the Indian market.

The specific objective of the action is to provide a horizontal business cooperation facility (with a special focus on SMEs) to feed the on-going and potential policy dialogues between EU and India. By linking businesses to policy dialogues, the facility will meet the Indian demand for knowledge and innovative technologies while at the same time facilitating the export of EU technologies, standards and business best-practices. It will also enable EU-wide advocacy efforts by EU Member States, EU business organisations and businesses, to remove trade barriers and identify regulatory and economic trends with a particular focus on the needs of EU SMEs.

The policy areas targeted by this cooperation are environment, energy, climate and urbanisation due to their high potential for mutual EU-India benefit cooperation. A limited number of other policy areas can be included in the cooperation in response to emerging policy priorities as relevant.

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

To achieve the above objectives, this initiative will work towards these four expected results:

R.1 European technical and business solutions relevant to the targeted policy dialogues identified

R.2 Enhanced dissemination of information regarding European technical solutions and business opportunities in India in the areas of the targeted policy dialogues

R.3 Provision of European technical solutions to the targeted policy dialogues facilitated

R.4 Enhanced EU-wide advocacy (including regulatory aspects) related to the targeted policy dialogues

The main indicative activities of the action are:

1.1 Conduct technical market studies and analyses to match the Indian demand for technical and business solutions at national and subnational levels with the available European solutions.

1.2 Create a database of EU companies in Europe and interested in India or already present in India that could offer the identified technical and business solution.

2.1 Create an online communication platform to share information with and between EU stakeholders regarding relevant policy dialogues and linked technical, research and business opportunities.

2.2 Identify and disseminate information regarding policy, technical and business events to which relevant EU companies could participate.

2.3 Roll out a communication strategy to specifically reach out to businesses in Europe regarding opportunities in India.

2.4 Inform Indian stakeholders (businesses, government stakeholders at different levels etc.) of potential EU solutions using website or other appropriate communication tools.

3.1 As relevant, inform policy dialogues from a business perspective by providing technical inputs (including sharing European standards) on the specific policy areas.

3.2 Forge relationships with relevant Government of India stakeholders (including states or city corporations) and connect them to the relevant technologies in their area of interest.

3.3 Participate to relevant national and subnational events (such as Indian states' investors meetings and specialised fairs in the prioritised sectors) with speakers/stands/ relevant EU businesses to showcase EU innovative solutions.

3.4 Facilitate relations between EU and Indian stakeholders to set up small pilot projects to showcase EU technologies and business solutions applied in India.

3.5 Organise events as appropriate (thematic forums, expert workshops, seminars, business roundtables, roadshows etc.)

4.1 Identify trade, regulatory and investment opportunities and barriers in the prioritised sectors, working closely with EU Member States, EU Business organisations and EU businesses.

4.2 Conduct regular sectoral studies focused on market opportunities, barriers and solutions, as relevant.

4.3 Provide technical expertise to the EBG to enable the organisation to better respond to the needs of EU businesses.

4.4 Support the definition of a common EU-wide advocacy strategy including recommendations and common messages between EU Member States, EU business organisations and EU businesses.

4.5 Design materials for supporting the implementation of the EU wide advocacy strategy by EU Member States, EU business organisations and/or EU businesses, as appropriate.

**3.3. Risks and assumptions**

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
The action fails to rally and coordinate a coherent offer by EU businesses in relation to the policy dialogues.	<b>M</b>	It will be necessary to ensure from the outset a European vision of the project which all relevant EU stakeholders can support and benefit from.
EU companies not already present in the Indian market might be unwilling to venture in. This would leave European know-how untapped for cooperation with India.	<b>M</b>	To mitigate against this risk, initial assessments will need to identify the right mechanisms to inform and provide incentives to EU companies to venture into the Indian market. This will imply carefully selecting partners for the implementation of the different project activities and pilot projects identified, and improving contacts between India-based and Europe-based partners to build trust and highlight the mutual interest and potential benefits for both sides.
The activities concern a large number of authorities in India at various levels which might not all be adequately involved	<b>L</b>	This risk will be mitigated against by ensuring that the project maintains close contact with both national and State levels and that adequate mechanism are developed to ensure that the national level actors are involved in the coordination and implementation of activities.
<b>Assumptions</b>		
<p>Continued political commitment on the side of India and EU member states towards the selected policy dialogues;</p> <p>Trade and investment conditions in India are not substantially modified to block access to foreign companies;</p> <p>Continued commitment on the side of the EBG to partner for the planned activities under the project;</p>		

Flagship initiatives promoted by the current Indian government are maintained.

### 3.4. Stakeholders

The main stakeholders of the action are:

- EU businesses, with particular focus on SMEs, business associations and networks active in the areas prioritised for the action intervention. The project will reach out to businesses in the EU and EU businesses already present in India;
- The European Business Group (EBG). Founded in 1997, EBG has come to be recognised by the Indian Government and the European Commission as the industry advocacy group representing the interest of European companies in India;
- European Member States Embassies, Trade offices, Chambers of Commerce and Industry and trade promotion agencies present in India or EU-based;
- Government of India and its relevant ministries and agencies (including the EU-India Investment Facility), with whom the EU is interacting in the framework of the on-going policy dialogues and cooperation platforms;
- State and city level public stakeholders in India;
- Indian private sector stakeholders interested in business partnership in the sectors of intervention of the programme as well as business representatives/associations and SME associations/entrepreneurs engaged in relevant sectors; and
- EU institutions and agencies active in the area of trade, growth and investment (including the European Investment Bank) and supporting EU-India policy dialogues (EU Delegation, Commission services) and the European External Action Service.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

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

(a) The programme will be implemented via service contract(s). Indicatively 1 service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tenders expected to be launched in the 4th Quarter of 2017.

### 4.2. Indicative budget

Method of Implementation	Amount in EUR million
4.1.1. – Procurement (direct management)	3.799
<b>Total</b>	<b>3.799</b>

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

In order to ensure overall political steer, a project steering committee will be established with representation from Commission services, EU Delegation to India and the European External Action Service.

In addition, to ensure a fluid and on-going communication and exchange of information, a coordination mechanism will be set up involving relevant Indian national and local authorities, EU Member States and other stakeholders.

At the operational level, the EU Delegation and the contractor will meet regularly. To ensure alignment with sectoral priorities and identify planning of activities, close coordination with the implementing partners supporting policy dialogue actions will be maintained.

### **4.4. Performance monitoring**

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

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

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

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

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

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

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

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

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

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

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

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

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

EN

**ANNEX 23**

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

**Support to the EU-LAC Foundation – Phase 2**

**1. IDENTIFICATION**

Title of the action	Support to the EU-LAC Foundation – Phase 2			
Country(ies)/ Region	Latin America and the Caribbean			
Total cost	Total estimated cost: EUR 1 500 000 Total amount of the EU budget contribution: EUR 1 500 000			
Total duration <sup>1</sup>	18 months			
Method of implementation	Grants – direct award			
Markers (from CRIS DAC form)	Not targeted	Significant objective	Main objective	
Rio Convention Markers	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General policy objective	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Maximum duration of the operational implementation period of individual contracts upon their signature



## **2. RATIONALE AND CONTEXT**

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

The overall objective of the proposed action is to expand cooperation and strengthen the EU-LAC bi-regional strategic partnership by fostering dialogues based on shared values and interests, in line with the Global Strategy for the European Union's Foreign and Security Policy.<sup>2</sup>

By continuing to support cooperation with the EU-LAC Foundation, this action can help the EU to further engage with the Latin America and the Caribbean (LAC) region to promote bi-regional values and core interests, facilitate intra-regional and inter-regional cooperation and address jointly key issues of global and common interests.

### **2.2. Context**

The EU's partnership with Latin America and the Caribbean is founded on close historical and cultural ties, extensive people-to-people exchanges, strong and growing trade and investment flows and a deep bedrock of shared values and aspirations.

Over the years, the two sides have progressively built up an extensive relationship founded on mutual respect and open dialogue. A bi-regional strategic partnership, culminating in periodic summits, was established in 1999, and the EU-CELAC Action Plan, which is revised and updated in each Summit, provides a consented and dynamically evolving framework for political dialogue and cooperation in specific areas of mutual interest.

The objectives of this action are fully in line with the Global Strategy for the European Union's Foreign and Security Policy which encourages the EU to expand cooperation and build stronger partnerships with Latin America and the Caribbean and to develop multilateral ties with the Community of Latin American and Caribbean States (CELAC) and with different regional groupings according to their competitive advantage.

Notwithstanding the efforts towards setting a structural bi-regional relationship, CELAC's rotating presidency on yearly basis and the operation of CELAC based on the primacy of consensus, cause an underlying asymmetry in the bi-regional relationship.

The Community of Latin American and Caribbean States (CELAC) is an inter-governmental mechanism for dialogue and political agreement which brings together all of the 33 Latin American and Caribbean countries and was formally established in December 2011 as the main forum for political dialogue in the region. CELAC was designated by its member countries as the counterpart of the EU for the strategic partnership as from 2012 (replacing the Río Group). Successive bi-regional summits have marked the continual intensification of political dialogue and progress on jointly tackling a wide range of issues, including climate change, migration, the fight against illicit drugs, the promotion of human rights, education, cultural issues and cooperation in the fields of science and technology. The EU-CELAC Summits have generated Action Plans, which are consistent with other international commitments and agreements, including the Agenda 2030 and the Paris Agreement on Climate Change.

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<sup>2</sup> Global Strategy for the European Union's Foreign and Security Policy, A Global Strategy for the European Union's Foreign And Security Policy, June 2016, available at [https://europa.eu/globalstrategy/sites/globalstrategy/files/regions/files/eugs\\_review\\_web\\_0.pdf](https://europa.eu/globalstrategy/sites/globalstrategy/files/regions/files/eugs_review_web_0.pdf)

The creation of the EU-LAC Foundation was effectively decided at the EU-LAC Summit, in May 2010 in Madrid. The Foundation started operating in 2012, as a foundation under German civil law with Headquarters in Hamburg, Germany. The Foundation has 62 members, 28 EU Member State countries, 33 from the Latin America and the Caribbean and the European Union.

The leaders of the EU and CELAC countries signed the Constitutive Agreement to establish the EU-LAC Foundation as an international organisation at the Ministerial Meeting held in the Dominican Republic in October 2016; currently this Agreement is in the process of ratification. The Agreement shall enter into force thirty days after eight Parties of each region, including the Federal Republic of Germany and the EU, have deposited their respective instruments of ratification or accession with the depositary. While contributions will continue to be voluntary, it is expected that the transformation into an international organisation will facilitate contributions from all Members reducing also the burden of costs linked to the current status of the Foundation under private German law.

### **2.3. Lessons learnt**

Since its creation in 2011, the EU-LAC Foundation has improved its organisation and strengthened its activities, in particular:

- The Foundation has enhanced its role in support of the EU-CELAC policy dialogues and cooperation in key areas of common interest. In particular, the Foundation progressed in the consolidation of a network of relations with the main stakeholders of the bi-regional partnership in both regions, starting from stronger relations with and among member states, and in producing an enhanced mutual understanding among the actors of the bi-regional partnership.
- The management capacity of the Foundation has been strengthened, and mechanisms for monitoring and evaluating the Foundation's work have been implemented.
- The linkage between the Foundation's activities and the EU-CELAC policy agenda has also been strengthened. Not only extensive consultations with Members and key stakeholders are carried out prior to drafting the annual work programme's proposal to the Board of Governors; the Foundation also consults regularly with the EU and the CELAC Presidency Pro Tempore, as well as the Members directly covered by each activity and key stakeholders throughout the different steps of implementation of the activities.
- The EU-LAC Foundation has been fundamental in connecting the intergovernmental processes with businesses, academia, education, the social sector; promoting the development of a joint and forward-looking global vision with shared strategies in both regions; dynamiting the bi-regional strategic partnership by encouraging and advocating for the formulation and implementation of policies and agendas; circulating knowledge to raise mutual understanding and increase the visibility of both regions and the importance of the bi-regional partnership itself.

Building on the achievements reached by the Foundation in the past years, this action will enable the EU to engage further with LAC to promote bi-regional values and core interests, to facilitate intra-regional and inter-regional cooperation and to address jointly key issues of global and common interest in line with the EU-CELAC Action Plans.

### **2.4. Complementary actions**

There are various other institutions, which work on bi-regional affairs, of both governmental and non- governmental nature. To date, the Foundation has undertaken a range of activities in

coordination with many of these, including its four strategic partners (UN Economic Commission for Latin America and the Caribbean - ECLAC, Global Foundation for Democracy and Development - FUNGLODE, Institut des Amériques – IdA, and Lombardia Region); and other institutions such as CAF Development Bank of Latin America, the Inter-American Development Bank (IDB), Ibero-American General Secretariat (SEGIB), Organisation of Ibero-American States (OEI), the Istituto Italo Latinoamericano (IILA), the Latin American Social Sciences Faculty (FLACSO), and the GIGA Institute of Global and Area Studies, among others. These activities are complementary to each other, as no other organisation has the Foundation's unique mandate to strengthen the bi-regional political partnership and genuine bi-regional nature. There is also close collaboration with a wide range of the European Commission services and other EU-funded programmes and initiatives working in LAC, including EUROsociAL, Euroclima, AL-INVEST 5.0, EU-LAC FOCUS, ELANBiz, ELAN Network, EU-LAC Museums, among others. The Euro-Latin American Parliamentary Assembly (EuroLat) and the African, Caribbean and Pacific (ACP)-EU Joint Parliamentary Assembly are also represented as Observers.

Cooperation has also been established with an increasing number of organisations and networks across the two regions, which have resulted in a large number of diverse events and conferences and which in some cases have been accompanied by the signature of partnership agreements.

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

The Foundation will focus its work on contributing to the implementation of the 2017 EU-CELAC Action Plan, and is guided by the principles of sustainable development, good governance and gender equality for all of its activities. In addition, the Foundation will continue to implement actions linked to Chapter 2 (Sustainable development, environment, climate change, bio-diversity, energy) and Chapter 7 (Gender) of the EU-CELAC Action Plan. In this sense, there are clear linkages with the Agenda 2030 and the Paris Agreement on Climate Change.

To effectively address gender considerations, activities will, *inter alia*, build on the opportunities identified in the study carried out by the EU-LAC Foundation "The issue of Gender in relations between the EU and LAC: State of the art and Opportunities for bi-regional cooperation."<sup>3</sup>

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The overall objective of the proposed action is to expand cooperation and strengthen the EU-LAC bi-regional strategic partnership by fostering dialogues based on shared values and interests, in line with the Global Strategy for the European Union's Foreign and Security Policy.

By cooperating with the EULAC Foundation, the action will promote bi-regional values and core interests, facilitate intra-regional and inter-regional cooperation and address jointly key issues of global and common interests.

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<sup>3</sup> [https://eulacfoundation.org/en/system/files/EU\\_LAC\\_Web\\_Gende\\_Eng\\_RZ\\_1500520.pdf](https://eulacfoundation.org/en/system/files/EU_LAC_Web_Gende_Eng_RZ_1500520.pdf)

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

The expected results of this action are:

- R.1 Improved policy dialogue in key areas of mutual interest
- R.2 Through improved outreach, EU-LAC intergovernmental processes are connected to non-governmental stakeholders in both regions
- R.3 Increased mutual understanding and awareness of the EU-LAC bi-regional partnership

The main activities to achieve the expected results consist of the following indicative list:

- a) Bi-regional networks, events and knowledge activities: A wide variety of meetings, conferences and other events will be organised to promote dialogue and the exchange and transfer of knowledge feeding into the broad EU-CELAC agenda, including with sub-regions within the EU-CELAC partnership that have traditionally been less integrated into the bi-regional process such as the Caribbean. Activities will facilitate relations with main stakeholders such as bi-regional networks of civil society, by enabling exchanges and disseminating information to and between them;
- b) Analysis and research: The action will undertake or commission analysis or in-depth research on themes of interest for the bi-regional partnership, including youth, higher education, innovation and research, SMEs and competitiveness, climate change, resilience of public infrastructure, and gender equality. A study on the importance of the bi-regional relationship in the current global context is also foreseen. Cooperation with ECLAC will be sought for the production of a report on the bi-regional outlook. The Foundation will also further develop a repository of documents and information on the bi-regional relationship, including a digital library and a mapping of civil society organizations;
- c) Preparatory and support activities for EU-CELAC Summit and Ministerial Meetings: The action will undertake activities related to the preparation and support of the 2019 EU-CELAC Summit and Ministerial Meetings to be held in Brussels as well as follow-up of previous EU-CELAC Summits. This can include the organisation of Reflection Fora on prioritised issues in order to stimulate an open policy dialogue between senior officials of the Foundation's members (EU and LAC Member States) and representatives from academic, economic and societal sectors;
- d) Dissemination of information, communication and visibility: The Foundation will outreach to key partners and communicate on the action by the action including through its web site, Intranet site, presence on social networks and the dissemination of publications including a newsletter. It will organize communication events such as the EU-LAC Awards for civil society organisations and journalists; and
- e) Improvement of management capacity: Activities to further strengthen the Foundation's operational and financial sustainability will be undertaken, including the identification of alternative sources of funding.

The activities of the action will be tailor-made to the Work Programmes for 2018 and 2019 established by the Board of Governors and will draw upon future CELAC-EU Action Plans and other guidance emanating from the CELAC-EU Summits.

**3.3. Risks and assumptions**

<b>Risk</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measure</b>
<p>The financial sustainability of the Foundation in the medium to long term may suffer from the unpredictable commitment of financial support by some EU and CELAC States, thereby affecting delivery on the action.</p>	<p><b>M</b></p>	<p>The ratification of the Constitutive Agreement for the establishment of an international organisation will make it possible for additional member countries to provide financial contributions.</p> <p>Lobbying for additional funding to complement EU funding will continue both at bi-lateral meetings, and at meetings of the Board of Governors, as well as at SOM and other bi-regional meetings.</p> <p>The EULAC Foundation will also continue the established practice of partnering with other stakeholders for specific activities</p>
<p>Potential overlap or competition from other organisations / structures in LAC.</p>	<p><b>L</b></p>	<p>Clear definition of the scope of the mandate of the Foundation, based on the Constitutive Agreement, and focused on issues related to the bi-regional strategic partnership.</p> <p>Continuous engagement with partners to ensure that activities add value.</p>
<p><b>Assumptions</b></p>		
<p>It is assumed that the EU and LAC remain committed in their political engagements to promote bi-regional values and to address jointly key issues of global and common interest in their EU-CELAC Action Plans.</p>		

### 3.4. Stakeholders

The main stakeholders for the proposed action are the relevant ministries and authorities of the 61 Member Countries and the EU involved in the EU-LAC bi-regional partnership, and representatives of civil society organisations in those countries.

The EULAC Foundation will serve as the main partner and implemented of this action. The Foundation has so far established strategic partnerships with four partners: l'Institut des Amériques in France and Regione Lombardia in Italy for the EU side, and the Global Foundation for Democracy and Development (FUNGLODE) in the Dominican Republic and United Nations Economic Commission for Latin America and the Caribbean (ECLAC) for the CELAC side. Likewise, close collaboration has been established with other institutions, organisations and programmes in the two regions.

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

#### ***4.1.1. Grants - direct award<sup>4</sup> Support to the EU LAC Foundation (direct management)***

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

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

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

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to EU-LAC Foundation, in accordance with the provisions of article 190(1) (f) of the RAP.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because as per its constitutive charter, the EU-LAC Foundation has a monopoly over the implementation at institutional level of the recommendations emanating from the EU-LAC political summits. EU-LAC 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.

##### (c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

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<sup>4</sup> Article 190 (RAP) (article 128 FR) - Exceptions to calls for proposals (awarding grants without call for proposals)

The essential award criteria are the relevance of the proposed activities to the objectives of the action: design, effectiveness, feasibility, sustainability, cost-effectiveness, as well as the added value for the EU, including with regard to visibility.

(d) Maximum rate of co-financing

The grant will cover 100% of the eligible costs of the action.

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

(e) Indicative trimester to conclude the grant agreement

The grant agreement will be concluded indicatively during Q4 of 2017.

**4.2. Indicative budget**

Method of Implementation	Amount in EUR million
4.3.1. – Grant - direct award (direct management)	1.5
<b>Total</b>	<b>1.5</b>

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

The EU-LAC Foundation’s Board of Governors oversees the management of the Foundation and ensures that the Foundation is working towards its goals. The Board of Governors has 62 members representing each of the members of the Foundation, 28 from the EU countries, 33 from the Latin America and the Caribbean and one from the European Union. The Board of Governors is called to meet on regular sessions twice per year co-chaired by the CELAC and EU presidencies, and on special sessions as needed.

The Presidency of the EU-LAC Foundation is ad honorem and nominated by the Board of Governors every four years.

The Executive Direction of the EU-LAC Foundation is nominated by the Board of Governors every four years. He/she is responsible for the daily management of the team and activities and reports to the EC for the activities funded by this grant.

Close cooperation and mutual agreement of EU-LAC Foundation, the European External Action Service and the European Commission services will be sought through the Project Oversight Group (POG). The POG brings together EU-LAC Foundation Executive Director, two members of the EU-LAC Foundation Board of Governors and up to three relevant officials from the EU institutions.

The POG will meet at least once a year (with the frequency to be agreed based on need) to 1) review and decide the Action plan; 2) review progress towards meeting the objectives of the Action and 3) consider issues arising from the Action's implementation. The POG will invite other participants to join its meetings when relevant.

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

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

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

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

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

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

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

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

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

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

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

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

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

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.