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

**ANNEX 2**

to the Commission Implementing Decision on the financing of annual action plan in favour of the Asia Pacific region for 2023 Part 3

**Action Document for Addressing Hybrid Threats in the Indo-Pacific – Pilot Action (HIPPA)**

**ANNUAL PLAN**

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

**1 SYNOPSIS**

1.1 Action Summary Table

<p><b>1. Title</b> <b>CRIS/OPSYS</b> <b>business reference</b> <b>Basic Act</b></p>	<p>Addressing Hybrid Threats in the Indo-Pacific – Pilot Action (HIPPA) OPSYS number: ACT-62180 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)</p>
<p><b>2. Team Europe Initiative</b></p>	<p>No</p>
<p><b>3. Zone benefiting from the action</b></p>	<p>The action will be carried out in Australia.</p>
<p><b>4. Programming document</b></p>	<p>Regional Multi-annual Indicative Programme Asia and the Pacific 2021 – 2027</p>
<p><b>5. Link with relevant MIP(s) objectives / expected results</b></p>	<p>The project meets the objectives set out in the Indo-Pacific Strategy, the Strategic Compass, and the <b>Regional Multiannual Indicative Programme for Asia and the Pacific</b>, namely:</p> <p>Priority Area 2 – (PA2): Pursuing EU Interests with Key Partners’</p> <p><i>2.2.4. – ‘Pursuing EU Interests with Asian partners in Asia and the Pacific (High Income Countries and other key partners)’:</i></p> <p>Specifically, this action document addresses the following <u>Specific Objectives (SO)</u>:</p> <ul style="list-style-type: none"> <li>• <i>PA2, SO 1:</i> Reinforced cooperation with the EU’s partners in Asia and the Pacific to strengthen multilateralism (partnerships for multilateralism) by effectively implementing the EU Strategy for Cooperation in the Indo-Pacific and enhance the EU’s role and profile as a global actor in Asia and the Pacific.</li> <li>• <i>PA2, SO 2:</i> Promotion and projection of EU policies and standards in collaboration and alliance with Asian and Australasian HICs (alliance diplomacy).</li> </ul> <p><b><u>Expected Results (ER)</u></b> of the Regional MIP:</p> <ul style="list-style-type: none"> <li>• <b>ER 1.2</b> – Expanded and reinforced peace and security cooperation with like-minded partners, responding to the demand by the EU's partners for greater engagement on</li> </ul>

	<p>security, including cyber security, maritime security, violent extremism, counter terrorism, hybrid threats and cybercrime, and on security sector reform in Indo-Pacific region.</p> <ul style="list-style-type: none"> <li>• <b>ER 2.2</b> – Effective coordination and improved alignment with EU positions in various regional and international fora.</li> </ul>			
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>				
<b>6. Priority Area(s), sectors</b>	Priority Area 2 – Pursuing EU Interests with Key Partners Sectors: cyber security; conflict, peace and security			
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: 16 – Peace and Justice Strong Institutions			
<b>8 a) DAC code(s)</b>	43010 – Multisector aid			
<b>8 b) Main Delivery Channel</b>	51000 University, college or other teaching institution, research institute or think-tank			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girls' empowerment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input 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"/>
	<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

		YES	NO	
	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		YES	NO	
	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Migration @ <sup>1</sup>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line(s) (article, item): 14 02 01 32 – The Pacific Total estimated cost: EUR 500 000 Total amount of EU budget contribution: EUR 500 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing<sup>2</sup></b>	<b>Direct management</b> through: Grants			

## 1.2 Summary of the Action

The EU has a vital interest in the stability and prosperity of the Indo-Pacific, a region that is simultaneously of an increasing strategic importance and at the same time at risk of hybrid threats. In line with the objectives set out in the EU Strategy for Cooperation in the Indo-Pacific and the EU Strategic Compass, this action proposes to develop a platform for a two-year pilot engagement.

The platform will identify and address hybrid threats in and with the Indo-Pacific region, capitalising on existing EU relations with like-minded partners in the region and on existing subject-matter expertise, whilst affirming the EU reputation as an honest broker. This would lay the foundations and provide recommendations for structured, long-term multilateral engagement modelled after the Helsinki-based European Centre of Excellence for Countering Hybrid Threats (Hybrid CoE).

In this context, and as per the EU-Hybrid CoE's conceptual model<sup>3</sup>, hybrid threats refer to any action that “blur traditional dichotomies and create ambiguity” in order to achieve “highly strategic and overarching objectives such as undermining public trust in democratic institutions, deepening unhealthy polarization both nationally and

<sup>1</sup> Guidance note available in [ARES](#).

<sup>2</sup> Art. 27 NDICI

<sup>3</sup> <https://publications.jrc.ec.europa.eu/repository/handle/JRC123305>

internationally, challenging the core values of democratic societies, gaining geopolitical influence and power through harming and undermining others, and affecting the decision-making capability of political leaders.”

Therefore, the overall objective of this action is to strengthen understanding, awareness of, and inter-regional cooperation on addressing hybrid threats between the EU and key Indo-Pacific partners (government, non-government, and industry), and promote relevant EU policies and approaches to this topic.

The action proposes to achieve this by working with independent experts in Australia – a like-minded, High-Income Country (HIC) that is considered as a security power - to enhance common understanding of hybrid threats in the Indo-Pacific region, facilitate capacity building and exchanges between the EU’s experience through Hybrid CoE<sup>4</sup>, based in Helsinki, and potential partners in the region, as well as to provide recommendations on ways to sustain a coordinated multilateral response to such threats in the future.

Such exchange and further research to foster inter-regional partnerships is timely, since for the EU the Indo-Pacific is an increasingly economically dynamic and geopolitically significant region. The EU has a vital interest in the stability and prosperity of the Indo-Pacific, as the two regions are highly interconnected. At the same time, the Indo-Pacific has emerged as a new centre of intense geopolitical competition.

However, despite a heightened level of risks and threat, the Indo-Pacific still lacks regional structures to better understand and address these threats – and their potentially global ramifications. This presents an opportunity and a need for stronger EU engagement with the region, including in the area of the fight against foreign information manipulation and interference (FIMI), hybrid and cyber threats, and by sharing the knowledge and capabilities developed by the EU and its Member States in cooperation with NATO and using the platform of the European Hybrid Centre of Excellence (CoE) for Countering Hybrid Threats in Helsinki.

While the EU maintains strong trade and political relations with countries in the Indo-Pacific, it can still amplify the effectiveness of its partnerships, particularly on relatively new security matters. Thus, collaborating with like-minded partners who wield more influence on such issues in the region is of EU interest. Such an approach will also help advance the perception of the EU’s role as a global security actor in this part of the world. Hence, it is proposed that this action be implemented in partnership with independent experts in Australia to build on the country’s expertise and position as a security power from the Indo-Pacific itself.

## 2 RATIONALE

### 2.1 Context

#### On Hybrid Threats for the EU in the Indo-Pacific

Beyond the EU borders, understanding and addressing hybrid threats will be an increasingly important element of multilateralism. As hybrid influencing debilitates the rules-based international order based on UN principles, efforts are needed to rally like-minded partners around the globe in addressing this challenge. In this regard, the Strategic Compass places great importance on resilience to hybrid threats, and the EU’s *Strategy for cooperation with the Indo-Pacific* (Indo-Pacific Strategy)<sup>5</sup> recognises the importance of this region in shaping the rules-based international order. Hence, both documents point towards a need for the EU to pursue inter-regional cooperation to jointly build all the key stakeholders’ capacity to coordinate and combat hybrid threats together.

Furthermore, the June 2022 *Council conclusions on a Framework for a coordinated EU response to hybrid campaigns*<sup>6</sup> acknowledge the increasing use of hybrid tactics by state and non-state actors, including foreign information manipulation and interference (FIMI), cyberattacks, economic and energy coercion. The conclusions also reiterate the importance of enhancing the EU’s strategic autonomy and its ability to work with partners to safeguard its values and interests (including support for a rules-based international order), and advocates for a swift implementation of the Strategic Compass, including on countering hybrid threats and campaigns. Linked to

<sup>4</sup> <https://www.hybridcoe.fi/>

<sup>5</sup> [https://www.eeas.europa.eu/eeas/eu-strategy-cooperation-indo-pacific\\_en](https://www.eeas.europa.eu/eeas/eu-strategy-cooperation-indo-pacific_en)

<sup>6</sup> Council of the European Union, 10016/22. Available at: <https://www.consilium.europa.eu/en/press/press-releases/2022/06/21/council-conclusions-on-a-framework-for-a-coordinated-eu-response-to-hybrid-campaigns/>

this, the EU has committed to establishing and further developing the FIMI, Hybrid, and Cyber Diplomacy toolboxes.

Despite the increasing breadth, application and intensity of hybrid threats in the Indo-Pacific, there is a lack of regional institutions and response mechanisms to help ensure ongoing security and stability. This is important, given the region's position as a growing centre of global economic and social dynamism, any instability here can have global ramifications – including for Europe.

Hence, the EU's expertise on hybrid threats (particularly through the above-mentioned Hybrid CoE) and its reputation as an honest broker means it is well equipped to support regional capacity building. This will also help the EU to protect its interests in this increasingly important part of the world, while advancing the perception of the EU's role as a global security actor, in line with the EU's Indo-Pacific Strategy.

EU experts have assessed that, going forward, a structured multilateral approach would be valuable for elevating the thus-far ad-hoc bilateral discussions and help build common understanding and pathways for smoother cooperation. It is in the EU's interest to promote its approach to hybrid threats and the relevant toolboxes in order to help shape response across the Indo-Pacific region since, as the Strategic Compass puts it - "Where the EU is not active and effective in promoting its interests, others fill the space."

More specifically, the EU experts have provided the following assessment:

Security and Defence Policy – Hybrid Threats: Hybrid threats are a global phenomenon, however the understanding thereof and national approaches to countering them differ. Countries in the Asia-Pacific region are increasingly subject to hybrid activity, but there is so far little regional cooperation. Nonetheless, like-minded countries in the region are potential key partners for the EU in countering hybrid threats, and closer engagement is necessary. Therefore, this initiative has the potential to: increase awareness of hybrid threats in the Asia-Pacific region; foster efforts to build up regional dialogue and cooperation; provide a solid basis for more sustained EU engagement on the topic of hybrid threats with partners in the region; share the EU model and approach to countering hybrid threats towards the development of a regional Indo-Pacific model.

Strategic Communication, Task Forces and Information Analysis: EU's Indo-Pacific strategy identifies FIMI by state and non-state actors as one of the new security challenges that EU will help to tackle in the region. Thus, an Indo-Pacific platform for hybrid threats would allow to expand EU's engagements with relevant Indo-Pacific countries, leading to a better situational awareness about FIMI dynamics and especially of activities by significant state actors. A platform for exchange between governments and other stakeholders would help build local resilience against FIMI operations while helping also to promote EU's approaches to addressing FIMI and international norms regarding the issue. For the reasons above, this project is of key importance when it comes to EU's work on addressing FIMI in the Indo-Pacific region.

#### On Australia's strategic advantages

As a member of key regional organisations, Australia has long enjoyed the status of a credible middle-power in the region. Its credentials in various areas of foreign, security, development and defence policy have led to an increase in bilateral ties and multilateral engagements, including Australia's membership in the Pacific Islands Forum, the East Asia Summit, and the ASEAN Regional Forum (as one of the 10 ASEAN Dialogue Partners). Furthermore, its legislative environment is conducive to independent expert activities and offers participants a secure, rules-based environment to work on even the most sensitive topics.

Australia also has ample experience countering hybrid threats in the region and has been intensifying its efforts in building domestic capabilities (e.g.: Australian counter foreign interference legislation is recognised as one of the world-leading legislations in the field) and regional capacities (e.g.: through increased training and capacity building provided to the Pacific Islands and funding of the Pacific Fusion Centre in Vanuatu).

The Australian government has approached hybrid threats from a foreign interference point of departure, quite similarly to the EU. The Australian Department of Home Affairs recognizes "foreign interference as a principal security concern facing Australia" and has policies and teams in various branches and departments of the government invested in this issue. This includes the National Counter Foreign Interference Coordination Centre in the Department of Home Affairs, Department of Foreign Affairs and Trade, and even the Department of Education.

While not without friction in the past, relations with the EU have been on an upward trajectory in recent years, due to: (i) increased Australian interest in the EU (as a result of both losing the UK as its traditional reference and its

need for like-minded partners in multilateralism); (ii) a strategy aimed at diversifying as much as possible its economic relations away from dependencies and vulnerabilities; (iii) Free Trade Agreement negotiations that have strong bi-partisan backing; and (iv) deepening bilateral relations with some EU Member States.

Thus, this action will further strengthen bilateral ties in the foreign and security policy domains, while providing opportunity for synergising and non-confrontational capacity building across the region. This pilot action would help solidify EU aspirations to become a more engaged actor in the Indo-Pacific and therefore a more credible partner for Australia's reinvigorated policy of engagement with like-minded partners in the Pacific and Southeast Asia.

## 2.2 Problem Analysis

The strategic environment in the Indo-Pacific is rapidly changing, and while traditional security issues continue to loom large, today's most pressing challenges are shifting to hybrid activities, most notably economic coercion, FIMI, and cyberattacks.

The Indo-Pacific is at the centre of global geopolitics and provides an increasing majority of the world's innovation and digital labour. Notwithstanding certain differences in tactics, techniques and methods, hybrid threats to the EU and the Indo-Pacific region have a growing number of commonalities.

At the same time, the Indo-Pacific lacks the response capabilities and coordination mechanisms to discuss or address emerging security challenges, leaving it vulnerable to strategic imbalance. The disruption caused by hybrid activity will therefore impact the Indo-Pacific more than any other region of the world.

As noted in the EU Indo-Pacific Strategy, the EU and the Indo-Pacific are "inextricably linked given the interdependence of the economies and the common global challenges", offering an assumption that the spill over effects will have significant impact on the EU. Further, the EU has been developing its response framework to such hybrid threats, as FIMI and cyber operations.

The EU has already initiated bilateral discussions with some regional players but has found that a coordinated multilateral approach would likely be more effective and sustainable. Therefore, this pilot project aims to lay the foundations for the EU's structured engagement with the Indo-Pacific region on addressing hybrid threats.

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

Government officials, independent and academic experts, networks, institutions, civil society and specialised private sector entities working on hybrid threats, foreign intervention and manipulation of information (FIMI), cybersecurity and cyber operations, and other related fields to security, information, elections, foreign policy, etc.

Modelled after and in cooperation with the Helsinki-based Hybrid CoE, the pilot project aims to bring together a core group of partners (both regional powers and other major interest parties to be identified in the inception phase) to work with the EU and like-minded regional government and expert networks, as well as the leading industries. Responding to hybrid threats requires all these stakeholders to work in lock step.

## 3 DESCRIPTION OF THE ACTION

### 3.1 Objectives and Expected Outputs

The Overall Objective of this action is to strengthen the understanding and inter-regional cooperation on addressing hybrid threats between the EU and key Indo-Pacific partners (government, non-government, and industry) while promoting relevant EU policies and approach to this topic.

The Specific(s) Objective(s) [*Outcomes*] of this action are:  
to:

1. Elevate the awareness and enhance common understanding of hybrid threats in the Indo-Pacific through a kick-off 1.5 track practitioner-level exchange of views on concepts and threat assessment between the EU, Australia (AUS) and other regional powers and/or partners<sup>7</sup>.

<sup>7</sup> List of partner countries will be finalised during the inception phase and will follow the political direction from the EEAS.

2. Build capacities to develop strategies and policies to address hybrid threats through training, knowledge and technical exchanges with the partners, particularly on the Hybrid CoE model through in-person and virtual exchanges.
3. Promote the approach to multilateral cooperation on hybrid threats beyond the two-year pilot project by providing recommendations on the engagement mechanism and a common work agenda.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are to engage with the key stakeholders to deliver:

1. A mapping of the main stakeholders, issues and gaps in assessing and addressing hybrid threats in the Indo-Pacific; this mapping will cover topics such as cyber, technology and national security, maritime coercion, information operations, propaganda and disinformation (topics will be refined through the consultation detailed below).
2. Enhanced capabilities as a result of practitioner-level workshops and exchange of expertise.
3. Recommendations for a sustained and coordinated multilateral response to hybrid threats, consisting of a clear work agenda and organisational structure (including financial requirements).

To ensure the sustainability and impact of these objectives, the initiative will build on the thus-far ad-hoc bilateral exchanges on hybrid threats and provide a mechanism for continuous 1.5 track exchanges in the form of outcome- and capacity building-driven multilateral engagement. Further, to guide the EU's work on hybrid threats in the Indo-Pacific beyond the two-year duration, this project will generate recommendations for the EU's long-term cooperation in the region, modelled after the Helsinki-based Hybrid CoE and adapted to the regional environment.

### 3.2 Indicative Activities

#### Activities relating to Output 1:

1.1 Consultations with EU and Australian government, other partners' authorities, experts, and industries to map the relevant stakeholders (based on the geographic interests, existing bilateral links, subject-matter expertise and willingness to share existing and build new expertise, and like-mindedness), the main hybrid threats in the region and existing knowledge and capabilities. This will include ensuring synergies with other relevant EU projects in the region, e.g., ESIWA.

1.2 Prepare a report identifying capabilities and knowledge gaps to build a common framework and list of priorities for joint exercises and longer-term cooperation. A gender perspective should be mainstreamed throughout this research, analysis and planning process.

#### Activities relating to Output 2:

2.1 Identify opportunities for approximately six annual capability-building and exchange of expertise through scoping workshops and briefings on hybrid threats in either Australia or EU Member States, involving stakeholders such as the ASEAN Secretariat, government officials in Asia and the Pacific, industry partners (such as Google, Microsoft, and Meta) in order to develop a program of practitioner-level capacity building. A gender perspective should be mainstreamed to help inform the program as much as possible.

2.2 Organize the approx. 6 annual exchanges per the program developed under 2.1, for e.g., on the relationship between hybrid threats and Indo-Pacific security vs hybrid threats and European security. These activities would aim to bring together up to 20 relevant experts per event.

#### Activities relating to Output 3:

3.1 Conduct a review of organisational structures (e.g., Hybrid CoE) and regional security architecture to inform Indo-Pacific multilateral actions.

3.2 Undertake consultations to explore stakeholders’ recommendations and position on participating in a potential regional hybrid threats coordination initiative, e.g., CoE for the Indo-Pacific.

3.3 Provide recommendations for continued engagement beyond the two-year pilot project, including by drafting a clear work agenda and organisational structure and its estimated financial requirements.

### 3.3 Mainstreaming

#### **Democracy**

The purpose of hybrid threats is to target the core values, fracture societies and democracies and undermine the proper functioning of states. Hybrid actors manipulate the open nature of liberal societies, the pluralistic public debate and democratic decision-making, thus undermining democracy and the rule of law. The proposed action promotes societal resilience to FIMI and other hybrid threats as an integral part of well-functioning democratic systems.

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

The proposed action addresses risks related to societal, political, economic, information, and security-related resilience stemming from hybrid actors’ capacity to operate in the grey zones and targeting all levels of states and societies. Therefore, the proposed action seeks to enhance awareness and lay the foundations for long-term capacity building in the Indo-Pacific.

#### **Disaster Risk Reduction**

Hybrid threats can target critical infrastructure, for example with the intent to disrupt the provision of critical services to the population, or to deliberately trigger disasters. Countering hybrid threats can therefore contribute to reducing the likelihood of disasters occurring. The concept of resilience to hybrid threats also encompasses the ability to recover rapidly from a disaster, or for a society/economy to continue functioning under stress.

### 3.4 Risks and Lessons Learnt

<b>Category</b>	<b>Risks</b>	<b>Likelihood</b> <b>(High/ Medium/ Low)</b>	<b>Impact</b> <b>(High/ Medium/ Low)</b>	<b>Mitigating measures</b>
The project could be perceived as politically sensitive or motivated against specific actors.	Risk 1	<b>High</b>	<b>High</b>	Careful communications framing the project as “actor agnostic” will help mitigate this risk. Many activities will be closed-door and will therefore be modestly (if at all) publicly communicated. The project must also prepare a communication strategy at the start of its implementation, to be approved by the FPI Programme Manager in consultation with relevant DELs.
The importance of the Indo-Pacific region is likely encouraging other major actors to also attempt to lead efforts to	Risk 2	<b>Medium</b>	<b>Low</b>	Initial consultations were conducted with experts in the region and there are no indications of possible competing initiatives of this scale and level of ambition. Further, preliminary engagement with key partners indicated their willingness to join this particular



counter hybrid threats				initiative. Using the European Hybrid CoE as a model will also help shape the direction and convergence of such cooperation in the region. Finally, in addition to connecting with existing pockets of expertise, the project shall monitor the region throughout its implementation phase to avoid duplication of efforts.
Lack of political buy-in and financial commitment from key target stakeholders could undermine the sustainability of the investment in coordination mechanisms beyond the project duration	Risk 3	<b>Medium</b>	<b>Medium</b>	Preliminary and continued engagement to confirm partners' interest in the initiative and willingness to contribute financially should the pilot project demonstrate its value.
Involvement of governments with deteriorating democratic credentials which could abuse the concept of hybrid threats for their political ends could endanger the credibility and value of the project	Risk 4	<b>Low</b>	<b>Low</b>	Careful and gradual selection of participating partners, taking into account their democratic credentials as one of key criteria, and ensuring careful communication around the project and its partnerships.

**Lessons Learnt:**

- **Traditional, siloed security cooperation is no longer sufficient. There is a need to better understand and engage more on emerging security risks, especially as hybrid threats,** in the increasingly strategic region that is the Indo-Pacific. This is also evidenced by the EU's existing cooperation and flagship security projects such as "Enhancing Security Cooperation in and with Asia" (ESIWA). The project, which is active 2020-2024, focuses mainly on traditional security cooperation such as on maritime and cyber security, and has already engaged with key Indo-Pacific partners such as Japan and Singapore on topics of increasing interest to the EU such as strategic communication and FIMI. In addition, some security commentators in the region still view the EU as a global power in terms of trade and culture, with limited direct influence on security matters in the region. The EU is thus interested in building on the partnerships established and directing the cooperation towards a more strategic emerging issue such as hybrid threats, through well-established and specialized independent expertise based in the region.
- **A sustained action addressing horizontal and cross-domain aspects of hybrid threats is needed.** The EU noted that engagement with partners in the Indo-Pacific region on hybrid threats has been limited so far to exchanges within bilateral security and defence dialogues or at high level meetings. Although the importance of

cooperation on hybrid threats has been emphasised by all sides, it did not lead to any more sustainable follow-up cooperation mainly due to differing approaches to hybrid threats and the lack of appropriate structures to embed the cooperation. Several countries in the region are also involved in the Counter Foreign Interference Summit and G7 Rapid Response Mechanism, but activities within both formats have been limited to selected individual domains, such as information, education or economy, and thus a more comprehensive approach is needed.

- Bringing multiple regional partners together in person means less need for separate bilateral exchanges with each partner, creating opportunities for joint initiatives involving multiple governments. In addition, experience shows virtual meetings often result in more limited discussions, while in-person meetings lead to more open and substantial exchanges. Thus, **in-person multilateral exchanges would also lead to more effective coordination and resilience of projects in the region and thus potentially increase their impact**. This is based on the EU's experience in setting up bilateral working-level exchanges on FIMI with various Indo-Pacific partners relevant to this project which have played a significant role in laying the important groundwork of building trust, enhancing situational awareness, fostering a shared understanding of FIMI, and promoting the EU's approach for addressing the challenge.
- While EU-Australia relations have been on an upward trajectory, the annual dialogues and bilaterals in the margins of multilateral fora rarely go beyond an exchange of information and views. The [2022 EU-Australia Joint Leaders' Statement](#) committed to enhanced cooperation on security issues, and countering hybrid threats including FIMI and economic coercion. **While partnerships are indicated in high-level political dialogues, they are consolidated in close working level cooperation. This pilot action is needed to help shift EU-Australia cooperation on hybrid threats from ad-hoc to an ongoing cooperation framework focused on goal-oriented capabilities exchanges.**

### 3.5 The Intervention Logic

The underlying intervention logic for this action is that due to the rising level of hybrid threats in the Indo-Pacific and their potential global ramifications, there is a need to protect the EU's economic interests in the region and advance its security interests and resilience. Given the EU's position as a global power and its experience on the subject, the aforementioned can be achieved by engaging with key like-minded actors in the region and jointly developing a better understanding of ways to foster a coordinated response to hybrid threats. Through research, capabilities building and exchange activities, there is potential and benefit to work towards establishing a sustainable mechanism for continued learning and coordination.

Therefore, if a mapping exercise is conducted to identify the relevant stakeholders, existing capabilities, key gaps, and opportunities for cooperation (**output 1**), informing a series of practitioner-level capabilities building activities with like-minded partners (**output 2**), and clear recommendations on the work agenda and organisational structure for coordinated multilateral response to hybrid threats (**output 3**) – and the assumption that both the EU and the likeminded partners in the Indo-Pacific share an awareness of the crucial need for a structured and ongoing exchange of expertise and capacity building initiatives to address hybrid threats hold true – then the following outcomes will be realized.

If there is an enhanced common understanding of hybrid threats among the identified regional partners (**outcome 1**) who have gained the capacity to develop relevant strategies and policies through training and knowledge exchanges (**outcome 2**), and also a recommended way forward for a sustained multilateral cooperation on hybrid threats with a clear work agenda (**outcome 3**) – taking into account the initiated practitioner-level exchanges and the EU's experience of the Hybrid CoE as a relevant model – this will achieve the overall objective of strengthening the understanding and inter-regional cooperation on addressing hybrid threats between the EU and key Indo-Pacific Partners while promoting relevant EU policies and approach to this topic (**impact**).

### 3.6 Logical Framework Matrix

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

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest.

New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

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

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

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

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Indicative Impact</b>	The understanding and inter-regional cooperation on addressing hybrid threats between the EU and key Indo-Pacific partners (government, non-government, and industry) is strengthened and the relevant EU policies and approach to this topic are promoted.	Number of EU regional, inter-regional, bi-lateral and multi-lateral cooperation partnership strategies (incl. strategies to address challenges of global concern) which have been developed, adopted or implemented  Number of approaches and/or practices related to challenges of global/mutual concern which have been influenced	0  0	3  1	Strategy documents/reports/articles about strategies or cooperation, either published publicly or circulated among project stakeholders/practitioners  Reports or documentation of partner country/institution's approach/strategy/practices concerning hybrid threats response	<i>Not applicable</i>
<b>Expected Outcome 1</b>	The awareness and common understanding of hybrid threats in the Indo-Pacific are enhanced through a kick-off 1.5 track practitioner-level exchange of views between the EU, AUS and other regional powers and/or partners.	Percentage of participants targeted by outreach and advocacy events who acknowledge a positive change in their perception of the EU and/or international policies and standard	0	75%	Project participant surveys, updates (as recorded in emails/meeting minutes, etc.), or their communication material demonstrating a better knowledge and appreciation of the EU approach to hybrid threats	Stakeholders will consider the EU's experience with the Hybrid CoE a good and relevant model
<b>Expected Outcome 2</b>	Capacities to develop strategies and policies to address hybrid threats are built through training and through knowledge and technical exchanges with the partners, particularly on the Hybrid CoE model.	Percentage of participants targeted by outreach and advocacy events who acknowledge having engaged further on the topic on their own initiative as a result of their exposure to the event	0	60%	Project participant surveys, updates (as recorded in emails/meeting minutes, etc.), or their communication material demonstrating further engagement on hybrid threats with references to the EU's approach/topics addressed in the capabilities exchange	
<b>Expected Outcome 3</b>	The multilateral approach to hybrid threats is promoted, and the groundwork is laid for cooperation beyond the two-year pilot-project.	Number of processes related to state-level and sub-state level (bilateral, regional, multi-lateral) partnership	0	3	Articles, documents, speeches, activities, etc. by state actor supporting the multilateral	

		strategies and policy dialogues, which have been influenced.  Number of processes related to non-state level partners / agreements, which have been influenced.	0	3	approach/the EU's model for combating hybrid threats  Articles, documents, speeches, activities, etc. by non-state actor supporting the multilateral approach/the EU's model for combating hybrid threats	
<b>Output 1 relating to Outcome 1</b>	A mapping of the main stakeholders, issues and gaps in addressing hybrid threats in the Indo-Pacific	Number of knowledge-based products developed	0	1	The mapping document/report	Both the EU and the likeminded partners in the Indo-Pacific share an awareness of the crucial need for a structured and ongoing exchange of expertise and capacity building initiatives to address hybrid threats
<b>Output 2 relating to Outcome 2</b>	Enhanced capabilities as a result of practitioner-level workshops and exchange of expertise.	Number of events organized or supported  Percentage of participants in the events who reported having benefited from the events organized/supported	0  0	12  75%	Event reports  Surveys and other documentation of participant feedback	
<b>Output 3 relating to Outcome 3</b>	Recommendations for a sustained and coordinated multilateral response to hybrid threats, consisting of a clear work agenda and organisational structure (including financial requirements).	Number of knowledge-based products developed  Number of outcome statements emanating from events	0  0	1  1	The strategy document/recommendation report  Speeches, event reports, joint statement, draft plan/document/communication on future cooperation, etc.	

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with a partner country/regional organisation/territory.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 56 months from the date of adoption by the Commission of this Financing Decision. This includes a period of maximum 14 months for preparation of the contractual agreement, an indicative 24 months of action implementation, and contract closure.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer in duly justified cases.

### 4.3 Implementation Modalities

The Commission will ensure that the appropriate EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.<sup>8</sup>

#### 4.3.1 Direct Management (Grants)

##### **Grants: (direct management)**

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

To strengthen the understanding and inter-regional cooperation on addressing hybrid threats between the EU and key Indo-Pacific partners (government, non-government, and industry) while promoting relevant EU policies and approach to this topic.

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

The proposed action requires an implementing partner to be an independent think tank/non-governmental entity that:

- Operates in a legislatively enabling environment (Australia has one of the most advanced legislations on countering hybrid threats while also a free and democratic society that allows projects to be implemented with integrity and independence).
- Has in-house expertise on understanding and addressing hybrid threats and is well-positioned to influence domestic and international stakeholders.
- Has networks that can bring together experts from across the region, sectors, from governments, international organisations, industry, think tanks and civil society.
- Has experience in managing large-scale 1.5 track projects with government funding, including ensuring compliance and meeting the reporting requirements.

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

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 of the sensitivity and complexity of the action that requires a highly qualified organisation with specific confidentiality procedures to avoid putting at risks the final recipients. The grant may be awarded without a call for proposals in line with subparagraph (f) of the Article 195 of the Financial Regulation. This is due to the high degree of specialised expertise in hybrid threats technical analysis, information operations and disinformation, critical and emerging technologies, and the ability to design and deliver capacity building activities, as required by this action, combined with the political sensitivity surrounding the security aspects and dimension of this project, which make it inappropriate to publish a call for proposal, as well as the

<sup>8</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

need for the implementing partner to have a sufficient degree of institutional access to relevant political and security actors.

The grantee will be selected using following criteria: an independent think tank/non-governmental entity based in Australia and with an Indo-Pacific network of partners, with a track record of trust and credibility in collaboration whilst maintaining credibility, integrity and capacity to engage multiple and varied stakeholders in a non-conflictual and conducive way for collaboration on security related matters and non-traditional security matters, in particular hybrid threads, disinformation, diplomatic, economic and maritime coercion.

The grantee will also have to present an excellent track record of delivering complex projects, which also involves the management of funding from governments, the capacity to work with leading industries, the technical and analytical expertise on data and policies, the experience of providing political assessment and advisory, especially on emerging threats. Furthermore, the grantee must also have experience in organising or participating in peer-to-peer knowledge exchanges with EU and Indo-Pacific partners.

#### 4.4 Scope of geographical eligibility for procurement and grants

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

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

#### 4.5 Indicative Budget

<b>Indicative Budget components<sup>9</sup></b>	<b>EU contribution (amount in EUR)</b>
<b>Implementation modalities</b> – cf. section 4.3	
<b>Grants</b> (direct management) – cf. section 4.3.1	500 000
<b>Totals</b>	<b>500 000</b>

#### 4.6 Organisational Set-up and Responsibilities

The proposed action will be implemented by the grantee, working in close coordination with the EUD and benefiting from content support on the EU side from the EEAS subject-matter experts. FPI Regional Team for Asia-Pacific will provide the overall project management with support from the EU Delegation to Australia.

Given the sensitivity of this action, a project steering committee (PSC) including representatives of EEAS, FPI, the EU Delegation and the implementing partner will be set-up to provide political steer to the grant’s activities, ensuring strategic orientation and oversight of progress. The committee will indicatively meet twice a year, supplemented by further coordination meetings as required. Other relevant stakeholders can be invited as observers.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

<sup>9</sup> N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e., for the conclusion of audit contracts and payments.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The implementing partners will be responsible for day-to-day monitoring and reporting based on the agreed indicators in the logframe. Indicators shall be disaggregated at least by gender of participants, type of activities and sectors of participants. Adjustments to the agreed indicators will be subject to a discussion and approval by the contracting authority. The contracting authority will also be responsible for the approval of reports (interim, final, etc.).

All monitoring, evaluation and reporting shall assess how the action is taking into account the gender dimension, and, where applicable, the implementation of the human rights-based approach working principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data).

The implementing partners will bear primary responsibility for the data collection, analysis and monitoring.

### 5.2 Evaluation

Having regard to the nature of the action, a final/ex-post evaluation may be carried out for this action or its components via independent consultants contracted by the Commission.

Final or ex-post evaluation may be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular its contribution to the attainment of EU's political goals vis-à-vis the targeted countries/territories, and in particular the fact that, in the past, perception studies on EU public diplomacy have been carried out to collect lessons learnt and elaborate on innovative actions.

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

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

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

### 5.3 Audit and Verifications

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



## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

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

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

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

### Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e., audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as:

Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Addressing Hybrid Threats in the Indo-Pacific – Pilot Action (HIPPA)