



Brussels, 5.5.2020
C(2020) 2779 final

COMMISSION IMPLEMENTING DECISION

of 5.5.2020

**on the financing of the 2020 Partnership Instrument Annual Action Programme for
cooperation with third countries to be financed from the general budget of the European
Union**

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THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action², and in particular Article 2(1) thereof,

Whereas:

- (1) In order to ensure the implementation of the 2020 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union, it is necessary to adopt an annual financing decision, which constitutes the annual work programme, for 2020. Article 110 of Regulation (EU, Euratom) 2018/1046 establishes detailed rules on financing decisions.
- (2) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures³ adopted pursuant to Article 215 TFEU.
- (3) The Commission has adopted an Implementing Decision on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020⁴. In line with the Multiannual Indicative Programme, the objectives pursued by the Annual Action Programme to be financed under the Partnership Instrument⁵ are: support for the Union's cooperation partnership strategies, cooperation on global challenges, implementation of the international dimension of the "Europe 2020" strategy and promotion of the Union's internal policies abroad, support for economic and trade relations as well as promotion of the Union's values and interests.

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 77, 15.3.2014, p. 95.

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

⁴ C(2018) 4001

⁵ Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries, OJ L 77, 15.3.2014, p. 77.

- (4) The action entitled ‘Aviation Partnerships Projects in North and South-Asia’ aims to enhance the role of the EU as a global actor in the domain of civil aviation, by means of continued and new partnerships with North and South Asia countries.
- (5) The action entitled ‘Global Action to support EU Space Programmes’ aims to promote EU space programmes worldwide, in particular EU Global Navigation Satellite Systems and the EU satellite programme Copernicus to enable market uptake for EGNSS-based products and services in high-potential markets and strategic target countries.
- (6) The action entitled ‘Resource Efficiency Initiative phase II’ aims to contribute to the promotion of EU standards and business best-practices in fostering an efficient and sustainable use of natural resources in India.
- (7) The action entitled ‘India – EU Water Partnership - Phase II’ aims to facilitate a progressive convergence by India towards EU policies and standards on water management by strengthening knowledge and experience exchange between public and private sector stakeholders in the EU and in India with regard to the water sector (including a focus on River Basin Management).
- (8) The action entitled ‘Policy Dialogue and Cooperation between EU and China on Emissions Trading, Phase II’ aims to continue the ongoing cooperation between the EU and China on policies tackling climate change, in particular on emissions trading, building on the existing cooperation on emissions trading.
- (9) The action entitled ‘EU-China cooperation on environment and green economy, phase II’ aims to reinforce EU-China policy dialogues and cooperation in the field of environment and stimulate green/circular economy; in doing so, the aim is to improve the level playing field between the EU and China on environmental requirements.
- (10) The action entitled ‘EU leading the global energy transition’ aims to strengthen the EU's energy diplomacy capacity, particularly towards a targeted group of countries with which the European Commission does not maintain an energy dialogue but there is political interest to step-up engagement on greenhouse gas (GHG) emissions, renewable energy potential and market opportunities.
- (11) The action entitled ‘International Digital Cooperation - Personal data protection and data flows’ aims to work towards convergence between the data protection frameworks of third countries and that of the EU, and by doing so contribute to creating a level playing field for EU companies worldwide.
- (12) The action entitled ‘EU Cyber Diplomacy Support Initiative’ aims to enhance cyber security cooperation globally and strengthening the EU's role as a global security stakeholder.
- (13) The action entitled ‘SIRIUS – Cross-border access to electronic evidence – Phase 2’ aims to contribute to the development of a secure, rights-based international digital sphere, conducive to a level playing field in terms of market access and business opportunities for EU companies, by supporting strengthened direct cooperation between law enforcement, judicial authorities and Online Service Providers.
- (14) The action entitled ‘Public Diplomacy and cultural relations’ aims to continue long-term engagement to support actors in their endeavours to globally develop EU's soft power by building alliances and better-informed decision-making on priority EU themes such as response to global challenges, the central role of multilateralism, EU

values and principles, and economic partnerships. It will also enhance understanding and visibility of the EU and its role on the world scene.

- (15) The action entitled ‘Enhance EU's role in multilateral fora in Asia’ aims to promote EU security, political and economic interests by strengthening the EU's engagement in different multilateral fora in Asia where the EU is present and to advocate for potential EU membership in fora where the EU is not yet present.
- (16) The action entitled ‘Policy Support Facility’ aims to support short-term actions that underpin fast changing policy priorities or emerging political commitments.
- (17) The action entitled ‘EU- China Partnership Facility (ECPF) 2nd Phase’ aims to advance the EU agenda in China and strengthen EU-China relations by supporting bilateral dialogues and partnerships in key priority areas through setting up a dedicated logistical and technical assistance implementation structure.
- (18) The action entitled ‘Technical Assistance and Information Exchange (TAIEX)’ aims 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.
- (19) It is appropriate to authorise the award of grants without a call for proposals and to provide for the conditions for awarding those grants.
- (20) The Commission should authorise the launch of a call for tender by means of a suspensive clause before the adoption of this Decision.
- (21) Pursuant to Article 62(1)(c) of the Financial Regulation indirect management is to be used for the implementation of the programme.
- (22) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of the Financial Regulation. To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of the Financial Regulation⁶ and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of the Financial Regulation before a contribution agreement can be signed.
- (23) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of the Financial Regulation.
- (24) In order to allow for flexibility in the implementation of the programme, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.
- (25) The actions provided for in this Decision are in accordance with the opinion of the Partnership Instrument Committee, established under Article 7 of Regulation (EU) No 234/2014.

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

HAS DECIDED AS FOLLOWS:

Article 1
The Programme

The annual financing decision, constituting the 2020 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union, as set out in the Annexes, is adopted.

The programme shall include the following actions:

- (a) 'Aviation Partnerships Projects in North and South-Asia' set out in Annex 1;
- (b) 'Global Action to support EU Space Programmes' set out in Annex 2;
- (c) 'Resource Efficiency Initiative phase II' set out in Annex 3;
- (d) 'India – EU Water Partnership - Phase II' set out in Annex 4;
- (e) 'Policy Dialogue and Cooperation between EU and China on Emissions Trading, Phase II' set out in Annex 5;
- (f) 'EU-China cooperation on environment and green economy, phase II' set out in Annex 6
- (g) 'EU leading the global energy transition' set out in Annex 7;
- (h) 'International Digital Cooperation - Personal data protection and data flows' set out in Annex 8;
- (i) 'EU Cyber Diplomacy Support Initiative' set out in Annex 9;
- (j) 'SIRIUS – Cross-border access to electronic evidence – Phase 2' set out in Annex 10;
- (k) 'Public Diplomacy and cultural relations' set out in Annex 11;
- (l) 'Enhance EU's role in multilateral fora in Asia' set out in Annex 12;
- (m) 'Policy Support Facility' set out in Annex 13;
- (n) 'EU- China Partnership Facility (ECPF) 2nd Phase' set out in Annex 14;
- (o) 'Technical Assistance and Information Exchange (TAIEX)' set out in Annex 15.

Article 2
Union Contribution

The maximum Union contribution for the implementation of the programme for 2020 is set at EUR 90 510 000, and shall be financed from the appropriations entered in the following lines of the general budget of the Union:

- budget line Article 19 05 01: EUR 90 510 000;

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

Article 3

Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annexes 1, 4, 10 and 11, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 4.1 of the Annexes 1, 4, 10 and 11.

Article 4

Flexibility clause

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution set in the first paragraph of Article 2, or cumulated changes⁷ to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046, provided that these changes do not significantly affect the nature and objectives of the actions.

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

Article 5

Procurement

Launching a call for tender under a suspensive clause before the adoption of this Decision shall be authorised as of the date set out in point 4.1 of the Annex 11.

Done at Brussels, 5.5.2020

For the Commission

Josep BORRELL FONTELLES

Vice-President

⁷ These changes can come from assigned revenue made available after the adoption of the financing decision.

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ANNEX 1

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Aviation Partnerships Projects in North and South-Asia

1 KEY IDENTIFICATION DATA

| | | | | |
|---|--|--------------------------|------------------------------|----------------------------|
| Title of the Action | Aviation Partnerships Projects in North and South-Asia | | | |
| Country/region/global | North Asia: China (including Hong Kong), and other countries in the region, in particular Japan, Republic of Korea (ROK) ¹ South Asia: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka (Member States of the South Asian Association for Regional Cooperation – SAARC). | | | |
| Sector of intervention | Civil Aviation | | | |
| Indicative budget | Total: 12 500 000 EUR EC contribution: 12 500 000 EUR 100 % Other contributions: NA | | | |
| Duration and target start date of implementation | 36 months Fourth Quarter 2020 | | | |
| Method of implementation | Indirect management with the European Union Aviation Safety Agency (EASA) | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | x | <input type="checkbox"/> |
| | Gender equality | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | x | <input type="checkbox"/> |
| | | | | |
| | RIO Convention markers | | | |
| | Biological diversity | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | x | <input type="checkbox"/> |
| | Climate change adaptation | <input type="checkbox"/> | x | <input type="checkbox"/> |

¹ Mongolia may be included in some of the activities if deemed relevant.

2 RATIONALE AND CONTEXT

2.1 Action summary

The purpose of the action is to enhance the role of the EU as a global actor in the domain of civil aviation, by means of continued and new partnerships with North and South Asia countries aiming at:

- Strengthening institutional relations, deepen dialogue and cooperation between aviation authorities, encourage regional cooperation and support implementation of aviation agreements;
- Increasing mutual awareness of aviation best practices, promote EU standards, raise environmental protection efforts and encourage climate action, and;
- Facilitating a more secure, more compatible and less restricted access for EU industry to some of the biggest growth markets.

As such the action is fully in line with the Commission priority 2019-2024 for a European Green Deal. Where appropriate, partnerships will be established at bilateral level (e.g. with Japan, China and Korea). In parallel, the action will aim at developing regional cooperation, e.g. with the SAARC.

2.2 Background/Context/Rationale for PI funding

Aviation connects countries and communities, supports tourism and trade and is a key driver for sustainable economic and technological development, growth, jobs, trade and mobility. It plays a crucial role in the EU economy and reinforces its global leadership position.

On 7 December 2015, the Commission adopted the Communication “an Aviation Strategy for Europe”² (COM(2015)598), identifying “Tapping into growth markets by improving services, market access and investment opportunities with third countries, whilst guaranteeing a level playing field” as a key priority.

The EU aviation sector directly employs between 1.4 and 2 million people and overall supports between 4.8 and 5.5 million jobs. It is one of the key drivers for research and development, with the aeronautical industry recognised as one of the top five advanced technology sectors in Europe. The direct contribution of aviation to EU GDP is €110 billion, while the overall impact, including tourism, is as large as €510 billion through the multiplier effect.

From a climate perspective, aviation accounts for 2-3% of carbon emissions, this action will include cooperation activities aiming at minimize the negative environmental and climate effects of aviation on topics related to carbon compensation mechanisms, mitigation measures, application of cleaner technologies, or regulatory convergence.

In the framework of the EU Aviation Strategy, the Commission puts forward the launch of new aviation dialogues with important aviation partners. The Commission aims to develop a positive, broader and longer-term aviation agenda, including aspirations to come to bilateral aviation safety and comprehensive air transport agreements.

In this context, the EU is working with the region in the field of aviation safety through the negotiation of Bilateral Aviation Safety Agreements (BASAs) with countries with aeronautic industry³. For most of the countries targeted, the EU has signed horizontal agreements recognising the EU as a single destination with respect to air traffic rights.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52015DC0598&from=EN>

³ A BASA agreement has recently been signed with China and is in the process of being ratified and another is being finalised with Japan, its signature is imminent.

The Partnership Instrument (PI) support to the sector started in 2015 in China, followed by South Asia, South-East Asia and Latin America. The projects generated very positive feedback from stakeholders as an effective approach to boost relationships between public authorities and with the EU industry.

This action responds directly to the third objective of the Partnership Instrument (“Enhancing market access and boosting trade, investment and business opportunities for EU companies”) but also to the other three objectives, by addressing global challenges, in particular regarding environmental protection and climate action, and promoting policy dialogues by projecting the international dimension of the Europe 2020, and by positioning the EU as a global actor in the sector.

Specific Background North Asia

North Asia is a well-developed region with a good aviation safety record. While aviation growth prospects hold substantial business opportunities for European manufacturers and airlines, competition is strong. The USA traditionally has a strong presence and holds majority market shares in Japan and the Republic of Korea (ROK). In addition, competition from domestic companies is developing fast, often with substantial support from local governments.

Aviation growth in North Asia is projected to be among the strongest in the world. China is leading with an average traffic growth of 6.3% per year. With a population of 1.4 billion, trips per capita are expected to increase from 0.41 today to 3.4 in 2037. According to industry forecasts, the Chinese fleet size is expected to triple.

China is Europe's second biggest trading partner following the USA. Aviation, in this regard, plays an important role and is one of the few areas where Europe maintains a trade surplus. According to industry forecasts, East Asia (and China in particular) is expected to be the largest aviation growth market up to 2037.

Substantial growth is expected in ROK and Japan as well, where fleet size could up to double during this period. These forecasts illustrate the market potential for both European manufacturers but also airlines, which already today operate important long-haul revenue flights to North Asia.

EU presence in ROK and Japan in this sector so far is limited with potential for increased engagement. Positive developments signalling interest for closer cooperation with Europe are Japan's increase of orders for European aircraft, ongoing negotiations between the EU and Japan for a Bilateral Air Safety Agreement (BASA), and a horizontal agreement with ROK in the pipeline. ROK is also successfully cooperating with Europe on satellite navigation for aviation and is interested in other area, such as Air Traffic Management (ATM), the Single European Sky Network Manager, or the environment and climate nexus.

Specific Background South Asia

South Asia has a population of approximately 1.9 billion people, or 24% of the world's population. In 2018, the region's combined nominal GDP grew to more than US\$3.4 trillion, which would rank as the fifth largest economy in the world. In spite of political differences among the SAARC Member States, policies designed to sustain this growth stimulate business and leisure travel within the region.

Traffic forecasts for South Asia over the next 20 years are among the highest in global aviation, driven primarily by India, which is the fastest-growing aviation market in the world. The International Air Transport Association (IATA) expects India to become the third largest aviation market by 2024. Domestic demand is raising thanks to the Government's National Civil Aviation Policy promoting a Regional Connectivity Scheme, which aims to take flying to the masses by making it affordable and convenient.

Important aircraft manufacturing assets exist in India. The Indian government has the objective to facilitate the development of its industry both within India and globally. Its signature 'Make in India' policy is designed to encourage companies to manufacture their products in India and incentivises foreign investments in the manufacturing sector. Discussions with European companies about possible joint ventures or other forms of industrial cooperation are ongoing.

A prerequisite for further expansion of European aviation industry in the South Asia region is a sustainable safe environment for its operation, as well as an economical, optimised, and state of the art

Air Traffic Management system, as well as airport modernisation and management. To accommodate the expected traffic growth, which entails a significant risk of airport saturation; important infrastructure investments in airports, ground handling and air traffic management equipment are needed. The Indian government plans to invest \$6 billion to modernise or create new airports over the next five years.

However, already today, the oversight systems of some South Asian countries are not capable of meeting the minimum standards of the International Civil Aviation Organisation (ICAO), in spite of improvements on paper.

This not only results in an insecure environment for EU industry. Possible inclusion of countries such as India on the EU Air Safety list may have an adverse effect on political relations and negatively influence the EU and South Asian economies. Nepal's inclusion in the EU Air Safety List affect diplomatic relations and hampers technical progress.

Promotion and application of EU regulations, standards, best practices and technologies provide a solution to the problems indicated. Given the self-declared objective of the South Asia region to follow the EU regulatory framework, the high rate of growth of the South Asia aviation market, and the momentum established, the potential for further progress is high.

Continued partnership presents a clear mutual interest for all parties involved: all South Asian partner countries, have demonstrated their eagerness to cooperate with the EU to adopt EU standards, comply with international regulations and achieve specific results in the field. Since 2019, this also includes Afghanistan.

India, Bhutan, Maldives, Nepal and Sri Lanka highly rely on European aviation technology (aircraft as well as equipment) to provide services (e.g. airlines and air traffic management). Development and growth in the region calls for implementation of more advanced and efficient technology. EU industry has the potential to cover South Asian needs in the mid and long term.

The USA has a strong presence in India and to a lesser degree in Bangladesh, which includes comprehensive representation at government level (e.g. large-scale aviation support projects, regular policy dialogues and US-India aviation summits at the most senior level).

China has a growing influence in South Asia, in spite of fierce resistance from India, for example in airport development in Sri Lanka and donation of its aircraft types to Nepal.

2.3 Lessons learnt

Previous PI-financed actions have demonstrated the high interest for this action by stakeholders. In order to maximize the impact of the Actions, experience has shown the need for a reinforced role of Commission services and an improved internal coordination. An evaluation of all the Aviation Partnership Actions will take place at the beginning of 2020; lessons learnt will be incorporated in the design of the new actions. Hereunder some findings of the previous phases of the relevant Aviation Partnership Actions:

EU-China Aviation Partnership 2015-2020

The achievements and experience gained by EASA and its European partners during this phase are an excellent platform for a new project to build on. In addition to continuing this important cooperation relationship and keep its momentum, there is an incentive towards larger scale, technical cooperation activities and to support European industry in conducting trials of new technologies in the framework of EU-partner country cooperation.

This new project will be able to build on the cooperation experience of preceding aviation cooperation activities funded by the EU and European industry. Some achievements that can be mentioned:

- Dialogue with the Aviation Authorities across all aviation domains and trustful relationship is in place that provides a very good basis for future cooperation.
- EU visibility and awareness of European aviation expertise has been significantly increased through project activities.
- Experience exchanges in Europe proved to be a good tool to advocate for European working practices, methods and technologies.
- First positive experience with larger scale technical support activities was made, allowing Europe to present itself as a leading aviation partner.

- A “two-way exchange” cooperation logic is established and actively followed. Exchanges produce information and are an important source of technical intelligence on latest aviation developments in China.
- Involvement of European industry in technical cooperation activities has become the standard. There is strong interest to contribute.
- An EASA project team and office is well established in Beijing, which contributes to the visibility of the project vis-a-vis the Chinese counterparts.

EU-South Asia Aviation Partnership 2016-2020

Aviation is one of the areas in which the SAARC has made substantial progress over the last years. The process of regional harmonisation towards EU-model aviation standards began under an earlier project, the EU-South Asia Civil Aviation Cooperation Program. The most tangible and sustainable result of this project was the creation of the South Asia Regional Initiative (SARI). SARI provides a flexible cooperation framework for the aviation authorities of the region to work together, despite the political differences of India and Pakistan. Under the present EU-South Asia Aviation Partnership Project, the scope of SARI has been incrementally extended beyond its origins to encompass three core technical domains (Airworthiness, Flight Operations and Flight Crew Licencing). Its stated ambition is to encompass all technical aviation domains, providing a holistic and coherent body of rules for the entire region.

This has been a success story for the EU, all SAARC states have committed to follow EU-based standards and regulations.

The EU benefits from enhanced compatibility and interoperability, technical convergence and facilitated market access.

A continued partnership will provide continuity within the objective to foster multilateral relationships between the EU and South Asia. South Asian authorities and industry increasingly see the EU as a natural partner, both bilaterally and collectively, and there is a clear expectation for cooperation to continue.

Tangible results have been facilitated by a Project Office, hosted by the Civil Aviation Authority of Sri Lanka at no cost to the project increasing EU visibility.

The EU-South Asia Aviation Partnership Project promoted cooperation with existing initiatives in the region, such as SARI, COSCAP-SA⁴ and EU Member State Actions. This approach has avoided duplication of efforts and built collective momentum towards regional integration.

2.4 Coherence and complementarity

The action will contribute to the Europe 2020 strategy⁵, to the EU strategy – Connecting Europe and Asia⁶, the EU Strategy for Economic Diplomacy in the region and the European Green Deal.

⁴ Cooperative Development of Operational Safety & Continuing Airworthiness Programme for South Asia (ICAO)

⁵ As major employers and innovators in the European economy, the aviation industry makes a significant contribution to meeting the objectives of the Europe 2020 strategy. As such, aviation partnerships implement the international dimension of ‘Europe 2020’, the second objective of the Partnership Initiative.

Aviation industry is one of the key drivers for research and development, generating employment and thus directly contributing to the Europe 2020 flagship initiative ‘Innovation Union’.

Further regulatory cooperation will promote convergence to global and European standards and enable policy dialogue and technical cooperation activities, giving Europe a platform through which to promote its standards and showcase its technologies and expertise, facilitating market access, thus contributing to the Europe 2020 initiative ‘An Industrial Policy for the Globalisation Era’.

This does not only benefit the big industrial heavyweights, but also the highly innovative and specialised SMEs the aviation sector, contributing to the Europe 2020 initiative ‘An agenda for new skills and jobs’.

Supporting the European aviation industry and the environmental component of the project is in line with the Europe 2020 flagship initiative ‘Resource Efficient Europe’, as

- European aviation industry plans a reduction of CO2 emissions by 75% in 2050;
- European aviation industry plans Emission-free aircraft movements while taxiing;
- European aircraft and products are being designed and manufactured to be recyclable;
- Europe is a centre of excellence for sustainable aviation fuels;
- Europe is at the forefront of establishing global environmental standards.

⁶ A Joint Communication was published on 19 September 2018 https://eeas.europa.eu/sites/eeas/files/joint_communication_-_connecting_europe_and_asia_-_building_blocks_for_an_eu_strategy_2018-09-19.pdf that sets out the EU’s vision for a new and comprehensive strategy to better connect Europe and Asia. Efforts to enhance connectivity will entail:

At the level of the EU, synergies will be built, with Member States (e.g. *Direction Generale de l'Aviation Civile* cooperating with South Asia, India and Nepal, the German Air Navigation Service Provider DFS, providing ATM technical assistance to Afghanistan or the UK Air Accident Investigation Board, providing targeted assistance to Nepal); with European Business associations, and with the EU industry; and with the EU research initiatives SESAR and Clean Sky

Where appropriate, synergies will be sought with other EU initiatives. Examples are the Partnership Instrument financed initiatives on EU public diplomacy, the Facilities to support Policy Dialogues, the actions to support business cooperation, the actions to promote European Global Navigation Satellite Systems (EGNSS) or to cooperate on Digital, Environment and Climate Change, and the support to the APEX Airport Excellence in Security - Africa, Asia and the Middle East project (DEVCO).

To ensure coherence, the Action will closely coordinate with the other Aviation partnership initiatives (in South East Asia and Latin America), the EU-South East Asia cooperation on mitigating Climate Change impact from Civil Aviation (EU-SEA CCCA) and the ASEAN Regional Integration Support project ARISE+ (DEVCO).

Finally, complementarity and coordination will be sought with ICAO (who supports COSCAP-SA aiming at building capacity in South Asia for improving safety oversight by providing training and a regional pool of inspectors) and the Asian Development Bank, which is supporting an “Air Transport Capacity Enhancement Project” in Nepal.

2.5 EU added value

The initiative will support the development of closer aviation ties and policy dialogues. It will address capacity limitations and regulatory oversight issues and support the EU in its endeavour to engage with its counterparts and decision makers in the region and promote European aviation expertise. It will improve the EU's visibility and promote industrial interests in a broad range of areas such as aviation safety, airports and ground handling, air traffic management, airworthiness, flight standards, slot allocation, new technologies, economic regulation, environmental standards and climate action. In doing so, the project will draw upon efforts past and present, and help to consolidate the EU's position as a reliable, long-term partner. The EU and its Member States will benefit from a more sustainable, safer aviation and from an increased market access for the industry. Close coordination with Member States will be ensured and promoted all along the implementation of the Action.

2.6 Cross-cutting issues

The action will promote EU values and standards, will support innovation by liaising with the EU industry and the SESAR and the Clean Sky project and will promote multilateralism.

The partnerships will promote EU aviation rules as part of its technical cooperation activities. European rules are based on international standards developed by ICAO and hence will promote the development of international standards at global level.

The equitable involvement of women and men is recognised as key to driving sustainable growth of the aviation industry as a whole and is promoted as such under the ICAO Gender Equality Programme Promoting the Participation of Women in the Global Aviation Sector and the Next Generation of Aviation Professionals Programme. This action will use existing dedicated tools and guidelines to ensure gender and equitable involvement of women and men in its activities.

-
- Creating transport links, energy and digital networks and human connections;
 - Offering connectivity partnerships to countries in Asia and organisations;
 - Promoting sustainable finance through utilising diverse financial tools.

The strategy is driven by the principles of sustainable, comprehensive and rules-based connectivity, which are cited as effective means to achieve enhanced prosperity, safety and resilience of people and societies in Europe and Asia. Aviation partnership in Asia contributes directly and builds on the existing partnerships with countries, organisations and human connections in the region.

While the EU is the strongest advocate of international action for the environment, it accounts for only 11% of global greenhouse gas emissions. Global progress, particularly in aviation, is therefore conditional on the actions and policies of the EU's strategic partners. Against a backdrop of continued, rapidly rising global aviation emissions, measures are needed to significantly reduce aviation's impact on climate. Aviation has a critical role to play in meeting the Paris Agreement objective of limiting the global temperature rise from human induced climate change to well below 2°C, to which the Union has committed.

In line with EU norms and the Commission's medium-term environmental goals, EASA will offset the carbon emissions from flights undertaken during the implementation of this project. High quality off-setting projects can be selected in the partner countries, where they can provide social and economic benefit and can be used for strategic and diplomatic purposes, enhancing the political visibility of the intervention.

The envisaged outcomes contribute to the UN Sustainable Development Goals 9.1, 13.2, 17.6, 17.9 and 17.16⁷

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of the action is to enhance the role of the EU as a global actor in the domain of civil aviation through continued and new partnerships with North and South Asian countries.

The **specific objectives** are:

- Strengthen institutional relations, deepen dialogue and cooperation between aviation authorities, encourage regional cooperation and support implementation of aviation agreements;
- Increase mutual awareness of aviation best practices, promote EU standards, raise environmental protection efforts and encourage climate action
- Facilitate a more secure, more compatible and less restricted access for European industry to some of the biggest growth markets; promote industrial exchanges and support EU competitiveness in those markets.

The expected **outputs** of the Action are:

- Conditions created for technical negotiations and implementation of the BASA, including through sharing of specific technical expertise and specialised technical assistance.
- Improved regulatory exchanges and cooperation between aviation authorities, including regional cooperation (regional fora, programmes and working arrangements).

⁷ Sustainable Development Goal 9.1 – Develop quality, reliable, sustainable and resilient infrastructure, including regional and cross border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

Sustainable Development Goal 13.2 – Integrate climate change measures into national policies, strategies and planning.

Sustainable Development Goal 17.6 – Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism.

Sustainable Development Goal 17.9 – Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation.

Sustainable Development Goal 17.16 – Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

- Conditions created for increased regulatory convergence and compatibility of working practices between the EU and the North and South Asian regions and the uptake of EU/International safety and environmental standards.
- Conditions created for increased competitiveness of EU aviation industry and market uptake of products resorting from EU aviation industry (with regard to large as well as small and medium size companies based in the EU), including the identification and reduction of trade barriers.
- Enhanced shared knowledge on new developing areas (e.g. drones, cybersecurity)
- Conditions created to increase performance regarding environmental protection and climate change, notably regarding international arrangements for emission reduction and compensation efforts.
- Improved EU visibility as a global actor in the aviation domain, sustainable aviation and the fight against climate change.

Indicative **activities** for this Action include regulatory, safety, air and airports management, environmental, security training, specialized technical assistance and exchanges. Trials and demonstration of new European technologies. Support to policy dialogues. Peer to peer exchanges. Large-scale initiatives such as technical support to the optimisation of some airports terminal manoeuvring area (TMA). Technical support for the implementation of the BASA and potential negotiation of other agreements can be provided by organising information sessions for industry and authority certification staff. Technical studies. Design and development of visibility material. Support to briefings. Visibility and promotion events. Organisation and participation in high-level aviation conferences

3.2 Stakeholders

Main Stakeholders of this Action from the European Union will be the relevant **EU institutions** dealing with Aviation, Foreign Policy (including Delegations in the region), climate and environment, trade, satellite navigation services and digitalisation. EU bodies under the research programme (SESAR, CleanSky); the EU **National** Aviation Authorities, Accident Investigation Bodies; the **industry** (manufacturing industry, airlines, airports, ground handling, other service providers in the aviation industry); the **European business** associations European Chamber of Commerce in China and Korea, the European Business Council in Japan **Accreditation and Verification** bodies; the passenger protection groups, environmental protection groups, trade bodies. Single European Sky Network Manager.

Main Stakeholders external to the EU are **Ministries** of Transport, Ministries of the Environment, Ministries of Finance, other relevant ministries in South and North Asia countries, regional cooperation fora (**SAARC, SARI**), **ICAO**. North and South Asia National Civil **Aviation Authorities**, **Accident Investigation** Bodies, **Air Navigation** Service Providers, manufacturing industry, airlines, IATA, educational institutions, passenger protection groups, environmental protection groups, trade bodies, national accreditation bodies, verification bodies.

3.3 Risk assessment and management

| <i>Risk</i> | <i>Probability</i> | <i>Impact</i> | <i>Mitigation</i> |
|--|--------------------|--|---|
| Changes to the political environment and/or an EU Air Safety List ban or may lead to reduced desire for a particular country to work with EASA and the EU. | High | Limited to the country concerned. The duration of fall-out from an EU air safety ban is typically short as this stimulates momentum within the country to correct the situation with EU support. | Adopt a regional approach, monitor the overall political context, communicate and adapt the project accordingly together with the stakeholders, DG MOVE and EU Delegations. |

| | | | |
|---|--|--|--|
| Political instability, conflict or terrorist attacks in the region might lead to reduced ability to execute activities on-site. | South Asia: High North Asia: Medium | Limited to the countries concerned. Experience shows that technical cooperation can continue despite political differences. | Focus on the technical level and monitor the overall political context and adjust focus of the project. |
| Disease outbreak might lead to reduced demand for aviation transport services and/or ability to execute activities on-site. | Medium | If limited to certain countries, activities can be easily relocated. Region-wide contagion would have a high impact on the ability of the project to deliver. | Monitor relevant news sources (WHO) and adjust project accordingly. |
| Slowdown of economic growth resulting in reduced demand in aviation transport services and products. | North Asia: Medium South Asia: Low | Low impact as there is high political and economic awareness of the long-term need to address the current and future challenges. | Monitor overall economic development, consider adjusting focus of project activities to even more strongly support European market share. Alternatively, in case of a severe and prolonged economic crisis, consider reducing the scope, postponing or early closure of the project. |
| Increased market access obstacles for European companies trading with or investing in the region. | North Asia: Medium South Asia: Low | This will impact the envisaged result of the project, but the project itself is a mitigation measure. | Monitor industrial and national policy developments. Increase dialogue and technical project activities addressing market access obstacles. |
| Unforeseen administrative difficulties for project implementation if certain issues are not solved before the project start. | High | Differing interpretations of the requirements and unforeseen administrative difficulties may negatively impact the operational running of the project. | Upfront dialogue with FPI and DG BUDG; leverage experience from previous projects implemented by EASA and EU. |

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

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

The Communication and Visibility Manual for European Union External Action⁸, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

This action will be implemented in indirect management by means of a contribution agreement with the EU agency European Union Safety Agency (EASA), which has been selected by the European Commission using the following criteria:

- nature of the action
- operational capacity
- value added

EASA is a key player in the European Union's aviation safety system. Its mission is among others to promote European Union aviation standards and rules at international level by establishing appropriate cooperation with competent authorities of third countries and international organisations.

In accordance with Article 90(1) and (6) of Regulation (EC) 2018/1139 on common rules in the field of civil aviation and establishing a European Union Safety Agency (EASA Basic Regulation), the Agency assists the Commission in its management of relations with third countries and international organisations. The Agency may also engage in ad hoc technical cooperation, research and assistance projects with third countries and international organisations.

EASA is selected as implementing partner for this project as the Agency:

1. Is a counterpart aviation authority / Regional Safety Oversight Organisation (RSOO) and as such an good interlocutor for building the bridge between projects and political views;
2. Can group regionally present EU member states and EU industry under a partnership to cover the whole spectrum of aviation safety, security and environmental protection within aviation;
3. Has developed experience, procedures and tools for channelling technical assistance in a sustainable manner;
4. Is the technical source of EU aviation safety legislation and environmental protection within aviation, as well as a source of aviation intelligence;
5. Provides coordination, efficiency and visibility at EU level for the EU's actions in the field of aviation.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.^[1]

If negotiations with the above-mentioned entity fail, (part of) this action may be implemented in direct management in accordance with the implementation modalities identified below.

Changes from indirect to direct management mode due to exceptional circumstances

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

⁸ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Indicative timing: 3rd quarter 2020.

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---|----------------------|
| Indirect Management (Contribution Agreements with EASA) | 12 500 000 |
| Total | 12 500 000 |

4.3 Organisational set-up and responsibilities

The Commission services in close collaboration with the EEAS will be responsible for ensuring policy coherence and internal coordination to maximize the impact of the action and promote synergies.

The Action will be governed by a Steering Committee of EU stakeholders chaired by the relevant Commission Services, the board will meet on an annual basis to review, evaluate and direct the project. Relevant EU services and Member States agencies and industry will be invited to participate.

EASA will establish a local/regional project office, where there is a willingness from the participating countries to provide the necessary facilities, and where this is considered to be in the interest of effective and efficient project implementation and allocation of resources.

At local level, Project Management Boards for the actions in South Asia, China, Japan and ROK will provide the overall technical steering. The boards will include representatives of the relevant EU Services and EASA. The technical framework will be set out by an overall project work plan for each region, and a series of annual work plans. Those plans will follow a regional approach for South Asia, and a more customized approach for North Asia (China, Japan and ROK). EU Services will be closely involved in the design of the work plans

Active involvement and participation of relevant third countries counterparts will be sought in the different activities implemented under the project. Local/regional steering committee meeting may be envisaged, considering the political reality in the country/region.

4.4 Performance monitoring

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

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

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

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

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 2

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for a Global Action to support EU Space Programmes

1 KEY IDENTIFICATION DATA

| | | | | |
|---|--|---------------------|------------------------------|----------------------------|
| Title of the Action | Global Action to support EU space activities | | | |
| Country/region/global | Global with an emphasis on high potential markets for EGNSS and Copernicus uptake | | | |
| Sector of intervention | EU Space programme – European Global Navigation Satellite Systems (GNSS) & Copernicus | | | |
| Indicative budget | Total: 6 000 000 € EC contribution: 6 000 000 € 100 % Other contributions: not applicable | | | |
| Duration and target start date of implementation | 36 months First Quarter 2021 | | | |
| Method of implementation | Direct management - Procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | |
| | RIO Convention markers | | | |
| | Biological diversity | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | x | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | x | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

The European Union Space Policy has four main objectives: a) to maximise the benefits of space for society and the EU economy; b) to foster a globally competitive and innovative European space sector; c) to reinforce the EU's autonomy in accessing and using Space in a secure and safe environment; d) to strengthen the EU's role as global actor and promoting international cooperation.

In this context, the proposed Global Action (hereinafter 'the action') seeks to promote EU space programmes worldwide, in particular EU Global Navigation Satellite Systems (hereinafter 'EGNSS'), to enable market uptake for EGNSS-based products and services in high-potential markets and strategic target countries.

The EU satellite programme Copernicus will be promoted as well, as appropriate, under the different action strands foreseen. This will allow to create synergies between the EU space programmes that the Commission is committed to foster under the future EU Space Regulation, and through the new Commission Directorate General for Defence Industry and Space.

The action will be based on three strands:

1. Support to **EU Space Diplomacy** and **EGNSS Dialogues** with targeted third countries, facilitating institutional and industrial cooperation and promoting regulatory convergence.¹
2. Assessment of **EGNSS and Copernicus market uptake potential** and analysis of **targeted markets** all over the world, in particularly important ones for the EU and for EU industry².
3. Expansion of the **"Galileo Masters Prizes"** (<https://www.galileo-masters.eu>) to targeted countries, to encourage Galileo-related innovation and market uptake namely by fostering state-of-the-art technology cooperation on GNSS, the development of applications, and new business opportunities in EGNSS-related fields³.

The action will support the promotion of the successful EU programmes Copernicus, Galileo and EGNOS (European Geostationary Navigation Overlay Service). It will boost the image of the EU as a high quality, hi-tech technology provider at global scale. An increased knowledge on EGNSS and Copernicus services and on possible industrial applications in the targeted countries, will pave the way to industry - particularly SMEs- to consider incorporating EGNSS into their business models. This will in turn increase market access for EU companies and technology developers in the targeted countries and others in their area of influence, generating a market return from EU investment, with positive effects on the job market in the EU and on trade with, and investment in, the targeted countries. It is expected that at the end of this action space dialogues will intensify. Conditions will be created at regulatory level to foster the uptake of EGNSS and Copernicus in priority countries. Businesses and Investment opportunities for EGNSS and Earth observation related companies will increase. Innovation and technological development of applications will be enhanced.

¹ Currently there are seven GNSS agreements in place, with Morocco, Korea, Norway, Switzerland, Ukraine, the USA, and ASECNA (Agence pour la Sécurité de la Navigation aérienne en Afrique et à Madagascar). A Cooperation Arrangement has also been concluded with Japan. A negotiation mandate from the Council to extend EGNOS to European Neighbourhood Policy (ENP) – South (i.e. north of Africa) was obtained in 2019. In addition, Space Dialogues are organised on an annual basis with the US, China and Japan, and with South Africa on a less than annual basis.

The action will assist in enabling the conditions to enter into new dialogues with Nigeria in Africa; Indonesia, Vietnam and Thailand in Asia; Azerbaijan in central Asia; and Argentina, Brazil, Chile, Colombia and Mexico in Latin America.

² Indicative countries to be included under this strand are Nigeria in Africa; Indonesia, Vietnam and Thailand in Asia; Azerbaijan in central Asia; and Argentina, Brazil, Chile, Colombia and Mexico in Latin America

³ Indicative countries to be included under this strand are USA, Canada, Latin America (Argentina, Brazil, Chile, Colombia, Mexico and Peru), Africa, Morocco, Algeria, Tunisia, Egypt, Lebanon, Israel, Ukraine, Georgia, Azerbaijan, Arab countries (not ENP South), Turkey, Asia, Australia, Thailand and South Korea

As a result, the global role of the European Union as one of the leaders on Space Navigation Satellite systems, an increasingly competitive field with strong competition from USA, China or India, will be enhanced and recognized.

2.2 Background/Context/Rationale for PI funding

Council Regulation No 1285/2013 of 11 December 2013 on the implementation and exploitation of European Global Navigation Satellite Systems lays down the rules in relation to the implementation and exploitation of the systems under the European satellite navigation programmes. The Regulation allows the Union to enter into agreements with third countries and international organisations. The Regulation also sets the basis for the development of applications (products and services) in different sectors of the economy, intended to maximise socio-economic benefits namely by facilitating their market uptake. However, Regulation No 1285/2013 does not foresee any specific budget for market uptake activities.

With a 16 billion euro budget under the future European Space Programme⁴ and with significant effects on -and uses by- governments and institutions, businesses and the citizenship at large, European satellite programmes stand as some of the most important and technically complex EU programmes.

Galileo and EGNOS have both the potential to foster innovation, state-of-the-art technologies, industrial expertise and developments, and high-qualified jobs based on European hi-tech technologies.

Galileo⁵ is an EU programme with global outreach that provides state-of-the-art satellite Positioning, Timing and Synchronisation. It is the only infrastructure owned by the EU, already comprising a constellation of 26 satellites⁶, and is managed and operated by a unique EU-led ecosystem formed by the European Commission (DG DEFIS)⁷, the European Space Agency, the European GNSS Agency (the ‘GSA’)⁸ and its Service Centre, and by European industry.

EGNOS⁹ is a satellite augmentation service composed by three geo-stationary satellites also owned and managed by the EU, providing sub-metre positioning precision to satellite navigation systems, and widely used in European airports.

The future EU Space programme¹⁰ sets the framework to enable to fully seize the benefits offered by space, creating the right ecosystem for space start-ups to grow, promoting the European Union’s leadership in space and increasing its share on world space markets.

EGNSS are unique vis-à-vis other GNSS systems¹¹ in that they are under civil control: indeed, they are entirely developed, financed and managed by the EU and by the associated countries to the EU Space Programme¹². By comparison, all other GNSS are military in nature.

This makes EGNSS more transparent and trustworthy to EU partners worldwide¹³. Additionally, EGNSS provide added-value vis-à-vis other systems on critical issues such as Galileo’s ‘High Accuracy’ and ‘Search and Rescue’/SAR services, or the ‘Safety-of-Life’ service of EGNOS.

⁴ Budgetary proposal for the new EU Space Programme (2021-27): Galileo/EGNOS: 9,7bn€; COPERNICUS: 5,8bn€; Satellite tracking and governance (SSA/GOVSATCOM): 0,5bn€.

⁵ <https://www.gsa.europa.eu/european-gnss/galileo/galileo-european-global-satellite-based-navigation-system>

⁶ Thirty in total when fully deployed in 2021

⁷ By DG GROW until 31.01.2019.

⁸ <https://www.gsa.europa.eu/>

⁹ <https://www.gsa.europa.eu/egnos/what-egnos>

¹⁰ https://ec.europa.eu/growth/content/commission-launches-new-space-strategy-1_en

¹¹ GPS (USA), GLONASS (Russia) and BEIDOU (China).

¹² Norway and Switzerland are associated countries

¹³ GNSS of a military origin may be redirected for military purposes at any time, putting at risk coverage, availability and precision of signals for civil use

It is also important to underline that the EU has developed EGNSS as core digital economy enablers, with a large potential to foster the development of new technologies, products and services that will provide a competitive advantage to EU industry in global markets.

Market figures and forecast trends are impressive. The European GNSS Agency (GSA) estimates more than 1 billion users of Galileo worldwide at present, with institutional and private users in eleven major economic sectors¹⁴. “The global installed base of GNSS devices in use is forecast to reach almost € 6.5 billion¹⁵, while global GNSS downstream market revenues from both devices and services are set to reach an astonishing €150 billion. [...]Out of 1.7 billion GNSS shipped units in 2019 [worldwide], more than 40% will be Galileo enabled”¹⁶.

The estimation of total cumulative benefits of EGNSS in the EU is 85 billion EURO in 2030, with an estimated average 5% annual growth per annum (2007 – 2027).¹⁷

These figures come chiefly from the downstream use of EGNSS in many industries, from intelligent transports to agriculture, across public and private sectors.

To generate the necessary socio-economic returns from this very large investment, the EU needs to ensure that EGNSS are both (i) widely known inter alia by governments, local authorities, the research community and industry and (ii) properly and extensively used by industry and technology providers and enablers, worldwide.

The new Space programme does not foresee specific financial support for its projection outside the EU; this Action will therefore substantially contribute to position the EU as a world leader in the space sector, to face and counteract fast-growing worldwide competition.

The Action has the potential to become a major EU Economic Diplomacy output in the increasingly important space sector, which is the backbone of our interconnected societies.

The Action addresses the four objectives of the PI Regulation, namely by promoting policy dialogues, projecting externally the EU Space policy, promoting regulatory convergence and EU standards worldwide to facilitate market access for the EU industry, and improving the perception of the EU as a strong global actor in space.

2.3 Lessons learnt

The Commission has been developing Space Diplomacy actions throughout the world on an ad hoc basis for some years. However, such actions have up to now been financed by means of missions of EU officials and TAIEX actions financed by the Partnership Instrument. The Galileo Masters prizes have also been open to proponents from outside the EU –however with limited outreach¹⁸. Last but not least, the Research Programme Horizon 2020 has provided support for EGNSS industrial leadership and capacity-building actions but with limited success as far as its global outreach is concerned (only in Asia).

As far as Space Diplomacy is concerned, negotiations and meetings with governments and with the private sector have taken place with quite a substantial number of third countries, among others (non-exhaustive list): Argentina, Australia, Azerbaijan, Brazil, Chile, Colombia, Cambodia, Kazakhstan,

¹⁴ <https://www.usegalileo.eu/>

¹⁵ The GNSS market is forecast to increase from 1.8 bn. units in 2019 to 2.8 bn. units in 2029 (GNSS Market Report 2019 – issue 6, GSA, page 7.

¹⁶ GNSS Market Report 2019 -issue six - GSA, Page 5

¹⁷ Source: GSA.

¹⁸ Having extra EU proponents only from Canada, Israel, South Korea and the US.

Malaysia, Paraguay, South Africa, Thailand, the United Arab Emirates, the United States, Ukraine, Uzbekistan, Vietnam.

The lack of adequate finance has however hampered space diplomacy and dialogue with third countries.

As a result, those actions have been very useful but ultimately insufficient to promote EGNSS and its market uptake globally. The need for a more planned, comprehensive, intensive and coherent approach of the activities around the EU space diplomacy has become very clear. This Global Action effectively responds to those shortages.

2.4 Coherence and complementarity

Ensuring seamless, robust and permanent satellite connectivity is of vital importance for the EU since a severe disruption in the system could have devastating consequences for the Internal Market, Member States, core public services businesses and citizens at large in view of the high degree of interconnection of our societies.

The action will be complementary to other Economic and Space Diplomacy activities undertaken by the Commission Services, by the EEAS and by EU Delegations worldwide. Actions undertaken by Member States in the targeted countries are important complements to the efforts undertaken by the EU.

The action will take place in a context where other mechanisms and support bodies exist or are being established, e.g. the GSA service infrastructure for market uptake and industry support - namely the GNSS Service Centre in Madrid; the Galileo Information Centres in Latin America; or the network of Galileo information and support centres developed by the European Commission¹⁹. The action will fully take into consideration the priorities and activities of these bodies to ensure complementarity.

The Action will create synergies with relevant Commission Services responsible for Research, Digital and Artificial Intelligence and with other policies that may be considered relevant throughout its implementation. Synergies with the European private sector and business organisations will also be pursued, as far as possible.

2.5 EU added value

This action supports the external projection of EGNSS and Copernicus and will therefore provide maximum impact and benefit to EU technology providers and industry if implemented at EU level. Close contact with Member States will be ensured through specific Economic Diplomacy Strategies and through the different existing coordination mechanisms in the field of foreign affairs.

2.6 Cross-cutting issues

The action has the potential to contribute to the implementation of the UN Sustainable Development Goals, namely No.7 – affordable and clean energy; No.9 – industry, innovation and infrastructure; No.11 – sustainable cities and communities and No.17 – partnerships for sustainable development.

A wide participation of top-class relevant institutions and stakeholders worldwide will be involved in the implementation of the action. Gender-balance and non-discrimination will be streamlined in its activities.

¹⁹ GNSS Asia, Joint Programme Office (Africa), and the Galileo Information Centres to be established in Chile, Brazil and Mexico in 2019/2020.

Most importantly, the action will promote innovation grounded on EU technologies and expertise, thus opening new possibilities to create applications in fields for development in targeted countries, in areas such as transport, agriculture, survey or the financial sector.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of the action is to position the EU as a global leader in Global Navigation Satellite Systems.

The **specific objectives** are to:

- Raise awareness on EU Space Programmes all over the world.
- Enable market uptake for EGNSS-based and Copernicus-based EU products and services on selected countries.
- Encourage EU partners worldwide to engage into institutional and commercial cooperation in the field of EGNSS promoting regulatory convergence.
- Promoting common positions/joint initiatives on EU Space programmes in relevant international/regional fora (UN, G7, G20, OECD and others).
- Generate positive spill over effects for European satellite-based technologies, products and services and stimulate innovation.

The expected **outputs** of the Action are:

- EU Space Diplomacy will be reinforced by increasing the number and the quality of the policy dialogues and the signature of cooperation agreements on EGNSS and Copernicus cooperation arrangements.
- Conditions will be put in place in the targeted countries to enable regulatory and policy developments up taking the specificities of EGNSS
- Precise information on the targeted markets will be available to EU companies and R&D/technology institutions.
- The characteristics and differentiators of EGNSS vis-à-vis other GNSS will be known by most relevant representatives of the Academia, business and research communities, civil society and other relevant stakeholders.
- Every year at least 60 new innovative ideas using EGNSS technology coming from non-EU countries will be prized through the worldwide Galileo Masters competition.

Indicative **Activities** for this Action include side events associated to policy dialogues, workshops, meetings, studies, tradeshows, business support missions, business fora, networking, training schemes (in the EU and in third countries), study visits, peer to peer encounters, market research, communication and outreach activities, design of communication material, extension of the current Galileo Master Prize.

3.2 Stakeholders

The main beneficiary of the Action is the European Union and its Member States, both the public and the private sector. Indirectly, this Action will benefit all users of EGNSS-based technologies.

Main stakeholders are:

- The European Union services relevant to this Action, and mainly those responsible for Space, Trade, Digital, Artificial Intelligence, Research and Technological Development and Business

promotion, Foreign Policy and International Cooperation including the EU delegations abroad and the EU GNSS Agency.

- Public and private institutions from EU Member States and third countries:
 - Governments
 - Space Agencies and relevant institutions (e.g. in the domain of research, education or business)
 - Relevant International Organisations
 - The private sector and businesses associations (EU and non-EU companies working on space technology and applications development)
 - The research community and Academia

3.3 Risk assessment and management

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|--|--------------------------------------|--|
| Some target countries may lose their GNSS market potential interest if, for instance, new markets with better GNSS technological readiness come into the scene once the action is under way. | M | If such changes would occur, a re-focusing of the target countries would be considered. |
| The activities foreseen under the action could not generate foreseen benefits for EU enterprises if, for instance, dialogues are delayed and/or do not produce required regulatory changes to attract EU investment/ increase trade flows in the field of EGNSS. | M | Ensure the commitment of the Commission hierarchy at high level; ensure good coordination with EU Delegations in the field. Ensure the quality of the services provider. |
| The action could fail to attract EU companies to the target countries in fields related to EGNSS. | M | Re-assessment exercise to select priority countries will be done at the beginning, in the middle and at the end of the Action. |

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

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

The Communication and Visibility Manual for European Union External Action²⁰, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The action should be widely communicated in all targeted third countries with the explicit consent and guidance of the EU Services including local EU Delegations in targeted countries. Communication and visibility activities will be addressed to governments, institutions, the scientific community, businesses and the wider public in the EU and in third countries. Indicative activities may include ensuring appropriate media coverage; support in the development of relevant webpages; or designing specific campaigns.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1 *Procurement (direct management)*

- (a) The programme will be implemented via service contract(s).
- (b) Indicative timing: call for tender expected to be launched 2nd Quarter 2020.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures^[1].

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|----------------------|
| Procurement (direct management) | 6 000 000 |
| Total | 6 000 000 |

4.3 Organisational set-up and responsibilities

The project will be governed by a Steering Committee of EU stakeholders, composed indicatively of representatives from relevant services at EU HQ (including the EEAS Space Task Force) and in EU Delegations worldwide, including the EU GNSS agency, relevant Member State institutions and the European business community. This Committee will meet on an annual basis to review, evaluate and give direction to the project.

A Project Management Board composed by relevant EU services will provide the overall technical steering and will meet at least two times per year.

Relevant parties from third countries will be actively involved in the different activities implemented under the project.

²⁰ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 3

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Resource Efficiency Initiative India phase II

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|--------------------------|------------------------------|----------------------------|
| Title of the Action | Resource Efficiency Initiative India phase II | | | |
| Country/region/global | India | | | |
| Sector of intervention | Resource efficiency and circular economy | | | |
| Indicative budget | Total: 2,500,000 EUR FPI contribution: 2,500,000 EUR Other contributions N/A | | | |
| Duration and target start date of implementation | 36 months 01.12.2020 | | | |
| Method of implementation | Direct management - Procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 41010 - Environmental policy and administrative management | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input type="checkbox"/> | X |
| | Gender equality | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | Trade Development | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | Climate change adaptation | X | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

The proposed action will contribute to the promotion of EU standards and business best-practices in fostering an efficient and sustainable use of natural resources in India. It will facilitate the involvement of EU stakeholders active in the resource efficiency sector (including designers, producers, recycling industries, sustainability experts), thus helping boost jobs and growth in the EU through the transfer of circular economy solutions and best practices to India.

The EU Resource Efficiency Initiative objectives and its design respond to the priorities and objectives laid down in the EU's external environmental and climate policy and diplomacy since 2011 and in particular the external dimension of the EU Green Deal, the EU Circular Economy Package and the G20 Resource Efficiency Dialogue. Statements made at several high-level meetings, including the two most recent EU-India Summits, the EU-India Joint Working Group on Environment, EU-India Environment Forum and the EU-India joint statement on energy and climate confirm the priorities and objectives, and frame the PI-funded action. Resource Efficiency stands high on the list of priorities of the EU's foreign policy agenda. The EU-REI is building bridges between EU Institutions, NGOs, companies and stakeholders that are interested in fostering a circular economy model in India.

2.2 Background/Context/Rationale for PI funding

India is one of the fastest growing economies of the last decade. Although the country currently has one of the lowest material consumptions in the world, with an average of 4.2 tonnes per capita, the absolute materials consumption has increased sharply in recent times (from 2 billion tonnes in 1980 to almost 5 billion tonnes in 2010 and will further increase to approximately 15 billion tonnes in 2030). With growing demand, India has changed from being a net material exporter to a net importer, with imports' growth dominated by fossil fuels and metals.

Resource efficiency will be crucial for India's and Europe's further development to:

- Help mitigate climate change and environmental degradation, waste generation, social impacts of resource development and use;
- Increase economic performance and competitiveness across sectors while reducing resource use;
- Create new opportunities for economic growth by bringing about greater innovation and business partnerships in Europe and India;
- Ensure security of essential resources' supply in the EU and India;
- Reduce the risk of geopolitical imbalances at the global level by contributing to a better use of crucial resources for development, such as water, soil, land, metals and minerals.

India is rich in traditional primary materials such as coal, bauxite and iron ore. Currently, around 97% of all materials, including abiotic and non-renewable materials consumed in India are extracted domestically. The attention to resource consumption at the extraction phase is considerably high too. In India, extraction of primary raw materials increased by around 420% between 1970 and 2010 which is lower than the Asian average but higher than the world average. However, increased extraction also causes environmental damage and social pressures.

India has a relatively high extraction of material due to the increase in material use in India, but a relatively low productivity. It is further noted that India's material footprint is the third largest in the world, and that this would continue to be the case as Indian economy tries to address the better living standards to the increasing population with manufacturing in India. In the area of steel, a Government

of India (GoI) stakeholder outlined that the demand for steel in particular would triple over the next years until 2030, which would have a very negative environmental and climate impact.

- Since 2014, the Government of India initiated the “Swachh Bharat Mission” (Clean India Mission). The Clean India Mission aims at improving the level of sanitation and cleanliness in the country with a vision to create a “Clean India” by 2019 by providing basic infrastructural and service delivery in the field of sanitation, and adopting scientific methods to collect, process and dispose municipal solid waste. Results of the Clean India Mission will be presented by the current government on October 2, 2019.
- The “Smart Cities Mission” launched in 2015, is an urban renewal program by the GoI with the mission to develop 100 cities across the country making them citizen friendly and sustainable. The Ministry of Housing and Urban Affairs is responsible for implementing the mission in collaboration with the state governments of the respective cities.
- The “Make in India” initiative was launched in September 2014 with the aim to transform the country into a global manufacturing hub. The initiative aims to increase the GDP and tax revenues in the country, by producing products that meet high quality standards and minimising the impact on the environment. The project is being led by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, and is expected to create 100 million new jobs in India by 2022.
- The “Zero Defect Zero Effect” programme aims to achieve high quality manufacturing that is also green. The slogan “Zero Defect Zero Effect” was given by PM Modi and reflects (i) production mechanisms where products have no defects and (ii) production processes, which have zero adverse environmental and ecological effects. The model was conceptualised in 2014 and has since been taken forward by the Quality Council of India, Ministry of Micro, Small and Medium Enterprises.
- The “Technical Cooperation Programme” was launched in 2014 and aims to foster sustainable and inclusive development through capacity development and skill development. The Programme Advisory Committee is co-chaired by the MoEFCC and the Ministry of New and Renewable Energy. The key thematic areas addressed are sewage treatment and solid waste management. The thematic areas are closely associated with the National Action Plan on Climate Change and the Swachh Bharat Mission. The pilot cities for the implementation of the project are New Delhi and Mumbai.

The above-mentioned missions of the Government of India are relevant to the implementation of the EU-REI as the project through its interventions leads to the mainstreaming of the Resource Efficiency and Circular Economy agendas in these related programmes.

- In November 2017, NITI Aayog (National Institution for Transforming India), along with the EU Delegation to India launched a *Strategy on Resource Efficiency for India* (RE Strategy) together with an *Action Plan* to implement the strategy. Both documents were developed under phase 1 of the EU REI project. The RE Strategy was a crucial document to set the agenda in India on Resource Efficiency (RE) and Circular Economy (CE). The Action Plan of the RE Strategy consists of a Core Action Agenda (2017-2018) and Medium-Term Action Plan (2018-2020) in the thematic areas of institutional development, promotion and regulation.
- At the launch of the RE Strategy (November 2017), the Ministry of Environment, Forest and Climate Change (MoEFCC) announced the creation of a *Resource Efficiency Cell* (RE Cell). In March 2018, the RE Cell was set up and convened its first meeting to coordinate and consolidate the efforts on RE in the MoEFCC. (The RE replaced the former Indian Resource Panel (InRP)).
- In 2019, NITI Aayog published a “Status Paper and Way Forward on Resource Efficiency and Circular Economy”, along with sectoral strategies and action plans for RE in the following sectors: Steel, Aluminium, Construction and Demolition Waste, Electrical and Electronic

Equipment. All documents developed with support of the EU REI project, key partner ministries and Niti Aayog.

- In June 2018, at the World Environment Day Celebration in Delhi, the Indian Ministry of Environment, Forest and Climate Change (MoEFCC) and the EU Delegation to India signed a *Joint Declaration of Intent (JDI) for the implementation of the EU's REI*. In April 2019, MoEFCC approved an *Action plan for the implementation* of the REI project till June 2020. MoEFCC signed an MoU with TERI (The Energy & Research Institute) to be the knowledge partner of the RE cell. The REI action plan covers the support to TERI for the RE cell support and also covers other activities to be undertaken with MoEFCC viz. additional studies, capacity development, support to the implementation of the forthcoming RE policy and research and development on innovative technologies.
- In April 2019, a “Reference Document towards developing an integrated resource efficiency policy for India”, prepared by TERI (The Energy and Resources Institute), as a REI consortium partner, was submitted to the MoEFCC. The MoEFCC is currently in the process of seeking public comments to the reference document for drafting India’s RE policy. The document aims to set the basis for a national RE policy.

These policy measures and strategies at the national and sectoral levels are crucial for scaling up and mainstreaming the Circular Economy transition in India, of which several were supported by the currently ongoing REI project.

This action is addressing specifically the fulfilment of Objective 1 of the PI Regulation, in particular the following points:

- Support for the Union's bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogue and by developing collective approaches and responses to challenges of global concern.
- Supporting the implementation of Partnership and Cooperation Agreements, action plans and similar bilateral instruments;
- Deepening 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;
- Promoting an adequate follow-up or coordinated implementation of the conclusions of international fora such as the G20.
- Reinforcement of cooperation on global challenges, addressing in particular climate change, energy security and the protection of the environment.
- Stimulating efforts in partner countries to reduce greenhouse gas emissions, in particular by promoting and supporting adequate regulatory and performance standards;
- Boosting the greening of production and trade;

The action furthermore contributes to Objective 2 (by enhancing policy dialogue and cooperation with India, and by supporting regulatory convergence between both).

2.3 Lessons learnt

The Phase II of the project is designed based on the results achieved and lessons learnt under the REI phase I project.

The Phase I of the project showed that for a measurable impact, mid-term and long-term planning is needed, as changes in the policy framework take a long time in India. For a maximum impact, the EU has to maintain its commitment. The EU businesses have been very involved in the project

implementation and concrete business partnerships have been established. Private sector participation has been another key factor that has contributed to a successful implementation of the project; this need to be strengthened further by creating favourable market development, promotion of standards and laws/ best practices based on EU experience.

The mid-term evaluation of Phase I of the project has identified the possible fields for further cooperation based on the stakeholders' interests as well, which was taken into account in the planning.

2.4 Coherence and complementarity

Synergies will be sought with on-going actions.

Clean Energy and Climate Partnership with India is a complementary PI-funded action. This action aims to foster all relevant EU India cooperation of the green energy sector and to boost climate change mitigation and adaptation.

In 2019, the PI-funded action 'Business Support to the EU-India Policy Dialogue' was launched. It aims at strengthening the EU-India economic and project business ties in key sectors where EU-India have an already established policy dialogue, including environment, water, energy, ICT, urbanisation, sustainable mobility, transport and logistics. The project involves B2B workshops, roadshows and roundtables between EU businesses and Indian stakeholders.

SWITCH Asia promotes sustainable and inclusive growth, contributing to the economic prosperity and poverty reduction in Asia and Central Asia and to a transition towards a low-carbon, resource-efficient and circular economy. Several individual projects under SWITCH-Asia are implemented in India in several sectors, including clean production, food and beverage, textile and leather industry, wood-based industry and the chemical sector. Some touch upon RE and CE, for instance the Bamboo4SD or Bhoomi Ka projects which focus on clean production or the WEEE Recycle project which tackled e-waste management issues.

The DEVCO initiative – Partnership for Action on Green Economy (PAGE) covers India since 2018. PAGE is coordinated by UN-Environment and has so far conducted consultations and studies to identify priority areas of intervention in the country, and resource efficiency has received quite a lot of attention during this work. As this project is also anchored with MoEFCC possible cooperation can be explored.

EU Member States will be associated with the REI on the basis of their policy dialogues and development cooperation activities with India, and the initiative will also provide the opportunity for them to promote the participation of their respective industries and other stakeholders through the Resource Efficiency Initiative (REI). GIZ through BMZ-funding (Federal Ministry for Economic Cooperation and Development- Germany) is currently implementing a smart city project which also looks on material flow in selected cities. The project is implemented in cooperation with the Ministry of Housing and Urban Affairs, India.

The project will also help to strengthen India's position as a member of the G20 RE working group.

2.5 EU added value

As the EU has been progressively moving beyond traditional assistance-type relationship with India, the Partnership Instrument is increasingly playing an important role in providing new avenues for continued EU-India engagement. PI project interventions were initiated in a number of priority areas such as environment, energy, climate change, urbanization, aviation safety, migration and mobility, ICT standardization, CSO engagement, public diplomacy, etc.

The EU is the biggest trading partner of India. With the growth spurt the Indian economy is currently experiencing and the growing demand for material, goods and services, it is in both the EU and India's interest to ensure the stable and sustainable supply and management of their resources.

The sustainable consumption and production (SCP) agenda is captured by SDG 12. Sustainable consumption and production has clear links to RE, as its implementation helps to achieve overall development plans, reduce future economic, environmental and social costs, strengthen economic competitiveness and reduce poverty. Resource efficiency is recognised as part of the G20 Agenda, whereby G20 countries agreed to integrate RE and CE as part of the implementation strategies for the SDGs.

The planned second phase will support the continuation of the ongoing project on resource efficiency initiative (REI) in India, which has been extremely successful so far and has contributed to a solid India-EU and intra-Indian policy dialogue, agenda setting and inter-institutional cooperation and resulted in a draft Indian Resource Efficiency Policy, inspired by EU experience.

2.6 Cross-cutting issues

The action will consistently mainstream cross-cutting issues, such as gender, resilience and innovation¹. Consistency with the Paris Agreement shall be ensured by considering potential benefits for and impacts on climate mitigation and ensuring climate-resilience of all supported activities. The selected implementing partner will be required to demonstrate in the design of the project on how the relevant cross-cutting will be incorporated in this action when preparing and implementing individual activities.

3 ACTION DESCRIPTION

In responding to the global issue of resource efficiency, the REI II phase will continue to tackle the transition to a circular economy, economic partnerships, business, employment and regulatory cooperation with India. The project will contribute as well to a better market access for companies from the Union, including the internationalisation of small and medium-sized enterprises (SMEs). The initiative is meant to support the EU's environment policy dialogues with a key partner country in order to promote convergence of positions at multilateral environmental negotiations and facilitate the exchange of information and expertise on issues related to resource efficiency, such as environmental sustainability, climate change mitigation, the protection and management of natural resources, soil fertility, water security, biodiversity protection, and environmental elements of sustainable urban development. It will also help boosting the greening of trade and businesses by promoting the effective and smooth implementation of initiatives such as the integration of sustainability criteria in business models, sustainable production and consumption, standardization of secondary raw materials and the prevention, re-use and recycling of waste.

Phase II activities will focus on implementing India's RE strategy and newly developed RE policy, by promoting EU standards and business best practices on resource efficiency. Phase II will continue supporting work in the key sectors from the phase I, including the key sectors of steel and aluminium, construction and demolition, e-mobility, and sustainable solar-energy systems, as well as addressing e-waste and plastic waste. Other new areas from the abiotic and biotic sectors will be covered in phase II, as per discussions with the MoEFCC, NITI Aayog and other related ministries and stakeholders. Another strand of work includes support to implementation of the forthcoming National RE Policy at State and local level.

¹ Cross-cutting issues identified for the PI are: multilateralism, global order, EU principles and values, Resilience, Innovation

3.1 Objectives

The Overall Objective of the action is to promote EU standards and business best-practices on resource efficiency in this process.

The Specific Objective of this action 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 thereby promoting a level playing field and opening business opportunities for EU companies in India and helping boost jobs and growth in the EU.

The action will aim at achieving the following results:

R1 – An assessment of India’s current and future needs for resources is carried out and, on the basis of policy inputs, strategies and action plans for resource efficiency are prepared and implemented for key sectors of interest.

The Resource Efficiency Cell at MoEFCC (as a follow-up of the Indian Resource Panel) is a newly set up entity and will later be accomplished by a National Resource Efficiency Authority (NREA). The cell as well as the NREA will benefit from increasing their knowledge in resource efficiency in specific sectors in India in order to influence the Indian legislations and development plans.

It is expected that sector specific studies (technical, financial, social and legal content) will be delivered in the course of the project's implementation period. The selection of the studies to be performed depends on market opportunities, political priorities and specific European experiences.

R1.1. Follow-up and monitoring studies for the sectors already covered in the first phase:

- Aluminium and Steel
- Electric and Electronic Equipment (life cycle approach)
- Construction Sector
- E-Mobility
- Photovoltaic
- Plastics

R1.2. Comprehensive assessments and studies on new areas.

Areas Including: Resource recovery from urban mining and the related urban-rural interface considering exploitation, use and reuse of natural resources; Food waste along the entire supply chain and closing the loop through CE & RE application or any other biotic resources; critical raw materials and its relevance for the Indian economy; Fiscal instruments with a special focus on existing instruments which are counterproductive for aiming towards CE and RE; Action Plan to mainstream RE and CE from the global and national level to state and local level.

Further possible sectors or areas of cooperation (such as collection and sorting of post-consumer waste wood and paper and/or use of firewood or charcoal in and around urban areas) will be also explored during the implementation of the project, if in agreement with the Government of India.

R2 – Partnerships are established between European and Indian private and public sectors on resource efficiency.

Due to its cross-cutting nature, the concept of resource efficiency calls for an integrated policy approach and multi-stakeholder involvement. To bring about change in the way India uses its resources, there is a need to bring together government, business, civil society, applied research organizations and other stakeholders, to focus and develop a coherent policy framework for greater resource efficiency. Activities under result 2 will aim at bringing the various stakeholders from India

and the EU together on a platform and providing evidence to the need of adopting a resource efficiency approach for the country.

R2.1. Support to MoEFCC & NREA to further develop and implement the Resource Efficiency Policy and monitor its progress and impacts based on globally accepted best practices

R2.2. Facilitate a dialogue between the EU and Indian Government authorities at national, state and municipal level, private sector and any other relevant stakeholders (including EU India Environment Forum, workshops, study visits etc.)

R2.3. Support the setting up of possible pilot projects in collaboration with the ongoing Business Policy Support Project

R3 – Awareness is raised on the need for resource efficient approaches in India among key government and non-governmental organisations, business, students, media and the general public through promotion of EU standards and business best-practices on resource efficiency.

R3.1. In order to maximise its long-term impact, to gain political and social acceptance and to develop a market creating business opportunities, the Resource Efficiency Initiative will be supplemented with outreach and educational activities.

R3.2. Support setting-up an innovation lab which will be used to create and apply new forms of cooperation and communication y in order to anchor and mainstream the concept of RE at a broader basis.

R 3.3. Support institutions and academia to create educational course/ awareness campaigns on Resource Efficiency and Circular Economy

3.2 Stakeholders

The stakeholders for the action include EEAS; European Commission services; EU Agencies; EU Member States and their relevant agencies; Indian Ministries, Agencies and State-level governmental bodies; Industry Associations, Indian and EU think tanks, civil society, academia, private sector, local governments, and media. The above mentioned key stakeholders will be included in formulation and implementation of activities of their interest under the project in sectors of relevance to them.

The key stakeholders include the European Commission (DG ENV, DEVCO, ENER), EEAS, EU Member States, Indian Government agencies (Niti Aayog, Ministry of Environment, Forests and Climates Change, Ministry of Housing and Urban Affairs, CSIR, BMTPC, TIFAC), Central and State Pollution Control Boards, Ministry of Mines, Ministry of Commerce and Industry, Ministry of Heavy Industries, Ministry of Electronics and Information Technology Ministry of Steel, Ministry of Consumer Affairs,), business representatives/associations (FICCI, CII, FISME, MRAI, etc.)

3.3 Risk assessment and management

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|---|--------------------------------------|--|
| National and State Governments would not support the project. | L | This risk is considered to be small given the obvious need for the initiative, the commitment previously expressed by the Indian Government and industry associations and the close cooperation which could be |

| | | |
|---|---|---|
| | | <p>established so far. Ongoing dialogues are ensuring the GoI support.</p> <p>The Ministry of Environment, Forests and Climate Change, other stakeholder ministries and Niti Aayog/ state government will be fully and continuously associated with the conception and implementation of the project.</p> |
| <p>EU Member states prefer to implement bilateral cooperation activities rather than being involved in an EU-wide initiative.</p> | L | <p>This risk will be mitigated by involving EU Member States experts closely in the work for the design and steering of the activities, and ensuring that Member States have the freedom to implement their own activities without interference from other partners (i.e. the cooperation should be loose and flexible). Communication between all partners and information on progress of activities will be ensured. Possible synergies between bilateral projects of the MS and EU-REI will be looked for.</p> |
| <p>There is no interest by EU businesses to get involved</p> | L | <p>Companies will be hand-picked because of their specific added value to the policy dialogue. 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 closely involved in this process. Cooperation with EU Business Partnership will further help to stimulate interest among potential European business partners.</p> |
| <p>Lack of political interest in setting-up the NREA and delay in notification of the draft RE policy</p> | M | <p>In case there is a delay, the project will continue to work with MoEFCC RE-Cell and concerned stakeholders.</p> |
| <p>High number of stakeholders and changing expectations.</p> | M | <p>RE requires a multi-stakeholder approach as it is not a single sector specific concept. The project will give special attention to facilitate inter-ministerial and inter-sectoral cooperation. Support to RE-cell</p> |

| | | |
|--|--|---|
| | | at MoEFCC but even more attention in support setting up of NREA will be key to mitigate friction among the different actors and to handle changing expectation due to changes of senior officers. |
|--|--|---|

3.4 Communication and EU visibility

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

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

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

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

Communication and visibility will be an integral part of the project. The EU Delegation will participate in the dissemination of information in order to facilitate program 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.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1 Procurement (direct management)

The project will be implemented through the procurement of services, either by extension of the current service contract as foreseen in AAP 2015, or by launching a call for tender. The indicative timetable for the call for tender, should this option be selected, is 3rd Quarter 2020.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures^[1].

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|------------------|
| Procurement (Direct management) | 2 500 000 |
| Total | 2 500 000 |

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

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.3 Organisational set-up and responsibilities

In REI phase I steering is provided between the Government and the EU-REI project through a number of different committees and groups which involve a range of different stakeholders, namely:

- The Inter-departmental Committee was constituted under the Chairmanship of Ratan Watal, NITI Aayog Principal Advisor, and include the MoEFCC, the Central and State Pollution Control Boards, as well as officers representing 8 other relevant ministries and departments of the government of India. The UN, World Bank, TERI, CII, FICCI also participate in the Committee. The Interdepartmental Committee has been guiding the implementation of the Action Plan in the RE Strategy. The Inter-departmental Committee meets 3-4 times per year.
- A RE Task Force was also set up in February 2018, to support the Inter-departmental Committee and functions as an expert secretariat, providing feedback for the finalisation of the four sectoral strategy papers. The Task Force is a Panel consisting of experts from business, government and EU-REI. Experts come from NITI Aayog, EU-REI, FICCI, CII, and the former InRP. The Task Force holds 4-5 meetings annually. According to the GIZ, the RE Task Force became less active once the MoEFCC took over in April 2019.
- Taking into consideration the recommendations of the InRP, in 2017, the MoEFCC created a RE Cell within the MoEFCC to provide a platform to mainstream RE in public policy. The RE cell also includes officials from the EU-REI team, and formally includes TERI as a knowledge partner to the RE Cell (outside of the EU-REI) through the Joint Declaration of Intent signed between the MoEFCC and TERI in June 2018. The RE Cell enables the preparation of an overarching RE policy for India, and also supports the Steering Committee on RE (see next point). The RE Cell is chaired by the Additional Secretary of MoEFCC and convenes on a need basis. According to a GoI official, the RE Cell worked closely with the relevant line Ministries. Another GoI stakeholder noted the collaboration and communication between the GoI and the EU-REI team worked well.
- Within the RE Cell, a Steering Committee on RE was formed, consisting of 15 members, including from the former InRP, the MoEFCC, civil society, industry (e.g. CII), Toxics Link , TERI, EUD, UNEP. It is chaired by the MoEFCC and has been operationalised since May 2019 onwards.

The high level policy steering is subject to change under REI phase II, given that multi-sectoral/ inter-ministerial meetings would change after the RE policy is notified, The current inter-departmental meetings at Niti Aayog might not be undertaken anymore instead an inter-ministerial committee coordinated jointly with NREA is envisaged.

The PI project steering committee members will consist of the EEAS, FPI and line DG representatives, namely DG ENV, DG CLIMA, DG DEVCO and DG GROW and DG RESEARCH.

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.

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4.5 Evaluation and audit

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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.

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EN

ANNEX 4

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for India – EU Water Partnership - Phase II

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|--------------------------|------------------------------|----------------------------|
| Title of the Action | India – EU Water Partnership - Phase II | | | |
| Country/region/global | India | | | |
| Sector of intervention | Water | | | |
| Indicative budget | Total: 2 760 000 EUR EC contribution: 2 400 000 EUR 87 % Other contributions: co-financing by BMZ 360 000 EUR / 13%) | | | |
| Duration and target start date of implementation | 36 months 01.10.2020 | | | |
| Method of implementation | Indirect management with Member State Agency (GIZ) | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 14010 - Water sector policy and administrative management | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input type="checkbox"/> | X |
| | Gender equality | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | |
| | RIO Convention markers | | | |
| | Biological diversity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | Climate change adaptation | <input type="checkbox"/> | X | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

Water security is widely recognised as one of the major challenges to India's economic and social development. The combination of climatic conditions with a range of manmade pressures has driven India's farmers, households, and industry to increasingly depend on groundwater rather than surface water in rivers and lakes. Notably, groundwater covers up to 85% of rural domestic water requirement, 50% of urban water requirements and more than 60% of irrigation requirements. Unregulated groundwater development has led to its overuse in many parts of the country. The overuse of groundwater and the increasing competition for water between industry, urban / domestic use and the agriculture sector has highlighted the need to plan and manage water on a river basin and multi-sectoral basis.

In addition, India's population is growing fast: it is estimated that by 2050, more than half of India, or an estimated 800 million people, will be living in urban areas. Inadequate investment in urban-water treatment facilities and poor treatment of industrial effluents and raw municipal sewage has led to low water quality standards. Many existing water utilities are either financially bankrupt or have important transmission and distribution losses, as high as 50 percent. Overall, the quality of urban water infrastructure and water management will have to be upgraded to respond to growing demand. For most urban areas, measures need to be taken to improve water use efficiency; reduce leakages; apply higher tariffs; enhance the capacity of local water bodies. To date, however, the difficulties of regulation and collective management of India's water resources have been overwhelming. Urban Local Bodies are in many cases not able to plan, implement and operate infrastructure for wastewater treatment. Moreover, the division of roles/competences between State and municipal [authorities] on regulation and operation in the urban water and sanitation sector is not clearly defined.

2.1 Action summary

The overall objective of the action 'Development and Implementation Support to the India-EU Water Partnership (IEWP)' is to facilitate a progressive convergence by India towards EU policies and standards on water management by strengthening knowledge and experience exchange between public and private sector stakeholders in the EU and in India with regard to the water sector (including a focus on River Basin Management). This is in line with the external dimension of the European Green Deal. Also, cooperation between India and the EU in the water sector, including cleaning the Ganga, will help create business opportunities through the promotion of a level playing field.

This project will support a second phase of the ongoing project on the IEWP.

The current implementation of the IEWP enabled a well-established cooperation basis between the EU and India, under the steering of the EU-India Joint Working Group, and a continuation will allow this to be consolidated. Considering the EU's expertise in the area of water protection, the partnership between stakeholders on both sides enables the transfer/adaptation of relevant parts of EU policies and legislation to an Indian context.

River Basin Management (RBM) – including surface waters and groundwater - is a key strength of the EU and a continuous implementation of the project would aim for the implementation support of possible priority projects under the preliminary Tapi River Basin Management Plan, with associated opportunities for EU businesses.

Within the current project framework an Action Plan including 9 Priority Areas is under implementation. The second phase will build upon the established cooperation basis and structure and allow rearrangement and merging of the priority areas for reaching further implementation of the activities under the clustered IEWP priority areas, including RBM and its components, reuse of treated

wastewater, irrigation efficiency and sustainable use of water, support in policy development, EU business involvement in the Indian water sector and introduction of EU technologies.

The implementation of activities for demonstration purposes, including the actual testing of blended EU and Indian approaches, should establish the basis for policy frameworks as needed in the Indian context and creating opportunities for EU business.

The next phase will also focus on building further synergies with EU Member States and integrate their different strengths into a holistic EU offer.

2.2 Background/Context/Rationale for PI funding

India is a key player both in the South Asia region and at global level, as well as a strategic partner for the EU. India-EU relationship goes back to the early 1960s. The Joint Political Statement of 1993 and the 1994 Co-operation Agreement took relations beyond trade and economic cooperation, opening a broad political dialogue between both sides.

In 2004, India became one of the EU's strategic partners. The Joint Action Plan (JAP, adopted in 2005 and revised in 2008) frames the partnership with a view to helping it realise its full potential. The creation of the Partnership Instrument (PI) in 2014 provided the opportunity of facilitating support to the EU-India partnership. To date, the PI funds a wide-ranging action portfolio, from cooperation on ICT standards, public diplomacy, a dialogue on migration and mobility, a water partnership, to clean energy. The Instrument translates policy cooperation and dialogue between India and the EU into operational cooperation.

The EU and India have a long-standing tradition of cooperation on water management issues. Already in the 2004 Joint Action Plan of the EU-India Strategic Partnership, it is mentioned that the EU has committed significant financial resources to achieve progress on the (then in place) Millennium Development Goals in India, with an emphasis on 'health, education, water and environment'.

During the 13th EU-India Summit in 2016, the EU and India reconfirmed their commitment to give new momentum to their bilateral relationship endorsing the EU-India Agenda for Action 2020 as a common roadmap to jointly guide and strengthen the India-EU Strategic Partnership in the next five years. The India-EU Water Partnership (IEWP) is an outcome of the 'Joint Declaration on Water' adopted by India and the EU on 30 March 2016 also during the 13th EU-India Summit in Brussels, to enhance cooperation on water-related issues. Subsequently, a 'Memorandum of Understanding on the India-EU Water Partnership' was signed in October 2016 between the then Indian Minister of Water Resources, River Development and Ganga Rejuvenation (MoWR, RD & GR; now called Ministry of Jal Shakti), Uma Bharti and EU Environment Commissioner, Karmenu Vella with an objective to strengthen the technological, scientific and management capabilities of India and EU in the area of water management on the basis of equality, reciprocity and mutual benefit .

The relevance of the IEWP to the EU's external environmental policy and diplomacy is further confirmed by recent high-level political statements at EU level.

In November 2018, the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy adopted a Joint Declaration that sets out the EU vision for a strategy to strengthen cooperation with India. Through the strategy, the EU places an emphasis on reinforcing cooperation in foreign policy and develops security and defence cooperation with India, promoting effective multilateralism, and building on common values and objectives. This Joint Communication replaces the last Commission Communication on India of 2004, recognising that India has emerged as the fastest-growing large economy and has acquired an important geopolitical role.

In November 2018, the Foreign Affairs Ministers of the EU adopted conclusions on the EU's water diplomacy. The Council committed to enhance EU diplomatic engagement in the area of water and acknowledged the grave human and economic costs that water scarcity can bring about.

Indian Prime Minister Narendra Modi launched a new Ministry called the ‘Jal Shakti’ (meaning ‘water power’) to provide safe drinking water to people and to manage all water resources. The Jal Shakti Ministry has been created by reorganising the earlier Ministry of Water Resources, River Development and Ganga Rejuvenation. The Ministry of Drinking Water and Sanitation has also been added to it. The World Bank also embraced the initiative of forming the Jal Shakti, which also foresees a dedicated Commission on Water Efficiency and brings all water-related issues under a single umbrella. Soon after his recent electoral win, PM Modi confirmed that tackling water challenges remains on the top of the list of national priorities for the newly elected government.

The IEWP, through its different priority areas, reflects the need for a combination of good governance and coordination, as well as appropriate strategies, technical approaches, research and innovation technologies. All stakeholders from the Government of India (GoI) agreed that the specific and overall objectives, as well as the design of the IEWP, responded well to the needs and priorities to develop efficient use of water resources in India.

The interest and intention of the GoI to work with the EU on water and river basin management issues was confirmed through the Joint Declaration on Water signed by the Republic of India and the EU in March 2016. The parties committed to work towards the establishment of the India-EU Water Partnership, bringing together representatives of relevant stakeholders, including interested EU Member States and Indian States, European and Indian institutions, businesses and civil society.

The PI also addresses specific aspects of the EU’s economic diplomacy with a view to improving access to third country markets by boosting trade investment and business opportunities for European companies. In this context, the IEWP action demonstrates relevance to this PI objective as it has been designed to ‘help create business opportunities for EU companies having the technical know-how to contribute to improving the efficiency of water management in India.

- The IEWP action relates in particular to the second objective of the Partnership Instrument, namely “Projecting the international dimension of Europe 2020 strategy”. In that regard, the IEWP action contributes to the advancement and promotion of EU interests by supporting the external dimension of EU internal policies such as competitiveness and research and innovation. It also contributes to Objective 3 - priority 3.1: Regulatory cooperation, standards, market access and business development

2.3 Lessons learnt

A coordinated EU approach provides a "critical mass" for action by EU actors and a much more powerful framework comprising all EU Member States vis-à-vis the Indian authorities (as opposed to a fragmented approach by each national player). Given India’s limited technical knowhow in river basin management and water management in general, providing collective expertise on this matter to the Indian government would send a strong message on the EU capacity to deliver on the partnership and significantly strengthen India – EU relations in the short and long term. It is envisaged that the Indo-European Water Platform will play such coordinating role and it is envisioned that this Platform could become a key partner.

As part of the IEWP, the European Business and Technology Centre (EBTC) did a scoping study in 2019 on the potential for EU businesses in the water sector in India. The study provided insights on the current engagement of and support infrastructure for EU water businesses in the Indian water sector and provided strategic recommendations for increased involvement of EU water businesses through the IEWP by other non EU programmes (e.g.: Member States) and the lessons learnt.

2.4 Coherence and complementarity

The government of India is strongly committed to the 2030 Agenda, including the Sustainable development Goals (SDGs), as evidenced by the statements of the Prime Minister and other senior Ministers at national and international meetings. Incumbent Prime Minister Modi stated at the UN

Summit for the adoption of Post-2015 Development Agenda: ‘Just as our vision behind Agenda 2030 is lofty, our goals are comprehensive. It gives priority to the problems that have endured through the past decades, and it reflects our evolving understanding of the social, economic and environment linkages that define our lives’.

The Agenda 2030 addresses comprehensively the issue of clean water and sanitation. SDG 6 sets a group of targets for 2030 that include improving water quality; implementing integrated water resources management at all levels (including through transboundary cooperation as appropriate); protecting and restoring water-related ecosystems (including rivers); supporting and strengthening the participation of local communities in improving water and sanitation management.

It should be noted that a specific implementation component of the IEWP aims to integrate EU research and innovation into the IEWP as far as possible. In February 2019, seven projects to the tune of EUR 40 million selected under the EU-India Joint Call on Research and Innovation for Water under Horizon 2020 were launched. The India-EU Water Partnership organised a back-to-back H2020 kick-off with the 4th IEWF before the official kick-off to guarantee full synergy between the EU-India dialogue on water and how research and innovation initiatives could facilitate the execution of the issues identified.

The PI has supported the implementation of a relatively large portfolios of actions in India since its creation, including a number of actions related to environment and sustainability overall. In the field of water management, the PI support has been consistent over time. It first funded the PSF action related to the Clean Ganga Initiative and preparation for wider EU-India cooperation on water issues, which aimed to contribute not only to the Clean Ganga Initiative but also to setting the scene for an India-EU partnership on water. This partnership has materialised through the IEWP.

The World Bank Group (WBG) is the other main donor in India working on water management. Their focus is on the setting up of multi-stakeholder platforms. Several projects are ongoing including the National Hydrology Project and the Dam Rehabilitation and Improvement (DRIP) project, which are focussed on different basins than those targeted by the IEWP, with the exception of the Ganga. Deltares, a Dutch Independent Institute for applied research in the field of water, is knowledge partner of the Dam Rehabilitation and Improvement Project in India. This World Bank funded project (2012-2020) envisages the rehabilitation and improvement of 257 dams in seven states. In addition to rehabilitation of dams and flood risk management, other activities include publication of guidelines, manuals and capacity development. Recently, the World Bank approved the follow-up of the project, which will be initiated in 2020, involving an investment of EUR 1.3 billion. In total, the World Bank currently runs 15 active programmes in India that are focused on water resource management.

2.5 EU added value

Given India’s limited technical knowhow on river basin management and more generally on water management, the provision to the Indian government of collective expertise on this matter will send a strong message on the EU capacity to deliver on the partnership and will contribute to strengthen India – EU relations in the short, medium and long term.

While the implementing partner is a member state development agency, other EU Member States also bring in a diverse expertise in relation to water management development activities in India. The project will ensure involvement of their interest and also involvement of group of EU actors at the widest possible level.

2.6 Cross-cutting issues

The action will consistently mainstream general PI cross-cutting issues, such as Resilience and Innovation.¹ Consistency with the Paris Agreement shall be ensured by considering potential benefits for and impacts on climate mitigation and ensuring climate-resilience of all supported activities. From the RIO Convention markers it will mainly address climate change adaptation but also the issues of Biodiversity². In addition, gender mainstreaming will also be ensured notably given the prominent role of women in the daily water management in South Asia. The selected implementing partner will be required to demonstrate in the design of the project on how the relevant cross-cutting will be incorporated in this action when preparing and implementing individual activities.

3 ACTION DESCRIPTION

The overall objective of the action ‘Development and Implementation Support to the India-EU Water Partnership (IEWP)’ is to facilitate cooperation between India and a flexible coalition of EU Member States on water-related issues of mutual interest by further developing the India-EU Water Partnership. Also, cooperation between India and the EU in the water sector, including cleaning the Ganga, will help create business opportunities..

This objective goes hand-in-hand with the current SGR objective ‘Responsible stakeholders at the national and state level increasingly apply integrated approaches for the management of river basins based on EU processes’ by addressing the overall Indian water policy and explicitly bringing in practical European experiences, best practices and technology. Moreover, the focused and practical ‘on the ground’ experiences and learnings of the SGR project on national and state level with their established work relationships allows to enrich the India-wide knowledge exchange and helps to identify concrete business opportunities (e.g. in the municipal and industrial waste and wastewater sector) for EU companies.

3.1 Objectives

The specific objectives of the action have been defined as follows:

1. To facilitate a progressive convergence by India towards EU policies and standards on water management by strengthening knowledge and experience exchange between public and private sector stakeholders in the EU and in India with regard to the water sector (including a focus on River Basin Management);
2. To help create business opportunities for EU companies having the technical know-how to contribute to improving the efficiency, effectiveness and sustainability of water management in India.

The *results* to be achieved are as follows:

Result 1 – Further consolidating and implementing the India-EU Water Partnership:

1.1. The EU Delegation is able to advance the EU-India policy dialogue and cooperation on water management issues through an operational India-EU Water Partnership and based on concrete joint actions;

1.2. Priority activities in water resources and river basin management are jointly implemented (i) blending EU policies and good practices in River Basin Management with the Indian approaches on

¹ FPI: Multilateralism; EU principles and values; Resilience; Innovation

² RIO: Biological diversity; Combat desertification; Climate change mitigation; Climate change adaptation

the national and selected state level as well as (ii) involving EU actors towards functioning cooperation and seeking for opportunities to encourage EU India cooperation on technology transfer;

Result 2 - Facilitating research exchange towards innovation and further creating business opportunities for EU companies in the Indian water sector:

2.1. Activities linking water research, innovation and gender equality to the IEWP priorities are strengthened.

2.2. Further reach out to EU companies to develop new activities in India and, based on established liaisons with EU companies, effectively translate opportunities into business partnerships including pilot testing of technologies.

In June 2017, the IEWP Joint Working Group agreed on an IEWP Action Plan including nine Priority Areas (PRs) for the cooperation and implementation on water resources as well as river basin management. The specific and overall objectives, as well as the design of the action, has been responding well to the particular context in which IEWP is implemented. The objectives and 9 priority areas are in line with the needs in India and the priorities of the Ministry of Jal Shakti. The IEWP objectives and design also correspond to the EU priorities in the area of EU external environmental climate policy and diplomacy, which is clear from the endorsement of the IEWP in the EU-India Agenda for Action 2020.

The new phase of the IEWP will cluster the earlier 9 Priority Areas of the previous phase (such as PR1 Sustainable Development of River Basins and Water Governance; PR2 Environmental Flows (E-flows); PR3 Ganga Rejuvenation (including CGanga Cooperation); PR4 Groundwater Use; PR5 Water Use in Irrigation; PR6 Solar Pumping for Irrigation as part of River Basin Management Plans; PR7 Capacity building; PR8 Treated Wastewater Re-use; PR9 Collaboration in Research, Innovation and Technology) towards continued and practical implementation focusing on integrated River Basin Management, reuse of treated wastewater and irrigation efficiency.

The River Basin Management activities will widen and deepen the content the Tapi River Basin Plan and undertake an exercise to upscale the Tapi experiences to a selected Ganga River Sub-Basin and, hence, the basin-wide scale.

In addition, business opportunities for EU companies will be further created as well as de-facto pilot testing of EU technologies will move opportunities to practice

The foreseen activities under Result 1 may include the Co-organisation of the India Water Week; Action Plan for the further clustering and deepened implementation of the IEWP Priority areas developed with Indian partners; Further development of the communication and visibility strategy; Further development of the IEWP website; Constant update of topics of interest to Indian partners on national and on state level; Development of short background documents/ notes on the selected topics; Mobilisation of European senior experts for discussion of and advice on the selected topics; Organisation of appropriate events for knowledge and experience exchange: sharing EU best practices and learnings on specific focus areas (such as river basin management, Ganga rejuvenation, rural water, water and urbanisation, floods and droughts, water scarcity, ecological flows and biodiversity), Inventory of existing river basin boards in India including respective mandate and governance structure; Facilitation of experience exchange on the development of river basin management plans with organizations in Europe (events organised / review of documents); Support to the establishment of technical working groups of Indian experts for priority topics on RBM; Support the further development of a pilot RBMP; Facilitation of India-EU knowledge exchange in the water sector, using the India Water Week and other events.

Under result 2 the foreseen activities would be: Set up cooperation/links with Chambers of Commerce, industry associations etc. related to businesses in the water sector; Identification of appropriate events and formats which could be used as starting points for the involvement of EU water companies; Identification of EU companies in the water sector who are interested in the Indian market; Organisation of annual business exchange, combined with the India-EU Water Forum and other events; Identification of events at national or state level where relevant EU businesses could be invited to showcase their technologies or services; Support and facilitate the establishment of partnerships between India and EU companies; Identification of innovative European water solutions and potential good practice examples and actions, which could be applied for replication in the Indian context.

3.2 Stakeholders

Stakeholders include:

- GoI Agencies (Ministry of Jal Shakti (= Ministry of Water); Central Water Commission (CWC); Central Groundwater Board (CGWB); National Ganga River Basin Authority (NGRBA); National Mission for Cleaning the Ganga (NMCG) , National Water Mission (NWM) and its aligned state authorities (SPMGs), Ministry of Environment, Forests and Climates Change (MoEF); Central and State Pollution Control Boards, Ministry of Commerce and Industry, State Governments and Water Resources Departments of the Indian states including the Tapi River Basin States of Gujarat, Maharashtra, Madya Pradesh; Central Inland Fisheries Research Institute (CIFRI), Wildlife Institute of India (WII), National Institute of Hydrology (NIH), Indian Institute of Technology, Kanpur (IITK)/ Centre for Ganga River Basin Management and Studies (cGanga); and others
- Business representatives/associations (FICCI, CII, FISME, IIF, etc.), including the National Water Council of the Confederation of Indian Industries and SME associations/entrepreneurs engaged in water related businesses,
- Bodies such as the Council of EU Chambers and EU MS Chambers of Commerce in India, the European Centre of Employers and Enterprises providing Public services (CEEP), European organisations such as EurEau and similar national associations; European branch of the International Federation of Organic Agriculture Movements (IFOAM-EU), the European Conservation Agriculture Federation (ECAAF), the European Environment Agency (EEA), civil society, including women’s organisation, and academia.

3.3 Risk assessment and management

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|---|--------------------------------|---|
| Support to the project from National and State Governments might turn out not to be as active as expected or to decrease over time. | M | Directly supporting national and state level partners in the coordination and overarching planning and steering reduces the risks related to insufficient institutional capacities including cooperation mechanisms within and across the states. |
| The possible focus on selective interventions and short-term success may jeopardize holistic and participative approaches for river rejuvenation. | M | The project cannot influence the political volatility and the risk of changes in the partner landscape. Close cooperation with the line ministry MoWR,RD&GR will allow the quick intimation on relevant political developments. The |

| | | |
|---|---|--|
| | | existing flexibility in the choice of topics allows a change of strategic focus during the course of implementation. |
| The institutional and human resource requirements for a sustainable river basin management cannot be realized in time (in particular the establishment of an operative structure for institutions with mostly political representatives). | M | The German and European experiences in the area of river rejuvenation processes will positively contribute to the minimisation of risks. The cooperation and coordination mechanisms are being shared with the respective partners (e.g. design of steering and working groups). The German and European rejuvenation process experiences that include a mix of immediate action and long-term concepts to overcome challenges and foster ultimate success will help reduce the risks related to focus on quick and short living activities. |
| Priorities of the Indian Government in the water sector change and challenge the IEWP Action Plan. | M | A close and continuous exchange of the IEWP Project Management Unit with the Ministry of Jal Shakti and its aligned authorities will minimise this risk. In addition, a flexible set-up of the IEWP Action Plan that allows easy adaptation to priority changes, will compensate and reduce the risk. |
| The spectrum of concerned authorities is wide and the IEWP might not reach out to all, thus limiting the impact of the project. | H | A close cooperation and coordination with other DC-Programmes active in this area at the city or implementation level can highlight results and thereby increase the political support. |
| EUMS willingness to link the implementation of their bilateral cooperation activities to the EU-wide initiative reduces. | M | Regular exchange of experiences and support for the establishment of operational structures in institutions with mostly political representatives in India and EUMS. |
| EU businesses are reluctant to invest in India not being fully aware of the opportunities and risks involved as well as the complex tendering processes in India. | L | Making wide use of business networks/ platforms (as fares, conferences, business associations, chambers of commerce etc.) for sharing success stories from India and other threshold countries as e.g. China. |

3.4 Communication and EU visibility

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

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

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

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

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

This action will be implemented in indirect management by means of a contribution agreement with Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), which has been pillar assessed in accordance with Art. 145 of the Financial Regulation and has been selected by the European Commission using the following criteria:

- nature of the action
- operational capacity
- value added

Implementation through full recourse to an EU Member state agency is key to achieve concrete results on sensitive technical matters, and to ensure effective credibility, interest, and cooperation with the partner country.

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

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

Changes from indirect to direct management mode due to exceptional circumstances

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

Indicative timing: 3rd quarter 2020.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.^[1]

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

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.2 Indicative budget

| Method of Implementation | Amount in EUR | Indicative third party contribution in EUR |
|---|----------------------|---|
| Indirect management – Contribution agreement with GIZ | 2 400 000 | 360 000 |
| Total | 2 760 000 | |

4.3 Organisational set-up and responsibilities

At the highest level, the steering for the IEWP is done through the Joint Working Group (JWG), which is co-chaired by the EU Delegation and Jal Shakti (Ministry of Water). The closest EU MS partner is Germany, as the German Federal Ministry of Cooperation and Development (BMZ) co-finances the IEWP since 2017. The first IEWP phase was implemented by GIZ and experiences can be rated as very good.

In addition, the EU Delegation has signed Expressions of Intent on the IEWP with a number of EU Member States (DE, HU, NL and there are plans for DK). The Letters or Expressions of Intent formalise the engagement of each Member State with the IEWP. More specifically, the Netherlands has intensified its cooperation in water with India in recent years, with the Netherlands and the IEWP signing a Joint Expression of Intent to participate actively in the steering of the Action in February 2019. On the same note, Hungary strengthened its already extensive cooperation with India on water issues by signing a Memorandum with the EUD to India in February 2019, while Denmark aims to sign a formal Expression of Intent with the IEWP with regard to certain priority areas.

Other member states are involved in IEWP activities according to their interests, especially cooperation with BE, FR, ES, SE can be highlighted.

The PI project steering committee members will be consisting of the FPI, line DG representatives, namely DG ENV, DG CLIMA, DG DEVCO, DG GROW and DG RTD, as well as the EEAS.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 5

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Platform for Policy Dialogue and Cooperation between EU and China on Emissions Trading, Phase II

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|--------------------------|------------------------------|----------------------------|
| Title of the Action | Platform for Policy Dialogue and Cooperation between EU and China on Emissions Trading, phase II | | | |
| Country/region/global | China | | | |
| Sector of intervention | Climate Action | | | |
| Indicative budget | Total: € 5,000,000 EC contribution: € 5,000,000, 100% | | | |
| Duration and target start date of implementation | 24 months Indicative start date: 3rd quarter of 2021 | | | |
| Method of implementation | Direct management Procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 23110 - Energy policy and administrative management; 41010 – Environmental policy and administrative management. | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | Gender equality | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | |
| | RIO Convention markers | | | |
| | Biological diversity | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input type="checkbox"/> | X |
| | Climate change adaptation | X | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

The action aims to continue the ongoing cooperation between the EU and China on policies tackling climate change, in particular on emissions trading, building on the existing cooperation on emissions trading. The focus is on emissions trading as a tool to cut emissions domestically rather than on international carbon markets, as currently discussed in the UNFCCC negotiations. The action will continue to support the operation and development of the Chinese nation-wide emission trading system (ETS). This contributes to the implementation of the Paris agreement in China, drawing on EU lessons from the EU ETS, but is also a powerful example to other economies looking to use emissions trading to meet their Paris commitments, thus contributing to promoting a level playing field. This action is fully in line with Commission priority 2019-2024 of a European Green Deal.

This action will support the implementation of the annual policy dialogue on emissions trading as agreed in the Memorandum of Understanding on ETS cooperation signed at the China-EU summit in July 2018, including through joint policy research activities designed to provide appropriate and effective solutions to challenges of the Chinese ETS. It will also undertake various training activities for the development and implementation of emissions trading in China, with a focus on a ‘train-the-trainer approach’ to increase the number of people targeted. In addition, it will maintain an element of flexibility so that other actions needed for the implementation of a robust ETS in China can be supported should the need arise in the future. The need for further training and practical policy exchanges and support was confirmed at the ETS dialogue that took place in December 2019 in Madrid.

2.2 Background/Context/Rationale for PI funding

China is the largest emitter of greenhouse gases in the world with more than a quarter of the total, equivalent to more than the accumulated greenhouse gas emissions of the EU and US. Tackling climate change successfully requires China to meet its commitments under Paris and to decarbonise its economy over time. Therefore, an effective emission trading system in China is very much in the interest of the EU, to support cost effective emissions reductions in China and thus facilitate higher ambition.

Because of its size and its status as a non-OECD country, China can send a strong political signal through implementing an economy wide ETS. With many countries looking to China to provide an example, the development of a successful national ETS in China can send an important message to others on their ability to act to implement their NDCs under the Paris agreement, thus contributing to promoting a level playing field.

China and EU together account for approximately 80% of emissions covered by emissions trading systems worldwide. Enhanced cooperation between these two players increases their potential to influence significantly the design and quality of emerging emission trading systems in other parts of the world.

Following a number of provincial and city pilot emission trading systems in China operating since 2013, the Chinese government has decided to establish a nation-wide system, under which operation (trading) is due to begin 2020 for the power sector, as the sector where implementation of an ETS is most straightforward. This will help China address and control CO₂ emissions from coal fired power generation, for example. From the start, the Chinese ETS will cover twice as many emissions as the EU ETS. Further sectors will be included after 2020 once the system is up and running, and will expand the Chinese ETS to cover emissions estimated at 6 billion to 8 billion tonnes of CO₂ per year. (In 2018, the EU ETS covered emissions of 1.8 billion tonnes of CO₂).

The EU ETS has been operating since 2005, with the most recent review of the legislation completed in 2018 for Phase 4. The EU ETS will be a central policy tool allowing the EU to reach its' 2030 target of reducing emissions by 40% relative to 1990 levels, but also under the Green Deal, for attaining carbon neutrality by 2050 in the EU. The EU has very significant practical experience and lessons to share with China, and this project will continue to organise the exchanges, which allow EU experience to be shared with Chinese policy makers and other stakeholders.

China is possibly the EU's most important strategic partner in the fight against climate change. The need for enhanced cooperation including on ETS is emphasised in the EU-China Leaders' Statement on Climate Change and Clean Energy and the Memorandum of Understanding to enhance Cooperation on Emissions Trading between the European Commission and the Chinese Ministry of Ecology and Environment, agreed at the China-EU summit in Beijing in July 2018. The Bilateral Cooperation Mechanism (BCM) on climate at Director- DG level has also covered the importance of bilateral cooperation on ETS at each meeting in the last 10 year.

Like the current project¹, this Phase 2 will promote policy dialogue and develop collective approaches and responses to climate change, the biggest global challenge. The success of the project will be measured, *inter alia*, by the progress made by China in implementing the national ETS and the influence this has on other parties in the fight against climate change. Furthermore, the Joint Research Activities are contributing to people-to-people contacts, cooperation in educational and academic matters, think tank cooperation.

2.3 Lesson learnt

The first major lesson learnt so far in this cooperation is that, whilst China committed to establishing a national ETS in September 2015, this is a complex and challenging task, which requires the support that the EU and other donors can provide, especially given the size of China and need to establish a new market and supporting infrastructure. China needs and will continue to need support to build capacity within regional and local government and in the companies involved in the ETS.

Secondly, flexibility is important. The speed of development is influenced by external factors outside the control of China's MEE and the project. For example, the re-structuring of the Chinese government announced in March 2018 delayed implementation and led to significant new training needs as new people across China became responsible for ETS delivery- many local authorities did not transfer those previously trained and involved in ETS to environment bureaux along with the transfer of responsibility for climate action. The existing project stepped up the speed of training- December 2018 December 2019, more than 11,000 people from industry and authorities attended training under the project.

This flexibility is also necessary to respond to policy changes that may lead to a demand for new activities under the project. The existing project has also seen an increasingly important role for joint policy research and exchanges with Chinese government experts. More new demand for policy exchanges and research can be expected as China starts the implementation of the national ETS and issues arise from operation.

Thirdly, while direct training was needed to address the capacity gap rapidly, Phase 2 should put more emphasis on a train-the-trainer approach, to allow essential expertise to be shared with a wider number of people. This is essential given the size of China and to ensure sustainability. The project should invest in developing well-prepared trainers, who can go on to share their expertise with a wider audience through further training outside the project.

¹ The current project titled "Platform for Policy Dialogue and Cooperation between EU and China on Emissions Trading" has been contracted in October 2017 and runs until October 2020.

Finally, close involvement with MEE has been important to the success. A liaison officer in charge of maintaining close relations with the competent Chinese authorities has been appointed by MEE and turned out to be indispensable for an efficient work of the project.

2.4 Coherence and complementarity

There is no overlap with other EU funded actions. All activities that relate to the Chinese Emission Trading Systems have been excluded from the scope of the "Strategic Partnerships for the Implementation of the Paris Agreement" (SPIPA) when applied in China to avoid overlap with the ongoing and more specialised ETS cooperation project. The technical complexity and strategic importance of Chinese Emission Trading and EU-China cooperation on ETS requires a tailor-made approach and associated specialist expertise that could not be accommodated under the SPIPA project. The ETS project is very complementary with activities undertaken under the energy platform PI project in China, which looks at power sector policies that affect the effectiveness of the national ETS in China. Wherever possible and appropriate, complementarity with ongoing DEVCO projects and projects under the auspices of other Commission Directorates Generals is sought. However, due to the specific and focused subject area of the project, the potential for complementarity has so far been limited.

Regular coordination meetings are held with Member States and other Countries and donors including World Bank, the Asian Development Bank and think tanks and NGOs, involved to varying degrees in work on ETS in China. A good coordination exists between the Commission and those Member States active in ETS cooperation, Norway, the World Bank, IEA and NGOs such as the Environment Defense Fund and Energy Foundation in China, with some joint activities undertaken, use of synergies to support best use of funds.

2.5 EU added value

As the EU ETS is an EU-wide system based on EU legislation, with DG CLIMA playing a key role in implementation as well as design, and in the coordination of implementation with Member States, this cooperation at EU level with China is essential to allow sharing of EU expertise.

China is the largest emitter of greenhouse gases in the world with more than a quarter of the total. Global climate change cannot be tackled without China. The EU (and the rest of the world) needs China to have effective tools to meet its Paris commitments and decarbonise its economy and emission trading can support cost effective emissions reductions in the most polluting sectors in China and thus facilitate higher ambition. The evolution of a functioning Chinese carbon market under an effective emission trading system could work to address the risk of carbon leakage from Europe and open up prospects for a wider carbon market. It may also bring about new business opportunities to European companies offering low carbon technologies and maximize synergies with relevant DEVCO actions.

2.6 Cross-cutting issues

By promoting climate action and transition to a clean economy, including allowing China to better meet its commitments under the Paris Agreement, through a robust policy tool, this project will contribute to supporting multilateralism, global order and resilience. Climate action has positive side effects relating to clean air, biodiversity and environmental protection in general. Carbon pricing also has an important role to play in promoting innovative technologies and approaches. The Monitoring, Reporting and Verification of emissions data by Accredited Verifiers is a process that helps to support better governance of greenhouse gas emissions and to develop capacity for better governance and rule of law for the sectors covered.

3 ACTION DESCRIPTION

As this is Phase 2 of an existing project, the action is designed to build on existing experience of what works well and what can be improved to maximise the benefits of the project for the Chinese national ETS now and in the longer term once the project is completed.

3.1 Objectives

The overall objective of this project is to continue the ongoing cooperation between the EU and China on emissions trading, drawing on EU lessons from the EU ETS, thus contributing to promoting a level playing field. The project will support China as it brings additional sectors into the Chinese national ETS that by that stage should be up and running covering the power sector, to build a stronger multi-sector ETS, which provides an incentive to more actors in China to reduce emissions and allows for more low cost abatement through access to a larger market.

In more detail, the specific objectives of this project are to:

Support the further development of the political dialogue on emissions trading between China and the EU with a view to increasing the mutual understanding in both the EU and China of developments affecting the effectiveness and efficiency of emission trading systems (Component A). An annual Policy Dialogue, as agreed in the 2018 Memorandum of Understanding on EU ETS cooperation will enhance cooperation with more strategic guidance and exchanges, providing a means to address issues of mutual interest and of importance over time for the evolution of international carbon markets.

- Support China in building up and operating an effective ETS, through analysis drawing on the best EU and Chinese experts through the implementation of joint research activities, to enhance understanding of issues of importance for emissions trading in China. Joint research activities (under component A) are designed to find appropriate solutions to practical issues identified by China's MEE, that arise as China's national ETS implementation goes ahead.
- Support a successful national emission trading system in China by expanding ETS capacity in the country. While there may be some need for direct training, the focus for Phase 2 should be on a train the trainer approach to allow a greater number of people to benefit from the training provided. The project in Phase 2 would train future trainers for authorities involved in implementation and for industry covered by the system, who can then go on to train others across China beyond the immediate scope of the project (Components B). Further large-scale, direct, broadly screen-based training of industry representatives that are supposed to act on emission trading on a daily basis is also foreseen (under Component C).

To respond to last minute requests for developments that cannot be anticipated and fall within the scope of the project. The project Phase 2 should continue to be able to respond to additional, unforeseen capacity building, training or policy exchange requests (Component D).

Phase 2 will follow a structure similar to the existing project to meet these objectives. It will have four major components:

Component A: EU – China Platform for Policy Dialogue on Emission Trading

Expected results:

Enhanced mutual understanding of EU and CN ETS on both sides; reinforced cooperation at various levels; analysis for political dialogue on emission trading in China and the EU.

Activities:

1. Support for annual policy dialogue meetings to discuss and exchange views on recent developments of emission trading systems in China and the EU as well as policies with relevance to emission trading, and to ensure high level coordination of the overall activities to be carried out under the project; policy exchange and research at working level as directed by the dialogue.
2. Organisation and coordination of joint research activities between Chinese and European experts on issues related to the rollout of the Chinese nation-wide ETS- establishment and

support for issue specific working groups to analyse and report on issues. The number and length will depend on the complexity of priority issues. So far, three issues have been addressed under the existing project.

3. Organisation of the annual Project Steering Committee (PSC) meetings to oversee the training and capacity building activities and policy research activities of the project to ensure effective and value adding implementation of training activities.
4. Organisation and set up of a Chinese emission trading trainer network to facilitate and promote exchange of training experience and information on technologies relevant for emission trading.

Component B: Capacity building for trainers ("Train-the-trainer" concept)

Expected results:

Quality training provided so that a sufficient number of Chinese emission trading trainers acquire competences to cover the training needs of Chinese authorities, industry representatives on emission trading in China, to provide sufficient understanding for the smooth administration of the system and use of trading and interaction with the authorities, registry for compliance and carbon management by industries covered

Activities:

1. Definition of training needs and content so as to determine a realistic number of emission trading trainers needed to cover total training requirements for emission trading in China, especially for new sectors as they are brought into the national ETS, thereby supplementing the efforts of Chinese authorities to provide sufficient training capacities on emission trading to authorities, industry representatives and those with supporting functions.
2. Setting up and delivering a sufficient number of training courses for Chinese emission trading trainers including peer-to-peer training in accordance with the training needs determined and the training content in accordance with an appropriate level of expertise.

Component C: Capacity building for industry

Expected results:

Adequate training is provided so that a critical mass of Chinese industry representatives becomes capable of carrying out day-to-day activities under an emission trading system, to ensure compliance and making best use of the system to reduce emissions cost effectively.

Activities:

1. Developing and testing the necessary software covering trading, dealing with the registry and, if appropriate, electronic monitoring & reporting of sectors included in the CN ETS.
2. Working with other providers of simulations/ elements of use for the training to avoid duplication
3. Setting up and delivering a sufficient number of training courses for Chinese industry representatives.

Component D: Unforeseen policy research and exchange needs and training requirements for industry representatives and authorities

Expected results:

Ensuring an appropriate response to additional and currently unforeseen capacity building and training requirements or policy analysis and exchange requirements are identified and met in the event of and to the extent to which resources are made available from components B and C.

Activities:

1. Responding to requests from the high level ETS policy dialogue

2. Conceptualising and elaborating training courses to address specific training requirements of authorities, industry representatives and verifiers in accordance with the findings of the review mechanism "technical assessment and identification of training needs" (specific task 1).
3. Preparing and delivering these specific training courses.

3.1 Stakeholders

The cooperation takes place between DG CLIMA and China's Ministry of Ecology and Environment. The stakeholders involved include local authorities in China responsible for elements of the implementation of the Chinese ETS, businesses required to comply with the Chinese ETS, especially in terms of training. Representatives of local authorities, business, universities and think tanks, central government ministries involved in the broader design, regulation and implementation of the ETS are the main stakeholders.

The regional carbon market centres, authorities at provincial and local levels involved in implementing emissions trading in China and sectoral bodies or representatives of industries to be included in the national ETS will also be involved in Phase 2 of the project. Chinese think tanks including universities that have acquired special knowledge and experience with emission trading in China will also be important interlocutors.

3.2 Risk assessment and management

The Chinese national ETS is a policy tool based on government regulation pursued by the Chinese government. The risks below reflect the commitments made by the State Council in China, providing more certainty about the future of ETS and impact of the project, though risks remain as in many public policy areas.

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|--|---|--|
| Overlaps with projects from other donors | L | Informal coordination with other donors to avoid overlaps, which are rather unlikely due to the size of China and the scale of capacity building needs; Component D introduces necessary level of flexibility to avoid overlaps. |
| Successful emission trading in China requires stronger coordination across Ministries | H | This risk is real, but cannot be influenced (or only at a very limited extent) from outside. On the other hand, ongoing reforms of the electricity market are encouraging and seems to alleviate this risk. |
| Change of political direction making emissions trading a less important policy in China. | L | The CN ETS drew global attention to China. Therefore, it is unlikely that such a dramatic shift of political direction would be happening. |
| Emission trading in China is a dynamic process entailing unforeseen developments. | H | In-built flexibility allows adapting the project to new requirements. |

3.3 Communication and EU visibility

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

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

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

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

During Phase 2, the existing project website will be maintained and updated. The Chinese language WeChat group for stakeholders involved in ETS in China will also be maintained, managed and kept up to date with the latest information.

Communication and visibility activities will be an integral part of each event organised in the framework of the project. At the start of the Phase 2 the implementing partner will establish a communication plan in line with relevant guidelines that specify, inter alia, which specific EU visibility actions will be taken. Regular information will be sent to key stakeholders including think tanks representatives summarising the key messages from activities under Component A and the key elements addressed in the activities under other components.

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.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

The project will be implemented through the procurement of services, either by extension of the current service contract as foreseen in AAP 2016, or by launching a call for tender. The indicative timetable for the call for tender, should this option be selected, is 3rd Quarter 2020.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.^[1]

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

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|----------------------|
| Procurement (direct management) | 5 000 000 |
| Total | 5 000 000 |

4.3 Organisational set-up and responsibilities

The project implementation is overseen by a Project Steering Committee (PSC) made up of representatives of the Chinese Ministry of Ecology and Environment's Department for Climate Change, the European Commission's DG CLIMA and representatives of FPI and the EU Delegation to China. The PSC meets once per year to approve the Annual Work Programme for the upcoming year. The PSC is organised by the Project Team. A member of MEE's staff is seconded to work with the Project Team to facilitate coordination with Chinese stakeholders and local authorities (liaison officer).

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 6

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for EU-China cooperation on environment and green economy, phase II

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|--------------------------|------------------------------|----------------------------|
| Title of the Action | EU-China cooperation on environment and green economy, phase II | | | |
| Country/region/global | China | | | |
| Sector of intervention | Environment | | | |
| Indicative budget | Total: 1 850 000 EUR EC contribution: 1 850 000 EUR Other contributions: N/A | | | |
| Duration and target start date of implementation | 36 months Indicative start date: 1st quarter 2021 | | | |
| Method of implementation | Direct management - Procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 41010 - Environmental policy and administrative management | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | X | | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input type="checkbox"/> | X |
| | Gender equality | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | |
| | RIO Convention markers | | | |
| | Biological diversity | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | Climate change adaptation | X | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

The overall objective of this action is to improve the level playing field between the EU and China on environmental requirements through reinforcing EU-China policy dialogues and cooperation in the field of environment and stimulate green/circular economy. .

The project "EU-China cooperation on environment and green economy" running from January 2018 until December 2020 was and is still instrumental in supporting enhanced cooperation in line with EU-China Summit Statements, as well as outcomes of the EU-China Ministerial Dialogue on Environment Policy. Following the positive results of this project and the continued constructive EU-China Dialogue a second phase is considered necessary. EU-China environmental cooperation has also deepened and broadened over the last years. It now covers an Environmental Policy Dialogue, a Water Policy dialogue (supported by the China-Europe Water Platform) and a Circular Economy dialogue. Structural collaboration with the Ministry of Natural resource to address timber legality issues has also been strengthened. This second phase of the project will ensure support to these Policy Dialogues beyond 2020, facilitating the exchange of information and expertise on environmental issues. This will also be in line with the EU policy priority for a “European Green Deal” that will certainly play a key role in future Dialogues

2.2 Background/Context/Rationale for PI funding

The Chinese government continues to consider greenization (environmental integration or mainstreaming) and green development as priorities. The 13th Five Year Plan adopted in March 2016 provides a very strong push across government at national and local level for environment and green development. China will be experimenting with new policy approaches and solutions that will have implications outside China. Policies supporting green growth and promoted by the EU such as the Circular Economy are also expected to keep gaining importance in the upcoming 5 years plan due to the increasing need for China to bridge environmental protection and economic growth.

In 2018, the concept of ecological civilisation was included in the amended Constitution of the People’s Public of China. China’s work on environment policy is now presented in 3 steps: (1) the battle against pollution (air, water, soil), to be achieved by 2020, (2) a beautiful China (ecological protection) by 2035 as a step towards, (3) an ecological civilisation to be achieved in 2050 where humans and nature co-exist in harmony.

Notwithstanding progress made so far, China faces both a huge implementation challenge at provincial and local level, but also difficulties in transforming its resource and energy intensive economic model while also accommodating expectations of a growing affluent society. Therefore, China remains interested in cooperating with the EU on a range of environmental issues. EU’s environmental cooperation with China has deepened and broadened over the last years covering Environmental Policy (biodiversity, pollution, chemicals, governance), Circular Economy, Water and Forests/Wildlife.

At the same time, with its massive global environmental footprint and significant activities in third countries that could affect the environment (e.g. Belt and Road Initiative), China is an increasingly important player to tackle global environmental challenges (biodiversity loss, resource pressure, pollution, ocean governance, climate change). China is more and more assertive in global environmental governance. However, its ambition to tackle domestic challenges is not yet matched by an equally strong commitment to take ambitious international commitments and to reduce its global footprint.

The 2018 reorganisation of the Ministry of Ecology and Environment (MEE) increased the scope and responsibilities of this institution. The MEE is now also in charge of addressing climate change, carrying out central ecological and environmental inspections, overseeing ecological and environmental law enforcement, and fully implement air, water, soil and waste action plans. Despite

this reorganisation, other Ministries such as the National Development and Reform Commission (a super-ministry in charge of overall economic planning which comprises the Circular Economy), the Ministry of Natural Resources (in charge of Forests but also protection of species under CITES) and the Ministry of Water remain important partners to ensure the achievement of EU environmental objectives in relation with China.

2.3 Lessons learnt

Experience in China has shown that the most successful projects are those where there is keen buy-in and interest from the Chinese side. This project is clearly addressing a joint priority and so its chances of success are high. Earlier projects, like the EU-China Biodiversity Programme (ECBP) or the China Europe Public Administration Programme (CEPA), and the current EU-China cooperation on environment and green economy project, have shown that linking a series of well targeted studies, workshops and study visits to a national level policy component can be a very effective setup.

The current EU-China cooperation on environment and green economy project has proven very useful to support the ongoing political dialogue on environment between China and the EU. Targeted collaboration (through studies, workshop and expert groups resulting in policy recommendations) on specific policies such as permitting, integrated green economy, biodiversity and plastic has proved to be an effective way to ensure continuous exchange in preparation and follow-up of the high-level (environment) policy dialogue. The combination of both political and technical streams has proven instrumental to ensure an effective impact on policies designed by the central government in China.

We also learned that collaboration should be developed with the different ministries and at adequate levels of responsibility to cover both the technical and political dimension of the different issues. Collaboration across ministries should obviously be encouraged but will remain difficult in coming years due to the much segmented responsibilities and deeply embedded silo culture. Therefore it will be necessary to engage into several processes with different ministries. Within each ministry, collaboration should be coherently implemented from Division Director to Ministerial level as policy development often follows a bottom up process. Technical dialogue should therefore prepare the ground for effective political dialogue where remaining issues can be discussed and decisions taken.

Collaboration shall also address the implementation of policies (and not only their design) as the discrepancies between the central government's plans and the reality of provincial implementation is often considered as one of the main issues by both academics, NGO's and central authorities.

In any case the collaboration shall also take into consideration the broader context that can strongly influence the pace of a policy development. It is therefore important to work with a short, medium and long term objective that will be able to absorb and adapt to economic and political evolutions. The EU Green Deal recently released by the European Commission provides a good compass to plan future action and ensure alignment with EU political priorities.

2.4 Coherence and complementarity

Actions will be coherent with priorities agreed through EU-China policy dialogue and other relevant strategic meetings and framework (summits outcomes, cooperation agendas, etc.).

In the area of green economy, complementarity will be sought with ongoing activities supported by the EU in China, in particular other FPI funded projects such as the EU-China collaboration on establishing an Emission Trading System (ETS) in China, and the Strategic Partnership for the Implementation of the Paris Agreement (SPIPA) on climate dialogue, the EU-China Cooperation project on Wildlife Protection, the Natural Capital Accounting And Valuation Of Ecosystem Services Project and the Economics of Ecosystem and Biodiversity (TEEB) project, as well as the regional project on Marine Litter and Circular Economy. Coordination with DG DEVCO's policy dialogue and development cooperation approach as well as with specific activities such as SWITCH Asia and DEVCO's blending interventions needs to be facilitated during implementation. Coherence with EU

Member States activities will also be ensured through regular coordination meetings organised by the EU Delegation.

The China Europe Water Platform covers activities related to the availability of water resources working with the Chinese Ministry of Water Resources. The Environmental Policy Dialogue also addresses the work led by the MEE on protection of water quality. This project may address issues in this context not addressed by the CEWP and strengthen cross ministerial collaboration.

Finally the action is fully consistent with the priorities of the Commission, in particular the new Green Deal.

2.5 EU added value

As one of the objectives of the project is to improve the level playing field between the EU and China on environmental requirements by stepping up environmental protection in China by, it is necessary to base this action on an homogenous set of rules and policies developed at EU level (the EU Environmental policies).

The vast majority of environmental policies on which this action will be based are therefore based on EU legislation. The EU staff – some of whom participated in the design of those policies - is therefore well placed to engage in dialogue and promote those policies.

2.6 Cross-cutting issues

Main cross cutting issue are the protection of the environment (air, water, soil quality and waste management), protection of biodiversity and circular economy. All those also contribute to the mitigation of climate change.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of this action is to improve the level playing field between the EU and China on environmental requirements through reinforcing EU-China policy dialogues and cooperation in the field of environment and stimulate green/circular economy. This action will follow-up on joint priorities agreed with China in the various dialogues and summits and facilitate the operationalisation of those priorities into concrete joint activities.

By strengthening collaboration and increasing understanding of policy and policy context we also intend to build a partnership that will allow the EU and China to push together for more ambitious multilateral solutions on environmental matters.

The specific objectives of the proposed action are to support follow-up to political commitments through:

- Greater regulatory convergence for environmental regulations with EU standards
- Development of higher environmental standards and new green approaches in China that would allow environmental goals to be met and should create new opportunities for green technologies and solutions;
- Joint development of innovative and ambitious approaches to support environmental quality and green growth;
- China's achievement of its international environmental commitments and contribution to set higher targets where needed in close collaboration with the EU.
- Identification of environmental areas where EU expertise from private and public sector can provide and added value and stimulate collaboration in those areas with EU businesses and non-profit sector.

The following **main indicative activities** will be considered for support, in line with the priorities and decisions jointly agreed by the EU and China in the context of the relevant policy dialogues:

- 1) In-depth studies will be conducted, on issues to be agreed by the Commission and Chinese counterparts based on the priorities agreed in the Policy Dialogue.
- 2) Short papers will be produced on hot/topical and emerging issues, experience from EU and China policy in the areas highlighted above of pollution prevention and control, environmental governance, biodiversity, green growth and circular economy
- 3) An adequate mix of training and collaborative activities (such as experts meeting, workshops, conference, study visits) in China and in EU to ensure the implementation of the activities identified in preparation and follow-up of the Policy Dialogue.
- 4) Organisation of a seminar with Chinese and European stakeholders to present the final results of the action. Interim report will also be produced to feed into upcoming policy dialogues.

Expected results and main activities:

The action will support the EU-China Policy Dialogues, encouraging the promotion of good practices and environmental standards of the EU and propose concrete activities to increase convergence between the EU and China on environmental governance.

To achieve the objectives set above the project will work towards producing the following expected results:

- (i) Improve reciprocal understanding of EU and CN environmental policies to ensure a fruitful dialogue at political and technical level.
- (ii) Promotion of European policies and standards, best practices and experiences in environmental governance, regarded as potentially relevant for the Chinese context by EU and Chinese authorities
- (iii) The Circular Economy approach is boosted and implemented in China via promoting regulatory convergence and innovative technical solutions.
- (iv) Identification of further technical and economic opportunities of collaboration, including EU-China private sector collaboration.
- (v) Enhanced EU-China Policy Dialogues related to environment with ministries of Environment, NDRC, Water and Natural Resources through the implementation of activities agreed in the framework of this dialogue;

3.2 Stakeholders

Chinese Ministries of Environment (MEE) and Water (MWR), NDRC and Natural Resources. Chinese civil society who will benefit from improved policies.

3.3 Risk assessment and management

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|---|---------------------------------------|---|
| Low engagement of Chinese counterparts (authorities) | Low | Strong alignment between technical work and agreements/outcomes from high level political dialogue. |
| Limited flexibility of Chinese counterparts with regards to the definition of area of collaboration | Medium | Ensure close dialogue and reciprocal awareness on key environmental issues to be addressed. |
| Lack of willingness for participation / contribution from the private sector | Low | Involvement of private sector stakeholders in consultations, workshops and study tours |
| Limited access to information | Low | Build on the existing large network of academic and think tanks |

3.4 Communication and EU visibility

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

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

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

The Communication and Visibility Manual for European Union External Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1. Procurement (direct management)

The project will be implemented through the procurement of services, either by extension of the current service contract as foreseen in AAP 2016, or by launching a call for tender. The indicative timetable for the call for tender, should this option be selected, is 3rd Quarter 2020.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.^[1]

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|----------------------|
| Procurement (direct management) | 1 850 000 |
| Total | 1 850 000 |

4.3 Organisational set-up and responsibilities

A Project Review Committee (PRC) will be established from the start of the project to review the work of the contractor under the project and ensure information exchange across EU and CN stakeholders.

It will be made up of three individuals on the EU side (a representative of the Partnership Instrument, the Environment and Climate Counsellor or representative from the EU Delegation, a representative of DG Environment) and three individuals on the Chinese side representing the authorities involved into the scope of the project (such as a representative of the MEE, a representative of the NDRC and a representative of MWR or MNR). The participating individuals may vary from year to year according to the project evolution.

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

The chair of the PRC meetings will be shared by the EU and China. Observers may be invited as well, subject to agreement from the PRC. The contractor will be represented by both the Key expert 1 and Key expert 2.

The PRC will meet once every year to review activities over the previous year and agree actions for the next year. Participant will preferably be physically present but the meeting can also be organised through Video Conference.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 7

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for EU leading the global energy transition

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|--------------------------|------------------------------|----------------------------|
| Title of the Action | EU leading the global energy transition | | | |
| Country/region/global | Global | | | |
| Sector of intervention | Sustainable Energy | | | |
| Indicative budget | Total: 3 000 000 EUR EC contribution: 3 000 000 EUR Other contributions: N/A | | | |
| Duration and target start date of implementation | 36 Months 1 st quarter 2021 | | | |
| Method of implementation | Direct management - Procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 23110 - Energy policy and administrative management | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | Gender equality | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | | | | |
| | RIO Convention markers | | | |
| | Biological diversity | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input type="checkbox"/> | X |
| | Climate change adaptation | X | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

The European Union is committed to continue leading the global response to climate change with the European Green Deal being an overarching political priority of the new Commission. The global energy transition is a core building block of the external dimension of the Green Deal and of the implementation of the Paris Agreement.

The Action aims **to support a European Union leadership of the global energy transition**. It will strengthen the EU's energy diplomacy capacity, particularly towards a targeted group of countries with which the European Commission does not maintain an energy dialogue but there is political interest to step-up engagement on greenhouse gas (GHG) emissions, renewable energy potential and market opportunities. As the global clean energy transformation has the potential to bring a change from a small number of large players in the energy field to a wide range of smaller renewables producers, it is essential to be able to promote European approaches and experience in a far reaching way.

The Action will promote the EU approach on energy security based on sustainable energy and energy savings, demonstrate its benefits for sustainable growth and jobs, at bilateral, at regional and international level and help EU companies export the models and replicate the projects they are successfully developing domestically. It will comprise two components: 1) the establishment of a repository of training modules on a number of energy policy areas (e.g. renewable energy technology, competitive auctions, balancing of power systems, building efficiency standards, etc.) using concrete examples from the wide EU Member States (MS) experience and 2) outreach activities such as study visits and regional seminars to targeted countries and regions, dissemination of training modules and support to EU Delegations to identify further activities with third countries.

The action will contribute to the Sustainable Development Goal 7 (Ensure access to affordable, reliable, sustainable and modern energy for all).

2.2 Background/Context/Rationale for PI funding

Over the past ten years, the European Union has been a global pioneer in the transformation of energy systems. It has created a single energy market based on transparency, competition and cross-border cooperation; and it has established the world's leading legal framework for clean energy. The energy transition is an ongoing global, structural and deep trend, which the EU is committed to promote and accelerate. To this end, the EU has developed the Energy Union that builds on five closely related and mutually reinforcing dimensions:

- **Security, solidarity and trust** - diversifying Europe's sources of energy and ensuring energy security through solidarity and cooperation between EU countries
- **A fully integrated internal energy market** - enabling the free flow of energy through the EU through adequate infrastructure and without technical or regulatory barriers
- **Energy efficiency** - improved energy efficiency will reduce dependence on energy imports, lower emissions, and drive jobs and growth
- **Climate action, decarbonising the economy** - the EU is committed to an implementation of the Paris Agreement and to retaining its leadership in the area of renewable energy
- **Research, innovation and competitiveness** - supporting breakthroughs in low-carbon and clean energy technologies by prioritising research and innovation to drive the energy transition and improve competitiveness.

The fourth State of the Energy Union report¹ published in April 2019 already shows that Europe's energy supply is now safer, more viable and more accessible to everyone than it was only a few years ago. Furthermore, it shows that its modernised energy system boosts the EU economy, attracts investments and creates local job opportunities and it has provided a solid basis for work towards a modern and prosperous climate-neutral economy by 2050.

Progress in the EU has been the key driving factor for the fall of renewable costs worldwide, and the EU industry, grid operators and utilities have acquired invaluable experience by being first movers and cooperating under the Energy Union. This provides a solid basis for work towards a modern and prosperous climate-neutral EU economy by 2050. It also offers an opportunity to export the EU model, expertise and technologies to steer the global energy transition, establish a strong international position and bolster the competitiveness of EU companies.

Topics such as renewable energy, energy efficiency, electrification and sustainable energy technologies have become a key focus of the EU's energy dialogues with third countries, including with traditional fossil fuel producing countries in the context of energy security as well as efficiency and decarbonisation of the sector. Currently, the EU, through DG ENER, holds bilateral energy dialogues with a number of strategic countries across the world, as well as a number of regular or *ad hoc* energy conversations with other partners.

Given the EU and its MS' frontrunner's position on the energy transition at large, interest in the EU expertise and experience has been growing. This is particularly true for countries with which the EU does not maintain regular bilateral energy dialogues. This trend confirms the success of the EU's efforts and it is to the benefit of the EU to be in a position to respond to these requests.

While the EU is preparing to commit at reaching carbon neutrality by 2050 while ensuring growth, wellbeing and energy security of its population, it currently only contributes to less than 10% of the world's GHG emissions². To accelerate the global efforts towards the energy transition and reduction of GHG emissions, the EU experience needs to be further disseminated in a systematic and synergetic way, responding efficiently to requests for technical assistance, exchange of best practices or policy discussions, including the benefits of building an energy union among sovereign countries.

Considering the geographical coverage and the diplomatic priority to push the EU's interest for an acceleration of the energy transition, the Partnership Instrument (PI) appears to be the most appropriate EU external action financing instrument to implement cooperation of the nature envisaged in this action in an effective and comprehensive way.

This project would address mainly the specific Union objectives set out in Article 1, para. 2 of the PI Regulation,³ namely objective (a) – supporting the development of collective approaches and responses to challenges of global concern, such as fight against climate change and the promotion of the environmental standards of the Union, as well as objective (b) – supporting international dimension of "Europe 2020" by supporting the external dimension of the EU Energy Union), and objective (c) – improving access to markets in partner country by means of economic partnerships, business and regulatory cooperation. Furthermore, the project is expected to contribute to improving the EU business opportunities and competitiveness by increasing the demand for clean energy, energy efficient products/services, low-carbon technologies and smart solutions and thus indirectly contributing to the European exports/investments in this field.

In a year when the European Green Deal will shape the EU's agenda, the proposed Action will support keeping our international messaging constantly up to date and consistent with EU's domestic policy agenda. With limited resources, it will increase the EU's ability to deliver useful, targeted messages at bilateral and regional level and create opportunities for effective and concrete outreach to a much

¹ https://ec.europa.eu/commission/publications/4th-state-energy-union_en

² Joint Research Centre, September 2019 <https://ec.europa.eu/jrc/en/publication/fossil-co2-emissions-all-world-countries-2018-report>

³ Regulation (EU) No 234/2014 of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries, OJ L 77, 15.3.2014, p. 77

broader number of countries than is currently possible. It will strengthen the EU's ability to be present and heard in multilateral fora and to follow-up with concrete actions. Finally, it will result in business opportunities in new markets for EU companies and investors.

2.3 Lessons learnt

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

A lesson learned from those actions is that to increase EU's visibility, the action should ensure that a large number of EU MS are participating in the action's activities, exposing the participants to various solutions developed under a single framework.

2.4 Coherence and complementarity

The Action will be supporting the EU's work in the energy sector, namely in their political dialogues with third countries.

The Action will build on the experience accumulated in other Partnership Instrument projects⁴ managed by DG ENER with the EU Delegations and the FPI services. These EU funded actions are tailored to the specific priorities of a given country (e.g. market integration, energy efficiency in buildings, offshore wind, etc.).

The Action will also establish synergies and support the externalisation of initiatives developed or supported by DG ENER, such as the Clean Energy for EU Islands, the Coal Region in Transition, the Hydrogen and fuel cells Joint Undertaking, Methane emission initiative, etc.

The Action will be implemented in coordination with ongoing EU, EU MS and international organisations funded activities supporting climate action and energy transition to prevent duplication and build synergies, in particular Horizon 2020 /Horizon Europe projects. DG DEVCO also engages with partner countries on renewable energy and energy efficiency through their development policy dialogue, technical assistance and support to investments. This experience will be used to ensure a good contextualisation of the Action's activity.

Engagement with DG RTD, JRC, DG MARE as well as European agencies such as EASME, INEA, etc. will be ensured to capitalise on relevant actions undertaken by their services. Coordination will be ensured with DG CLIMA, DG ENV, DG DEVCO, DG NEAR, DG TRADE and DG GROW to avoid duplication and to create synergies in specific countries.

2.5 EU added value

The EU has carried out a comprehensive update of its energy policy framework (**Clean energy for all Europeans package**⁵) to facilitate the transition to secure, sustainable, competitive and affordable energy and to deliver on the EU's Paris Agreement commitments for reducing greenhouse gas emissions. It has put in place a robust legislative energy framework whose implementation and

⁴ EU-China Energy Cooperation Platform, EU-India Energy and Climate Partnership, Energy efficiency in Argentina, EU-GCC Clean Energy Technology Network, Global LNG initiative, etc.

⁵ <https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition>

enforcement will bring considerable benefits to the building of the European Energy Union, from a consumer perspective, from an environmental perspective, and from an economic perspective.

The development of the Energy Union underlines EU leadership in effectively addressing global warming by decoupling economic growth and CO2 emissions⁶ and it is crucial to the EU's long-term strategy of achieving carbon neutrality by 2050⁷.

International partners are increasingly interested in the European experience that proves that economic growth and employment can go hand in hand with climate action and energy transition. There is also increasing awareness by global partners that the energy transition will have geopolitical impacts and create new security challenges, such as resource security and cybersecurity, which, in turn, creates space for increased political and diplomatic engagement. To engage at the level of the EU will allow increasing the leadership of the EU and capitalizing the individual experience of MS.

The Action will reinforce linkages between EU internal and external policy by mainstreaming EU's Energy Diplomacy with the EU's approach, technical knowledge, rules and experience in energy transition. It will also promote business opportunities for EU's industries in sustainable energy technologies.

2.6 Cross-cutting issues

Climate Change, multilateralism, resilience, digitalisation, innovation and business promotion will be central to the Action's implementation.

Gender equality will be mainstreamed (e.g. by aiming at gender balanced speaker panels, round tables and working groups, including at high level representation) and specific topics related to gender and energy transition will also be tackled as women headed household are most vulnerable to energy poverty. The EU's experience in monitoring energy poverty, supporting energy access inequalities through measures on affordability and energy efficiency could be shared through this action.

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

3 ACTION DESCRIPTION

3.1 Objectives

The Action aims to **support the European Union in leading the global energy transition as a building block of achieving the external dimension of the overarching political priority of the European Green Deal.**

The **specific objectives** of the Action are

1. to promote the EU's approach, technical knowledge, rules and experience in energy transition in specific partner countries
2. to promote business opportunities for EU's industries in sustainable energy technologies.

Key expected outputs include:

1. EU experience on energy transition is collated and shared via exchange of information and knowledge and joint activities

⁶ The EU economy now emits half as much CO2 per unit of GDP as in 1990

⁷ <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/2050-long-term-strategy>

⁸ https://myintracom.ec.europa.eu/serv/en/scic/conference/Documents/Checklist%20for%20Greener%20Conferences_%20Aug%202018.pdf

2. The EU increases its influence at national and regional level towards the Global Energy Transition through the outreach activities implemented
3. Engaged countries are developing energy transition pathways influenced by EU approaches and standards and thus facilitating the penetration of EU energy solutions, companies and industries in third country markets.

The activities to be developed under this action are the following:

1. Establishing a repository of training modules on relevant EU energy policy and practices to be housed on DG ENER's website

The training modules should include inter alia following list of areas:

- Energy markets and the energy transition
 - Promotion and development of new markets for renewable energy technologies in a manner that does not distort trade and investment
 - Energy efficiency
 - Just transition and economic conversion of coal mining regions
2. Proactive outreach disseminating the EU experience in a limited number of targeted countries as follows:
 - Thematic Study Tours (8 to 10)
 - Regional Events (e.g. on ASEAN region, Latin America, Central Asia, Africa) (4 to 6)
 - Dissemination of training modules
 - Support to EU Delegations to identify further activities with third countries.

The action will establish a solid basis for expanding and deepening the EU's energy diplomacy beyond the core group of countries with which it is interacting actively through multilateral structures or bilateral agreements. The Action will allow the EU and its MS to make available their expertise on the energy transition and, in general, complement existing energy and political dialogues and cooperation instruments in a wide variety of countries.

By collecting country-specific knowledge and feedback and ensuring an active EU presence on the ground, it will strengthen the EU's capacity to act strategically and tailor its future activities to specific needs or opportunities in a large number of countries. This will support the EU's credibility and image as an open and cooperative player and support the EU's interest in a context of increased EU decarbonisation ambition over the next years – a goal that would be best achieved if international partners move in the same direction.

It will also provide a better understanding of the opportunities for enhanced regional work on specific topics. These results will continue to be useful for DG ENER, the EEAS (including EUDELs) but also Member States even after the end of the project period.

The repository of knowledge will be integrated in the DG ENER website from the beginning of the project; no migration of data will therefore be required at the end of the project. This repository will allow the creation of a “one stop shop” for knowledge products on topics related to the clean energy transition. It will also offer good examples for subsequent updates or new communication products.

Finally, the project will help EU companies establish first contacts in new markets, showcase their know-how and identify potential partners. In that sense, the Action is understood as an initial support which should lead to concrete business opportunities in existing and emerging renewable energy and energy efficiency markets, thus contributing to externalization and up-scaling of EU companies, particularly SMEs, one of the Commission's priorities.

Actions relating to trade promotion will be done in full coordination with Member States, given their competence for such matters.

All actions will be implemented in a manner that supports the EU’s trade relations with the targeted countries, including with regard to ongoing trade negotiations, if applicable. The actions will also make use of current and forthcoming cooperation structures set up in the EU’s Free Trade Agreements, if applicable.

3.2 Stakeholders

The main stakeholders to be involved in the outreach activities will include as a priority the national authorities of the targeted countries with the possibility to also include regional and local authorities if relevant. The activities will also target influencers such as private sector associations, academia, think tanks and other relevant networks. The implementation of the Action will rely on the participation of the European institutions and agencies and those of EU MS as well as the European private sector, academia and relevant associations.

Targeted countries/regions are the following:

- Asia: Cambodia, Malaysia, Thailand, Sri Lanka, Philippines, Vietnam, Laos
- Central and South Asia: Pakistan, Tajikistan, Kazakhstan, Afghanistan, Kyrgyzstan, Uzbekistan, Turkmenistan
- Latin America: Bolivia, Colombia, Chile, Peru

In addition, some of the activities may be open to countries from other regions, particularly Africa as well as countries with whom a bilateral energy dialogue exists, but where there is a specific interest to develop a new sector of cooperation. This will also allow the EU to respond favourably to diplomatic requests for cooperation, representation or technical support from other countries which may not individually be considered as priorities but which present opportunities to multiply and amplify the EU’s message and influence. The activities will also engage, where relevant, with regional organisations, such as the African regional power pools, OLADE (Latin America Energy Organisation), ASEAN, etc.

3.3 Risk assessment and management

| | Description of Risk | L/M/H | Mitigation/Comment |
|---|---|-------|---|
| 1 | Lack of interest from third countries stakeholders | L | Considering the level of request to engage in technical cooperation with the EU, this risk is very low. It can be further mitigated by having a proactive approach and promoting training modules to third countries during bilateral dialogue events. |
| 2 | Willingness of European Stakeholders to participate in the action’s activity | M | The action will allow to have a wider screening of EU expertise and approaches and thus a database of relevant contacts of European stakeholders will be developed to ensure that sufficient partners are engaged to avoid putting too much pressure on single entities. The action’s programme will be tailored to address the EU interest by facilitating B2B, G2G, B2G contacts. |
| 3 | The project could raise expectation in ODA eligible countries but can’t support the setting up of capacity building | L | The action related communication will be very clear from the beginning that the action is aimed at sharing EU experience in the energy transition and not at financing |

| | | | |
|--|--|--|---|
| | projects, thus the interest of those countries diminishes. | | development cooperation project so as to avoid raising expectation. For ODA eligible countries, the action could help identifying other resources to further support the reform process in coordination with DG DEVCO, DG NEAR or FPI. |
|--|--|--|---|

The main assumption is that the EU and countries across the world remain committed to the implementation of the Paris Agreement.

3.4 Communication and EU visibility

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

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

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

The Communication and Visibility Manual for European Union External Action⁹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Comprehensive and timely information will be regularly sent to key stakeholders (including media, think thank representatives) alerting on the outcomes of the actions and diffusing background information on key issues. Specific materials shall be created and media/social media campaigns launched on relevant policy areas/topics. DG ENER's website will hosting an interface for event participants, a platform of exchange and also act as a repository for relevant documentation.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1 Procurement (direct management)

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

(b) Indicative timing: call(s) for tender expected to be launched 2nd Quarter 2020.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.^[1]

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|--|---------------|
| <i>Procurement (direct management)</i> | 3 000 000 |

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

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

| | |
|--------------|------------------|
| Total | 3 000 000 |
|--------------|------------------|

4.3 Organisational set-up and responsibilities

A Steering Committee including representatives from DG ENERGY, FPI, EEAS and DEVCO as well as the project implementation team, will ensure proper project governance and strategic orientation. Other relevant EU services in Headquarters (DG NEAR, DG TRADE, DG GROW, DG RTD, DG CLIMA...) will also be invited as observers to the steering committee, The Steering Committee will meet at least once a year, starting with a kick-off meeting during the inception phase of the project.

Regular technical coordination meeting will engage with DG RTD, JRC, DG MARE, DG TRADE as well as European agencies such as EASME, INEA, etc. and EU Member states to capitalise on relevant actions undertaken by their services.

Close coordination will be ensured with DG CLIMA, DG ENV, DG DEVCO, DG NEAR, DG TRADE and DG GROW as well as EEAS and the EU delegations during the planning of the outreach activities to create synergies in specific countries.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for International Digital Cooperation - Personal data protection and data flows

1 KEY IDENTIFICATION DATA

| | | | | |
|---|--|---------------------|------------------------------|----------------------------|
| Title of the Action | International Digital Cooperation - Personal data protection and data flows | | | |
| Country/region/global | Global: Asia, Africa and Latin America | | | |
| Sector of intervention | International digital cooperation | | | |
| Indicative budget | Total: 3 000 000 EUR EC contribution: 3 000 000 EUR Other contributions: N/A | | | |
| Duration and target start date of implementation | Duration: 42 months Target start date: mid 2020 | | | |
| Method of implementation | Direct management - Procurement | | | |
| Legal basis | Regulation of the European Parliament and of the Council establishing a Partnership Instrument for cooperation with third countries (EU) No 234/2014 | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | |
| | RIO Convention markers | | | |
| | Biological diversity | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | X | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

The General Data Protection Regulation (GDPR) applies across the European Union since more than one year. It is at the centre of a coherent and modernised EU data protection regime that also includes the Data Protection Law Enforcement Directive and the Data Protection Regulation for EU institutions and bodies. The EU legislative framework on data protection is a cornerstone of the Digital Single Market and the European human-centric approach to innovation. It is becoming part of the regulatory floor for a widening range of policies including health and research, artificial intelligence, transport, energy, competition and law enforcement.

Strong data protection rules are essential to guarantee the rights of individuals, but also for the functioning of democratic societies as a whole. Moreover, as a trust enabler, data protection has become a key component of the digital economy as well as regulatory and law enforcement cooperation between public authorities.

This is increasingly recognised at global level and many countries have adopted or are in the process of adopting modern and comprehensive data protection rules based on principles similar to those of the Regulation. This offers new opportunities to facilitate cross-border data flows, between commercial operators or public authorities, while improving the level of protection for individuals across the globe.

2.1 Action summary

The EU aspires to be a world leader in the digital economy to seize the many opportunities that the digital transformation offers. Data flows, including the exchange of personal data, are an essential element of the digital economy, and are particularly important for the EU as the world's first exporter of digital services. The EU therefore has a strong interest in facilitating such data flows, on which not only trade but also cooperation between public authorities in different fields (e.g. law enforcement) increasingly rely. At the same time, the protection of personal data is a fundamental right in the EU, which therefore has to ensure that data transfers to third countries do not undermine the guarantees afforded within the EU.

The best way to achieve these objectives is to work towards convergence of the data protection frameworks of third countries with that of the EU. Such (upward) convergence also opens the way for so-called adequacy findings that within the EU's "toolbox" for data transfers constitute the most comprehensive instrument as they essentially treat the third country, for the purpose of data protection, as part of the EU internal market. In its 2017 Communication on "Exchanging and Protecting Personal Data in a Globalised World"¹, the Commission recognized the importance of this instrument in pursuing the EU's strategic objectives with respect to both data flows and data protection. As such, the action projects externally the Commission priority 2019-2024: A Europe fit for the Digital Age. Building on the very positive results of the first phase and considering the further increase in importance of data protection policy in international trade and regulatory cooperation across borders, the proposed action intends to pursue the following outcomes:

- Increase awareness of the importance of personal data protection as a pre-requisite to data exchanges with the EU;
- Enhance the knowledge of the EU data protection legal framework in partner countries;
- Encourage international convergence towards the EU model of data protection;
- Develop common approaches to personal data protection, involving public authorities, private sector, academia and civil society organisations.

Ultimately, by promoting convergence with the EU standards, the action will contribute to creating a level playing field for EU companies worldwide.

¹ COM/2017/07 final.

2.2 Background/Context/Rationale for PI funding

The demand for protection of personal data is not limited to the EU. A growing number of companies are addressing these concerns by extending of their own volition the rights created by the GDPR to their non-EU based customers. Moreover, as countries around the world are increasingly addressing similar challenges, they are equipping themselves with new data protection rules or modernising existing ones. These laws often have a number of common features that are shared by the EU data protection regime, such as an overarching legislation rather than sectorial rules, core data protection principles, enforceable individual rights and an independent supervisory authority.

This trend is truly global, covering countries from South Korea to Brazil, from Chile to Thailand, and from India to Indonesia. The increasingly universal membership of the Council of Europe's 'Convention 108' – recently modernised² – is another clear sign of this trend of upward convergence.

Promoting safe and free data flows through adequacy decisions and beyond

This developing convergence offers new opportunities to facilitate data flows, and consequently trade, as well as cooperation between public authorities, while improving the level of protection for the data of individuals in the EU when it is transferred abroad. Implementing the strategy laid out in its 2017 Communication on “Exchanging and Protecting Personal Data in a Globalised World”, the Commission intensified its engagement with third countries and other international partners, building on and further developing elements of convergence between privacy systems. This included exploring the possibility of adopting adequacy findings with selected third countries. This work has yielded important results, in particular the entry into force in February 2019 of the EU-Japan mutual adequacy arrangement that created the world's largest area of free and safe data flows.

Adequacy discussions with South Korea are at an advanced stage and exploratory work is ongoing with a view to launching adequacy talks with several Latin American countries – such as Chile, Brazil and Colombia – depending on the completion of ongoing legislative processes. Developments are also promising in some parts of Asia, such as India, Indonesia, Taiwan and Thailand, as well as in the European Eastern and Southern neighbourhood, which could open the door to future adequacy decisions.

Moreover, a number of countries have put in place transfer instruments similar to the GDPR's adequacy decision, and on that basis have recognised both the EU and third countries recognised by the EU as 'adequate' as safe havens for data transfers. This has the potential to create a network of countries where data can flow freely.

Beyond working on bilateral tools, there is an increasing interest at global level to cooperate on data protection. For instance, Japan has launched a series of initiatives (the “Data Free Flow with Trust” initiative and the “Data Security Alliance”) that aim to bring together like-minded partners to facilitate data flows among them while protecting data against undue interference from governments of countries that do not share our values.

Developing new synergies between trade and data protection instruments

While promoting convergence of data protection standards at international level, the Commission is also determined to tackle digital protectionism. To that end, it has developed specific provisions on data flows and data protection in trade agreements which it systematically tables in its bilateral and multilateral negotiations, such as the current WTO e-commerce talks. These horizontal provisions rule out purely protectionist measures, such as forced data localisation requirements, while preserving the regulatory autonomy of the parties to protect the fundamental right to data protection.

Whereas dialogues on data protection and trade negotiations must follow separate tracks, they can complement each other: the EU-Japan mutual adequacy arrangement is the best example of such synergies, further easing commercial exchanges and in this way amplifying the benefits of the

² Convention 108+, as agreed in the 128th Session of the Committee of Ministers at Elsinore, Denmark, 17-18 May 2018.

Economic Partnership Agreement. In fact, this type of convergence, based on shared values and high standards and backed-up by effective enforcement, provides the strongest foundation for the exchange of personal data, something which is increasingly recognised by our international partners³.

Given that companies increasingly operate across borders and prefer to apply similar sets of rules in all their business operations worldwide, such convergence helps to create an environment conducive to direct investment, facilitating trade and improving trust between commercial partners.

Facilitating the exchange of information to combat crime and terrorism based on appropriate safeguards

Greater compatibility between data protection regimes can also significantly facilitate the much needed exchange of information between EU and foreign regulatory, police and judicial authorities and, in this way, contribute to more effective and rapid law enforcement cooperation. To that end, the Commission has the possibility to adopt adequacy decisions or international agreements providing appropriate data protection safeguards under the Law Enforcement Directive to deepen its cooperation with key partners in the fight against crime and terrorism. Examples demonstrating the importance of high data protection standards as a basis for stable law enforcement cooperation with third countries are the transfer of Passenger Name Records (PNR), or the exchange of operational information between Europol and competent law enforcement authorities of a third country or international organisations. In this regard, negotiations on international agreements are currently ongoing or in preparation with several countries of the Southern Neighbourhood, as well as with Turkey and New Zealand.

Increased compatibility between data protection regimes can also play an important role in the multilateral context, in particular concerning initiatives to combat cybercrime or financial crime. As an example, the current negotiation of a Second Additional Protocol to the Budapest Convention shows the need of having a common set of shared principles and rules to allow for effective cooperation between law enforcement authorities. Another example is the interest expressed by Ameripol (a police cooperation organisation for the Americas) to cooperate with the Commission in the development of data protection standards.

Promoting cooperation between data protection enforcers

At a time when data protection compliance issues or security incidents may affect large numbers of individuals simultaneously in several jurisdictions, closer forms of cooperation between supervisory authorities at international level can help ensure both a more effective protection of individual rights and a more stable environment for business operators. Against that background, and in close contact with the European Data Protection Board, the Commission has committed to work on ways to facilitate enforcement cooperation and mutual assistance between EU and foreign supervisory authorities.

Finally, the Commission also has committed to step up its dialogue with regional organisations and networks, such as the Association of Southeast Asian Nations (ASEAN), the Asia Pacific Privacy Authorities forum (APPA), the African Union (AU) or the Ibero-American Data Protection Network, which play an increasingly important role in shaping common data protection standards, including on cross-border data exchanges, promoting the exchange of best practices and fostering cooperation between enforcers. For instance, representatives of ASEAN have suggested to enter into a closer dialogue and ‘compare notes’ on the development of transfers tools such as model contract clauses or certification schemes. The Commission also works with the Organization for Economic Cooperation and Development (OECD) and the Asian-Pacific Economic Cooperation Organisation (APEC) to build convergence towards a high level of data protection.

2.3 Lessons learnt

³ As reflected, for instance, in the reference to the concept of ‘Data Free Flow with Trust’ in the Osaka G20 Leaders’ Declaration: https://www.consilium.europa.eu/media/40124/final_g20_osaka_leaders_declaration.pdf

The proposed project builds on the current PI-financed project, which has already produced excellent results, influencing numerous policy and legislative processes in the current focus regions through close interactions with key decision-makers and stakeholders. This includes developments at both regional level (e.g. the drafting of the Ibero-American Data Protection Standards⁴) and country level (e.g. the adoption of data protection legislation in line with EU standards in Brazil).

For instance, activities (engagement with policy-makers, conferences, media publications, DPO training course, etc.) carried out in Brazil, Chile and Argentina as regards Latin America, or in India, Thailand and Indonesia as regards Asia have demonstrated the potential of this type of actions based on a strategic presence enabled through the collaboration with local experts.

At the same time, the experience gained from these activities also shows the need to continue our efforts and intensify our contacts with the government and other stakeholders in these regions. For example, in Latin America, Ecuador just tabled the first ever bill in this area in October 2019, while Chile and Paraguay are debating draft laws. Similar initiatives have also been taken in many countries of Central America and the Caribbean, from Panama to Barbados or Jamaica. In Asia, countries like Sri Lanka and Thailand recently adopted data protection laws, while others like India and Indonesia are in the process of doing so. The Commission can play an important role in these processes by providing technical know-how, explaining the benefits of strong data protection rules and thus helping to overcome opposition. Even where new data protection laws have already been enacted, there is often the need for further implementation work, in particular the setting up of the data protection authority, to render the law effective. This offers further opportunities for collaboration, for instance by providing technical know-how and support to the newly created DPA, build up enforcement cooperation with other supervisory authorities, assist in the development of guidelines, etc.

At regional level, the Commission has established close contacts with the Ibero-American Network of Data Protection Authorities and has been asked to provide input into the development of data protection standards by Ameripol (the Latin American equivalent of Europol). Also, the Organization of American States has just launched an important initiative towards the modernization of its own data protection principles taking as a reference the Ibero-American Data Protection Standards. Another example for future collaboration is ASEAN, which has expressed its interest in a dialogue with the Commission on the development of data transfers instruments such as Standard Contractual Clauses. With many governments and other stakeholders looking towards the EU and its new data protection framework for inspiration, all of these initiatives offer considerable opportunities to promote upward convergence.

As data protection regimes become an increasingly global phenomenon, there is a strong argument for further extending the project to other strategic target areas, in particular Africa, which is rapidly “digitizing” and where important developments in data protection are taking place. This concerns again both the regional level – with the development of the African Union Convention on Cyber Security and Personal Data Protection, the activities of the Association of Francophone Data Protection Authorities as well as the establishment of pan-African forums such as the Africa Region Data Protection and Privacy Conference (AFRICA-DPPC) or the Data Protection Africa Summit – and in individual countries (e.g. Kenya, Senegal, Togo, Nigeria, Rwanda, Morocco, Ghana or Tunisia), several of which have also joined the Council of Europe data protection Convention 108⁵. While Africa is the most underdeveloped region with respect to data protection – fewer than 10 out of 53 African nations have comprehensive data protection laws – there is clearly a momentum and increasing efforts to cooperate across Africa and with other partners, in particular the EU. With the EU, this should be seen in the broader context of the New Africa-Europe Digital Economy Partnership, which has as one of its central objectives to provide support to the development of an African Single Digital Market.

⁴ Since their adoption in 2017, the Ibero-American Data Protection Standards have played an important role as a blueprint for privacy laws in the region and as a platform for closer cooperation between data protection authorities.

⁵ The Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (convention 108) is the first international data protection legally binding instrument, which is open for signature to countries that are not members of that organisation. Currently, Cabo Verde, Mauritius, Morocco, Senegal and Tunisia are Parties, while Gabon and Ghana are Observers.

As regards the EU, harmonised data protection rules across Africa form a central element of such a single market. There is therefore a great potential for promoting the EU's values, foster dialogue with African partners and influence the development of data protection laws across the continent via this Action.

Extending the project to this region would also be in line with the objectives of the new 'Africa - Europe Alliance for Sustainable Investment and Jobs' (launched in September 2018) which aims to take the EU's partnership with Africa to the next level by deepening economic relations and boosting trade, with data protection as a precondition for facilitating data flows. In this regard, the project should support engagement with relevant stakeholders at regional level, including the Smart Africa Alliance and the African Union Commission, as well as bilaterally with those countries that are pioneering in developing modern data protection frameworks. In particular, representatives of the African Union have already expressed their interest in closer collaboration with the EU in working towards greater harmonisation of data protection laws in Africa, as a basis for the African digital single market and a complement to the recently concluded Continental FTA. It is also important to consider the role played by the Regional Economic Communities, like ECOWAS (the Economic Community of West African States) or COMESA (the Common Market for Eastern and Southern Africa).

More generally, promoting data protection in developing countries can play an important role in strengthening both the rule of law/democratic governance and the competitiveness of the economy, thereby increasing the attractiveness for foreign investment.

The EU has a particular interest in law enforcement cooperation, including with the North African countries. With a view to strengthen Europol's collaboration with third countries in the fight against terrorism and other serious transnational crime, the Commission has recently received a mandate to negotiate international agreements with eight countries (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Tunisia and Turkey) to allow exchanging personal data with Europol. A similar competence has been conferred for cooperation agreements by Eurojust. In addition, the Commission is tasked to review the existing Europol cooperation agreements. In all these cases, the central aspect is to ensure that appropriate data protection safeguards are provided. In many cases, this will require as a first step a strengthening of the domestic data protection regime. The Project can play an important role in this context.

Lastly, as lawmakers from many countries around the world are developing and implementing data protection frameworks, they face common challenges and questions. This also applies to those countries that have recently adopted/updated their framework for data protection and that seek to ensure that the authorities charged with the implementation and enforcement of the law are fully prepared and equipped to carry out their tasks. Countries like Brazil, Thailand and Sri Lanka have expressed a key interest in learning from the EU experience and are looking for support in building capacity. Building on prior experience with the DPO certification for Indonesian government officials that the Project supported, the Commission is collaborating with Maastricht University in setting up a "Data Protection Academy" that could offer hands-on training to both policy-makers and representatives from (in particular newly created) supervisory authorities.

2.4 Coherence and complementarity

The proposed action should be carried out taking into consideration (and, when relevant, ensuring consistency with) at least the following bodies and related initiatives:

- European Data Protection Board
- Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, as modernised (Convention 108+)
- On-going negotiations of the second Additional Protocol to the Council of Europe Convention on Cybercrime (Budapest Convention)
- African Union Convention on Cyber-Security and Personal Data Protection
- OECD Privacy Framework
- ASEAN Working Group on Digital Data Governance

- APEC Privacy Framework
- Standards for Personal Data Protection for Ibero-American States
- OAS Principles on Data Protection
- International Conference of Data Protection and Privacy Commissioners

Furthermore, the proposed action will seek complementarities with the project “Cross-border access to electronic evidence - SIRIUS” implemented with Europol and Eurojust under the lead of DG HOME and DG JUST. This project started implementation in 2018. It aims to support enhanced cooperation for law enforcement purposes between the EU and the US through more effective EU-US MLA procedures and strengthened direct cooperation between law enforcement and US-based online service providers for access to digital evidence. A phase II of this project is currently in preparation to expand its geographical scope to include third countries other than the US.

The project team will ensure coordination and analyse possible synergies with other EU funded projects:

- 1) EU Cyber Direct (PI), with EUISS: supports EU cyber diplomacy efforts and consequently contributes to the development of a secure, stable and rights-based international order in cyberspace through extensive dialogues, in particular with strategic partners from Brazil, China, India, Japan, South Korea, the United States, as well as regions of Latin America and the Asia-Pacific. The project brings together governments and non-governmental actors to explore the main issues surrounding international law in cyberspace, norms of responsible state behaviour and confidence building measures. Workshops, conferences and meetings organized in the framework of EU Cyber Direct contribute to a better understanding of EU cyber diplomacy and cyber resilience policies worldwide.
- 2) GLACY+ (DEVCO): Joint EU-Council of Europe project that aims at enabling criminal justice authorities to engage in international cooperation on cybercrime and electronic evidence based on the Budapest Convention on Cybercrime. Objectives/components: Harmonisation of legislation, judicial training, law enforcement capacities, international cooperation, assessment of progress. Geographical scope: Global (LATAM, Africa, Asia).
- 3) Cyber4D (DEVCO): implemented with the Northern Ireland Cooperation Overseas (NICO), in consortium with UK FCO, Dutch MFA and Estonian RIA, this project is aimed at supporting and further facilitating the development of cyber resilience in partner countries while promoting an inclusive multi-stakeholder and rights-based approach and ensuring compliance with the rule of law and good governance principles. Objectives/components: Increased awareness of decision-makers on cybersecurity and facilitation of adoption and implementation of consistent, holistic and actionable national cybersecurity. Increased local operational capacities to adequately prevent, respond to and address cyber security incidents (Computer Security Incident Response Teams and improved formal and informal cooperation in the national cyber ecosystem). Intensified awareness of associate countries and promotion of cybersecurity good practices globally. Geographical scope: Africa and Asia.
- 4) EU Cyber Capacity Building Network - CyberNet (DEVCO): implemented with the Estonian Information’s System Authority. Aimed at strengthening global delivery, coordination and coherence of EU’s external cyber projects and the EU’s own capacity to provide TA to third countries in the field of cyber-security. The main expected result is to establish and maintain a network of organisations and a create a pool of experts to be used in cyber capacity building activities in partner countries by providing support to Commission Services, EEAS and EU Delegations. Geographical scope: Global.

2.5 EU added value

As mentioned in Section 2, the EU legislative framework on data protection is a cornerstone of the Digital Single Market and the European human-centric approach to innovation. Through this FPI Action, the EU is able to significantly contribute to increasing awareness, understanding of and support for the key features of a modern data protection regime and which are shared by the EU.

The EU has a strong interest to promote regulatory convergence with our own framework of emerging data protection regimes around the world. Under EU law, one of the instruments recognising the highest level of convergence is an adequacy finding of the Commission, which establishes that a non-EU country provides a level of data protection that is “essentially equivalent” to that of the EU.

No EU Member State has competence, by itself, to assess and determine whether the level of data protection in a third country is essentially equivalent to that of the EU.

At the same time, the EU data protection acquis provides for a wide range of alternative transfer tools, which should also be used to facilitate cooperation between EU supervisory and law enforcement authorities and their international partners.

Therefore this FPI Action will support the Commission in ensuring coherence of the internal and external dimension of EU data protection policy and promote strong data protection at international level to improve law enforcement cooperation, contribute to free trade and develop high personal data protection standards globally.

2.6 Cross-cutting issues

The aim of this project is to support global convergence of personal data protection regimes based on modern and strong protections and supporting international data flows. The protection of personal data is a fundamental right in the EU, which therefore has to ensure that data transfers to third countries do not undermine the guarantees afforded within the EU. Moreover, as strong data protection rules are essential to guarantee the rights of individuals and increasingly to ensure the good functioning of democratic societies as a whole, this objective is directly tied to the following cross-cutting issues: democracy, rule of law, human rights and fundamental freedoms.

3 ACTION DESCRIPTION

In light of the above, the Commission pursues the objective to promote convergence on a global scale and would use this action to focus on Asia, Africa and Latin America.

It is crucial to sustain and broaden the activities that have been developed in the context of phase I of this Project. An extension for three additional years would help to ensure the consolidation of the current results as well as to complement the work carried out so far with new actions targeted both at further actors in Asia/Latin America and (for the first time) in Africa, building on the success of the Project so far.

This objective would be pursued by spreading the knowledge of the EU’s data protection acquis, by supporting partner countries in their efforts to put in place for the first time, or to strengthen existing data protection laws and by cooperating in regional or global initiatives to build convergence, through the development of common standards, the exchange of best practices, etc.

The activities will be tailored per target region/country. One of the key success factors of the current Project has been the work with Regional and National key experts, which are playing a pivotal role in developing its core activities. Given also the increased scope of the future Project, it is thus foreseen to develop a network of experts – including EU relevant data protection experts to allow a proactive and dynamic response and to reply to the ever-increasing demand from different stakeholders.

The Project will also rely on capacity building activities like training programs for new regulators, exchange programs and secondment activities. The idea of creating training programs and study visits for policy-makers and supervisory authorities in third countries has proven successful with an ad-hoc program for representatives of the government of Indonesia. The next phase of the Project will allow

for further consolidation and replication of this kind of actions with more countries, building on the cooperation with the Maastricht University and possibly other academic institutions to develop a Data Protection Academy tailored to third countries' legislators and data protection authorities.

In addition to the above, the future Project will also reinforce ties with the private sector, both business and civil society, in partner countries.

3.1 Objectives

The overall objective of this Action is to continue to contribute to the development of a secure, right-based international digital sphere, conducive to a level playing field in terms of market access and business opportunities for EU companies.

The specific objectives of this action, which will contribute to the achievement of the overall objective, are:

- SO1. To promote a common understanding of the importance of personal data protection for cross-border data flows.
- SO2. To influence an approach to personal data protection in the partner countries/regions compatible with the EU framework in order to facilitate an international level playing field for businesses, respecting citizens' rights in the digital age.

To achieve the above objectives, this action will work towards the consolidation or development of the following expected results:

- R.1. Increased awareness of relevant actors and in particular public authorities, civil society and business of the importance of personal data protection as a pre-requisite to cross-border data flows with the EU;
- R.2. Enhanced knowledge of target groups in partner countries of the EU data protection legal framework;
- R.3. Increased international convergence on data protection principles as a way to strengthen compatibility with the EU model of data protection;
- R.4. Development of common approaches to personal data protection, involving public authorities, private sector, academia and civil society organisations.

The activities will consist of the elements presented below, the details and exact extent of which will be specified per country/region:

- Research activities and intelligence gathering on data protection developments will be essential to support the specific outreach actions of the Project.
- Furthermore, other activities undertaken in the initial period of the Project will identify best practices/lessons learned on how to implement a modern data protection regime.
- The research/intelligence work will produce reports and briefings and will lead up to the main activity which consists of specialised conferences/workshops, in-country roundtables, outreach (e.g. decision-makers, business associations, NGOs) and participation in already planned events.
- Trainings and study visits for policy-makers and data protection authorities.
- Communication and information dissemination activities to promote our key messages (mainly via the new website developed as part of the current Project, social media and printed material).

Meetings will be held for all outcomes (R.1, R.2, R.3, R.4) for the exchange of best practices with relevant stakeholders on selected issues (the final list to be adopted after the research activity). The activities will be specialised in nature and focus on a targeted audience of policy-makers (e.g. ministries, government authorities, legislators) directly involved with the issue, business, academia and specialised civil society representatives. In general, a multistakeholder approach, involving different categories of stakeholders in the same events will be favoured. The exact format for the respective outcomes will be decided in cooperation with the partners. In countries where a national

data protection authority is in place, the activities may be linked to those of the authority (e.g. conferences of regional bodies, etc.) and proposals may be developed for ongoing coordination activities.

The outcomes of these activities should be disseminated as widely as possible in order to increase awareness, ensure the optimal sharing of best practices and lessons learned and therefore progressively contribute to common approaches.

The expected impacts of this action include:

- Progressive convergence of partner countries’ legal frameworks with the EU;
- Reinforced channels of cooperation/dialogue with relevant partner countries, including between public authorities.
- Strengthening of regional initiatives, ensuring consistency and promoting convergence with the EU data protection legal framework.
- A corpus of updated knowledge on data protection regimes available to all interested partners and accessible through digital means.
- A collaborative network of data protection specialists at both regional and global level.

This developing convergence offers new opportunities to facilitate data flows, and consequently trade as well as cooperation between public authorities, while improving the level of protection for the data of individuals in the EU when it is transferred abroad.

These impacts are expected to persist beyond the implementation period of the proposed action. 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 partner countries.

3.2 Stakeholders

The Project shall not duplicate the work of existing fora like the International Conference of Data Protection and Privacy Commissioners (ICDPPC) or the Consultative Committee of the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (T-PD). In all countries/regions, in addition to civil society, the Project shall target relevant partners which include:

- Relevant national Ministries involved in data protection matters (e.g. of Communication and Information Technology, Trade, Economy, Finance) and relevant regulatory authorities (e.g. data protection authorities; cybersecurity authorities/agencies)
- Members of national Parliaments and key staffers
- NGOs and business representatives
- Key regional and sub-regional organisations and networks (such as ASEAN, APPA, APEC, the African Union, Africa-DPPC, the Ibero-American Data Protection Network, OAS).

3.3 Risk assessment and management

There are a number of risks associated with the implementation of the proposed action. They include:

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|--|---|--|
| Interest of partner countries to participate in Project activities decreases | Low | Action needs to showcase the added value for engagement |
| Sufficiently involving all stakeholders and managing the dynamics in the partner countries and at regional level proves challenging. | Medium | Adoption of a balanced intervention approach by way of a mix of actions at national, regional and continental level including clearly defined decision |

| | | |
|---|--------|---|
| | | making processes, delineation of responsibility and reporting lines. |
| Level of engagement and quality of output is too reliant on counterpart focal points. | Medium | Careful identification and approval of proposed focal points. Performance monitoring and request for replacement if required. |
| EU data protection agenda is seen as a protectionist measure | Medium | Adoption of a rights-based approach, showing the social and economic benefits of high protection standards |

3.4 Communication and EU visibility

Communication and visibility will continue being an integral part of the action. The project has already elaborated a Communication strategy approved by DG JUST. This strategy guides all communication related activities. As part of this strategy, the project has supported the creation of a website to support the external action of DG JUST in this domain and contribute to the achievement of the objectives of the project. This website was been set up in close collaboration with the Communication Department of DG JUST, DG COMM and DIGIT to ensure the compatibility of the website of the project with the Europa.eu platform and, in that way, facilitating the future transfer of the website once the project is concluded.

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

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

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

The Communication and Visibility Manual for European Union External Action⁶, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1 Procurement (direct management)

The project will be implemented through the procurement of services, either by extension of the current service contract as foreseen in AAP 2016, or by launching a call for tender. The indicative timetable for the call for tender, should this option be selected, is 3rd Quarter 2020.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures^[1].

⁶ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|----------------------|
| Procurement (direct management) | 3 000 000 |
| Total | 3 000 000 |

4.3 Organisational set-up and responsibilities

The Contractor will maintain a Steering Committee with the Service for Foreign Policy Instruments and DG JUST.

This second phase will deepen the collaboration with the EEAS, the EU Delegations in partner countries and the FPI regional offices through monthly reports and clear coordination mechanisms.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 9

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for EU Cyber Diplomacy Support Initiative

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|------------------------------|-------------------------------------|
| Title of the Action | EU Cyber Diplomacy Support Initiative | | | |
| Country/region/global | Global | | | |
| Sector of intervention | Peace, security and defence in cyberspace | | | |
| Indicative budget | Total: 3 500 000 EUR EC contribution: 3 500 000 EUR Other contributions: N/A | | | |
| Duration and target start date of implementation | Duration: 36 months Target start date: March 2021 | | | |
| Method of implementation | Direct management - Grants: call for proposals | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input checked="" type="checkbox"/> | | |
| | RIO Convention markers | <input checked="" type="checkbox"/> | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

This Action aims to promote principles of the EU approach to cyberspace as defined in the 2015 Council Conclusions on Cyber Diplomacy, 2017 Joint Communication on Resilience, Deterrence and Defence and 2018 Council Conclusions on EU External Cyber Capacity Building Guidelines with a specific focus on promoting and protecting a global, open, free, stable and secure cyberspace where human rights and fundamental freedoms and the rule of law fully apply for the social well-being, economic growth, prosperity and integrity of our free and democratic societies. The project focuses on enhancing cyber security cooperation globally and strengthening the EU's role as a global security stakeholder, as foreseen in the EU's Global Strategy on Foreign and Security Policy. Strengthened international cyber policy cooperation is high on the political agenda and directly contributes to international peace and security. This action is thus fully in line with Commission priority 2019-2024: A stronger Europe in the world.

The EU has a core interest in actively contributing to discussions on the future governance of cyberspace. Therefore, in order to better promote its position and disseminate its core values, the EU should engage via various outreach and capacity building activities with wide range of stakeholders, both with internal and external, governmental and non-governmental. The new project will facilitate taking forward agreed positions and share best practices in bilateral, multilateral and regional fora (e.g. Organisation for Security and Cooperation Europe (OSCE), ASEAN Regional Forum (ARF), Organisation of American States (OAS), African Union (AU), G7, within UN bodies as appropriate), as well as in the bilateral cyber dialogues and consultations that the EEAS holds inter alia with the U.S., China, Japan, the Republic of Korea, India and Brazil.

The project will support EU priorities to establish a strategic framework for conflict prevention and stability in cyberspace, which is based on the application of existing international law, the development and implementation of voluntary non-binding norms, and promotion of regional cyber confidence building measures, supported by capacity building efforts and complemented by the Framework for a Joint EU Diplomatic Response to Malicious Cyber Activities (9916/17). With two important UN processes, UN Group of Governmental Experts (UNGGE) and Open-ended Working Group (OEWG) in the Field of Information and Telecommunications in the Context of International Security, started in 2019 and taking up further discussions on these matters, the EU plays a very significant role as a model for developing countries how to advance an global, open, free, stable and secure cyberspace. To support this work, the EEAS has developed an Outreach plan and foresees the project to significantly contribute to and support the operationalisation of this plan by providing policy support, technical assistance and logistical support for planned activities.

This Action aims to deepen the EU's engagement globally with stakeholders of strategic interest in cybersecurity field. It will seek to advance dialogues and cooperation where there is a high potential to advance, focusing on regional organisations and countries who are willing and able to go further to promote common goals. The action will support cyber dialogues and cooperation at the bi-regional, sub-regional and country levels, as foreseen in the agreements, action-plans and declarations concluded with various sub regional groups and countries. It is intended also to contribute to further the dialogue beyond governments, with civil society and the business community.

The proposed set of activities will contribute ultimately to bring concrete returns for the EU's foreign policy goals in promoting and protecting a global, open, free, stable and secure cyberspace, further progress towards policy and regulatory convergence and alignment of positions and policy objectives in cyber sphere in the global arena.

Through a mix of organisation of events, specialised assistance, awareness raising, communication, expert exchanges, internships, study visits, summer schools, workshops, thematic events, sponsoring programme and provision of technical assistance and technical exchanges, the Programme will act as the EU's project facility globally by translating policy commitments agreed at the political level into follow-up actions and results. The Action will complement ongoing EU interventions in cybersecurity globally.

2.2 Background/Context/Rationale for PI funding

EU Cyber Diplomacy Support Initiative: EU policy and key issues

Cyberspace, and in particular the global, open Internet has become one of the backbones of our societies. As global Internet usage continues to expand with almost three billion people using online platforms in all spheres of life, the 2030 Agenda for Sustainable Development recognises the importance of ICT and digitalisation as a cross-cutting issue, offering a platform that drives connectivity and economic growth. It also contributes to the sustainable development in the context of innovation, especially in least developed countries, with positive impact on education and gender equality. The spread of information and communications technology, use of the new and emerging technologies and global interconnectedness has great potential to accelerate human progress, to bridge the digital divide and to develop knowledge-based societies.

However, the borderless nature of cyberspace and the rapid digital evolution has been accompanied by increased number of threats posed by malicious cyber activities. It also refers to vulnerabilities in new and emerging technologies. The use of cyberspace as a domain of conflict, either solely or as part of a hybrid approach, is now widely acknowledged. Cyber threats can disrupt the supply of essential services. Moreover, cyber-attacks and disinformation campaigns constitute a substantial threat to democratic processes and risk to erode public trust in institutions and information. Cybercrime is one of the fastest growing forms of crime and the risks are increasing exponentially.

To respond to these challenges, the EU adopted in February 2013 its Cybersecurity Strategy. The Strategy states that the EU will seek to promote openness and freedom of the Internet, encourage efforts to develop and implement norms of behaviour and apply existing international law in cyberspace in its international cyberspace policy. The EU will also work towards closing the digital divide, and will actively participate in international efforts to build cybersecurity capacity. The strategy also outlines that the EU will seek close cooperation with the international organisations that are active in this field such as the Council of Europe, OECD, UN, OSCE, NATO, AU, ASEAN and OAS.

To further enhance international cooperation on cyber security, the Joint Communication from September 2017 Resilience, Deterrence and Defence: Building strong cybersecurity for the EU underlines that the EU will strengthen its response to cyber-attacks, including via new cyber capacity building efforts to assist third countries to address cyber threats, as well as through the use of the framework for a joint EU diplomatic response to malicious cyber activities (the "cyber diplomacy toolbox"). As stated in this Joint Communication, the EU's international cybersecurity policy is designed to address the continuously evolving challenge of promoting global cyber stability, as well as contributing to Europe's strategic autonomy in cyberspace, and is guided by the EU core values and fundamental rights such as freedom of expression and the right to privacy and protection of personal data, and the promotion of the open, free and secure cyberspace. The EU promotes a strategic framework for conflict prevention, cooperation and stability in cyberspace in its bilateral, regional, multi-stakeholder and multilateral engagements. This ambitious framework is based on (i) the application of international law, and in particular the UN Charter in its entirety and the Universal Declaration of Human Rights, in cyberspace; (ii) the development and implementation of universal non-binding norms, rules and principles of responsible State behaviour; and (iii) regional confidence-building measures (under the OSCE, the ARF and the OAS level).

Stability in cyberspace is of strategic interest to the EU, as well as to international peace and security. However, the responsibility for a more open, stable and secure cyberspace lies with all stakeholders involved, from citizens to governments, often operating in different value systems. Consequently, the question of international cyber stability and preventing conflicts through the application of existing international law and the adherence to and use of norms of responsible state behaviour and confidence building measures in cyberspace, as well as the promotion of human rights and fundamental freedoms online and the security threats accompanying emerging technologies have become mainstream foreign policy topics and at the centre of numerous discussions.

International cyber policy is one of the fast growing global policy fields, where major international players have high interests and stakes. There are diverging views on cyber issues as some governments would like to gain stricter control over cyberspace and the Internet, aspiring to launch a UN treaty or/and bringing the Internet infrastructure under a UN body, while the EU and its Member States support an open and free Internet governed by a multi-stakeholder model (i.e. private sector, governments, civil society, academic and technical community). In addition, the EU, its Member States and like-minded countries maintain that States' conduct in cyberspace should adhere to existing international law and norms of responsible state behaviour. The efforts to regulate cyberspace via a UN treaty and bring the Internet under the UN auspices raises concern in relation to restrictions of the Internet as an open, secure and stable platform contributing to economic growth as well as human rights and fundamental freedoms. Furthermore raising unnecessary doubt whether already existing international law applies in cyberspace, may encourage miscalculation, erode accountability for actions and in result lead to increase instability in cyberspace.

In recent years States have negotiated normative behaviour and the application of existing international law in cyberspace in a UN Group of Governmental Experts (UNGGE) on Developments in the Field of Information and Telecommunications in the Context of International Security under the UN First Committee. In 2018 the UNGA First Committee adopted two resolutions. Russia and China had put forward a resolution for convening an open-ended working group to further develop norms and principles of responsible behaviour selectively chosen previous GGE reports. US had submitted a counter-proposal to establish a group of governmental experts with a view to work on possible cooperative measures to address existing and potential threats in the sphere of information security, from the assessment contained in previous GGE reports.

The EU has a vital interest in actively contributing to international cyber policy discussions as mitigation of cybersecurity threats, conflict prevention and greater stability in cyberspace through the use of all available instruments, including diplomatic and legal, is one of the EU's priorities, as set out in the 2015 Council conclusions on Cyber Diplomacy.

In order to better promote EU position and core values, the EU needs to engage with wide range of stakeholders globally. Given the global nature of the threat, building and maintaining robust alliances and partnerships is fundamental to the prevention, mitigation, deterrence of and respond to malicious cyber activities and to advance international stability and security and build resilience of all stakeholders.

Effective engagement with states and other stakeholders participating in the process can be a challenge. Many external partners are still developing their policy, legal and institutional landscape to address cyber-related challenges, including in the context of international peace and security. As a result, the EU and the Member States need to be flexible and innovative to be successful in promoting their values and delivering messages, but also engaging in workshops and dialogues on cyber capacity building, sharing technical and institutional expertise and supporting legal and regulatory reforms. Given the growing importance of cyber in policy discussions, the EU should continue to support the development of cyber diplomacy capacities of diplomats and policy makers in partner countries.

The EU has achieved to build up specific cyber dialogues with the US, Japan, Brazil, India, South Korea and China. Close consultations with international organizations, such as NATO, the ASEAN Regional Forum, the OSCE, the Council of Europe, and the OECD are well in place, cooperation with AU and OAS is developing. To operationalise these dialogues and translate discussions into concrete partnerships and actions on the ground is necessary.

While cyber issues related to international security are mainly negotiated between states, the EU recognises the importance of involving multiple stakeholders into the discussions on cyber governance, frameworks and norms to support the multi-stakeholder approach. These meetings allow governmental and non-governmental actors to work together and thus encourage new thinking that can inform the formal processes.

Civil society organisations play an important role in cyber discussions. In parallel, the private sector has also an important role to play for at least two reasons. Firstly, the security of products put on the market by IT companies and internet service providers has a direct impact on the level of trust towards

ICTs in general. Secondly, private companies – either due to their innovative potential or critical infrastructure providers and therefore importance for national security – are one of the main targets of cyber-attacks. Consequently, the engagement of the private sector in discussions regarding common minimum standards for protecting critical infrastructure is important.

To ensure equal participation of all stakeholder groups in the discussion, it is important to ensure that gender issues are in line with the EU's commitment to further develop and implement a common and comprehensive EU approach for cyber diplomacy at global level that promotes a cyber policy informed by gender equality. In particular, participation of women in cybersecurity related discussions in different foras, promoting female diplomats' expertise on cyber issues, supporting development of necessary cyber capabilities and the participation of women in all aspects of peace processes within the scope of this project need support. The women, peace and security (WPS) agenda should be used as a common platform to further develop the EU's engagement with global partners.

Already through the EU Cyber Direct project, the EU supports the development of a global, open, free, stable and secure cyberspace, and rights-based international order online. Current action builds on the work of the existing project EU Cyber Direct, and seeks to provide complementarities and additional possibilities for a more targeted outreach activities and flexible engagements bilaterally, multilaterally and via regional/thematic international platforms to support the EU's cyber diplomacy efforts globally.

This new phase of this Cyber diplomacy project will focus on specific countries where there is a strategic interest. The EEAS recently developed a targeted outreach and engagement plan and identified strategic priorities in which to focus our efforts and foresees enhanced cooperation with like-minded partners to create a multiplier effect. This project will be instrumental to implement this plan.

Reference to relevant PI objectives and priorities

The proposed action fully reflects the objectives set out in article 1 (2a) as well as article 1 (2d) of the PI regulation (EU) No 234/2014. The activity also reflects the objectives listed in article 1 (2b) and 1 (2c). Through a more coherent and better planned approach to promote and protect a global, open, free, stable and secure cyberspace, the proposed action is in line with article 3 of the PI regulation.

The action could also directly and indirectly help open up business opportunities for EU companies in the field of cybersecurity (Article 1 (2c)). Through accompanying information actions, the proposed action will also enhance the understanding and visibility of the Union as a global security actor (article 1 (2d)).

2.3 Lessons learnt

PI-supported stand-alone and Policy Dialogue Support Facility projects (or similar) are being implemented in a number of strategic partner countries of the EU, and regionally/globally. Despite similar objectives, stemming from the EU's intention to consolidate and enhance the existent strategic partnerships, there is no "one size fits all" model. Each partnership is unique in its structure, scope, policy priorities and level of advancement. However, key elements to all are flexibility, to adjust the working methods and tools (means and activities) to the actual needs stemming from the political situation and developments at international level during the implementation period, and horizontal nature of the action.

A key element for the success of the action is the active involvement and close technical steer from the different EU services at Headquarters and Delegations. The set up of a comprehensive and workable Steering Committee and the appropriate planning and monitoring mechanisms will be essential to this purpose.

Another important element is to set up adequate criteria to prioritise the activities to be supported. For this action, criteria will be set at the beginning of the action based on: alignment with foreign policy priorities related to cybersecurity, potential return for EU's interests, political interest and capacity of

partner, and degree of commitment of competent EU service to accompany the implementation of the activity and to ensure its follow up.

To be more focused in its efforts and taking account that the action will have a global scope, driven by the developments at the United Nations level and the EU's interest to promote its positions and participate in the discussions on the future governance of cyberspace, the efforts will be targeted at regional organisations and focuses on specific countries of interest.

2.4 Coherence and complementarity

Throughout the implementation of the Action, synergies will be sought with all ongoing PI-supported stand-alone, PSF, and TAIEX actions in cybersecurity field, both bilateral and multilateral (global) ones,

but not limited to. In this context, special attention will be given to the existing projects EU Cyber Direct and Security in and with Asia. Complementarities will be furthermore sought with the relevant programmes implemented in cybersecurity by other Directorate Generals, in particular DEVCO, such as Cyber4Dev, CyberNet, GLACY+, Cyber capacity building toolkit, and ongoing projects and digital dialogues and interactions of DG CNECT with partners, etc. Taking account the importance of coherence and complementarity with other ongoing EU-funded projects in this domain, work to ensure coordination and build synergies have started. The exchanges with FPI, DEVCO and other relevant DG Team leaders of ongoing projects will continue to build complementarities for stronger impact. In addition, regular meetings with project implementers of relevant projects are planned to update on developments in the domain and to inform EU priorities.

Outreach and coordination with the EU Member States and their projects implemented in cyber security domain will be ensured from the onset, including through regular reporting on ongoing and planned activities under this Action to the Horizontal Working Party on Cyber Issues (HWPCI) and the EU Delegations who will report to EU Heads of Missions globally. This will improve the impact of planned interventions, and ensure coherence in delivering the messages. In addition, regular capital retreats will be used to share information of ongoing and planned initiatives.

This Action aims to support and promote EU-run cyber dialogues, but also security/political dialogues, where relevant, with partner countries and regional subgroups, as well as individual countries, and is hence to be managed at the EU Headquarters level. This will allow for identification of synergies with the ongoing EU-supported projects in relevant fields in order to ensure that added value is produced through additional coordination with services of the Commission. In light of the global nature of this action, regular outreach and engagement with the EU Member States is planned for this action, as well as with their agencies and projects funded by them.

2.5 EU added value

In the fluid of the fast changing cyber domain, this action is needed to equip the EU with the capacity to act, supporting the EU's bilateral, regional and inter-regional cooperation partnership strategies by promoting policy dialogue and collective approaches and responses to challenges of global concern and enhancing understanding and visibility of the Union by means of public diplomacy, think tank cooperation and outreach activities.

EU interest in this action stems from the increasing importance of cybersecurity and stability in cyberspace, which is critical both to EU's prosperity and security. With increasing dependency on digital technologies we become more and more exposed. The project will enhance cyber security cooperation globally and strengthens the EU's role as a global security stakeholder, as foreseen in the EU's Global Strategy on Foreign and Security Policy, as strengthened international cyber policy cooperation is high on the political agenda.

The EU has a core interest in actively contributing to discussions on the future governance of cyberspace. Therefore, in order to better promote its position and disseminate its core values, the EU should engage with wide range of stakeholders, both with internal and external via various outreach

activities. In this regard, the EEAS already has actively engaged with EU Member States by facilitating development of unified positions. The new project will facilitate taking forward agreed positions in bilateral, multilateral and regional fora (e.g. OSCE, ARF, G7, within UN bodies as appropriate, OAS, AU, etc.), as well as in the bilateral cyber dialogues and consultations that the EEAS holds with the U.S., China, Japan, the Republic of Korea, India and Brazil. The recent experience has shown that formal bilateral discussions can be successfully complemented with discussions between official and non-official actors.

The project will also support EU priorities to establish a strategic framework for conflict prevention, cooperation and stability in cyberspace, which is based on the application of existing international law, the development and implementation of voluntary non-binding norms, and promotion of regional cyber confidence building measures. With two important UN processes, UNGGE and OEWG, starting this year and taking up discussions on these matters, the EU plays a very significant role as a model for developing countries how freedom and security can, and should be, balanced in cyberspace. This project will be instrumental in supporting operationalisation of the outreach plan by providing both technical assistance and logistical support for planned activities. In addition, the project will support to follow-up the political dialogues and translate discussions and decisions into concrete partnerships and actions on the ground by sharing technical and institutional expertise and support legal and regulatory reforms to build open, free, stable and secure cyberspace. The project will also strengthen the EU's position as a reliable international interlocutor on cyber diplomacy with its multi-layered approach between bilateralism and multilateralism.

2.6 Cross-cutting issues

The action will consistently mainstream cross-cutting issues, such as gender, democracy, rule of law, human rights and fundamental freedoms, and those inherent to the Partnership Instrument, such as multilateralism, global order, EU principles and values, resilience, innovation. The selected implementing partners will be required to demonstrate in the design of the project on how the relevant cross-cutting will be incorporated in this Action when preparing and implementing individual activities.

3 ACTION DESCRIPTION

3.1 Objectives

Against the background set out above, the **overall objective** of the project is to promote and protect a single, open, free and secure cyberspace which fully reflects and respects the core EU values of democracy, human rights and the rule of law.

The **specific objectives** of this action are to contribute to:

- Increased consensus in partner countries for open, free, and secure cyberspace, through the promotion of existing international law, norms of state behaviour and confidence building measures in cyber space and increase cyber resilience (Cyber consultations component)
- Greater convergence between partner countries and regional organisations standards, policies and best practices and those of the EU (Cooperation and Capacity Building Component)
- Raised awareness of the EU's contribution to global cyber stability and resilience in partner countries and regional and international organisations (Outreach and Public Diplomacy component).

Scope

Thematically, the key area is trust and security in cyberspace, as identified on the basis of the EU's interests and the partners' interests and needs.

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

Geographically, the scope of the project is global, taking account that the global nature of the cyber threat and due to the need for the EU to engage with wide range of stakeholders at global level. The strong focus is also on regional engagement to complement bilateral dialogues.

The goal of this project is to strengthen the role of the EU globally that will with all certainty continue to be of high relevance and interest. As the project design is flexible, it can adjust to changes in bilateral and regional relations, and adapt according to the outcomes and developments in the international fora, ensuring that resources are spent to best effect.

Many global partners have an interest in the EU as a security actor but often lack a clear perception on the benefits, substance, and how to partner with the EU. Thus, there is scope for the EU to take cyber dialogues and discussions to a level of more concrete cooperation. The impact of this project is an increased recognition of the EU as a relevant partner in the field of cybersecurity, and with that increased its participation in cybersecurity matters globally. This will be important considering the importance of the current cyber-related discussions at the global level and both in the long and short run it will improve the EU's capacity to address cybersecurity issues of concern. In addition, the project will make a positive contribution to the application of existing international law in cyberspace and development of the cyber confidence-building measures (CBMs) and therefore to a safer cyber space.

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 partner countries/organisations.

A failure to invest at this point will mean a loss of momentum, which the EU would have to make up for later, perhaps at a higher cost. Even if the overall sustainability will depend on the global political climate, good planning, monitoring and evaluation of the project will allow establishing clear links between past, present and future actions and results.

Activities can take the form of events - including conferences, dialogue sessions, workshops, study visits, think tank research/exchanges, trainings, provision of services like technical studies and/or assistance (including technical expertise), representational activities, info-points, newsletters, audio-visual material, exhibitions, public outreach campaigns, etc.

3.2 Stakeholders

The main stakeholders for the action from EU institutions include the European Commission services, the EEAS and EU Delegations. Other EU stakeholders may include EU agencies and bodies operating in the security field (including EU Institute for Security Studies (EU ISS), EUROPOL, CEPOL, ENISA, EDA and ESDC).

Stakeholders also include EU Member States, including governmental and state authorities and institutions (including diplomatic missions) and domestic non-state actors such as academic institutions, think tanks, the private sector, and civil society organizations engaged in cybersecurity cooperation.

Correspondingly, regional and international organisations and stakeholders from the partner countries, including governmental and state authorities and institutions and domestic non-state actors such as academic institutions, think tanks, the private sector, and civil society organizations, involved in cybersecurity cooperation.

The above-mentioned key stakeholders will be included in formulation and implementation of activities of their interest within the scope of the project.

3.3 Risk assessment and management

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|---|--------------------------------|--|
| Lack of clear perception of EU as a security actor and security partner | M | Outreach to officials and public diplomacy activities to disseminate knowledge of EU activities and policies in cybersecurity. Ensure clear coordination with EUMS and develop a list of clear examples and potential benefits where partner countries would profit from a partnership with the EU and its EUMS. |
| Overlaps with projects from other donors | L | Informal coordination with other donors, including Member States, to avoid overlaps. Project design also introduces necessary level of flexibility to avoid overlaps. |
| Overlaps with existing EU-funded projects at national and regional level | L | Direct involvement of EEAS/Commission geographical desks and EU DEL correspondent ensures full knowledge of parallel EU-funded activities. |
| Changes in the priorities of partner countries and in our bilateral relationships | L | Project design introduces necessary level of flexibility to adapt to such changes by focusing on particular topics and/or by involving stakeholders from a wide spectrum. |
| Gender equality may be seen as an extraneous and non-relevant issue by implementing partners and if | M | Project design will endeavour to integrate explicit and relevant gender equality components for action activities. It will include |
| Assumptions | | |
| Sustained willingness of partner countries/ regional organisations/international organisations to engage with the EU as expressed in bilateral dialogues. | | |

3.4 Communication and EU visibility

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

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

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

The Communication and Visibility Manual for European Union External Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Besides following the rules and guidelines linked to communication and visibility for the EU funded projects, this action will be particularly attentive to communicate on the actions that support the different various activities. The implementing partner(s) shall define a communication strategy, including media engagement, in order to adequately communicate the EU's contribution to trust and security in cyberspace. To ensure pertinence, impact and coherence, communication activities and visibility actions shall be coordinated with the Press and Information sections of the EU Delegations in the targeted countries.

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

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Direct management Grants: call for proposal

This project will be implemented through grant(s) awarded through a call for proposals.

(a) Purpose of the grant(s)

The objective of the grant is to contribute to advance an open, free and secure cyberspace through the promotion of rules-based cyber-behaviour and increased cyber resilience. The field of intervention is cyber diplomacy and cyber resilience. Expected results are: increased consensus with partner countries on how to apply existing international law in cyberspace; enhanced development of cyber norms and confidence building measures; strengthened multi-stakeholder cyber engagement; and enhanced dissemination of EU best practices in strengthening cyber resilience and protecting critical cyber infrastructure.

(b) Type of applicants targeted

Think tanks, NGOs, research institutes or other civil society organisations in the EU and partner countries. Regional and international organisations as well as specialised EU agencies are eligible to apply. Applicants must demonstrate that project activities are strictly non-profit making.

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.

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---|----------------------|
| 4.1.1 Direct management - Grants: call for proposal | 3 500 000 |
| Total | 3 500 000 |

4.3 Organisational set-up and responsibilities

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

A methodology that combines the need for planning and flexibility to respond to emerging political needs as well as criteria to define the activities will be set up by the management of the programme and shared with the PSC.

EU Member States will be regularly informed of the activities at HQ (HWPCI) and at country level (Heads of Mission/ Political or sectoral Counsellors as relevant), to maximise synergies with their own activities.

Active involvement and participation of relevant global stakeholders will be sought in the different activities implemented under the project.

4.4 Performance monitoring

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

implementing entity shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate regular progress reports (not less than annual) and final reports.

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

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

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 10

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for SIRIUS – Cross-border access to electronic evidence – Phase 2

1 KEY IDENTIFICATION DATA

| | | | | |
|---|--|-------------------------------------|------------------------------|----------------------------|
| Title of the Action | SIRIUS – Cross-border access to electronic evidence – Phase 2 | | | |
| Country/region/global | Global: United States of America primarily, third countries hosting headquarters of relevant Online Service Providers | | | |
| Sector of intervention | International Digital Cooperation | | | |
| Indicative budget | Total: 3 510 000 EUR EC contribution: 3 510 000 EUR Other contributions: N/A | | | |
| Duration and target start date of implementation | Target start date: mid 2020 Duration: 42 months (until end of 2023) | | | |
| Method of implementation | Indirect Management with Europol and Eurojust | | | |
| Legal basis | Regulation of the European Parliament and of the Council establishing a Partnership Instrument for cooperation with third countries (EU) No 234/2014 | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

The objective of SIRIUS, cross-border access to electronic evidence, is to contribute to the development of a secure, rights-based international digital sphere, conducive to a level playing field in terms of market access and business opportunities for EU companies, by supporting strengthened direct cooperation between law enforcement, judicial authorities and Online Service Providers (OSP).

SIRIUS – Phase 2 represents the continuation and development of the SIRIUS project, which launched a number of products and services addressing law enforcement and judicial authorities to increase their knowledge and capacities on processes related to cross-border access to electronic evidence.

Phase 2 of the project will aim at further supporting the EU e-evidence legislative package, particularly by contributing to the practical measures set forth by the JHA Council in 2017, while flexibly adapting its support based on future related developments. The practical measures intend to:

1. Strengthen and speed up direct cooperation between Law Enforcement Agencies (LEAs) and US-based Online Service Providers (OSPs) for access to e-evidence through targeted exchange of experience and best practice, as well as training;
2. Provide opportunities for the exchange of best practice and further training for EU practitioners on applicable rules in the US related to the Mutual Legal Assistance (MLA) procedure.

In its Second Phase, SIRIUS also intends to expand its geographical focus to include third countries based on the interest of law enforcement and judicial authorities of EU MS. This will be done in close collaboration with existing initiatives and projects working on the selected countries, and will allow SIRIUS to remain relevant in the fast evolving landscape of digital companies.

The proposed action is in line with the priorities 2019-2024 of the Commission, notably “A Europe fit for the digital age”.

2.2 Background/Context/Rationale for PI funding

The e-evidence political framework in Europe has already evolved since the kick-off of the SIRIUS project. In April 2018, the European Commission presented a package of legislative proposals for the purposes of gathering evidence in criminal proceedings. The package included a regulation establishing European production and preservation orders for e-evidence in criminal matters and a directive on the appointment of legal representatives. Subsequently, the Council of the EU agreed on its position on European productions and preservations orders in December 2018 and on the rules to appoint legal representatives for gathering evidence in March 2019. The proposal from the Commission and the Council have a number of differences which are currently subject of negotiations, as the Parliament has adopted its position. Parallel to the legislative proposals in the EU, the Council mandated the Commission in June 2019 to negotiate international agreements on e-evidence. More specifically, the Commission was mandated to negotiate an agreement with the United States for the purpose of judicial cooperation in criminal matters and to participate in negotiations in the Council of Europe on a second additional protocol to the Cyber Convention.

Negotiations and proposals in the EU are focused on significantly speeding up the current process to access cross-border e-evidence, which will contribute to render criminal investigations and judicial proceedings more efficient. However, the new policies and international agreements could still take some time to be finalized and to come into force. In the meanwhile, the SIRIUS project aims to continue to promote knowledge-sharing amongst EU law enforcement and judiciary and to assist these authorities to efficiently use available lawful instruments to obtain and use e-evidence in criminal

matters. On the other hand, the work will also contribute to supporting the practical implementation of the forthcoming e-evidence legislation through a number of measures that would continue to be useful and valuable when the new instruments are in force and applied. In addition, SIRIUS will also contribute to fill in gaps that the legislation cannot or will not address (such as the knowledge related repositories on the conflicting obligations between legislation of EU MS and third State and country specific *fiches* related to the privileges and immunities available in the legal frameworks of EU MSs).

In its second Phase, the SIRIUS project aims to expand its geographical scope to include third countries other than the USA, to which OSPs might be subjecting themselves in relation to voluntary cooperation and /or Mutual Legal Assistance. For example, based on the location of the headquarter/data controller entity or location of the physical infrastructure and therefore, actual location of the requested data.

The following approach has been designed to cooperate with such third countries:

Envisaged engagement

Third countries that have signed or will sign (within the timeline of the project) a MLA treaty (MLAT) with the EU and/or have or will have (within the timeline of the project) an operational agreement, cooperation agreement or arrangement establishing cooperation pursuant to Eurojust Regulation, working arrangement, strategic agreement with either Europol or Eurojust, or both.

With such third countries, SIRIUS will engage in the following way/manner:

- Mapping of key stakeholders and establishment of a dialogue on cross-border access to e-evidence;
- Organisation of a yearly study visit;
- Drafting of ad hoc general guidelines and specific guidelines on companies based in that third country.

A preliminary analysis of third countries of interest to SIRIUS follows. The analysis will be continually updated with additional third countries (e.g. Norway, Ukraine) as new agreements are signed and OSPs of interest enter their jurisdiction.

| Country | MLAT with the EU | Agreement in place | Relevant OSP hosted |
|-----------------------------|------------------|--|------------------------------|
| Envisaged engagement | | | |
| Canada | NO | Operational Agreement with Europol; Eurojust has 3 rd State Contact Point in place | Kik |
| Japan | YES | Working Arrangement with Europol; Eurojust has 3 rd State Contact Point in place | Sony (including Playstation) |
| Switzerland | NO | Operational Agreement with Europol; Cooperation Agreement with Eurojust | Protonmail |

SIRIUS may obtain knowledge as well in relation to service providers in other third countries, in the course of the running of regular operational activities within the mandate of one or both Agencies, in particular when coordinating and supporting national investigating and prosecuting authorities in their operational activities. Alternatively, and again in the context of running operational activities of the Agencies under their respective mandates, SIRIUS may directly engage with companies, non-governmental organisations, EU MS or other projects active in the same or similar area, such as the UN Global Initiative or the EuroMed Project, which might have experience in requesting data from relevant service providers. In all these cases, the engagement of SIRIUS will be limited to the drafting of guidelines or other materials to support law enforcement and judiciary in accessing evidence.

Consistency with financial indicative allocations by region and by objective

The Action is fully consistent with the indicative financial allocations laid down in the Multi-annual Indicative Programme 2018-2020 for the Priority 1 of Objective 1.

Coherence with the political framework governing EU relations with the countries in scope

The SIRIUS team will take into account existing political and legal treaties governing the relations between the EU and the third countries it will engage with in the second phase of the project. Based on the preliminary analysis of third countries of interest presented earlier, the following framework conditions are fully in line with the project's objectives and activities.

Japan

The “Agreement between the European Union and Japan on mutual legal assistance in criminal matters”, signed in 2011, offers the fundamental legal framework for the analytical work of SIRIUS on the lawful access to electronic data held by Japan-based OSPs. In 2012, Japan deposited the instrument of ratification of the Budapest Convention, proving further its willingness to cooperate with international partners on investigations or prosecutions concerning criminal offences related to computer systems and data, or for the collection of evidence in electronic form of a criminal offence.

The “Strategic Partnership Agreement between the European Union and its Member States, of the one part, and Japan, of the other part”, signed in July 2018, provides a wider political framework for a long-lasting cooperation between the two parties, among others in order “to contribute to international peace and stability through the promotion of peaceful settlement of disputes in conformity with the principles of justice and international law”. All articles related to security issues of common interest include a willingness to share knowledge and promote dialogue, perfectly in line with the goals and planned activities of SIRIUS - Phase 2.

Finally, collaboration on the Cybersphere is made possible also thanks to regular “EU-Japan Cyber Dialogues”. The latest of such meeting took place in June 2019 and confirmed the desire of both parties to partner up “to strengthen global capacities to prevent and mitigate cyber threats and to investigate and prosecute cyber criminals”.

Switzerland

Although Switzerland has not signed an ad hoc MLA treaty with the EU, it has ratified the Budapest Convention and has an operational and a cooperation agreement respectively with Europol and Eurojust.

Switzerland is part of the European Judicial Cybercrime Network (EJCN), which facilitates and enhances cooperation between competent judicial authorities by enabling the exchange of expertise, best practice and other relevant knowledge regarding the investigation and prosecution of cybercrime. The network also fosters dialogue among different actors and stakeholders that play a role in ensuring the rule of law in cyberspace. It is also part of the European Union Cybercrime Task Force (EUCTF), a network providing a forum to identify, discuss and prioritise key challenges and actions in the fight against cybercrime. The Commission (DG HOME), Europol and Eurojust (along with the EJCN) are also part of the Task Force.

The strong cooperation between the EU and Switzerland in the promotion of rule of law, international criminal justice was recently confirmed in the Council conclusions on EU relations with the Swiss Confederation of 19 February 2019.

Reference to the objectives and priorities laid down in the PI Regulation

This project will continue contributing to the Partnership Instrument's “Objective 1 – priority 1: Global challenges and policy support”, particularly by supporting the EU e-evidence legislative package, because it will contribute to the implementation of the practical measures, as agreed by JHA

Council in June 2017, on two specific objectives to improve cross-border access to electronic evidence, namely to:

- Strengthen and speed up direct cooperation between LEAs, judicial authorities and OSPs for access to electronic evidence through targeted exchange of experience and best practice, as well as training;
- Provide opportunities for the exchange of best practice and further training for EU practitioners on applicable rules in third countries related to the MLA procedures.

Moreover, SIRIUS contributes to the achievement of the two high level objectives of the PI: increasing the position of the EU as a peace actor in the international scene and advancing the EU interests on the international scene. SIRIUS - Phase 2 further strengthens the external aspects of the Smart Growth priority, since it allows the EU to assert its willingness to operate in a rules-based international framework with any third country that hosts OSPs that may have been used to conduct a crime in Europe or against EU citizens.

2.3 Lessons learnt

The advent of the digital age and its technological breakthroughs have led to an increasingly complex environment for the investigation and prosecution of crime and terrorism, as well as evidence collection. The growing use of online messaging apps, social media, cloud-based storage, encryption, anonymizers, virtual currencies and Darknets as enablers of crime and terrorism has led to a situation where national competent authorities are no longer fully capable to establish the physical location of perpetrators, the criminal infrastructure or the electronic evidence. As a result, it is often unclear which country has jurisdiction and which legal framework regulates the collection of evidence, which is often a time-sensitive issue.

Current means of judicial cooperation, such as MLA, are often considered as too slow and cumbersome to address the highly volatile nature of e-evidence.¹ Moreover, differences in domestic legal frameworks in EU Member States and ineffective international cooperation may lead to the emergence of online hot spots and (virtual) safe havens for criminals and terrorists, where investigation and prosecution as well as evidence collection are challenging.

Voluntary disclosure of non-content data on part of OSPs, based on legal framework and procedures established by the OSP itself, is a complementing alternative to formal legal assistance. Since a large proportion of the requests concerns records associated with services offered by US-based OSPs, the partnership between the EU and the US on cross-border access to electronic evidence has gained pivotal importance, both in terms of direct cooperation between EU law enforcement and judiciary and US-based service providers and MLA procedures based on a treaty between the EU and the US.

This conundrum has already been acknowledged by EU policy makers, and the Justice and Home Affairs (JHA) Council agreed in June 2017 on advancing two parallel streams of solutions: legal measures in the form of a new legislative package dedicated to retrieval of e-evidence from foreign OSPs offering their service in the EU, as well as practical measures, improving cooperation with service providers on one hand and improving cooperation among judicial authorities on the other hand.

It is against this background that the SIRIUS project was designed in 2017, with the aim of supporting EU Law Enforcement in developing knowledge on the available lawful options for requesting data from OSPs and equipping them with practical knowledge products and tools aiming at more efficient solutions of crimes enabled by the internet.

¹ See on this point the recent work of the European Commission, available at https://ec.europa.eu/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/e-evidence_en.

Considering the irreplaceable role of existing judicial cooperation procedures for preservation and production of electronic data, SIRIUS has further evolved by increasing its partnership with Eurojust, and by adding judicial authorities as a target group of the project. The judicial community has thus become part of the SIRIUS platform, obtaining a dedicated forum; it has been part of the awareness raising sessions organised by the project team and has played a crucial role in the latest project conference, both as organiser and as participant.

In 21 months, SIRIUS has achieved invaluable results:

- More than 3,800 registered users on its online platform;
- 35 knowledge products: guidelines on data categories, lawful procedures to request data, factsheets on the different types of requests, as well as specific guidelines on companies, chosen based on LEAs' and judiciary's needs;
- 35 IT-based tools, helping with the analysis of business records obtained from OSPs.

Despite the successes already achieved, much work still needs to be done.

First of all, two existing needs are still to be thoroughly addressed:

- The promotion of Single Points of Contact (SPOCs) at national Law Enforcement level, which would streamline communications with OSPs and ultimately increase the quality of requests made for voluntary disclosure of non-content data, while ensuring mutual trust and better cooperation.
- A more exhaustive supply of knowledge products, best practices, lessons learned, tips and tricks addressing the judicial community and related in particular to the MLA procedures.

Moreover, new needs have emerged, such as:

- Voluntary disclosure of non-content data is not devoid of challenges on the OSPs side as well: as criminal *modi operandi* and trends evolve, data stored by small companies has increased in importance for LEA and judiciary of EU MS. Such companies may lack the capacities and resources needed to set up an efficient law enforcement response team; they may lack legal knowledge on the transfer of data to foreign jurisdictions, or may lack the incentives to collaborate with foreign authorities, since direct requests might not be legally binding in their own jurisdiction.
- OSPs based in third countries different from the USA are also essential in the fight against crime and terrorism.

As a consequence, LEA and judiciary of EU MSs need to be more aware of existing legal frameworks (e.g. MLA treaties with third countries other than USA) and specific procedures set up by OSPs based in third countries other than USA.

2.4 Coherence and complementarity

SIRIUS aims to position itself as the Centre of Reference within the EU for knowledge sharing on Digital Cross Border Investigations matters. In order to do so, it has researched and triggered discussions with other initiatives in the same field which are taking place in Europe and beyond.

Coherence with international treaties and negotiations

Within the SIRIUS project, great attention is already given to the ongoing negotiations for an EU-US agreement on e-evidence and for a Second Additional Protocol to the Budapest Convention on cybercrime.

Regarding the existing US legal framework governing access to data, important insights were provided by the US Department of Justice to the SIRIUS community via materials uploaded on the platform and via presentations during the SIRIUS 2018 and 2019 Conferences.

A similar monitoring activity is being carried out with regards to the negotiations for a Second Additional Protocol to the Budapest Convention, which focuses on cross-border access to e-evidence, facilitating international cooperation between law enforcement, judicial authorities and OSPs.

SIRIUS activities and products that will be mostly affected by the new legal framework will be:

- Repository of knowledge of challenges related to the combination of applicable legal frameworks;
- General and specific guidelines, with new explanations on the legal framework, as well as ad hoc specific guidelines or factsheets on the new instruments;
- Training and Awareness raising courses, both face-to-face and online;
- Conference programme.

Complementarity with existing initiatives and projects with similar objectives

1. Initiatives facilitating cross-border access to e-evidence

There are other initiatives promoting knowledge-sharing around cross-border access to e-evidence in the context of criminal investigations. For instance, the United Nations Counter-Terrorism Executive Directorate (CTED), the United Nations Office on Drugs and Crime (UNODC) and the International Association of Prosecutors (IAP) launched a global initiative to strengthen the capacity of central authorities, prosecutors and law enforcement in dealing with cross-border access to electronic evidence, relating to counter-terrorism and serious organized crimes. The global initiative at UN-level collaborates with the EuroMed Police Project, funded until 2020 by the European Union. In 2019, Europol engaged with UNODC, UN CTED, IAP and EuroMed Police project to discuss the creation of common templates and other forms of collaboration, which could be of great added value to harmonize processes and facilitate requests for electronic evidence in the EU. Eurojust is part of such discussions and via the implementation of the 5th phase of EuroMed Justice project, will ensure development of judicial component. Moving forward, a closer collaboration will take place, exploring other synergies between these initiatives while avoiding overlaps, with a view to provide comprehensive and up to date support to EU law enforcement and judicial authorities.

Cooperation has been launched also with GLACY+, a project jointly financed by the EU and the Council of Europe with the objective of strengthening the capacities of States worldwide to apply legislation on cybercrime and electronic evidence and enhance their abilities for effective international cooperation in this area. Although little overlap exists between the countries falling within the geographical scope of the two projects, it is indisputable that they work towards the same objective and the work of one facilitates the work of the other. The main avenues of collaboration, for the moment, have been a presentation of the GLACY+ project within the SIRIUS 2019 Conference and the presentation of the SIRIUS Project during the GLACY+ international conference organised jointly by Council of Europe and Eurojust. Closer cooperation, potentially on products and services, is currently being sought.

Moving forward, a closer collaboration will take place, exploring other synergies between these initiatives, while avoiding overlaps, with a view to provide comprehensive and up to date support to EU law enforcement and judicial authorities.

2. Organisations dealing with training courses (both online and face-to-face) for EU LEAs and Judicial authorities

Three main organisations have been identified. Synergies with them will include:

- Hosting of e-learning courses on their online platforms;
- Co-organisation of face-to-face training and awareness raising courses;
- Access to communities of LEAs and judicial authorities of EU MSs;
- Sharing of best practices in training and outreach towards LEAs and judicial authorities of EU MSs.

CEPOL (European Agency for Law Enforcement Training) already hosts three e-learning modules developed by SIRIUS. In 2019 it has co-organised a face-to-face training course with SIRIUS, and SIRIUS trainers have participated in two additional face-to-face training courses.

ECTEG (European Cyber crime and Education Group) is a member of the SIRIUS Advisory Board and has shown interest and willingness to cooperate with SIRIUS for training purposes.

EJTN (European Judicial Training Network) is a member of the SIRIUS Advisory Board. In 2019, SIRIUS trainers have participated in face-to-face training courses. Possibility of retaining training materials and/or hosting e-learning modules developed, will be explored, bearing in mind its mandate being limited to EU MSs.

3. EU-funded projects in the realm of access to electronic data

SIRIUS has already mapped and initiated a dialogue with a number of projects funded by the EU that aim at helping EU LEAs in retrieving digital data from open sources and/or interpreting them using automation whenever possible. SIRIUS aims to become the hub to access such projects and has started discussions with the following projects:

1. ANITA
2. ASGARD
3. COPKIT
4. DANTE
5. FREETOOL
6. ILEAnet
7. MAGNETO
8. RED-ALERT
9. ROXANNE
10. SURVANT
11. TENSOR
12. TRIVALENT
13. VALCRI

The main avenues of collaboration with these projects so far are:

- Co-dissemination efforts²;
- Participation of selected projects in the SIRIUS Conference³;
- Availability on the SIRIUS platform of free and open-source tools developed by the projects⁴.

Additional synergies will be sought in the future.

The expansion in the geographical scope of SIRIUS makes it extremely beneficial to engage with ongoing projects that work on similar issues in the same targeted countries. The project “Enhancing

² For example, the SIRIUS project has been presented to a mix audience of security practitioners and researchers within the framework of two events organized by the DANTE project in November 2018 and in February 2019. In both occasions, a fair amount of new (Law Enforcement) users has requested access to the SIRIUS platform and has since engaged with the project on a regular basis.

³ Among the nine H2020 projects that participated in the SIRIUS Conference in 2019, the presence of COPKIT has been particularly useful: one of the partners, Gendarmerie Nationale (French LEA), has been so positively impressed by the SIRIUS tools presentation that it has started discussions to share a tool developed by his colleagues on the SIRIUS platform.

⁴ For example, the tools developed by the FREETOOL project have been uploaded on SIRIUS and have encountered a very positive reaction by the platform users. One of its tools, GELATO, helps and fastens the analysis of large collections of media for metadata such as timestamps and location information. It presents the output in a user interface for visualizing and filtering the data. This allows practitioners to interpret the extensive business records provided by OSPs upon a lawful request and to further understand whether new requests to the same OSP or to new OSPs are necessary to continue the investigation or prosecution of a crime. The SIRIUS team is also testing the more than 60 tools developed by ASGARD, which also aim to expediting the analysis of data, for example by extracting metadata from images, by transforming a PDF file into raw text, by helping determine whether two texts are written by the same author, etc.

security in and with Asia”, for example, funded by the FPI, focuses among others on Japan and may present great benefits to the SIRIUS team when they try to engage with new actors in the country.

4. Institutional stakeholders in third countries targeted by the project

SIRIUS has so far focused on the cooperation with the US and has therefore initiated collaboration with the following US or US-based institutions:

1. Department of Justice (Office of International Affairs and Computer Crime and Intellectual Property Section), via their US-, Belgium-based offices and via their Liaison Prosecutor’s Office at Eurojust;
2. Federal Bureau of Investigation (MLAT Unit, Counterterrorism Advanced Project Unit and National Domestic Communications Assistance Center), both via their US office and via their Liaison Bureau at Europol.

Synergies with them have taken the format of official visits within the context of the Study Visits to the USA in 2018 and in 2019; participation of officers in the SIRIUS Conference (both as speakers and as participants) and in the SIRIUS Codefest; exchanges of knowledge and best practices on a more informal and regular basis.

Additionally, the following US-based stakeholders were deemed essential:

1. EU Delegation in Washington, EEAS, Justice and Home Affairs;
2. Center for Strategic and International Studies;
3. Software & Information Industry Associations.

With an expansion in the geographical scope of the SIRIUS project, stakeholders in the same fields (Law Enforcement, Judiciary, EU Delegations, Think Tanks, Tech associations) will be identified as in Section 2.2 and similar synergies will be sought.

2.5 EU added value

The internet plays a central role in EU citizens’ lives today and it has completely transformed the way data is stored and transferred. The use of messaging apps for text and calls, social media, cloud storage and file-transfer platforms has changed how people interact with family, friends, companies and colleagues. EU citizens rely on a safe digital sphere and expect the investigation and prosecution of crimes to be expeditious and efficient. Nowadays, while safeguarding the right to privacy within the EU, authorities need to rely on information held by private companies to effectively investigate and prosecute crimes.

Requests for information from OSP might be the only way to obtain decisive evidence in relation to stolen devices, credit card fraud and identity theft, for example, but it can also be fundamental in nearly any type of investigation, including missing persons, kidnapping, human trafficking and terrorism. From a law enforcement perspective, the internet has deeply shifted the way evidence is stored. Investigations that would traditionally be conducted within the borders of one country have now acquired an international dimension. It is not unlikely that the victim, the perpetrator, and the infrastructure where electronic evidence is located, or where the service provider exploited is, are all in different countries.

Legislation in this regard varies from country to country and different international legal instruments may be applicable. The Budapest Convention on Cybercrime provides one of the most recent international legal frameworks for cross-border access to electronic evidence and represents a big step in facing the new challenges imposed by the use of the internet for criminal purposes.

Changes in policy to improve and expedite the process to request cross-border access to electronic evidence is underway in the EU, as both European Commission and the Council of the European Union are engaged in a legislative procedure in this regard. Negotiations with third countries such as

the United States as well as in relation to the 2nd additional protocol to the Budapest Convention are also ongoing.

SIRIUS, in its Phase 2, aims to further strengthen its position as a Centre of Reference within the EU for Knowledge sharing on Digital Cross Border Investigations.

2.6 Cross-cutting issues

The SIRIUS project operates in a highly male-dominated industry; because of this, it is very hard to ensure gender equality both at project personnel level and at project activities level.

Regarding personnel, despite in Europol the gender balance is around 1/3 female staff to 2/3 male staff, two out of the three full time project staff are female; 20% of the 2018 Conference speakers were female, and 35% of the Conference participants were female.

Eurojust has a 68/38% female/male staff ratio. Occupation of middle management posts is more balanced with 58% of posts occupied by male staff. Eurojust strives to reduce this imbalance through the vacancy notices by encouraging male candidates to apply for vacant posts.

To further encourage female participation, additional actions will be taken in the future, such as encouraging female participation in the invitation letter to SIRIUS events.

3 ACTION DESCRIPTION

3.1 Objectives

In order to achieve these strategic goals, SIRIUS – Phase 2 has listed a number of specific objectives, which will be reached via related activities and outputs, as the table below shows.

| Overall objectives | Specific objectives | Related activities | Related outputs |
|---|---|--|--|
| | | | Overarching output, SIRIUS platform (O1) |
| To contribute to the development of a secure, rights-based international digital sphere, conducive to a level playing field in terms of market access and business opportunities for EU companies | To support strengthened direct cooperation between law enforcement, judicial authorities and OSPs | Research on policy and legal developments | General and specific guidelines, Best practices (O2), Digital Evidence Situation Report (O8), factsheets (O9) and workshop (O10) |
| | | Outreach towards OSPs | |
| | | Technical assistance to interpret business records of OSPs | Online investigation tools (O3) |
| | | Training and awareness raising on direct cooperation | Online and face-to-face (O4, O5, O6, O7) |
| | Increasing mutual trust and understanding, sharing of lessons learned and recommendations | Enhancement of a Network of SPOCs (O12), SIRIUS Conference (O13) | |
| | To contribute to more effective and expeditious MLA procedures between the EU and third countries, including the US | Research on policy and legal developments | General and specific guidelines, Best practices (O2), Digital Evidence Situation Report (O8), factsheets (O9) and workshop (O10) |
| | | Training and awareness raising on MLA procedures | Online and face-to-face (O4, O5, O6, O7) |

Ultimately, the ambition of SIRIUS – Phase 2 is to become an internationally acknowledged Centre of Reference within the EU for Knowledge sharing on Digital Cross Border Investigations.

The **overall objective** of SIRIUS – Phase 2 will be to continue to contribute to the development of a secure, rights-based international digital sphere, conducive to a level playing field in terms of market access and business opportunities for EU companies.

The **specific objectives** of this action, which will contribute to the achievement of the overall objective, are:

SO1. To contribute to more effective and expeditious MLA procedures between the EU and third countries, including the US

SO2. To support strengthened direct cooperation between law enforcement, judicial authorities and OSPs through targeted exchanges of best practices and trainings, including on the EU e-evidence package of legislative proposals among partners.

Expected outputs and related activities

To achieve the above objectives, this action will work towards the consolidation or development of the following outputs:

O1. SIRIUS Platform

The SIRIUS platform, hosted on Europol's Platform for Experts (EPE), will increase its users base and will continue to act as a one-stop-shop for knowledge related to cross-border access to electronic data.

Related activities:

- A2. Overall technical assistance (Users invitation and technical troubleshooting)

O2. Guidelines and Best Practices on cross-border access to electronic evidence

Guidelines will be knowledge products, restricted to LEAs and Judicial authorities only, downloadable from the SIRIUS platform, and will focus on: (i) lawful procedures needed to request access to e-evidence stored in non-EU jurisdictions; (ii) individual OSPs that are relevant to the investigation and prosecution; (iii) admissibility of e-evidence, interpretation of third countries' law, conflicting procedures, privileges and immunities.

Related activities:

- A3. Producing and maintaining a knowledge stream;
- A6. Policy and Outreach activities

This activity will include study visits to the US and selected third countries, participation in events, etc.

O3. Online investigation tools

Online investigation tools are developed from Europol, LEAs or Judicial authorities either individually or together in a co-development effort, such as during the Codefest or during placement programmes. They are IT-based tools downloadable from the platform, which focus on easy retrieval and interpretation of e-evidence.

Related activities:

- A4. Providing technical solutions.

O4. E-learning packages (Europol)

Online training allows SIRIUS users to access knowledge at their own location, preferred time, and following their own pace. Topics may reflect other products such as guidelines, best practices and tools, or may be additional and complementary to them.

Related activities:

- A5. Developing and delivering training and awareness raising packages to meet the needs of LEAs and judiciary authorities
- O5. Online awareness raising packages (Eurojust)
- Online awareness raising allows SIRIUS users to access knowledge at their own location, preferred time, and following their own pace. Topics may reflect other products such as guidelines, best practices and tools, or may be additional and complementary to them.
- Related activities:
- A5. Developing and delivering awareness raising packages to meet the needs of LEAs and judiciary authorities
- O6. Face-to-face training sessions (Europol)
- Face-to-face training sessions allow a more interactive experience to learners.
- Related activities:
- A5. Developing and delivering training packages to meet the needs of LEAs and judiciary authorities
- O7. Face-to-face knowledge dissemination sessions (Eurojust)
- Face-to-face knowledge dissemination sessions allow a more interactive experience to learners.
- Related activities:
- A5. Developing awareness raising packages to meet the needs of LEAs and judiciary authorities
- O8. Digital Evidence Situation Report
- This yearly reports takes a snapshot of the status of access of EU MS to e-evidence held by foreign-based OSPs. More specifically, the following components fall within the scope of the document:
 - The volume of requests from EU Member States to OSP;
 - The main reasons for refusal or delay of EU requests;
 - The main challenges in the process, from the perspective of the different stakeholders.
- Due to the challenges in accessing comprehensive data relating to e-evidence, the ambition of this yearly report is not to provide an exhaustive assessment of such a complex field, rather to cluster data on cross-border access to e-evidence coming from different sources. The goal of the report is to identify areas and actions that could contribute in the short and long term to smoother cross-border requests, as its findings could potentially be used to:
- Inform decision-making;
 - Create training and awareness raising programmes targeting law enforcement and judicial authorities;
 - Contribute to the standardisation of policies and transparency reports from OSP.
- Data will be collected using:
1. Publicly available Transparency Reports of OSPs regarding governmental requests for data disclosure;
 2. Online surveys with EU law enforcement and judicial authorities carried out via EUSurvey and disseminated through the SIRIUS platform;
 3. Face-to-face/Phone/e-mail informal interviews with OSP, specifically on a) main reasons for refusal or delay in processing of requests from EU authorities; b) challenges in the e-evidence process from their perspective.

Related activities:

- A3. Producing and maintaining a knowledge stream;
- A6. Policy and Outreach activities.

O9. Factsheets addressing stakeholders

These will be short products (infographics, one-pagers, etc.) presenting the key findings of the report (O6) to a wider, non-restricted audience, including from third countries.

Related activities:

- A3. Producing and maintaining a knowledge stream;
- A6. Policy and Outreach activities.

O10. Annual Digital Cross Border Investigations Workshop

This workshop, addressing a non-restricted audience, will convey the findings and insights of the report (O8) to a wider public, including representatives from third countries.

Related activities:

- A3. Producing and maintaining a knowledge stream;
- A6. Policy and Outreach activities.

O11. Mentorship Package

The Mentorship Package will be the key product resulting from a new activity in the SIRIUS work plan, namely the Mentorship Programme for OSPs. During outreach activities, the SIRIUS team came across a number of online platforms that do not have mature processes in place to respond to authorities in their requests for e-evidence for a number of reasons:

- Small and medium-sized companies may lack the capacities and resources required to set up a competent law enforcement response team;
- Other companies may lack legal knowledge on requests for data received from foreign jurisdictions;
- Even when resources may be available, companies may not have the incentives to collaborate with foreign authorities given that direct requests are not necessarily legally binding.

This may lead to the inability of EU authorities to obtain electronic data via direct requests. To solve this challenge, SIRIUS envisions a structured mentorship programme that will encompass:

- Preliminary meetings with selected platforms to describe the legal process of cross-border access to electronic data;
- Advises on how to be prepared to deal with electronic data requests coming from foreign authorities, for example via the creation of a customised package including templates for requesting data, formats of business records and practical guidelines for LEAs;
- Regular meetings and workshops to monitor the progress and share best practices or lessons learned;
- Recommendations on the breakdown of data to be included in the Transparency Reports.

As a result, access of EU authorities to electronic data would be facilitated, and Transparency Reports could start to be standardised, while currently they present data following very different formats.

As part of the new SIRIUS mentorship programme, a package will be developed including templates for requesting data, formats of business records and practical guidelines for Law Enforcement Response Teams (LERTs). The activity will also include a reflection on the role of SPOCs in the EU and their needs, as well as on the potential impact of the EU e-evidence

legislative package on the companies' relations with SPOCs and with EU security practitioners. The Mentorship Package may also be reviewed accordingly.

Related activities:

- A3. Producing and maintaining a knowledge stream;
- A6. Policy and Outreach activities

O12. Enhancing the role of EU SPOCs in dealing with requests to OSPs in third countries MS

A currently existing Network of SPOCs will be supported and further enhanced by SIRIUS; this will include yearly meetings and a dedicated sub-section of the SIRIUS platform. Ad hoc materials for SPOCs (e.g. guidelines, best practices, e-learning packages, etc.) may be created. This activity will also provide a space for SPOCs to identify and exchange views on potential changes brought by the EU e-evidence legislative package on the SPOCs' role and working method.

Related activities:

- A2. Overall technical assistance (Users invitation and technical troubleshooting);
- A3. Producing and maintaining a knowledge stream;
- A5. Developing and delivering training and awareness raising packages to meet the needs of LEAs and judiciary authorities;
- A6. Policy and Outreach activities

O13. SIRIUS Conferences

These are yearly events that gather the whole SIRIUS community from Europe and third countries, including UN: LEAs and judicial authorities, OSPs, policy makers.

Related activities:

- A3. Producing and maintaining a knowledge stream.

3.2 Stakeholders

The main stakeholders of the Action are:

1. LEAs

All Law Enforcement Agencies in EU MS or in third countries that have an Operational Agreement with Europol⁵; at any level (national, regional, local) and specialised in any kind of crime.

2. Judicial Authorities

All Judicial Authorities in EU MSs or in third countries that have a Cooperation Agreement with Eurojust⁶ or will have an arrangement establishing cooperation pursuant to Eurojust Regulation; at any level (national, regional, local) and specialised in any kind of crime.

3. OSPs based outside the EU

The main focus will be kept on OSPs based in the USA; SIRIUS will expand its geographical scope based on the investigation needs of LEAs, as described in Section 2.2. For the purposes of the SIRIUS project, OSPs are not to be defined in narrow terms. Some examples may include:

⁵ Albania, Australia, Bosnia and Herzegovina, Canada, Colombia, Georgia, Iceland, Liechtenstein, Moldova, Monaco, Montenegro, North Macedonia, Norway, Serbia, Switzerland, Ukraine, USA.

⁶ Albania, Georgia, Iceland, Liechtenstein, Moldova, Montenegro, North Macedonia, Norway, Switzerland, Ukraine, USA

social media platforms, messaging/communications platforms, file sharing platforms, VPNs, cloud services.

4. Policy makers, legislators in the EU and in the third countries targeted by the Action

Policy makers at national and EU level, especially when involved in the field of cross-border access to e-evidence, are also targeted by the project, which strives to produce a comprehensive and up-to-date evidence base.

3.3 Risk assessment and management

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|--|--------------------------------|---|
| <i>Political level</i> | | |
| Priorities in the US and other third countries' stakeholders change, determining withdrawal of their commitment. | L/H | SIRIUS, Europol and Eurojust have a long-standing trust relationship with institutional partners in the US and third countries that have signed, within the project's timeline, an agreement or arrangement establishing cooperation pursuant to underlying legal framework(s) with the agencies. Stakeholder management is a crucial and continuous activity on part of both agencies throughout the project. |
| OSPs are not committed in collaborating with the project | L/H | From Europol's side, SIRIUS is strategically positioned within EU IRU, which also works with OSPs. Different levels of engagement according to the different OSPs are expected; information on the companies will also be sought via desk research and via surveys and interviews with EU LEAs and judicial authorities. |
| <i>Implementation level</i> | | |
| SIRIUS users stop engaging with the platform | L/H | A strong and continuous dissemination, communication and awareness raising campaign will be performed by Europol and Eurojust, via presentations, e-mail communication, general networking with the relevant target groups. Surveys (online, during face-to-face awareness raising sessions and other SIRIUS events) will be carried out to better understand how needs and requirements of practitioners evolve. |

| | | |
|--|-----|---|
| Users identify errors or outdated information on SIRIUS guidelines | L/M | All SIRIUS products will bear the disclaimer on the first page: <i>“This document has been prepared with information available at the time of writing. It is advised to consult the most recent guidelines of the company when making requests for data-disclosure.”</i> Documents will be reviewed at least annually to ensure information is up to date. Experience shows that OSPs with good levels of engagement with SIRIUS proactively contact the project team to inform them about changes in their policies. SIRIUS contact information will be clearly visible in the platform, as to encourage users to report errors. |
|--|-----|---|

3.4 Communication and EU visibility

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

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

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

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

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

This action will be implemented in indirect management by means of a contribution agreement with the EU agencies Europol and Eurojust, which have selected by the European Commission using the following criteria:

- nature of the action;
- operational capacity;
- value added.

Implementation through full recourse to EU agencies is key to achieve concrete results on sensitive/political but also technical matters, and to ensure effective credibility, interest, and cooperation with the partner countries.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.^[1]

If negotiations with the above-mentioned entities fail, (part of) this action may be implemented in direct management in accordance with the implementation modalities identified below.

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Changes from indirect to direct management mode due to exceptional circumstances

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

Indicative timing: 3rd quarter 2020.

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|--------------------------------------|----------------------|
| Indirect Management with EU Agencies | 3 510 000 |
| Total | 3 510 000 |

4.3 Organisational set-up and responsibilities

The Action will be implemented via a Contribution Agreement with Europol (“Organisation”) and Eurojust (“Partner”). Relations between the two agencies will be governed by the General and Special conditions for Contribution Agreements, as well as the agencies’ respective regulations.

Europol will be responsible for the technical and financial implementation of the Action, in respect of the principles of Sound Financial Management, transparency, non-discrimination and visibility of the European Union in the implementation of the Action. To this aim, it will set up an internal project communication, reporting and monitoring system to ensure activities and outputs under Eurojust’s responsibilities are delivered in the correct timeframe, quality and allocated budget. Europol will inform the European Commission of any obstacle encountered, or risk that has emerged, which may result in a delay in the delivery of the outputs. Additionally, Europol (in close cooperation with Eurojust, on a case-by-case basis) will disclose any additional information the Commission may request.

Interim and final reports will be provided to the Commission, as per the Contribution Agreement. Europol will be responsible for the delivery of such reports, which will include contributions of Eurojust on related activities, deliverables and other contributions.

An Advisory Board has been created already in 2018 to provide strategic steering and orientation of the project, ensure that the activities are aligned with ongoing political priorities and initiatives at EU and international level, provide expert technical perspective on key issues addressed by the project and help identify obstacles, constraints and opportunities to achieve the project’s objectives.

Dedicated project teams at both Europol and Eurojust ensure correct, timely and quality implementation of the activities and deliverables. Their respective tasks are listed below:

| Europol | Eurojust |
|---|--|
| <i>Financial and administrative tasks</i> <ul style="list-style-type: none">• Managing the project, as “Organisation”;• Communicating with the European Commission’s Services for Foreign Policy regarding project implementation;• Ultimate responsible for technical and financial implementation of the project; | <i>Financial and administrative tasks</i> <ul style="list-style-type: none">• Contributing to communications with the European Commission’s Services for Foreign Policy regarding project implementation;• Responsible for management of own financial and administrative duties in |

| | |
|--|--|
| <ul style="list-style-type: none"> • Being the sole recipient, on behalf of the Partner, of the payments of the Contracting Authority. The Organisation shall ensure that the appropriate payments are then made to the Partners without unjustified delay; • Deciding on Advisory Board Members roles; • Preparing and submitting progress and final reports to the European Commission; • Preparing and submitting deliverables to the European Commission; • Proposing and submitting changes to the Contribution Agreement. | <ul style="list-style-type: none"> • relation to the project; • Suggesting Advisory Board Members roles; • Contributing to the preparation of progress and final reports to the European Commission; • Preparing and contributing to deliverables as per the project work plan; • Suggesting and contributing to changes to the Contribution Agreement. |
| <p><i>Internal communication tasks</i></p> <ul style="list-style-type: none"> • Preparing internal coordination meetings (including Advisory Board meetings), chairing the meetings, preparing the minutes and monitoring the implementation of decisions taken; • Ensuring project information and documents are shared with “Partner”; • Collaborate with “Partner” in order to maintain a shared understanding of planned work. | <p><i>Internal communication tasks</i></p> <ul style="list-style-type: none"> • Participating in internal coordination meetings (including Advisory Board meetings), co-chairing the meetings, reviewing the minutes and monitoring the implementation of decisions taken; • Ensuring project information and documents are shared; • Collaborate with “Organisation” in order to maintain a shared understanding of planned work. |
| <p><i>Technical tasks</i></p> <ul style="list-style-type: none"> • Deciding on procedures and content regarding scientific/technical elements of the project; • Monitoring and assessing the progress of the project and making recommendations for appropriate amendments to the work plan, as required; • Preparing and maintaining a work plan for the related task and coordinate the technical work of the task. | <p><i>Technical tasks</i></p> <ul style="list-style-type: none"> • Proposing and contributing to procedures and content regarding scientific/technical elements of the project; • Producing and contributing to deliverables, as per project’s work plan; • Disseminating project activities, results and opportunities within the reference communities and stakeholders; • Strengthening existing contacts and/or creating new contacts with relevant target groups. |

Europol and Eurojust will meet face-to-face on a weekly basis at Europol’s or Eurojust’s premises. Additional management-level meetings between Eurojust and Europol will take place on an ad hoc basis. Further face-to-face meetings, phone and e-mail communication are undertaken on an ad-hoc, spontaneous basis.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

EN
ANNEX 11

Of the Commission Implementing Decision on the 2020 Annual Action Programme for the Partnership Instrument

Action Document for Public Diplomacy (and cultural relations)

1 KEY IDENTIFICATION DATA

| | | | |
|---|--|-------------------------------------|-------------------------------------|
| Title of the Action | Public Diplomacy and cultural relations | | |
| Country/region/global | Global | | |
| Sector of intervention | Public Diplomacy | | |
| Indicative budget | EC contribution: EUR 23 250 000 (Procurement and indirect management: 100%; Grants: Jean Monnet 75% or 80%; EU-Russia Civil Society Forum 80%; Civil Society Japan 90%; Schuman Fulbright 56%) Other contributions: Grants: Jean Monnet 20% or 25%; EU-Russia Civil Society Forum 20%; Civil Society Japan 10%; Schuman Fulbright 44% | | |
| Duration and target start date of implementation | 36 months | | |
| Method of implementation | Direct management through: - Grants - Procurement- Indirect management with International Organisation | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | |
| DAC code(s) | 99810 | | |
| Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective |
| | Participation development/good governance | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | RIO Convention markers | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

The proposed action aims at building trust and mutual understanding with key target audiences and partners in third countries and, by doing so, facilitate future cooperation across policy areas. To do so, this action engages and empowers with key actors and, fosters and mobilise networks of influencers and potential partners in order to enhance EU's soft power projection by building alliances and allowing better-informed engagement and decision-making. Priority areas include global challenges, multilateralism, promotion of EU values and principles, economic partnerships and fundamental rights, including in the field of trade and human rights. This action will also contribute enhancing widespread understanding and visibility of the EU and its role on the world scene, fully in line with the Commission priority for 2019-2024: A stronger Europe in the world. The following actions are envisaged:

- Investment in public diplomacy activities reinforcing the understanding of the EU among future generations through study, research, teaching and debate on EU-related issues among students and academics through Jean Monnet Activities in a selected number of countries, coupled with the reinforcement of the Transatlantic ties through the EU-US Schuman Fulbright Fellowships programme and the Education outreach in US and Canada.
- Secondly, strategic funds will be provided to reinforce the capacity of the EU Delegations to meaningfully engage and develop partnerships with local stakeholders in Association of Southeast Asian Nations (ASEAN), China, India, Indonesia, Mexico and Central, South America, Republic of Korea, Russia and the USA.
- Thirdly, renewed support will be made available for people-to-people contacts and civil society dialogue in the Japan and in Russia. Should the need arise and budget be available, additional activities may be included later in the year.
- Finally, on Cultural Diplomacy, continued investment in the operationalisation of both the EEAS-EAC Joint Communication "Towards an EU strategy for international cultural relations" and the "EU Agenda for Culture" will be granted through continued support to the organisation of European Film Festivals across the world as spaces for intercultural dialogue.

2.2 Background/Context/Rationale for PI funding

As the EU Global Strategy notes, we live today in a more interconnected, complex and contested world. It follows that the way the EU engages with citizens in third countries needs to adapt. Public diplomacy under the Partnership Instrument supports the implementation of EU Foreign Policy objectives by strengthening the EU's ability to engage meaningfully with selected audiences in third countries (i.e. students/academics, multipliers/influencers, civil society and cultural operators/artists) in order to increase mutual understanding, improve the perception of the EU and of its policies and, ultimately, identify and nurture like-minded allies for future cooperation.

The EU study "Analysis of the perception of the EU and EU's policies abroad" was published on 18 March 2016¹ and recommended "establishing a centralised EU public diplomacy strategy comprising a finite set of core messages with the implementation adjusted to local specificities, context and capacities". Its findings enabled the EU to tailor the development of public diplomacy initiatives to the local perceptions of the EU and its policies. Activities included in this action, in particular messages and target audience, will be fine-tuned according to the study results.

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

This action refers to objective d) set out in article 1(2) of the Partnership Instrument (PI) Regulation² as further defined in multi-annual indicative programme 2014-2020 (objective 4)³: Enhancing widespread understanding and visibility of the Union and its role on the world scene through 1) Education/academic co-operation; 2) Public Diplomacy and outreach activities to promote the Union's values and interests.

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

2.3 Lessons learnt

The key lessons drawn from the experience of the previous and on-going Partnership Instrument actions supporting public diplomacy are the following:

- avoid a piecemeal approach in order to ensure the manageability of the actions and adequate measurement of results thanks to a streamlined programming process based on a clear set of strands adapted to the various target audiences (i.e. think tank, academia, civil society, cultural stakeholders) and implementation modalities (i.e. grant, service contract);
- ensure that the programming of public diplomacy actions reflect strategic prioritisation from the EU's external action policies.
- ensure that implemented actions focus on issues that resonate among local target audiences.

2.4 Coherence and complementarity

The EU Global Strategy points out the importance of a joined-up approach to Public Diplomacy. As such, subsidiarity and complementarity with other interventions in the field of (or related to) public diplomacy at country and global levels is key and will be ensured by the relevant EU Delegations and by the Commission (the Service for Foreign Policy Instruments – FPI) in collaboration with the EEAS. The EU Delegations and FPI will regularly update a mapping of public diplomacy-related activities funded under the Partnership Instrument and ensure complementarity and cross-fertilisation with other relevant activities implemented at the country, regional and global levels. In particular, coordination will be sought with activities funded through the EEAS' managed Press & Information budget. Where possible, joint "Public Diplomacy Mapping" for engagement with civil society in third countries will be developed.

In line with the "Information and Communication Handbook for EU Delegations"⁴, EU Delegations will ensure complementarity and added value of selected projects with on-going and planned initiatives supported by EU Member States and other relevant actors.

Complementarity will be sought with projects currently running under the Partnership Instrument's Annual Action Programmes between 2014 and 2019, including the "Cultural Relations Platform" and the 'EU Alumni Engagement Initiative'.

2.5 EU added value

Public Diplomacy action at EU level can facilitate the development of a joined-up approach to Public Diplomacy, fostering synergies across services and possibly with Member States on the ground. This can allow developing more sustainable approaches to engage over the long term with citizens in third

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

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

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

countries. This has become particularly important at a time when citizens are increasingly exposed to competitive narratives and disinformation aimed at undermining the legitimacy of the EU and of our policies. Building trust and mutual understanding with our partners has become increasingly important to support the implementation of our policy priorities.

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

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

2.6 Cross-cutting issues

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

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

3 ACTION DESCRIPTION

3.1 Objectives

The Annex of the PI Regulation sets out a general framework for programming in line with thematic priorities and objectives set out in point (d) of Article 1(2):

1. Enhancing cooperation in higher education: enhancing student and academic staff mobility, leading to the creation of partnerships aimed at improving the quality of higher education and of joint degrees leading to academic recognition ('Erasmus+ Programme').
2. Enhancing widespread knowledge of the Union and raising its profile: promoting the Union's values and interests (including in the field of trade and human rights) in partner countries through enhanced public diplomacy, outreach and research activities in support of the objectives of the instrument.

The proposed action aims at building trust and mutual understanding with key target audiences and partners in third countries and, by doing so, facilitate future cooperation across policy areas. To do so, this action engages and empowers with key actors and, fosters and mobilise networks of influencers and potential partners in order to enhance EU's soft power projection by building alliances and allowing better-informed engagement and decision-making. Priority areas include global challenges, multilateralism, promotion of EU values and principles, economic partnerships and fundamental rights, including in the field of trade and human rights. To achieve these objectives, under the Annual Action Programme 2020, it is envisaged to support actions to strengthen stakeholders' institutional, operational and networking capacity in four **strands** relating to Public Diplomacy:

STRAND 1: Academic and students outreach through Jean Monnet activities, Schuman-Fulbright Fellowships and Education Outreach in the USA and Canada

1. Jean Monnet activities

The proposed action envisages continued support to Jean Monnet activities. The latter aims to increase knowledge about European integration in strategic countries by promoting teaching research and debate and are funded under Erasmus+. The streamlining of EU's academic outreach in the field of EU affairs through the Jean Monnet will reinforce the dialogue between academics, students and decision makers in the EU and abroad, and will increase widespread understanding and visibility of the EU and

its role on the world scene. Funds under the Partnership Instrument will be used to open a "PI Window" in the Jean Monnet activities that for 2020 will indicatively include the following countries/territories, chosen because of their political relevance and/or to ensure continuous engagement with the academic target audience : Australia, Brazil, Canada, China, Hong Kong S.A.R., India, Indonesia, Japan, Korea, New Zealand and South Africa.

2. Schuman-Fulbright Fellowships

The Schuman-Fulbright programme supports the EU agenda for new skills and jobs, 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. Education Outreach in the USA & Canada - Creating the Next Generation of 'Transatlanticists'

The purpose and objectives of this action are the long-term engagement and impact, building knowledge and trust through educational opportunities with target audiences important to the future of the transatlantic relationship.

The opportunities available to target audiences under this action will complete in an educational 'pipeline' of EU opportunities for young people from secondary school (e.g. Euro Challenge) all the way through to a post-graduate experience (e.g. EU-US Young Leaders' Seminar). Such a pipeline allows for multiple points for engagement with the same interested individuals who should take their knowledge of, experiences with, and affinities for the European Union into the rest of their career.

This action would consolidate a number of individual education outreach initiatives which the Partnership Instrument since 2015 has supported in the United States through stand-alone and Policy Support Facility actions. It would also include the opportunity for these actions, in particular the Euro Challenge, to be extended to Canada. This consolidation would allow for greater coherence and coordination of the activities in line with EU outreach and public diplomacy priorities for the US and Canada.

Among the activities to be supported by this action are the above mentioned Euro Challenge and Schuman Challenge competitions, the EU-US Young Leaders' Seminar, as well as the support for Model EU simulations, and the development of an EU 'educational network' for sharing knowledge and facilitate cooperation between interested parties.

STRAND 2: EU Policy and Outreach Partnerships

This strand will engage directly with key stakeholders (e.g. think tanks, media, business organisations, universities, and other opinion-makers/influencers) in the partner countries, as well as in the EU, on policies of common interest, related *inter alia* to tackling global challenges, supporting economic partnerships and protecting fundamental rights. The areas covered will depend both on the local perception and on the EU policy priorities for a given country.

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

The following actions are proposed:

1. Continued support to EU Policy and Outreach Partnerships in ASEAN, India, Indonesia, Mexico and Central America, South America, Republic of Korea and Russia.

Building on existing actions funded through PI AAPs 2017 and 2018, it is proposed to renew the actions due to expire between 2020 and the first half of 2021.

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

2. Continued support to the EU-China Interpreter Training Programme

Building on the action funded through AAPs 2015, 2016 and 2018, it is proposed to renew the support to the EU-China Interpreter Training Programme (EUCITP). The EUCITP contributes to the objectives of the EU, engaging on the international stage and reaching out to partner countries and organisations, while keeping in mind that multilingual communication is an enabler for more effective bilateral and multilateral cooperation.

Through its activities, the EUCITP enhances widespread understanding of the EU, contributing to EU visibility in China. This raises the EU profile in a country where it has strategic interests, considering that China is not only a partner but also a competitor as expressed in the joint Communication from the Commission and the High Representative of March 2019⁵.

STRAND 3: Civil Society engagement

Engagement with civil society is crucial for the EU to be (and to be perceived as) an open and receptive foreign policy actor. The primary objective of this strand is to strengthen and stimulate genuine dialogues between EU and strategic partner countries' civil society organisations in areas of common interest, with a particular focus on the fields of Global Challenges, Economic Partnership and Fundamental Rights.

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

The following actions are proposed:

1. 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 relations between the EU and Russia 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.

2. Civil Society engagement on Fundamental Rights in Japan

Building on existing actions funded through AAP 2015 and AAP 2018, the EU will continue its support to Civil Society engagement initiatives on Fundamental Rights to increase awareness on death penalty in Japan to be implemented through a direct grant managed by the EU Delegation.

The activities encompass meetings with local authorities and members of the national parliament, screening documentaries, advocacy activities etc.

3. Engagement towards Torture –free Trade

The eradication of torture and capital punishment are core EU values. Support for the 'Global Alliance for Torture-free Trade' that the EU and over sixty (including the 28 EU Member States) countries have

⁵https://ec.europa.eu/commission/presscorner/detail/en/MEX_19_1653

subscribed remains and important area of work of the Commission to end trade in goods that could be used for torture or capital punishment. The adoption of the UN General Assembly resolution 73/304 on 28 June 2019 constituted an important success only two years after the EU launched the Global Alliance together with Mongolia and Argentina in support of this process. The UN General Assembly resolution paved the way for working in the field at UN level.

Building upon the study being carried out by the Office of the UN High Commissioner for Human Rights funded through the AAP 2019 and on the basis of a related report by the UN Secretary General, the proposed action is designed to support the work of a group of Governmental Experts nominated within the UN system to further follow up on the implementation of the referred UN General Assembly resolution. The group of Governmental Experts will in particular examine the feasibility, scope of the goods to be included and draft parameters for a range of options to establish common international standards on the matter and will report to the 75th session of the General Assembly.

STRAND 4: Cultural Diplomacy

In the framework of this strand, specific attention will be given to foster the role that culture can play in external relations.

Building on the action funded under the AAP 2017 of the Partnership Instrument “Support to the EU Film Festivals”, the overall objective of this action is to continue engaging with cultural operators and the general public attending film festivals organised by the EU worldwide.

The proposed action’s continuation 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, ass 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.

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

This action does not substitute any existing (of future) film festival initiative but simply provide additional support to the EU Delegation's efforts.

3.2 Stakeholders

The main stakeholders are: international and national civil society organisations, universities, academics, students at all levels, NGOs, think tanks, opinion makers, research centres, cultural organisations and operators (both formal and informal), foundations, community structures including a range of actors such as media, leaders, local governments, trade, youth, children and women’s associations, private sector organizations and business community, as well as individuals and the general public, national and local authorities, parliamentarians and other politicians, diplomatic corps, EU institutions, artists, alumni of EU programmes etc.

3.3 Risk assessment and management

| Risk | Risk level (H/M/L) | Mitigating measure |
|---|--------------------|---|
| In general, there is a possible risk of change of priorities as well as changes in political relations with | M | The development of an overarching EU Public Diplomacy strategy significantly reduces such risk. |

| | | |
|--|---|---|
| the concerned partner countries. | | |
| A major incident occurs (e.g. economic crisis) that severely influences the attitudes of foreign audiences towards the European Union. | M | Adapting actions planning if unforeseen or changing circumstances occur is crucial and ensure that the spectrum of EU policies does not get submerged by one isolated sector. |
| Difficulty to measure the real effects of public diplomacy activities, which reduces the informed basis for EU action. | M | Development of EU public diplomacy indicators. |
| Limited interest by local target audiences of the initiatives implemented by the EU | M | Following the suggestions outlined in the above mentioned "EU Perception Study" to ensure that the content of the initiatives resonates among local target audiences will significantly reduce such risk. |

3.4 Communication and EU visibility

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

This Action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation. This plan shall be aligned with EEAS and Commission communication services to secure long-term and wider visibility of the EU, beyond the specific action's activities.

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

The Communication and Visibility Manual for European Union External Action⁶, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1. Grants (direct management)

4.1.1.1. Call for proposals - Jean Monnet activities

(a) Purpose of the grant(s)

These grants fall into strand 'Academic outreach through Jean Monnet activities'. Grants covering three years for either: i) Modules: a short teaching programme in the field of European Union studies of 40 teaching hours; ii) Chairs: teaching posts with a specialisation in European Union studies for university professors or senior lecturers; iii) Centre of Excellence: a focal point of competence and knowledge on European Union subjects; iv) Networks: support the creation and development of consortia of international players (HEIs, Centres of Excellence, departments, etc.) in area of EU studies; and v) Projects: support for innovation, cross-fertilisation and the spreading of the EU content.

The maximum possible rate of co-financing for grants under this call depends on the activities funded: i) Modules: the maximum grant that can be awarded is EUR 30,000 that can represent the maximum of 75% of the total costs of the Jean Monnet Module; ii) Chair: the maximum grant that can be awarded is EUR 50,000 that can represent the maximum of 75% of the total cost of the Jean Monnet

⁶https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

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.

The funds will complement the funding made available through the AAP 2019 for the call for proposals 2020 — EAC/A02/2019 Erasmus+ Programme2019/C 373/06⁷ and based on the co-delegation in force between FPI and the Education, Audio-visual and Culture Executive Agency (EACEA). Due to the limited earmarked funds, priority will be given to the Jean Monnet Centres of Excellence and Networks.

(b) Type of applicants targeted

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

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

- Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out and to participate in its funding.
- Applicants must have the professional competences and qualifications required to complete the proposed action.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action. Essential award criteria are: i. quality of the project design and implementation; ii. quality of the project team and cooperation arrangements; iii. Impact and dissemination.

| Action | Amount in EUR |
|---|------------------|
| Call for proposals Jean Monnet activities (launched by EACEA) | 1 000 000 |
| Total | 1 000 000 |

4.1.1.2 Direct award - EU-Russia Civil Society Forum

(a) Purpose of the grant

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) Type of applicants targeted

Civil society organisations

(c) Justification of a direct grant

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.

⁷https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2019.373.01.0012.01.ENG&toc=OJ:C:2019:373:TOC

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.

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 195 (f) FR is justified because of the specific characteristics of the EU-Russia Civil Society Forum that has developed a unique technical competence in the field of civil society dialogue between the EU and Russia.

4.1.1.3 Direct award - Civil Society engagement on Fundamental Rights in Japan

(a) Purpose of the grant

To facilitate common understanding and tackling issues related to the abolition of the death penalty and contribute to the process of bringing about a thorough review of the capital punishment system in Japan.

To promote civil society-led activities to increase awareness of the criminal justice system in relation to the death penalty in Japan in line with regional and international trends.

Expected results: awareness and knowledge raised amongst different stakeholder groups on issues surrounding the death penalty in Japan; political support for abolition of the death penalty across parties at the national and local levels increased; media reporting on the death penalty is more frequent, critical of the Government's position and supportive of abolition.

(b) Type of applicants targeted

Civil society organisations

(c) Justification of a direct grant

Whilst there are organisations that organise on an ad hoc basis activities, debates, screenings, etc. on the issue of the death penalty, such as universities, , , there are no organisations beyond Crime Info systematically engaged on promoting awareness and understanding of the death penalty as well as promoting its abolition. Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to Crimeinfo. The recourse to an award of a grant without a call for proposals in line with Article 195 (f) FR is justified in Japan there are no organisations with specialised technical competence on the death penalty beyond Crime Info.

4.1.1.4 Grant (direct award) - Schuman Fulbright Fellowships

(a) Purpose 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) Type of applicants targeted

Academic organisations

(c) 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 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). 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.

| Action/Countries | Amount in EUR |
|---|------------------|
| 4.1.1.2 EU-Russia Civil Society Forum | 2 000 000 |
| 4.1.1.3 Civil Society engagement on Fundamental Rights in Japan | 150 000 |
| 4.1.1.4 Schuman Fulbright Fellowships | 2 100 000 |
| Total | 4 250 000 |

4.1.2. Procurement (direct management)

4.1.2.1 Procurement – EU Policy and Outreach Partnerships, Education Outreach in the USA & Canada, Support to the EU Film Festivals and the EU-China Interpreters Training Programme

(a) EU Policy and Outreach Partnerships in ASEAN, India, Indonesia, Mexico and Central America, South America, Republic of Korea and Russia, the Education Outreach in the USA & Canada and the Support to the EU Film Festivals will be implemented via service contracts. Indicatively nine service contracts are expected to be concluded or extended for the implementation of the programme.

(b) Indicative timing to launch the calls: 2nd quarter 2020, with the exception of:

- The call for tender 'EU Policy and Outreach Partnership in Mexico and Central America' (ref EuropeAid/140606/DH/SER/MULTI) has been launched on 2 January 2020 under a suspensive clause prior to the adoption of this decision.
- The call for tender 'EU Policy and Outreach Partnership in Russia' (ref EuropeAid/140598/DH/SER/RU) has been launched on 16 December 2019 under a suspensive clause prior to the adoption of this decision.

As EU's public diplomacy engagement under the PI is of a long-term nature, launching these calls prior to the adoption of this decision will avoid losing the momentum that is being built up with target audiences through ongoing public diplomacy actions and social media campaigns that will continue under the new actions.

The EU-China Interpreter Training Programme will be implemented through a co-delegation of funds to DG SCIC to support a new phase of the EU-China Interpreter Training Programme.

| Action/Countries | Amount in EUR |
|--|--------------------------|
| 4.1.2.1 EU Policy and Outreach Partnership in ASEAN | 3 000 000 |
| 4.1.2.2 EU Policy and Outreach Partnership in India | 1 000 000 |
| 4.1.2.3 EU Policy and Outreach Partnership in Indonesia | 2 000 000 |
| 4.1.2.4 EU Policy and Outreach Partnership in Mexico and Central America | 1 800 000 |
| 4.1.2.5 EU Policy and Outreach Partnership in South America | 1 600 000 |
| 4.1.2.6 EU Policy and Outreach Partnership in the Republic of Korea | 750 000 |
| 4.1.2.7 EU Policy and Outreach Partnership in Russia | 2 000 000 |
| 4.1.2.8 Education Outreach in the USA & Canada | 3 000 000 |
| 4.1.2.9 Support to the EU Film Festivals | 2 000 000 |
| 4.1.2.10 EU-China Interpreters Training Programme (through co-delegation to DG SCIC) | 450 000 |
| Total | 17 600 000 |

This list may be adapted pending the results of the call for tenders, negotiated procedures, the satisfactory performance of ongoing service contracts, the development of the EU Public Diplomacy Strategy, or the evolution of political relations with the concerned partner countries.

In the event that it does not prove possible to conclude such service contracts from the EU Delegations, the implementation of the calls for tenders will be ensured at headquarters level by the Service for Foreign Policy Instrument.

4.1.3. Indirect management with International Organisation

The action ‘Engagement towards Torture –free Trade (phase II)’ will be implemented in indirect management by means of a contribution agreement with the Office of the UN High Commissioner for Human Rights (OHCHR). The UN OHCHR is a division of the UN Secretariat, an integral part of it, and as such has been pillar assessed on the basis of Art. 145 of the Financial Regulation. The UN OHCHR has been selected as it is the UN partner identified to lead on the implementation of the UN General Assembly resolution 73/304: “Towards torture-free trade: examining the feasibility, scope and parameters for possible common international standards”. UN OHCHR has been selected by the European Commission using the following criteria:

- nature of the action
- operational capacity
- value added

If negotiations with the above-mentioned entity fail, (part of) this action may be implemented in direct management.

| Action | Amount in EUR |
|---|----------------------|
| 4.1.3.1 Indirect management with International Organisation | 400 000 |
| Total | 400 000 |

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|--|----------------------|
| 4.1.1 – Grants (direct management) | 5 250 000 |
| 4.1.1.1 Call for proposals Jean Monnet activities (launched by EACEA) | 1 000 000 |
| 4.1.2.1 EU-Russia Civil Society Forum | 2 000 000 |
| 4.1.2.2 Civil Society engagement on Fundamental Rights in Japan | 150 000 |
| 4.1.2.3 Schuman Fulbright Fellowships | 2 100 000 |
| 4.1.2 – Procurement (direct management) | 17 600 000 |
| 4.1.2.1 to 4.1.2.7 Procurement – EU Policy and Outreach Partnership actions | 12 150 000 |
| 4.1.2.8 Procurement – Education Outreach in the USA & Canada | 3 000 000 |
| 4.1.2.9 Procurement – Support to EU Film Festivals | 2 000 000 |
| 4.1.2.10 EU-China Interpreters Training Programme (through co-delegation to DG SCIC) | 450 000 |
| 4.1.3 Indirect management with International Organisation | 400 000 |
| 4.1.3.1 Engagement towards Torture –free Trade (phase II) | 400 000 |
| Total | 23 250 000 |

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁸.

4.3 Organisational set-up and responsibilities

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

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

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

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

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

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

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 12

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Enhancing EU's role in multilateral fora in Asia

1 KEY IDENTIFICATION DATA

| | | | | |
|---|--|-------------------------------------|------------------------------|----------------------------|
| Title of the Action | Enhance EU's role in multilateral fora in Asia | | | |
| Country/region/global | For activities for the ASEM partners (including five Strategic Partners), ASEAN partners and the ASEAN Regional Forum. | | | |
| Sector of intervention | Peace, security and defence | | | |
| Indicative budget | Total: 3 000 000 EUR EU contribution: 3 000 000 EUR Other contributions: N/A | | | |
| Duration and target start date of implementation | Maximum 32.5 months tentative start date May 2020 | | | |
| Method of implementation | Direct management - Procurement | | | |
| Legal basis | Regulation of the European Parliament and of the Council establishing a Partnership Instrument for cooperation with third countries (EU) No 234/2014 | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input checked="" type="checkbox"/> | | |
| | RIO Convention markers | <input checked="" type="checkbox"/> | | |
| | 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

The action Enhancing EU's Role in Multilateral Fora in Asia (Phase II) will continue to boost EU's influence in the region and to help position the EU in a way that is conducive to advance its interests in and with Asian partners at a time of numerous regional and global geo-political changes. The aim of the action is to promote EU security, political and economic interests by strengthening the EU's engagement in relevant multilateral fora in Asia where the EU is present (ASEAN, ARF, ASEM, ASEF) and to advocate for potential EU membership in fora where the EU is not yet present, such as the East Asia Summit (EAS).

These objectives will be pursued by targeting ASEAN, ARF and ASEM with a package of actions including, but not limited to, high level dialogues, trainings, technical assistance, political and media campaigns, as well as high profile conferences with partner organisations/countries in order to sensitise them to EU goals and contributions to multilateral fora in Asia. As such, the action is fully in line with Commission priority 2019-2024: A stronger Europe in the world.

2.1 Action summary

The relationship between the EU and Asia is of strategic importance and cooperating in and with different multilateral fora of which the EU is a member (ASEM and ARF) or a close and natural partner (ASEAN) is a growing component of EU engagement. For the EU to be able to successfully advance its interests and objectives in and with these multilateral fora, it will need the necessary resources to be able to substantiate its engagement by conducting a range of activities (organising meetings, conducting studies, workshops, confidence-building measures, public diplomacy, etc). Therefore, the purpose of this proposed action is to provide the means to do so, building on the experience of the first phase and the appropriate lessons learnt.

The first phase of this action ("The EU and Multilateral Asia") has been essential to enable and ensure the effective promotion of EU interests (political, security, economic and other) in different multilateral fora in and with Asia. This significantly increased the EU's role and influence in and with a vital part of the world as well producing greater visibility for the EU with Asian partners and publics. EU cooperation with Asian partners in the ASEM framework has contributed to the defence of the rules-based international order and effective multilateralism, both of which are core EU objectives highlighted in the EU Global Strategy of 2016 and other strategic documents. Similarly, engagement with ASEAN – a cooperative regional order firmly rooted on the principles of multilateralism and peaceful resolution of disputes – provides further underpinning for effective multilateralism. Broader EU engagement in the ASEAN Regional Forum (ARF) continues to provide a vector through which the EU acts as a global security provider in areas as diverse as maritime security and cybersecurity cooperation.

In the first phase of the action the EU was successful in moving the entire ASEM process to a higher level of policy relevance, by encouraging ASEM partners to embrace European international priorities such as sustainable connectivity, climate action, cooperation on broad security issues, the achievement of the SDGs, plus gender equality and women's empowerment and other areas. A crucial element for success was the EU's coordinating role, the co-chairmanship of the ASEM European group and especially the chairing and hosting of the ASEM12 Summit in Brussels in October 2018 and the chairing of the 14th ASEM Foreign Ministers' Meeting in Madrid in December 2019, each of which was preceded by several Senior Officials' Meetings and a raft of side events including also the EU-inspired revival of the ASEM Cultural Festival.

Other critical elements included the EU's co-chairmanship and hosting of the EU-ASEAN Informal Leaders' Meeting in Brussels in October 2018, the co-chairing and hosting of the 22nd EU-ASEAN Ministerial Meeting, preceded by its Senior Officials' Meeting, in January 2019. The first phase has also provided for the organisation of public events such as a Strategic Thinkers' Forum and a Youth Leaders' Forum on the future of EU-ASEAN relations in Brussels and a raft of workshops and confidence-building measures for ASEAN Regional Forum, notably linked to the EU's co-chairing of

the ARF Inter-Sessional Meeting on Maritime Security and confidence-building measures in the field of cybersecurity cooperation.

2.2 Background/Context/Rationale for PI funding

ASEM is a unique, informal forum for dialogue and cooperation between 53 partners (51 countries and 2 institutions) in Asia and Europe. ASEM allows policy makers to exchange views on challenges across the 3 ASEM pillars (political issues; economic and financial issues; and social and cultural issues). ASEM partners represent 55% of global trade, 60% of the global population, 65% of global GDP and 75% of global tourism. Thus, ASEM represents a key multilateral forum to pursue the objectives set out in the EU Global Strategy for Foreign and Security Policy and the Joint Communication on Connecting Europe and Asia and recently adopted and planned Connectivity Partnerships with some Strategic Asian partners.

As ASEM does not have a permanent secretariat or other formal structure, the EU partially plays the role of secretariat for the European group (28 MS plus NO and CH), by coordinating the MS as well as ensuring that the European priorities are well represented and defended in various ASEM outcome documents.

Additionally, the essence of success of ASEM is its informality where interlocutors at different levels (Heads of State or Government, Ministers, SOM Leaders, experts) meet regularly in plenary format but also have numerous opportunities to have informal bilateral exchanges. In this way, EU priorities and strategic goals are repeated and explained repeatedly to the Asian counterparts and strategic alliances built, to push their acceptance within the ASEM process and beyond.

For this to happen and function smoothly, the EU has invested a lot in pushing the ASEM process on and to pro-actively suggesting the way ahead. The highlight of this effort was the hosting of the ASEM Summit in October 2018 in Brussels and the ASEM FMM in Madrid (December 2019), as well as preparations and coordination for the next ASEM Summit in Cambodia (November 2020). The ASEM12 Summit was a great success: the attendance rate by Leaders was unique and the Statement broke from the previous ASEM tradition of having a long document (up to 30 pages) and many irrelevant details. The EU managed to reduce the Statement to 8 pages which in terms of substance reflected a lot of EU views and priorities. The ASEM FMM followed this principle and produced a brief and focused outcome document. Future ASEM outcome documents should follow the so-called Brussels consensus and focus on areas of EU strategic priorities.

The first phase of the Multilateral Asia project greatly contributed to this enhanced EU role in the ASEM process enabling the organisation of many events and offering logistical support – from supporting the organisation of the SOM, assisting in organisation of side events, enhancing the EU visibility with materials, enabling various connectivity projects (ASEM Connectivity Portal developed by the JRC, ASEM Inventory) with the accompanying organisation of workshops and conferences as well as ensuring the presence of key experts. Commission DGs have also made active use of the project to organise events in areas of strategic importance to them (EAC, SANTE, TAXUD, ECHO etc).

The EU has been a partner of **ASEAN** for more than 40 years and this partnership has strengthened significantly in recent years. This is again reflected in the Plan of Action (2018-2022), adopted by the EU and ASEAN in 2017 and in the ambitious outcomes of the EU-ASEAN Foreign Ministers' Meetings of July 2014 (Brussels), October 2016 (Bangkok) and January 2019 (Brussels), with many commitments to strengthen cooperation in the future in a wide range of areas, including on connectivity, traditional and non-traditional security issues and many other fields. At the last EU-ASEAN FMM, it was also agreed in principle to upgrade EU-ASEAN relations to a strategic partnership, the timing and details of which are to be further elaborated. Council conclusions on Enhanced EU Security Cooperation in and with Asia of May 2018 a subsequent informal EU-ASEAN Leaders Meetings in October 2018 have reconfirmed the importance the EU attaches to ASEAN; our desire and commitment to upgrade relations and the number of specific policy areas where greater

cooperation should take place, including in the area of political/security: maritime security, crisis management and disaster response, mediation, border management, CBRN risk mitigation, etc.

The EU has been a founding member of the **ARF** which has 27 members and is the only security-focused forum in the Asia-Pacific region in which the EU has its own seat. The ARF meets annually at Ministerial level, once at Senior Officials' level and once at Director General level (called Inter-sessional Support Group (ISG) on Confidence Building Measures and Preventive Diplomacy). It also has a Defence Officials' Track, meeting back-to-back with the ISG and the SOM. In addition there are dedicated Working Groups (called Inter Sessional Meetings or ISM) dealing with Maritime Security, Counter-Terrorism and Transnational Crime, Disaster Relief and Non-Proliferation and Disarmament. The ISG and each of these ISM has an ASEAN and a non-ASEAN Co-Chair and a Work Plan running usually for three years.

Both ASEAN and the ARF are supported by a Secretariat based in Jakarta but in terms of human and financial resources these structures are very small, limiting the capacity to initiate and conduct cooperation activities.

In recent years the EU has, as requested by the HR/VP and EU MS, sought to maximise its role in ARF to advance its priorities and to gain greater visibility by co-chairing and co-hosting a senior ARF meeting. Chairing an Inter-Sessional Meeting gives great visibility and the possibility to steer ARF work in areas of prime importance for the region and the EU's external policies.

The EU has currently engaged to co-chair two ARF Inter Sessional Meetings (i.e. the ISM on Maritime Security and the ISM on Counter Terrorism and Transnational Crime). At a later stage it could also consider to co-chair or even host the Inter-sessional Support Group (ISG) on Confidence Building Measures and Preventive Diplomacy or the ARF's Senior Expert Meeting on Peace Keeping (to be decided at a later stage).

It should be noted that other ARF members like the US, China, Japan, ROK, Australia and New Zealand are also very active in the ARF and regularly Chair one or more ARF ISMs (on different topics) and the ISG. The EU should continue its political objective of systematically chairing at least one ARF ISM or ISG with an ASEAN co-chair, as well as to develop a roster of specialised ARF workshops

In quantitative terms, as of 30 June 2019, the first phase of the project, still ongoing, has supported the EEAS in the organisation of 43 events, in Europe and in Asia, within the framework of ASEM, ASEAN, and ARF with more than 7,000 participants. It has produced 28 knowledge-based products, including comprehensive studies/publications on topics requested by the EEAS, support to elaboration of the programme of events, pre- and post-event policy papers and reports. The project has also strongly contributed to the promotion of EU policies and approaches as well as the Union's active role in supporting the inter-regional dialogues and processes in Asia with the production of 78 communication products. See list of outputs in annex.

2.3 Lesson learnt

The proposed action builds on the experience and evaluations drawn from the previous PI/EU funded Action to advance the EU's role in multilateral fora in Asia (2016-2019). Also, following requests by the HR/VP and EU MS, in recent years the EU has stepped up its engagement in ASEAN/ARF by co-chairing meetings and organising or participating in increasing numbers of training activities. Hence, many of the proposed actions represent the continuation of similar activities which were successfully concluded in the past.

2.4 Coherence and complementarity

This action is synchronised with the EU contribution to ASEF which will continue to complement the government-led ASEM process. ASEF will be organising relevant civil society input activities, back to back with ASEM Summit and Ministerial level side-events in the field of youth/education, and

especially people-to-people connectivity. ASEF is also responsible for the running of the ASEM InfoBoard.

This action will also be synchronised with EU support for ASEAN integration (in particular E-READI) and regional programmes for which ASEAN/ARF members are beneficiaries, as well as with the Security in and with Asia project under preparation.

Activities contained in the present PI action will also complement other EU-funded actions in the fields of connectivity, public diplomacy, cultural diplomacy, people-to-people exchanges as well as security cooperation, tackling climate change, promoting gender equality and women's empowerment and addressing marine litter. With DG DEVCO it has been agreed that this PI will cover activities which resort primarily under the political-security pillar, while their programmes will cover the other 2 pillars (economic and people-to-people).

2.5 EU added value

The aim of the proposed PI action is to promote EU security, political and economic interests by strengthening the EU's engagement in different multilateral fora in Asia where the EU is present (ASEAN, ARF, ASEM, ASEF)¹ and to advocate for potential EU membership in fora where the EU is not yet present, such as the East Asia Summit (ADMM+/EAS).

2.6 Cross-cutting issues

The EU continues to advocate in the ASEM, ASEAN and ARF contexts for respect for the rule of law, the international rules-based system with the UN at its core, human rights, climate action and the implementation of the Paris Agreement, biodiversity, as well as gender equality and women's empowerment, and access of disabled persons, not only to help ensure that they are addressed in acceptable language in various ASEM, EU-ASEAN and ARF documents, but that the EU can play an active role in translating these policy commitments into reality on the ground.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of this action is to boost EU's influence in the region and to help position the EU in a way that is conducive to advance its interests in and with Asian partners at a time of numerous regional and global geo-political changes.

Foreseen **specific objectives** of the EU contribution to ASEM and ASEAN/ARF processes are to:

1. Increase of awareness of stakeholders on ASEM and ASEAN processes;
2. Advance the EU's role and promote the EU's relevance and influence in Asia by strengthening its engagement in different multilateral fora;
3. Promote the EU's security, political and economic interests in multilateral fora in Asia - ASEAN/ARF, ASEM, as well as ADMM+/EAS - in a context of expanding EU-Asia relations.
4. Facilitate Asia-Europe cooperation in policy fields of priority to the EU such as connectivity, sustainability;
5. Enhance EU visibility in the targeted multilateral fora and related activities/events;

Expected results

¹ ASEAN: Association of South East Asian Nations (<http://www.asean.org/>)

ARF: ASEAN Regional Forum (<http://aseanregionalforum.asean.org/>)

ASEM: Asia-Europe Meeting (<http://www.aseminfoboard.org/>)

ASEF: Asia-Europe Foundation (<http://www.asef.org/>)

1. ASEAN, ARF and ASEM partners are regularly informed about EU activities and positions relevant to the remit of the three multilateral fora.
2. ASEAN, ARF and ASEM partners are inspired by successful EU examples relevant to the remit of the three multilateral fora with the ultimate goal of influencing the **shaping of ASEAN/ARF and ASEM activities** in the future and the adoption by their non-EU members of European standards and approaches.
3. ASEAN, ARF and ASEM partners start **contributing to and cooperating with** the EU in the domains relevant to ASEAN, ARF and ASEM.

Main activities (indicative)

ASEAN/ARF-related activities will focus on promoting and support the organisation of dialogues (Track 1, 1.5 and 2.0) on issues related to the EU's CSDP operations, preventive diplomacy, maritime security, cybersecurity, counterterrorism and transnational crime activities. These dialogues will take the form of conferences, study visits, high-level meetings and tailored trainings. This Action will also support Public diplomacy and communication activities to enhance the perception of the EU as a global political and security actor. Finally, this project will continue to support flagship initiatives supported by phase 1, including the EU-ASEAN Strategic Thinkers and Young Leaders Fora. It is expected that these activities will contribute to the EU's ambition to sign a strategic partnership agreement with ASEAN and become a member of ADMM+.

On the ASEM front, activities will include the organisation of ASEM events, including dialogues at all relevant levels, trainings, technical assistance, political and media campaigns, and high-profile seminars and conferences, to sensitise partners to EU goals and contributions to enhancing Euro-Asian cooperation and development rules-based multilateralism.

3.2 Stakeholders

Stakeholders from EU institutions include the European External Action Service (EEAS), different Commission services and EU Delegations. Close coordination should be ensured with EU Delegations and HQ to ensure complementarity of actions. Other EU stakeholders may include think-tanks, the private sector and civil society organizations engaged in cooperation activities in the region and with the targeted regional organisations and partner countries.

Correspondingly, stakeholders from the ASEM, ASEAN and ARF partner countries may include governmental and state authorities and institutions from member countries, and domestic non-state actors involved in relevant domains.

3.3 Risk assessment and management

The principal assumptions behind the overall objective are that political and economic stability in Europe and Asia and the positive trend in relations continue and that the EU is able to operate, in its relations with multilateral Asia, in a cohesive and consistent way. The EU will also have to establish and pursue an adequate public diplomacy strategy in Asia in to showcase the results of its enhanced engagement with the region.

Any possible risks associated to this action are judged small in political/reputational terms and manageable through close coordination between FPI, the EEAS, line DGs as well as MS; indeed underpinning the entire action is the EU's commitment to ensuring effective multilateralism with Asia-Pacific partners and the peaceful resolution of disputes. The same is true for financial risks where adherence to existing financial procedures and guidelines will ensure optimum use of resources.

3.4 Communication and EU visibility

The implementation of the proposed PI action will continue supporting increased EU's influence and visibility in the ASEM and ARF processes, and vis-à-vis ASEAN, through the continued development of a pro-active communication strategy and appropriate communication materials (media campaigns,

videos, info graphics etc). 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.

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 contribution agreements.

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

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1 Procurement (direct management)

The project will be implemented through the procurement of services, either by extension of the current service contract as foreseen in AAP 2015, or by launching a call for tender. The indicative timetable for the call for tender, should this option be selected, is 3rd Quarter 2020.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.^[1]

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|----------------------|
| Procurement (direct management) | 3 000 000 |
| Total | 3 000 000 |

4.3 Organisational set-up and responsibilities

The Contractor will maintain a Steering Committee with the Service for Foreign Policy Instruments and the EEAS. This second phase will deepen the collaboration with other Commission Directorates, the EU Delegations in partner countries and the FPI regional offices through clear coordination mechanisms.

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

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

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core and corporate indicators.

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

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

4.5 Evaluation and audit

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

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

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

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ANNEX 13

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Policy Support Facility (PSF)

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|--------------------------|
| Title of the Action | Policy Support Facility (PSF) | | | |
| Country/region/global | Global | | | |
| Sector of intervention | Multi-sector | | | |
| Indicative budget | Total: EUR 16 000 000 EC contribution: EUR 16 000 000 (100%) Other contributions: NA | | | |
| Duration and target start date of implementation | 20 months – April 2020 | | | |
| Method of implementation | Direct management through procurement and grants | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 98810 | | | |
| Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective | Main objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality (including Women In Development) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

The overall aim of the Policy Support Facility (PSF) is to support the EU's priorities and to positively influence the partner countries/regions' agenda, so that it aligns as much as possible with the EU's policies, objectives and values (especially when it relates to values, governance, standards, consumer protection including consumer product safety, climate change or the protection of the environment); an active and engaging policy dialogue will foster mutual understanding as well as common responses to global challenges.

2.2 Background/Context/Rationale for PI funding

The Partnership Instrument is an instrument specifically designed to pursue EU strategic interests globally. It enables the EU to pursue partnerships with a wide range of strategic partners, helps the EU to live up to its bilateral and international commitments as well as to partners' expectations.

The Partnership Instrument is a policy-supporting instrument promoting the EU's interests, values and visibility externally. It operates in support of EU foreign policy objectives under the framework defined by the objectives of EU external action under the Treaty, the Global Strategy on Foreign and Security Policy, the Commission's political priorities, Agenda 2030 and the Sustainable Development Goals. Partnership actions underpin bilateral and regional dialogues and bilateral and multilateral negotiations (for example trade negotiations), particularly by providing follow-up support and concrete policy deliverables, strengthening the position of the EU as a credible partner that delivers and contributes to the rules-based global multilateral order, upholding it and updating it where this is appropriate.

In order to address these priorities, a Policy Support Facility was created by the Partnership Instrument Annual Action Programme (AAP) 2014 to respond to the dynamic and fast-changing global environment that European policies have been confronted with in terms of partner countries'/regions' approaches to these policies and to promote European interests.

The Annual Action Programmes 2015, 2016, 2017, 2018 and 2019 included further allocations for the PSF which allowed the continuation of the implementation of the facility.

This PSF is conceived as a rapid- response tool enabling targeted, flexible and tailor-made short-term actions. As such, it is implemented primarily through a multiple Global Framework Contract with three lots; in duly justified cases, services may exceptionally be contracted through other existing framework contracts managed by other DGs upon agreement by the responsible service and/or tendered outside existing framework contracts. For some activities under the PSF, in particular those targeting multilateral relations of the European Union, a grant under direct management is the most suitable implementation method.

2.3 Lesson learnt

The design of the PSF and its internal processes was based on lessons from existing similar dialogue facilities that point to the importance of identifying priority areas for enhancing the partnerships, allowing the facility's efforts to be concentrated in sectors with clear strategic interest, specific engagements and foreseeable EU or shared benefits. However, several actions under these different facilities have not necessarily served the policy dialogue in the long-run due to their isolation, a lack of vision and/or work programme of the dialogue and/or the unwillingness of one of the partners to implement the activity. The Service for Foreign Policy Instruments (FPI) will aim to avoid the repetition of these short-comings by proposing to enhance assessment processes under the PSF.

Previous projects have shown the importance of maintaining a high degree of flexibility to respond to changing priorities or political commitments, while also planning and ensuring continuity of activities

in a number of key priority areas. Careful planning will be also essential to help manage the financial and logistic uncertainties derived from the demand-driven approach of the action. It will be also essential to ensure the active participation of relevant DGs responsible for each dialogue in the follow-up of political engagements.

2.4 Coherence and complementarity

The Policy Support Facility co-exists with several country-specific policy dialogue facilities funded through the Partnership Instrument (e.g. Brazil, China, Mexico, Canada). The overall objective of those country-specific actions is to contribute to strengthening and further enlarging bilateral relations through supporting sector dialogues on priority themes of mutual interest in order to enhance the strategic partnership between EU and the countries concerned. Complementarities and synergies will be sought with projects that will be covered under these facilities.

2.5 EU added value

The Policy Support Facility responds not only to the EU interest and priorities but also to the third country's interest and /or priorities. PSF actions ensure a high visibility of the EU and aim at increasing awareness and knowledge of the EU. Being a rapid- response tool enabling targeted, flexible and tailor-made short-term actions is also seen as a real added value.

2.6 Cross-cutting issues

Each individual action under the Policy Support Facility will identify its respective cross-cutting issues during the identification of the specific action.

3 ACTION DESCRIPTION

3.1 Objectives

To support policy dialogues between the EU and partner countries on bilateral and global issues of common concern (such as for example the external dimension of the Green Deal, digital, etc.) and to facilitate economic and trade relations with partner countries. The geographical scope of the action is global, with specific attention to Asia and the Americas.

It will complement/support the external dimension of internal policies conducted under the other EU political programmes and instruments.

Expected results:

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.

Activities include inter alia the organisation of conferences, forums, workshops, expert seminars, study visits, working sessions on policy dialogues (in Europe or partner country), etc.; information, communication and public diplomacy actions; (trade-related) legal analysis, studies and advice, collection of data and analysis, technical assistance, monitoring of trade agreements, evaluations.

3.2 Stakeholders

Direct stakeholders and partners of the different activities within the facility are partner country administrations involved in the dialogues, together with the corresponding services of the European

Commission, the EEAS and other partner country and European public and private institutions interested in the policy dialogues (regional and local governments, universities and research centres, business and socio-professional associations, NGOs, cultural institutions etc.).

Indirect stakeholders are EU Member States, all private and institutional/public stakeholders at different levels in Europe and partner countries that may be consulted or involved in the implementation of the different activities.

3.3 Risk assessment and management

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|---|---|---|
| The activity is an isolated event and does not contribute to deepening the policy dialogue | L | A proposal has to be presented for approval of the activity and one of the requirements for approval is that the proposal makes it clear how this activity is embedded in a policy dialogue and/or agenda. |
| The activity overlaps with or duplicates activities carried out by other Commission services. | L | As part of the approval process, all relevant European Commission services are consulted on the proposed activity. |
| Insufficient absorption capacity of the users (EEAS, European Commission services) to provide the technical and policy steer of the activity. | L | A proposal has to be presented along with an endorsement letter at an appropriate level of hierarchy; the endorsement letter specifically appoints a focal person in charge of the technical and/or policy steer. |

3.4 Communication and EU visibility

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

This Action's communication and visibility measures will be included in each specific contract.

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

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

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

The Communication and Visibility Manual for European Union External Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.^[1]

4.1.1 Procurement (direct management)

(a) Contracts: A Global Framework Contract (signed in October/November 2019 for a duration of two years with possibility to renew it for another two years) consisting of 3 Lots was concluded in order to implement this facility:

- Lot 1 (with re-opening of competition among four pre-selected contractors): Public diplomacy, information outreach and organisation of events.
- Lot 2 (with re-opening of competition among three pre-selected contractors): Technical assistance.
- Lot 3 (with re-opening of competition among three pre-selected contractors): Trade and market access.

In duly justified cases, for a particular activity services may be contracted through other existing framework contracts managed by the Commission upon agreement by the responsible service and/or tendered outside existing framework contracts.

(b) Indicative number of specific contracts to be signed under the Global Framework Contract: 25

(c) Indicative number of contracts under calls for tenders: 5

(d) Indicative timing: this being a framework contract, offers are being received on an ongoing basis following requests for services from the Contracting Authority.

4.1.2 Grants (direct management)

In duly justified cases, grants may be deemed the most suitable implementation method for a particular activity under this facility.

(a) Purpose of the grant(s)

The objective of the grant is to contribute to the objectives of the Partnership Instrument, especially support policy dialogues between the EU and partner countries on bilateral and global issues of common concern. Expected results are: increased consensus and strengthened engagement with partner countries on issues of common concern; and enhanced dissemination of EU best practices and values.

(b) Type of applicants targeted

Think tanks, NGOs, research institutes or other civil society organisations in the EU and partner countries. Regional and international organisations as well as specialised EU agencies are eligible to apply. Applicants must demonstrate that project activities are strictly non-profit making.

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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.

(c) Justification of a direct grant under the responsibility of the Commission’s authorising officer, the grant may be awarded without a call for proposals in accordance with the provisions of Article 195 FR.

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|----------------------|
| Procurement (direct management) | 14 000 000 |
| Grants (direct management) | 2 000 000 |
| Total | 16 000 000 |

4.3 Organisational set-up and responsibilities

The use of the PSF is managed by the Service for Foreign Policy Instruments and with a step by step approach for submission of concept notes, assessment and screening of the proposed actions among the concerned services of the Commission, EEAS and EU Delegation. Following this screening the proposals are either approved, asked to be resubmitted with issues addressed, or rejected. Implementation will be carried out mainly in Delegations or in HQ when issues are of global nature.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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.

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ANNEX 14

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

**Action Fiche for EU- China Partnership Facility (ECPF)
2nd Phase**

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|--------------------------|------------------------------|----------------------------|
| Title of the Action | EU-China Partnership Facility (ECPF) 2 nd Phase | | | |
| Country | China | | | |
| Sector of intervention | Multi-Sector | | | |
| Indicative budget | Total: € 4,000,000 EUR EC contribution: € 4,000,000 EUR (100%) | | | |
| Duration and target start date of implementation | 36 months Indicative start date: 1 December 2021 | | | |
| Method of implementation | Direct management - Procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | Gender equality | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | X | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

, This action aims to advance the EU agenda in China and strengthen EU-China relations by supporting bilateral dialogues and partnerships in key priority areas through setting up a dedicated logistical and technical assistance implementation structure.

More specifically, it will contribute, through targeted interventions, to the practical implementation of the EU – China Strategic Agenda for Cooperation and other bilateral Memoranda of Understanding, as well as Declarations and Agendas in place between relevant EU Services and their Chinese counterparts..

Furthermore, actions implemented by the EU-China Partnership Facility (ECPF) will contribute to step up political engagement and to open up new areas concerning bilateral dialogues and agreements and can also serve as a platform to prepare and launch key messages ahead or after high-level political meetings, Through the provision of expertise, exchanges of knowledge, as well as logistical support, the proposed initiative will act as an instrument to translate political commitments into concrete actions and will be pursued in coordination with relevant Commission services.

2.2 Background/Context/Rationale for PI funding

The EU-China Comprehensive Strategic Partnership has grown into a multi-faceted relationship including a vast array of areas. The EU operates within the framework of its China Strategy, adopted in 2016, which remains valid. Bilaterally, the EU and China have agreed Agenda 2020 to shape bilateral cooperation, which will need to be reviewed and updated during the course of 2020. As written in the European Commission's 2019 new Strategic outlook on the EU-China relationship (EU-China: A Strategic Outlook, released March 2019 in the run-up of the EU-China Summit), China is both a key "cooperation partner" while simultaneously a "systemic rival". This apparently contradictory perspective reinforces the Union's position that only full unity between the EU and Member States can effectively ensure the protection of our interests as a whole. The annual Head of State bilateral summits provide strategic guidance to the relationship and are 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 areas of the relationship - underpin those three pillars.

As global players and strategic partners, the EU and China increasingly cooperate with each other in many 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. The EU can expect China's global footprint and influence to continue to grow in the years to come – as a major economic and trading power, as a player in the United Nations system (where it is seeking to develop its own narrative), as an influencer in many regions (offering the "Chinese model" to others), with impacts on global goods, resources and the environment. China will continue with its major international programmes such as the Belt & Road Initiative, and will continue to develop its military capabilities. The EU can expect to deal with a China that internationally is both increasingly assertive and sensitive about defending its interests, and domestically is more authoritarian and more strictly controlled. The key challenge for the EU will be to engage with and seek to shape China's approach in line with the international rules-based system and universal values.

The EU has a long-standing tradition of financing China-specific policy support facilities. Under Development Cooperation funding, the EU-China Policy Dialogue Support Facility (PDSF I) was active from 2007-12 and subsequently followed by a PDSF II from 2012-2016 (12.2 million). Additionally, development cooperation assistance also made possible the funding of three trade-related

facilities from 2000-2016, the last one with a total budget of 25 million (EU-China Trade Project II). These facilities have supported the implementation of actions agreed at political level in the framework of bilateral sector dialogues, enhanced cooperation in specific sectors and facilitated exchanges between relevant EU and Chinese stakeholders. They have also helped identify and explore new opportunities for dialogue. The available evaluation of the previous facilities shows that they have been an important tool to ensure the continuity of several sectoral dialogues. The Partnership Instrument (PI) is currently financing the EU-China Partnership Facility (ECPF), a 36-month project which started in December 2018 and is specifically designed to support the EUD in advancing the EU-China relations in key priority areas in the strategic framework of the EU Global Strategy, thus contributing to step up political engagement and advancing EU interests in many different fields.

Considering the evolution of the bilateral dialogues and the momentum for further expansion provided by discussions on the upcoming new Agenda 2025, the need for a tool to advance on issues of mutual interest remains vital. In that regard, a second phase of the ECPF will allow continuing the on-going support to bilateral dialogues and partnerships in key priority areas and to open up new ones when needed. It will also contribute to consolidate the implementation of the EU Global Strategy, the EU Strategy for China as well as Declarations and Agendas in place between EU Institutions (mostly relevant European Commission Services and the European External Action Service) and their Chinese counterparts. Indeed, many European Commission Directorate Generals need shorter and more targeted quick actions rather than standalone, extensive projects programmes to support the external dimension of their policy agendas. They are interested in short-term targeted support and therefore need a tool that can accommodate rapidly developing policy dialogues and priorities.

Given the breadth and scope of the EU-China relations, the action will consequently touch upon all of the four PI objectives:

- 1) Supporting the European Union's bilateral, regional and inter-regional cooperation partnership strategies by promoting policy dialogue and by developing collective approaches and responses to challenges of global concern;
- 2) Implementing the international dimension of 'Europe 2020';
- 3) Improving access to partner country markets and boosting trade, investment and business opportunities for companies from the Union, while eliminating barriers to market access and investment, by means of economic partnerships, business and regulatory cooperation;
- 4) Enhancing widespread understanding and visibility of the Union and of its role on the world scene by means of public diplomacy, people-to-people contacts, cooperation in educational and academic matters, think tank cooperation and outreach activities to promote the Union's values and interests.

2.3 Lessons learnt

The proposed action builds on previous China-specific policy support and trade-related facilities funded by the EU, most specifically on the need to strategically identify priority areas for enhancing EU-China relations and advance the EU's agenda, allowing the facility's efforts to be concentrated in sectors with clear strategic interest, specific engagements and foreseeable EU or shared benefits.

One of the main lessons learnt is the importance to have clear coordination channels to set priorities and links between the political agreements or sector dialogues and the activities to be carried out. A Project Steering Group led by the Head of Delegation and open to the participation of all European Commission Services and EEAS has proven crucial for an efficient and smooth implementation of the action.

Another important aspect as shown by previous projects is the need to ensure a high degree of flexibility to respond to changing priorities or new political commitments. Careful planning is also essential to help manage the financial and logistic uncertainties derived from the demand-driven approach of the action but equally essential is to ensure the active participation of relevant European Commission Services 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 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 when needed, as well as their early involvement and contribution to the actions.

2.4 Coherence and complementarity

The EU Delegation ensures complementarity with the on-going PI bilateral portfolio in China as well as internal coherence within European Commission Services on the actions to be covered by the Facility. This clear understanding is particularly important in a Delegation like China where FPI presence is strong and line Commission Services and EEAS are widely represented.

Coherence and complementarity will also be sought within the wider regional framework through the existing coordination channels with the FPI Regional Team in Bangkok 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.

2.5 EU added value

There is a strong EU interest in the proposed Action since it allows supporting the Strategic Partnership between the EU and China through the implementation of concrete actions for which the EU has a clear added value, for example:

To support effective multilateralism and fight climate change;
Commitment to international peace, security, and sustainable economic development;
Achieving a more balanced and reciprocal trade and investment relationship;
Strengthening the Union's competitiveness and ensuring a level playing field;

The main objectives of the bilateral Agenda 2020 (and the upcoming 2025) cover peace and security, prosperity, sustainable development and people to people exchanges. Many of these areas aim at contributing to the EU competitiveness and growth agenda as well, in line with the "Europe 2020" strategy.

A second phase of the ECPF will give continuity to a unique tool contributing to strengthen EU-China relations through the logic of equal partnership while ensuring consistency with EU law, rules and policies.

2.6 Cross-cutting issues

Given the scope of the EU-China relations and the multi-sector nature of the ECPF, the action has the potential to touch upon the following FPI cross-cutting issues:

Multilateralism and global order: by promoting policy dialogue in areas where collective approaches and responses to challenges of global concern are needed like climate change, environment, migration, connectivity, cybersecurity, etc.

EU principles and values, resilience, innovation: by financing actions that support the international dimension of 'Europe 2020, for example in the fields of trade, investment and business opportunities, digital, justice, regulatory cooperation, research and innovation, migration, etc.

Additionally, as any other FPI-funded action, the ECPF will contribute to the implementation of the EU Gender Action Plan by verifying during the identifying, formulating and implementing phases that gender-related issues are taken into account in the framework of any activity carried out. Specific gender indicators shall be added to the logical framework.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of the Action is to contribute to advance EU interests in China and strengthen EU-China bilateral agenda.

Its specific objective is to help advance EU-China bilateral dialogues and partnerships and influence policy-making by encouraging alignment and uptake of EU policies, norms, and standards in key priority areas.

The main expected results of the project are:

Extended and strengthened EU-China relationship in the framework of the Comprehensive Strategic Partnership;

Existing EU - China Memoranda of Understanding and Agreements in different areas (signed between EEAS/ European Commission Services and Chinese Ministries and Institutions) are actively implemented;

Chinese authorities have a better understanding of EU policies and standards, which inspire the decision-making process, improvement, or definition of new policies in China (externalisation of EU internal policies).;

Cooperation in priority areas is reinforced and concrete follow-up measures to sector dialogues are put in place and implemented;

Updated information available and regularly disseminated on the evolution and “state of the art”, contents and results of the different dialogues;

Regulatory convergence with EU standards in selected areas is promoted;

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, expertise and analysis to the relevant stakeholders;

the development of communication and visibility tools.

3.2 Stakeholders

The key stakeholders are:

The Delegation of the EU in China;

EU institutions, including the EEAS and European Commission Directorate Generals;

EU Member States and their relevant Institutions;

Chinese Ministries and Agencies;

European and Chinese Academia and Civil Society;

3.3 Risk assessment and management

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|---|---|---|
| Lack of 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 to get involved in the actions, including the necessary provision of human resources needed to steer them. | M | Strategic selection of the areas of intervention, in line with EU's interests and policy priorities. Extensive internal coordination among EU services. |
| Irritants coming from political developments, trade-related disputes or human rights issues to negatively affect bilateral relations. | M | Carefully monitoring of the bilateral agenda and continuous engagement with Chinese counterparts. |
| Implementation risks (delays in activities, poor expertise/project management, etc.). | M | Close monitoring of the action. Selection of implementation entities with a solid track record regarding similar actions/projects; recruitment of experts with experience working with China. |
| 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. |

The principal assumption is that Chinese and European authorities are still committed to further strengthening the EU-China Comprehensive Strategic Partnership and engaging in concrete actions to foster sector dialogues in the framework of the new Agenda 2025. Policy measures stemming from the Chinese 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 long-term 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 team leader and EU 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 European 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.

In order to have an impact, the choice of priority areas will continue to be strategic for the Facility. All actions to be financed under the project must have a direct link with the conclusions of sector dialogues. This will ensure that, on both sides, there is an interest and commitment to follow-up on these conclusions and that the different sector dialogues result in concrete actions that contribute to the alignment of positions, regulatory convergence, overcoming misunderstandings, progress in consultation mechanisms, exchange of information or establishment of new mechanisms.

The facility will also require of adequate political steering from the EU side, in line with the joint communication "EU-China – A strategic outlook", therefore based on clearly defined interests and principles, a sound engagement with China to promote common interests at global level, more balanced and reciprocal conditions governing the economic relationship and sufficient flexibility to adapt to changing economic realities and strengthen our own domestic policies.

3.4 Communication and EU visibility

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

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

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

The Communication and Visibility Manual for European Union External Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

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.

EU visibility will be promoted indirectly through the Contractor which should communicate that the Action is funded by the European Union; it should also use the EU Visibility Guidelines.

For particularly sensitive Actions, or in a particular political context, the Project Manager should analyse whether the use of EU Visibility Guidelines creates a reputational risk for the EU or contradicts the 'do-no-harm approach'. In such cases, use of EU visibility should be avoided or reduced to the minimum.

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

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1 Procurement (direct management)

The project will be implemented through the procurement of services, either by extension of the current service contract as foreseen in AAP 2017, or by launching a call for tender. The indicative timetable for the call for tender, should this option be selected, is 3rd Quarter 2020.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.^[1]

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|------------------|
| Procurement (direct management) | 4 000 000 |
| Total | 4 000 000 |

4.3 Organisational set-up and responsibilities

A Steering Committee (SC) composed of FPI, other Commission Services and the EEAS 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 Project will establish specific standard procedures for the identification, endorsement and implementation of the different actions to be financed allowing the full involvement and participation of all concerned parties (Commission Services, the EEAS and the FPI).

4.4 Performance monitoring

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

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

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

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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

4.5 Evaluation and audit

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

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

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

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Technical Assistance and Information Exchange (TAIEX)

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|--------------------------|
| Title of the Action | Technical Assistance and Information Exchange (TAIEX) | | | |
| Country/region/global | Global | | | |
| Sector of intervention | Multi-sector | | | |
| Indicative budget | Total: EUR 1 000 000 EC contribution: EUR 1 000 000 (100%) Other contributions: NA | | | |
| Duration and target start date of implementation | 20 months April 2020 | | | |
| Method of implementation | Direct management through procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | NA | | | |
| Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective | Main objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality (including Women In Development) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | | | | |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

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 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 Background/Context/Rationale for PI funding

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.

TAIEX is conceived as a rapid- response tool enabling targeted, flexible and tailor-made short-term actions. As such, it is implemented through a Global Framework Contract managed by DG NEAR.

2.3 Lesson 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 five years of utilisation, TAIEX events that have been organised in dozens of 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.

2.4 Coherence and complementarity

TAIEX is complementary to the Policy Support Facility (PSF) in that the PSF can provide technical assistance through expertise 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.

2.5 EU added value

TAIEX responds not only to the EU interest and priorities but also to the third country's interest and /or priorities. TAIEX actions ensure a high visibility of the EU and aim at increasing awareness and knowledge of the EU. Being a rapid- response tool enabling targeted, flexible and tailor-made short-term actions is also seen as a real added value.

2.6 Cross-cutting issues

Each individual action under TAIEX will identify its respective cross-cutting issues during the identification of the specific action.

3 ACTION 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.

The expected results are that 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).

3.2 Stakeholders

Direct stakeholders and partners of the different activities within the facility are EU Member States administrations and partner country administrations, together with the corresponding services of the European Commission and the EEAS.

Other potential stakeholders can include national parliaments' administrations, judiciary bodies, social partners and, when appropriate, private sector associations (on the partner country side).

3.3 Risk assessment and management

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.

| Risk | Risk level (H/M/L) | Mitigating measure |
|---|---------------------------|--|
| 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 action. |

3.4 Communication and EU visibility

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

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

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

The Communication and Visibility Manual for European Union External Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

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).

4.1.1 Procurement (direct management)

(a) Contracts: A Global Framework Contract (signed in October/November 2019 for a duration of two years with possibility to renew it for another two years) was concluded in order to implement this facility:

(b) Indicative number of specific contracts to be signed under the Global Framework Contract: 70

(c) Indicative timing: this being a framework contract, offers are being received on an ongoing basis following requests for services from the Contracting Authority.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.^[1]

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|----------------------|
| Procurement (direct management) | 1 000 000 |
| Total | 1 000 000 |

4.3 Organisational set-up and responsibilities

The use of TAIEX is managed by the Service for Foreign Policy Instruments and with a step by step approach for submission of concept notes, assessment and screening of the proposed actions among the concerned services of the Commission, EEAS and EU Delegation. Following this screening the proposals are either approved, asked to be resubmitted with issues addressed, or rejected. Implementation will be carried out mainly in Delegations.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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.

^[1] www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

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



Brussels, 1.12.2020
C(2020) 8229 final

COMMISSION IMPLEMENTING DECISION

of 1.12.2020

amending Commission Implementing Decision C(2020)2779 of 5.5.2020 on the financing of the 2020 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 1.12.2020

amending Commission Implementing Decision C(2020)2779 of 5.5.2020 on the financing of the 2020 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action², and in particular Article 2(1) thereof,

Whereas:

- (1) By its Decision C(2020)2779 of 5 May 2020 the Commission has adopted the 2020 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union, including 15 actions.
- (2) It is now necessary to amend the actions entitled 'Policy Support Facility' (Annex 13) and 'EU- China Partnership Facility (ECPF) 2nd Phase' (Annex 14) and to introduce 12 new actions. The EU contribution should also be increased beyond the flexibility margin.
- (3) The new action entitled 'Working together to fight antimicrobial resistance (AMR) in Asia' (Annex 16) aims to engage with major global players and strategic countries and to contribute towards achieving objectives of the World Health Organisation (WHO) Global Action Plan on anti-microbial resistance (AMR), and to contribute to the fight on AMR in Asia, including activities in the context of COVID-19 and preparedness for future pandemics.
- (4) The new action entitled 'Working together to fight anti-microbial resistance (AMR) in Latin America – the link between AMR and COVID 19' (Annex 17) aims to decrease the impact of the COVID-19 outbreak in public health with specific attention at minimizing its impact on the spread of AMR in healthcare structures.
- (5) The new action entitled 'Safety across Asia For the global Environment (SAFE)' (Annex 18) aims to start an European Union/United Nations/Asia cooperation for the

¹ OJ L 193, 30.7.2018, p. 1.

² OJ L 77, 15.3.2014, p. 95.

prevention of wildlife-related pandemics by targeting facilities and locations with a high risk of disease agents' transmission from wild animals to humans.

- (6) The new action entitled 'Unwaste: tackling waste trafficking to support a circular economy transition' (Annex 19) aims to strengthen policy responses by promoting partnerships between ASEAN Member States and the Union on the issue of trafficking in waste and illegal dumping of waste.
- (7) The new action entitled 'Support to the EU's bilateral relations with strategic partners on climate-related policies and investment' (Annex 20) aims to promote the effective implementation of the Paris Agreement in the context of economic recovery from the pandemic crisis, harnessing international economic and political relations.
- (8) The new action entitled 'Global Alliance on Circular Economy and Resource Efficiency. Towards Just Transitions' (Annex 21) aims to increase EU's influence at multilateral level so that the circular economy model is increasingly recognised across the world as an effective way of achieving key objectives on sustainable consumption, production and resource efficiency.
- (9) The new action entitled 'EU-China Energy Cooperation Platform (ECECP) - Phase II' (Annex 22) aims to enhance EU-China cooperation on energy in line with the European Green Deal to increase mutual trust and understanding and contribute to a global transition towards clean, sustainable, reliable and secure energy system.
- (10) The new action entitled 'Enhancing EU-China Strategic Cooperation in Respect of the Made in China 2025 Initiative' (Annex 23) aims to enhance strategic cooperation between the Union and China, by maximising business opportunities and achieving a level playing field for European companies in sectors earmarked by the Chinese industrial plan.
- (11) The new action entitled 'IP Key China' (Annex 24) aims to improve Intellectual Property (IP) protection and enforcement in China and to contribute to a better level playing field for European companies operating in China.
- (12) The new action entitled 'IP Key South East Asia' (Annex 25) aims to continue promoting a level playing field for EU companies operating in South East Asia by contributing to greater transparency and effective implementation of the Intellectual Property Rights (IPR) protection and enforcement system.
- (13) The new action entitled 'IP Key Latin America' (Annex 26) aims to improve the level of IPR protection and enforcement in Latin America and ensure equal treatment for European companies doing business in Latin America, ensuring a level playing field. The action will also help prepare and accompany Free Trade Agreements (FTA) negotiations by providing useful information and data to the EU on local IPR legislation and enforcement.
- (14) The new action entitled 'Aviation Partnership Project in Latin America and Caribbean Region (LAC)' (Annex 27) aims to enhance the role of the Union as a global actor in the domain of civil aviation and to promote a level playing field on the aviation market through continued and new partnerships with key countries and at regional level in Latin America and the Caribbean.
- (15) Therefore, Commission Decision C(2020)2779 of 5 May 2020 should be amended accordingly.

- (16) This amending decision is in accordance with the opinion of the Partnership Instrument Committee established under Article 7 of Regulation (EU) No 234/2014³.

HAS DECIDED AS FOLLOWS:

Sole Article

Commission Implementing Decision C(2020)2779 of 5 May 2020 on the financing of the 2020 Partnership Instrument Annual Action Programme for cooperation with third countries to be financed from the general budget of the European Union is amended as follows:

- (1) Article 1, second paragraph, is replaced by the following:
- ‘The programme shall include the following actions:
- (a) “Aviation Partnerships Projects in North and South-Asia” set out in Annex 1;
 - (b) “Global Action to support EU Space Programmes” set out in Annex 2;
 - (c) “Resource Efficiency Initiative phase II” set out in Annex 3;
 - (d) “India – EU Water Partnership - Phase II” set out in Annex 4;
 - (e) “Policy Dialogue and Cooperation between EU and China on Emissions Trading, Phase II” set out in Annex 5;
 - (f) “EU-China cooperation on environment and green economy, phase II” set out in Annex 6;
 - (g) “EU leading the global energy transition” set out in Annex 7;
 - (h) “International Digital Cooperation - Personal data protection and data flows” set out in Annex 8;
 - (i) “EU Cyber Diplomacy Support Initiative” set out in Annex 9;
 - (j) “SIRIUS – Cross-border access to electronic evidence – Phase 2” set out in Annex 10;
 - (k) “Public Diplomacy and cultural relations” set out in Annex 11;
 - (l) “Enhance EU's role in multilateral fora in Asia” set out in Annex 12;
 - (m) “Policy Support Facility” set out in Annex 13;
 - (n) “EU- China Partnership Facility (ECPF) 2nd Phase” set out in Annex 14;
 - (o) “Technical Assistance and Information Exchange (TAIEX)” set out in Annex 15;
 - (p) “Working together to fight antimicrobial resistance (AMR) in Asia” set out in Annex 16;
 - (q) “Working together to fight anti-microbial resistance (AMR) in Latin America – the link between AMR and COVID 19” set out in Annex 17;
 - (r) “Safety across Asia For the global Environment (SAFE)” set out in Annex 18;

³ 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).

- (s) “Unwaste: tackling waste trafficking to support a circular economy transition” set out in Annex 19;
 - (t) “Support to the EU’s bilateral relations with strategic partners on climate-related policies and investment” set out in Annex 20;
 - (u) “Global Alliance on Circular Economy and Resource Efficiency. Towards Just Transitions” set out in Annex 21;
 - (v) “EU-China Energy Cooperation Platform (ECECP) - Phase II” set out in Annex 22;
 - (w) “Enhancing EU-China Strategic Cooperation in Respect of the Made in China 2025 Initiative” set out in Annex 23;
 - (x) “IP Key China” set out in Annex 24;
 - (y) “IP key South East Asia” set out in Annex 25;
 - (z) “IP key Latin America” set out in Annex 26;
 - (aa) “Aviation Partnership Project in Latin America and Caribbean Region (LAC)” set out in Annex 27.’
- (2) In Article 2, first paragraph, the words “EUR 90 510 000” are replaced by the words “EUR 139 945 000”.
- (3) In Article 3 the words “Annexes 1, 4, 9, 10 and 11” are replaced by the words “Annexes 1, 4, 9, 10, 11, 16, 17, 18, 19, 21, 24, 25, 26 and 27”.
- (4) Article 5 is replaced by the following:

“Article 5

Grants and procurement

Grants may be awarded without a call for proposals in accordance with point 4.1.1 of the Annex 11.

Launching a call for tender under a suspensive clause before the adoption of this Decision shall be authorised as of the date set out in point 4.1 of the Annexes 11, 20 and 23.”

- (5) Annexes 13 and 14 are replaced by Annexes 13 and 14 to this Decision.
- (6) New Annexes 16-27, attached to this Decision, are added.

Done at Brussels, 1.12.2020

For the Commission
Josep BORRELL FONTELLES
Vice-President

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Policy Support Facility (PSF)

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|--------------------------|
| Title of the Action | Policy Support Facility (PSF) | | | |
| Country/region/global | Global | | | |
| Sector of intervention | Multi-sector | | | |
| Indicative budget | Total: EUR 14 935 000 EU contribution: EUR 14 935 000 (100%) Other contributions: NA | | | |
| Duration and target start date of implementation | 20 months – April 2020 | | | |
| Method of implementation | Direct management through procurement and grants | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 98810 | | | |
| Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective | Main objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality (including Women In Development) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

The overall aim of the Policy Support Facility (PSF) is to support the EU's priorities and to positively influence the partner countries/regions' agenda, so that it aligns as much as possible with the EU's policies, objectives and values (especially when it relates to values, governance, standards, consumer protection including consumer product safety, climate change or the protection of the environment); an active and engaging policy dialogue will foster mutual understanding as well as common responses to global challenges.

2.2 Background/Context/Rationale for PI funding

The Partnership Instrument is an instrument specifically designed to pursue EU strategic interests globally. It enables the EU to pursue partnerships with a wide range of strategic partners, helps the EU to live up to its bilateral and international commitments as well as to partners' expectations.

The Partnership Instrument is a policy-supporting instrument promoting the EU's interests, values and visibility externally. It operates in support of EU foreign policy objectives under the framework defined by the objectives of EU external action under the Treaty, the Global Strategy on Foreign and Security Policy, the Commission's political priorities, Agenda 2030 and the Sustainable Development Goals. Partnership actions underpin bilateral and regional dialogues and bilateral and multilateral negotiations (for example trade negotiations), particularly by providing follow-up support and concrete policy deliverables, strengthening the position of the EU as a credible partner that delivers and contributes to the rules-based global multilateral order, upholding it and updating it where this is appropriate.

In order to address these priorities, a Policy Support Facility was created by the Partnership Instrument Annual Action Programme (AAP) 2014 to respond to the dynamic and fast-changing global environment that European policies have been confronted with in terms of partner countries'/regions' approaches to these policies and to promote European interests.

The Annual Action Programmes 2015, 2016, 2017, 2018 and 2019 included further allocations for the PSF which allowed the continuation of the implementation of the facility.

This PSF is conceived as a rapid- response tool enabling targeted, flexible and tailor-made short-term actions. As such, it is implemented primarily through a multiple Global Framework Contract with three lots; in duly justified cases, services may exceptionally be contracted through other existing framework contracts managed by other DGs upon agreement by the responsible service and/or tendered outside existing framework contracts. For some activities under the PSF, in particular those targeting multilateral relations of the European Union, a grant under direct management is the most suitable implementation method.

2.3 Lesson learnt

The design of the PSF and its internal processes was based on lessons from existing similar dialogue facilities that point to the importance of identifying priority areas for enhancing the partnerships, allowing the facility's efforts to be concentrated in sectors with clear strategic interest, specific engagements and foreseeable EU or shared benefits. However, several actions under these different facilities have not necessarily served the policy dialogue in the long-run due to their isolation, a lack of vision and/or work programme of the dialogue and/or the unwillingness of one of the partners to implement the activity. The Service for Foreign Policy Instruments (FPI) will aim to avoid the repetition of these short-comings by proposing to enhance assessment processes under the PSF.

Previous projects have shown the importance of maintaining a high degree of flexibility to respond to changing priorities or political commitments, while also planning and ensuring continuity of activities

in a number of key priority areas. Careful planning will be also essential to help manage the financial and logistic uncertainties derived from the demand-driven approach of the action. It will be also essential to ensure the active participation of relevant DGs responsible for each dialogue in the follow-up of political engagements.

2.4 Coherence and complementarity

The Policy Support Facility co-exists with several country-specific policy dialogue facilities funded through the Partnership Instrument (e.g. Brazil, China, Mexico, Canada). The overall objective of those country-specific actions is to contribute to strengthening and further enlarging bilateral relations through supporting sector dialogues on priority themes of mutual interest in order to enhance the strategic partnership between EU and the countries concerned. Complementarities and synergies will be sought with projects that will be covered under these facilities.

2.5 EU added value

The Policy Support Facility responds not only to the EU interest and priorities but also to the third country's interest and /or priorities. PSF actions ensure a high visibility of the EU and aim at increasing awareness and knowledge of the EU. Being a rapid- response tool enabling targeted, flexible and tailor-made short-term actions is also seen as a real added value.

2.6 Cross-cutting issues

Each individual action under the Policy Support Facility will identify its respective cross-cutting issues during the identification of the specific action.

3 ACTION DESCRIPTION

3.1 Objectives

To support policy dialogues between the EU and partner countries on bilateral and global issues of common concern (such as for example the external dimension of the Green Deal, digital, etc.) and to facilitate economic and trade relations with partner countries. The geographical scope of the action is global, with specific attention to Asia and the Americas.

It will complement/support the external dimension of internal policies conducted under the other EU political programmes and instruments.

Expected results:

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.

Activities include inter alia the organisation of conferences, forums, workshops, expert seminars, study visits, working sessions on policy dialogues (in Europe or partner country), etc.; information, communication and public diplomacy actions; (trade-related) legal analysis, studies and advice, collection of data and analysis, technical assistance, monitoring of trade agreements, evaluations.

3.2 Stakeholders

Direct stakeholders and partners of the different activities within the facility are partner country administrations involved in the dialogues, together with the corresponding services of the European

Commission, the EEAS and other partner country and European public and private institutions interested in the policy dialogues (regional and local governments, universities and research centres, business and socio-professional associations, NGOs, cultural institutions etc.).

Indirect stakeholders are EU Member States, all private and institutional/public stakeholders at different levels in Europe and partner countries that may be consulted or involved in the implementation of the different activities.

3.3 Risk assessment and management

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|---|--------------------------------------|---|
| The activity is an isolated event and does not contribute to deepening the policy dialogue | L | A proposal has to be presented for approval of the activity and one of the requirements for approval is that the proposal makes it clear how this activity is embedded in a policy dialogue and/or agenda. |
| The activity overlaps with or duplicates activities carried out by other Commission services. | L | As part of the approval process, all relevant European Commission services are consulted on the proposed activity. |
| Insufficient absorption capacity of the users (EEAS, European Commission services) to provide the technical and policy steer of the activity. | L | A proposal has to be presented along with an endorsement letter at an appropriate level of hierarchy; the endorsement letter specifically appoints a focal person in charge of the technical and/or policy steer. |

3.4 Communication and EU visibility

This Action's communication and visibility measures will be included in each specific contract.

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

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

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

The Communication and Visibility Manual for European Union External Action¹, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

¹ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.²

4.1.1 Procurement (direct management)

(a) Contracts: A Global Framework Contract (signed in October/November 2019 for a duration of two years with possibility to renew it for another two years) consisting of 3 Lots was concluded in order to implement this facility:

- Lot 1 (with re-opening of competition among four pre-selected contractors): Public diplomacy, information outreach and organisation of events.
- Lot 2 (with re-opening of competition among three pre-selected contractors): Technical assistance.
- Lot 3 (with re-opening of competition among three pre-selected contractors): Trade and market access.

In duly justified cases, for a particular activity services may be contracted through other existing framework contracts managed by the Commission upon agreement by the responsible service and/or tendered outside existing framework contracts.

(b) Indicative number of specific contracts to be signed under the Global Framework Contract: 25

(c) Indicative number of contracts under calls for tenders: 5

(d) Indicative timing: this being a framework contract, offers are being received on an ongoing basis following requests for services from the Contracting Authority.

4.1.2 Grants (direct management)

In duly justified cases, grants may be deemed the most suitable implementation method for a particular activity under this facility.

(a) Purpose of the grant(s)

The objective of the grant is to contribute to the objectives of the Partnership Instrument, especially support policy dialogues between the EU and partner countries on bilateral and global issues of common concern. Expected results are: increased consensus and strengthened engagement with partner countries on issues of common concern; and enhanced dissemination of EU best practices and values.

(b) Type of applicants targeted

Think tanks, NGOs, research institutes or other civil society organisations in the EU and partner countries. Regional and international organisations as well as specialised EU agencies are eligible to apply. Applicants must demonstrate that project activities are strictly non-profit making.

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

The 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.

(c) Justification of a direct grant under the responsibility of the Commission’s authorising officer, the grant may be awarded without a call for proposals in accordance with the provisions of Article 195 FR.

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|----------------------|
| Procurement (direct management) | 12 935 000 |
| Grants (direct management) | 2 000 000 |
| Total | 14 935 000 |

4.3 Organisational set-up and responsibilities

The use of the PSF is managed by the Service for Foreign Policy Instruments and with a step by step approach for submission of concept notes, assessment and screening of the proposed actions among the concerned services of the Commission, EEAS and EU Delegation. Following this screening the proposals are either approved, asked to be resubmitted with issues addressed, or rejected. Implementation will be carried out mainly in Delegations or in HQ when issues are of global nature.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 14

Of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Fiche for EU- China Partnership Facility (ECPF) 2nd Phase

1 KEY IDENTIFICATION DATA

| | | | | |
|---|--|-------------------------------------|-------------------------------------|----------------------------|
| Title of the Action | EU-China Partnership Facility (ECPF) 2 nd Phase | | | |
| Country | China | | | |
| Sector of intervention | Multi-Sector | | | |
| Indicative budget | Total: EUR 3,000,000 EU contribution: EUR 3,000,000 (100%) | | | |
| Duration and target start date of implementation | 36 months Indicative start date: 1 December 2021 | | | |
| Method of implementation | Direct management - Procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries ¹ | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

¹ OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

, This action aims to advance the EU agenda in China and strengthen EU-China relations by supporting bilateral dialogues and partnerships in key priority areas through setting up a dedicated logistical and technical assistance implementation structure.

More specifically, it will contribute, through targeted interventions, to the practical implementation of the EU – China relations including bilateral Memoranda of Understanding, as well as declarations and agendas in place between relevant EU Services and their Chinese counterparts.

Furthermore, actions implemented by the EU-China Partnership Facility (ECPF) will contribute to step up political engagement and to open up new areas concerning bilateral dialogues and agreements and can also serve as a platform to prepare and launch key messages ahead or after high-level political meetings, Through the provision of expertise, exchanges of knowledge, as well as logistical support, the proposed initiative will act as an instrument to translate political commitments into concrete actions and will be pursued in coordination with relevant Commission services.

2.2 Background/Context/Rationale for PI funding

The EU-China Comprehensive Strategic Partnership has grown into a multi-faceted relationship including a vast array of areas. The EU operates within the framework of its China Strategy, adopted in 2016, which remains valid. Bilaterally, the EU and China have agreed Agenda 2020 to shape bilateral cooperation, which will need to be reviewed and updated during the course of 2020. As written in the European Commission's 2019 new Strategic outlook on the EU-China relationship (EU-China: A Strategic Outlook, released March 2019 in the run-up of the EU-China Summit), China is both a key "cooperation partner" while simultaneously a "systemic rival". This apparently contradictory perspective reinforces the Union's position that only full unity between the EU and Member States can effectively ensure the protection of our interests as a whole. The annual Head of State bilateral summits provide strategic guidance to the relationship and are 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 areas of the relationship - underpin those three pillars.

As global players and strategic partners, the EU and China increasingly cooperate with each other in many 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. The EU can expect China's global footprint and influence to continue to grow in the years to come – as a major economic and trading power, as a player in the United Nations system (where it is seeking to develop its own narrative), as an influencer in many regions (offering the "Chinese model" to others), with impacts on global goods, resources and the environment. China will continue with its major international programmes such as the Belt & Road Initiative, and will continue to develop its military capabilities. The EU can expect to deal with a China that internationally is both increasingly assertive and sensitive about defending its interests, and domestically is more authoritarian and more strictly controlled. The key challenge for the EU will be to engage with and seek to shape China's approach in line with the international rules-based system and universal values.

The EU has a long-standing tradition of financing China-specific policy support facilities. Under Development Cooperation funding, the EU-China Policy Dialogue Support Facility (PDSF I) was active from 2007-12 and subsequently followed by a PDSF II from 2012-2016 (12.2 million). Additionally, development cooperation assistance also made possible the funding of three trade-related facilities from 2000-2016, the last one with a total budget of 25 million (EU-China Trade Project II).

These facilities have supported the implementation of actions agreed at political level in the framework of bilateral sector dialogues, enhanced cooperation in specific sectors and facilitated exchanges between relevant EU and Chinese stakeholders. They have also helped identify and explore new opportunities for dialogue. The available evaluation of the previous facilities shows that they have been an important tool to ensure the continuity of several sectoral dialogues. The Partnership Instrument (PI) is currently financing the EU-China Partnership Facility (ECPF), a 36-month project which started in December 2018 and is specifically designed to support the EUD in advancing the EU-China relations in key priority areas in the strategic framework of the EU Global Strategy, thus contributing to step up political engagement and advancing EU interests in many different fields.

Considering the evolution of the bilateral dialogues and the momentum for further expansion provided by discussions on the upcoming new Agenda 2025, the need for a tool to advance on issues of mutual interest remains vital. In that regard, a second phase of the ECPF will allow continuing the on-going support to bilateral dialogues and partnerships in key priority areas and to open up new ones when needed. It will also contribute to consolidate the implementation of the EU Global Strategy, the EU Strategy for China as well as Declarations and Agendas in place between EU Institutions (mostly relevant European Commission Services and the European External Action Service) and their Chinese counterparts. Indeed, many European Commission Directorate Generals need shorter and more targeted quick actions rather than standalone, extensive projects programmes to support the external dimension of their policy agendas. They are interested in short-term targeted support and therefore need a tool that can accommodate rapidly developing policy dialogues and priorities.

Given the breadth and scope of the EU-China relations, the action will consequently touch upon all of the four PI objectives:

- 1) Supporting the European Union's bilateral, regional and inter-regional cooperation partnership strategies by promoting policy dialogue and by developing collective approaches and responses to challenges of global concern;
- 2) Implementing the international dimension of 'Europe 2020';
- 3) Improving access to partner country markets and boosting trade, investment and business opportunities for companies from the Union, while eliminating barriers to market access and investment, by means of economic partnerships, business and regulatory cooperation;
- 4) Enhancing widespread understanding and visibility of the Union and of its role on the world scene by means of public diplomacy, people-to-people contacts, cooperation in educational and academic matters, think tank cooperation and outreach activities to promote the Union's values and interests.

2.3 Lessons learnt

The proposed action builds on previous China-specific policy support and trade-related facilities funded by the EU, most specifically on the need to strategically identify priority areas for enhancing EU-China relations and advance the EU's agenda, allowing the facility's efforts to be concentrated in sectors with clear strategic interest, specific engagements and foreseeable EU or shared benefits.

One of the main lessons learnt is the importance to have clear coordination channels to set priorities and links between the political agreements or sector dialogues and the activities to be carried out. A Project Steering Group led by the Head of Delegation and open to the participation of all European Commission Services and EEAS has proven crucial for an efficient and smooth implementation of the action.

Another important aspect as shown by previous projects is the need to ensure a high degree of flexibility to respond to changing priorities or new political commitments. Careful planning is also essential to help manage the financial and logistic uncertainties derived from the demand-driven approach of the action but equally essential is to ensure the active participation of relevant European Commission Services 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 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 when needed, as well as their early involvement and contribution to the actions.

2.4 Coherence and complementarity

The EU Delegation ensures complementarity with the on-going PI bilateral portfolio in China as well as internal coherence within European Commission Services on the actions to be covered by the Facility. This clear understanding is particularly important in a Delegation like China where FPI presence is strong and line Commission Services and EEAS are widely represented.

Coherence and complementarity will also be sought within the wider regional framework through the existing coordination channels with the FPI Regional Team in Bangkok 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.

2.5 EU added value

There is a strong EU interest in the proposed Action since it allows supporting the Strategic Partnership between the EU and China through the implementation of concrete actions for which the EU has a clear added value, for example:

- To support effective multilateralism and fight climate change and environmental degradation;
- Commitment to international peace, security, and sustainable economic development;
- Achieving a more balanced and reciprocal trade and investment relationship;
- Strengthening the Union's competitiveness and ensuring a level playing field;

The main objectives of the bilateral Agenda 2020 (and the upcoming 2025) cover peace and security, prosperity, sustainable development and people to people exchanges. Many of these areas aim at contributing to the EU competitiveness and growth agenda as well, in line with the "Europe 2020" strategy.

A second phase of the ECPF will give continuity to a unique tool contributing to strengthen EU-China relations through the logic of equal partnership while ensuring consistency with EU law, rules and policies.

2.6 Cross-cutting issues

Given the scope of the EU-China relations and the multi-sector nature of the ECPF, the action has the potential to touch upon the following FPI cross-cutting issues:

Multilateralism and global order: by promoting policy dialogue in areas where collective approaches and responses to challenges of global concern are needed like climate change, environment, migration, connectivity, cybersecurity, etc.

EU principles and values, resilience, innovation: by financing actions that support the international dimension of ‘Europe 2020, for example in the fields of trade, investment and business opportunities, digital, justice, regulatory cooperation, research and innovation, migration, etc.

Additionally, as any other FPI-funded action, the ECPF will contribute to the implementation of the EU Gender Action Plan by verifying during the identifying, formulating and implementing phases that gender-related issues are taken into account in the framework of any activity carried out. Specific gender indicators shall be added to the logical framework.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of the Action is to contribute to advance EU interests in China and strengthen EU-China bilateral agenda.

Its specific objective is to help advance EU-China bilateral dialogues and partnerships and influence policy-making by encouraging alignment and uptake of EU policies, norms, and standards in key priority areas.

The main expected results of the project are:

Extended and strengthened EU-China relationship in the framework of the Comprehensive Strategic Partnership;

Existing EU - China Memoranda of Understanding and Agreements in different areas (signed between EEAS/ European Commission Services and Chinese Ministries and Institutions) are actively implemented;

Chinese authorities have a better understanding of EU policies and standards, which inspire the decision-making process, improvement, or definition of new policies in China (externalisation of EU internal policies).;

Cooperation in priority areas is reinforced and concrete follow-up measures to sector dialogues are put in place and implemented;

Updated information available and regularly disseminated on the evolution and “state of the art”, contents and results of the different dialogues;

Regulatory convergence with EU standards in selected areas is promoted;

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, expertise and analysis to the relevant stakeholders;

the development of communication and visibility tools.

3.2 Stakeholders

The key stakeholders are:

The Delegation of the EU in China;

EU institutions, including the EEAS and European Commission Directorate Generals;

EU Member States and their relevant Institutions;

Chinese Ministries and Agencies;

European and Chinese Academia and Civil Society;

3.3 Risk assessment and management

| Risk description | Risk level (High, Medium, Low) | Mitigating measure |
|---|---|---|
| Lack of 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 to get involved in the actions, including the necessary provision of human resources needed to steer them. | M | Strategic selection of the areas of intervention, in line with EU's interests and policy priorities. Extensive internal coordination among EU services. |
| Irritants coming from political developments, trade-related disputes or human rights issues to negatively affect bilateral relations. | M | Carefully monitoring of the bilateral agenda and continuous engagement with Chinese counterparts. |
| Implementation risks (delays in activities, poor expertise/project management, etc.). | M | Close monitoring of the action. Selection of implementation entities with a solid track record regarding similar actions/projects; recruitment of experts with experience working with China. |
| 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. |

The principal assumption is that Chinese and European authorities are still committed to further strengthening the EU-China Comprehensive Strategic Partnership and engaging in concrete actions to foster sector dialogues in the framework of the new Agenda 2025. Policy measures stemming from the Chinese 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 long-term 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 team leader and EU 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 European 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.

In order to have an impact, the choice of priority areas will continue to be strategic for the Facility. All actions to be financed under the project must have a direct link with the conclusions of sector dialogues. This will ensure that, on both sides, there is an interest and commitment to follow-up on these conclusions and that the different sector dialogues result in concrete actions that contribute to the alignment of positions, regulatory convergence, overcoming misunderstandings, progress in consultation mechanisms, exchange of information or establishment of new mechanisms.

The facility will also require of adequate political steering from the EU side, in line with the joint communication "EU-China – A strategic outlook", therefore based on clearly defined interests and principles, a sound engagement with China to promote common interests at global level, more balanced and reciprocal conditions governing the economic relationship and sufficient flexibility to adapt to changing economic realities and strengthen our own domestic policies.

3.4 Communication and EU visibility

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

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

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

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

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.

EU visibility will be promoted indirectly through the Contractor which should communicate that the Action is funded by the European Union; it should also use the EU Visibility Guidelines.

For particularly sensitive Actions, or in a particular political context, the Project Manager should analyse whether the use of EU Visibility Guidelines creates a reputational risk for the EU or contradicts the 'do-no-harm approach'. In such cases, use of EU visibility should be avoided or reduced to the minimum.

² https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

4.1.1. Procurement (direct management)

The project will be implemented through the procurement of services, either by extension of the current service contract as foreseen in AAP 2017, or by launching a call for tender. The indicative timetable for the call for tender, should this option be selected, is 3rd Quarter 2020.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.³

4.2 Indicative budget

| Method of Implementation | Amount in EUR |
|---------------------------------|------------------|
| Procurement (direct management) | 3 000 000 |
| Total | 3 000 000 |

4.3 Organisational set-up and responsibilities

A Steering Committee (SC) composed of FPI, other Commission Services and the EEAS 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 Project will establish specific standard procedures for the identification, endorsement and implementation of the different actions to be financed allowing the full involvement and participation of all concerned parties (Commission Services, the EEAS and the FPI).

4.4 Performance monitoring

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

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

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

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

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

4.5 Evaluation and audit

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

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

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

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Working together to fight antimicrobial resistance (AMR) in Asia

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Title of the Action | Working together to fight antimicrobial resistance (AMR) in Asia | | | |
| Country/region/global | China, Japan, India, Indonesia, Malaysia, the Philippines, South Korea, Thailand, and Vietnam [with the possibility to extend the geographical scope to other relevant countries in the region] | | | |
| Sector of intervention | Public health | | | |
| Indicative budget | Total: EUR 7 000 000 EU contribution: EUR 7 000 000 (100 %) | | | |
| Duration and target start date of implementation | 48 months Start date: Q1 2021 | | | |
| Method of implementation | Indirect management with the World Health Organisation (WHO), the Food and Agriculture Organization of the United Nations (FAO) and the World Organisation for Animal Health (OIE) | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries ¹ | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Internal markers | | | |
| | Digitalisation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Covid | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

¹ OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

Excessive and inappropriate use of antimicrobials and poor infection control practices have progressively turned Antimicrobial resistance (AMR) into a serious threat for humans and animals. Fighting AMR has long been and is a priority for the European Commission at the highest political level. The Commission Action Plan against the rising threats from AMR (2011-2016) and its evaluation demonstrate the strong political commitment, as well as the importance of international cooperation. The second Action Plan on AMR launched in 2017 further aims to strengthen the EU leading role in global fora and its contribution to regional and global action on AMR. The European Union Strategic Approach to Pharmaceuticals in the Environment, adopted in March 2019, also includes actions on AMR and international cooperation.

Building upon an ongoing standalone PI action with similar objectives in Latin America, the proposed project aims to tackle AMR as outlined in the EU Action Plan by engaging nine Asian countries, notably China, Japan, India, Indonesia, Malaysia, the Philippines, South Korea, Thailand and Vietnam, and by contributing towards achieving the objectives of the WHO Global Action Plan on AMR. This will be done by sharing mutual experiences, advocating best practices and stimulating actions outside the EU, as well as reinforcing the role in the fight against AMR in the region of the relevant International Organisations, i.e. the Tripartite composed of the World Health Organisation (WHO), the Food and Agriculture Organization of the United Nations (FAO), and the World Organisation for Animal Health (OIE). The project will consist of activities contributing to the fight on AMR in Asia, including a number of activities on AMR in the context of COVID-19. The Action also includes a placeholder chapter on preparedness for future pandemics.

2.2 Background/Context/Rationale for PI funding²

Background

Antimicrobial resistance (AMR) is the ability of microorganisms, such as bacteria, to become increasingly resistant to an antimicrobial to which they were previously susceptible, due to natural selection and genetic mutation. Such mutation is then passed on, thus conferring further resistance. This natural selection process is exacerbated by human factors such as inappropriate use of antimicrobials in human and veterinary medicine, poor hygiene conditions and practices in healthcare settings or in the food chain facilitating the transmission of resistant microorganisms. Over time, this makes antimicrobials less effective and ultimately useless.

The threat of AMR, if left unchecked, could nullify much of the medical progress of recent decades, effectively returning to the pre-antibiotic era, with massive negative consequences for public health and the economy, not only in Europe but also across the world. Internationally, the cost of inaction on AMR is projected to result in 10 million deaths annually and a cumulative loss of over EUR 88 trillion to the world economy by 2050. In addition to increased mortality and morbidity of currently treatable infectious diseases, AMR results in higher treatment costs as well as loss of productivity and income.

The COVID-19 pandemic highlights the need to understand the complex connections between bacterial and viral infections, and reinforces the importance of preventative measures such as vaccination and antimicrobial treatments in maintaining human health. Controlling infectious agents is necessary to sustain the global economy and societal functionality. There is evidence that the COVID-19 pandemic has led to a further increase in the use of antimicrobials in humans, contributing further to the risk of AMR and reinforcing the need to ensure their prudent use. Bacterial co-infections are a significant cause of morbidity and mortality during viral infections and are already being reported as having a significant impact in the context of COVID-19. The COVID-19 pandemic is having an immense impact on public awareness of infection prevention and control. Momentum on the improved

² More information on PI funded actions is available on the PI map: www.pimap.eu

public knowledge regarding infection prevention and control should be enhanced through further education and awareness raising.

Major global commitments and milestones

Fighting AMR has long been a priority for the European Commission, which launched a 5-year 'Action Plan against the rising threats from AMR' in November 2011. The evaluation of the 2011 EU action plan identified that international activities and cooperation should be strengthened. In June 2017, the EU reaffirmed its commitment to tackling AMR with the ambitious 'European One Health Action Plan against Antimicrobial Resistance (AMR)', with a stronger EU international presence as one of its three pillars, which aims to “engage with major global players and strategic countries” and to “contribute towards achieving objectives of the WHO Global Action Plan on AMR by sharing experiences, advocating best practices and stimulating actions outside the EU”. The COVID-19 pandemic has made the need to implement such a global approach even more urgent.

A high level of political commitment on AMR has also been mobilised within the G7, G20, the United Nations (UN) and within several international organisations, including the World Health Organization (WHO), World Organisation for Animal Health (OIE), Food and Agriculture Organization (FAO) and Organisation for Economic Co-operation and Development (OECD). The 2015 WHO Global Action Plan on AMR serves as the global blueprint for AMR activities, alongside the FAO Action Plan, and the OIE Strategy. The Political Declaration of 21 September 2016 in the 71st UN General Assembly gave high-level support to the international implementation of the WHO Global Action Plan on AMR, as did the political commitments in the G7 and G20.

EU and Asian partner countries

While maintaining a global perspective, the EU action plan has specific references to collaborating with major global players, taking into account a two-tiered approach allowing the EU to engage in dynamic cooperation to establish strategic priorities and best practices in the common fight against AMR. Among the target countries are partner countries, such as China and Japan, which are major EU trade partner with regional influence in Asia. Collaborating with all of the nine target countries on human and animal health and environment issues will help strengthen ties, as the EU continues to build relationships with these countries as trading partners through bilateral agreements.

China, Japan, India, Indonesia, Malaysia, the Philippines, South Korea, Thailand, and Vietnam are at different stages in developing, implementing and reviewing their National Action Plans (NAPs) on AMR. China is approaching the end of its first NAP to Contain Antimicrobial Resistance (2016-2020), which put forth the establishment of a national-level prevention and control mechanism to coordinate joint efforts in addressing AMR. Japan's first NAP on AMR also spans the period 2016-2020, covering six priority measures that include public awareness, surveillance and monitoring, research, as well as international cooperation. India began its policy efforts on AMR already in 2011 with the National Policy for Containment of AMR. The current NAP on Antimicrobial Resistance of India spans 2017-2021 and engages a multitude of stakeholders, including a large number of research institutions. Indonesia's first AMR NAP covered 2017-2019. It launched the second AMR NAP recently, which will span 2020-2024. In Malaysia, the latest NAP on AMR covers the period 2017-2021. In the Philippines, an Action Plan to Combat Antimicrobial Resistance: One Health Approach was developed already in 2015. The current Philippines NAP on Animal Health spans 2019-2023. In South Korea, the first phase of the National Action Plan on Antimicrobial Resistance (2016-2020) is coming to an end, with preparations for its second phase ongoing. The NAP on AMR of Thailand spans 2017-2021, which is driven by the 'One Health' approach as well as research and knowledge generation. Vietnam was one of the first countries in the region to develop a national AMR Action Plan in 2013. Vietnam's current NAP for controlling Antimicrobial Use and AMR in livestock production and aquaculture spans 2017-2020.

The Tripartite efforts on AMR

The WHO, FAO and OIE have been working in collaboration on AMR since 2010 through a Tripartite agreement, several Resolutions and the Global Action Plan on AMR, which echoes global consensus that AMR poses a profound threat to human health. Noting that this PI action takes a targeted

approach collaborating with nine Asian countries, it is important to take stock of the ongoing regional and bilateral activities amongst the WHO/OIE/FAO, which engage with a wider scope of countries. In addition to the coordination at Headquarters level, the regional offices of the Tripartite in Asia have an informal coordination mechanism that brings together the WHO, FAO and OIE to ensure complementarity of ongoing programmes and projects, and collaborate on initiatives and activities. The present PI project will bring together the FAO Regional Office for Asia and the Pacific located in Bangkok, the WHO South East Asia Regional Office (WHO-SEARO) located in New Delhi and the WHO Western Pacific Regional Office (WHO-WPRO) located in Manila, and the OIE Regional Representation for Asia and the Pacific located in Tokyo and the OIE Sub-regional Representation for South East Asia located in Bangkok. The financial support of the EU will ensure that the AMR work will increase in quantity and quality in Asia.

2.3 Lessons learnt

This PI Action builds on the experience gathered from the PI action "EU and South America: Working together on Antimicrobial Resistance" funded under the Policy Support Facility as well as the larger standalone PI action "Working Together to Fight Antimicrobial Resistance (AMR)", which uses a similar approach on AMR in Latin America and is also implemented by the tripartite WHO/FAO/OIE.

The lessons learned from this engagement are as follows:

- The usefulness of pairing a larger standalone action with a preparatory small action financed through the Policy Support Facility to create a momentum among the involved countries, and to increase their interest and commitment to work on AMR with the EU, as well as to use the outcomes to inform and guide the larger standalone action;
- The importance of a consistent and coherent regional approach that aims for an impact at higher political levels;
- Interest through a smart mix approach that includes both voluntary measures and regulatory frameworks;
- Focus on actions that can have immediate practical positive consequences on AMR issues;
- The need for awareness raising in the professional and private sectors on AMR;
- The particular interest in and enhanced impact through activities on research and innovation.

Lessons learned from previous actions in Asia in various domains include the importance of an approach that is complementary to already ongoing initiatives and activities in the region, as well as a tailored approach that differs country by country depending on existing expertise, capacity and concrete needs.

2.4 Complementarity, synergy and donor coordination

Complementarity and coordination will be sought with relevant EU initiatives funded at bilateral and regional level. Other projects funded by the EU in our partner countries that offer synergies include the Sino-European Health Networking Hub (SENET), which aims to create a sustainable health networking and knowledge hub between Europe and China, with possibility of covering activities on AMR. Additional synergies and direct engagements will be sought with the Joint Programming Initiative on Antimicrobial Resistance. Complementarity will also be sought with other relevant ongoing initiatives, most notably the efforts on AMR of the Fleming Fund, the United States Agency for International Development, and the UN Environment Programme, also complementing the ongoing bilateral actions in Asia implemented by WHO, FAO and the OIE.

The FPI Regional Team in Bangkok and the EU Delegations to the partner countries, supported by the Tripartite where relevant, will ensure complementarity with other Member State actions in those countries.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor

coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

The 2017 EU action plan on AMR specifically sets out to “engage with major global players and strategic countries” and “contributing towards achieving objectives of the WHO Global Action Plan on AMR by sharing experiences, advocating best practices and stimulating actions outside the EU”. As there is common interest internationally in curbing AMR, there is scope and momentum for more collaboration and closer ties with the nine partner countries to align approaches. This applies to research cooperation and activities in international standard setting bodies as well.

As one of the world's largest markets for agricultural products, the EU can play a major role in promoting its AMR-related standards, measures in food production, and standards on animal welfare. The systematic inclusion of AMR-related provisions is now a current practice for the Commission in all new Free Trade Agreements. Further actions may also be considered to ensure a level playing field between EU producers and EU trading partners. Areas where the EU has particular strength, experience and added value include (i) surveillance and monitoring, (ii) research and development, (iii) implementation of good practices in prevention and control, (iv) scientific assessments and guidelines, as well as (v) trade-related aspects. The EU has gained valuable expertise and experience in relation to AMR, providing the opportunity for an exchange of EU good practices in the human and animal health and environment sectors, experiences on integrated surveillance, as well as the implementation and evaluation of NAPs.

2.6 Cross-cutting issues

AMR presents a serious challenge to human and animal health, environment, food safety and security, economy and development. The 2017 EU One Health action plan aims to link various sectors and actors in defence of human and animal health, the environment, and related rights. Also the actions of the EU Strategic Approach to Pharmaceuticals in the Environment go into that direction. The PI action will promote good governance in the human and animal health and environment sectors as well as in the public administration as a whole. It will also reinforce capacities across other sectors to address AMR and counteract its grave social and economic burden, which have stronger consequences on less informed and educated consumers both in the EU and in Asia. The project's holistic approach aims to contribute to enhancing resilience to AMR, as well as potentially to future pandemics if conditions for such an engagement materialise in the partner countries, but also in the EU itself through exchange and collaboration. The project incorporates elements of research and innovation and will also directly address the issue of environmental degradation due to AMR. Finally, it will contribute to better health and well-being.

3 ACTION DESCRIPTION

3.1 Objectives

In line with the EU action plan on AMR, the **overall objective** of this PI action is to engage on AMR with major global players and strategic countries and to contribute towards achieving objectives of the WHO Global Action Plan on AMR by sharing mutual experiences, advocating best practices and stimulating actions outside the EU.

In order to contribute towards the overall objective, this PI action establishes five specific objectives:

- (i) Supporting countries in the updating, the implementation and the evaluation of national One Health AMR action plans covering human health, animal health and environment;
- (ii) Bolstering countries to strengthen surveillance and monitoring of resistances and use of antimicrobials, including with regard to the impact of COVID-19 on AMR;

- (iii) Stimulating the private sector in the fight against AMR;
- (iv) Strengthening research and innovation on AMR and alternatives to antibiotics while fostering international cooperation in these areas;
- (v) In light of COVID-19, providing the possibility to contribute to preparedness for future pandemics through regional coordination, if the opportunity for such an engagement arises.

To achieve the abovementioned objectives, the project will leverage expertise and capacities of each entity of the Tripartite that will implement the project. The holistic approach that engages research and innovation, political engagement as well as operational expertise and the private sector, through a multitude of different stakeholders and exchanges, will contribute towards achieving the objectives of the WHO Global Action Plan on AMR. The specific objectives will be incorporated in activities in a holistic manner, supporting each other rather than leading to separate strands of work. Further expertise and capacity can be contributed through the engagement of EU Member State agencies, where relevant.

In order to contribute towards the overall objective and the five specific objectives, the project establishes five results on AMR that include tentative activities covering the link between AMR and COVID-19, followed by a specific COVID-19 chapter on pandemic preparedness:

Result 1: NAPs are updated and implemented. Effective evaluations of One Health NAPs are carried out.

This result will take into consideration the different stages of NAP development and implementation in different partner countries, in complementarity to ongoing initiatives. Indicative activities may include technical assistance, training and exchange of experiences. Where relevant, ASEAN and its working groups will be engaged for dissemination of information and similar activities. In the context of COVID-19, tentative activities may include targeted workshops on infection prevention, control and monitoring, and the development of guidance for treatment of severe pneumonia, including antibiotic empiric treatment.

Result 2: Integrated surveillance and monitoring of AMR trends and consumption of antimicrobials are strengthened by improved data collection, management, and analysis and reporting in the human and animal health sectors.

Strong and efficient surveillance and monitoring systems are key for analysing national trends, adjusting policies and reporting on evidence-based measures. Indicative activities may include targeted technical cooperation, training, and exchange of experiences, building upon existing initiatives to ensure complementarity. Tentative additional activities in the context of COVID-19 may include strengthening microbiological and epidemiological surveillance of healthcare associated infections to increase capacity to monitor and detect future outbreaks, as well as monitoring of impact on healthcare workers.

Result 3: Regional Reference Laboratories for human health and animal health are strengthened.

The Regional Reference Laboratory would allow for comparative analysis of national AMR data in the region. To achieve this result, in collaboration with partner countries, existing regional laboratories will be strengthened to act as Regional Reference Laboratories for regional AMR samples and to support accreditation processes. The Action will also support the coordination for inter-sectorial integration and coordination between laboratories on human health, animal health, food, and the environment. Tentative additional activities in the context of COVID-19 may include facilitating increased laboratory support.

Result 4: Participation of the private sector in the fight against AMR is increased.

Indicative activities may include technical assistance and exchange of experiences on prudent use of antimicrobials in food animal production by bringing together the private sector (food, feed, and animal production industries) and senior-level government officials to facilitate the development of a voluntary private-sector “food industry charter” on AMR with actions they can take to act against

AMR. In the context of COVID-19, this result also covers increasing commitment and participation of the private sector of AMR through public-private partnership initiatives, better capacities for the prudent use of antimicrobials, and improvements in the national AMR regulatory frameworks. Tentative activities in this context may include improving biosecurity measures, good hygiene and sanitation practices in farms, monitoring COVID-19 in animals, establishing strict measures to control the sale of livestock in wet markets, and strengthening good hygiene and sanitation practices in the food industry.

Result 5: Research and innovation on AMR is strengthened, and international cooperation in these areas is improved.

Indicative activities may include the establishment of AMR research networks, regional scientific workshops, technical assistance to facilitate research on the impacts of AMR, notably impacts on the environment, the development of e-learning modules, scientific and educational events, the establishment of an inventory of AMR research activities, and support to existing initiatives or forums for exchange of scientific information, results or initiatives. Tentative additional activities in the context of COVID-19 may include the facilitation of participation of academic institutions and researchers in studies on assessing emergence and spread of multidrug resistant organisms, antibiotic consumption during the COVID-19 pandemic, and potential changes in resistance patterns on hospital and/or community acquired pathogens.

Placeholder Chapter on COVID-19 and Future Pandemic Preparedness

The current context and momentum could allow for the EU to take the lead on policy dialogues and exchanges with countries in Asia affected by COVID-19 that have demonstrated particularly strong responses, as well as with international organisations, on how to coordinate efforts, policies, procedures and protocols for future pandemic preparedness. The aim of this placeholder chapter is to offer a framework to support future dialogues with relevant countries on better preparedness for new pandemics by defining common approaches and working towards standards and best practices. The chapter may be activated only if the conditions for the aforementioned policy dialogues on pandemic preparedness materialise, depending on the political context in the EU and in Asia, as well as on the internal agreements between relevant DGs and services of the EU on the appropriateness to engage in such dialogues and their mandate and scope. Consultation between the EU with the Tripartite on how to structure these dialogues and the corresponding support will also be needed. This chapter on pandemic preparedness can be activated at any time during the lifetime of the project, while all other activities will begin implementation separately and independently from it. If the necessary conditions for establishing and supporting dialogues and exchanges on pandemic preparedness do not materialise, funds will be used for the other two chapters of this action on AMR.

This chapter may encompass developing a common international and/or regional understanding of potential health threats and procedures for early identification of pandemic outbreaks, pandemic prevention, first response, coordination of information, data collection, logistics, communication and public awareness. Care will be taken not to duplicate existing or on-going activities. It can be used also for preparatory activities that can pave the way to the establishment of dialogues. These activities may take the shape of pilot initiatives that may be replicated in other parts of the world, under other cooperation frameworks, if considered relevant. Awareness raising activities, depending on needs and opportunities in affected countries, may also be considered.

3.2 Stakeholders

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

- European Commission services, notably DG SANTE and DG Research & Innovation, the European External Action Service, EU Delegations to the partner countries; National authorities of the partner countries and, where relevant, EU Member States (Ministry of Health, Ministry of Agriculture, Ministry of Environment, Ministry of Economic Affairs, Ministry of Science and Technology, etc., as well as other relevant entities such as Department of Drug Administration, Department of Livestock Development, etc.).

DG DEVCO will be kept informed of the progress of activities to ensure complementarity and synergies with other relevant actions.

In certain activities academics, researchers, professionals and consumer associations working on AMR should be associated to the project as well as the pharma industry and the agroindustry.

Other important stakeholders for the implementation of the proposed PI Action to be engaged are the European Medicines Agency (EMA), European Food Safety Authority (EFSA), European Centre for Disease Prevention and Control (ECDC), Joint Programming Initiative on AMR (JPIAMR), and the Organisation for Economic Co-operation and Development (OECD).

3.3 Risk assessment and management

| Risk description | Risk level (H/M/L) | Mitigating measure |
|--|--------------------|--|
| Ensuring buy-in of the competent authorities with regard to this initiative promoted in partnership by the EU and the Tripartite. | H | Previous and ongoing work by actors in the region has raised political awareness of cooperation activities on AMR, especially on NAPs. Engagement of senior level officials will provide opportunity for increased understanding of the urgent need for action in the fight against AMR and the ownership role for NAP implementation. |
| In the aftermath of the crisis, social and economic issues take the stage and National Governments lose interest on lessons learned and preparedness for the next pandemic. | H | Strong lobbying (technical and political) on stakeholders to keep health related issues at the top of the agenda. |
| Lack of political will at the national level to adopt new policies and mobilise resources. | L | Partner countries have affirmed their political will as outlined in the existing Global Action Plans on AMR, political commitments in the UN Declaration on AMR as well as the G20 and various national declarations. Country-to-country learning on costing mitigation and budget planning can contribute to resolving funding obstacles that slow down progress on AMR. |
| National coordination groups that developed NAPs may not have sufficient capacity to effectively manage the implementation of key technical components, which may compromise the quality of execution. | H | Sharing of EU experience and technical support through the Tripartite will be adapted to the national situation of each partner country, including by offering short, medium and long-term support depending on local needs to contribute to building capacities, and by providing opportunities for exchange where existing capacities are high. |
| Insufficient buy-in across the spectrum of business and industry, professional communities, and consumer groups, due to multiple and diverse business, professional and personal needs and interests. | M | Mitigation of this risk will be partly assured with the involvement of partner governments to attract constituent groups to participate, as well as through a series of tailored scientific-technical seminars providing basic scientific information about AMR directed to constituent groups. This risk will also be mitigated through the accompanying PI action funded under the Policy Support Facility, which will generate momentum |

| | | |
|---|---|--|
| | | among these target groups. |
| Laboratory staff may not have sufficient capacity to conduct AMR diagnostics. | M | The project will partly mitigate this risk by supporting training through regional and national laboratory leaders to assist with specialised training program to strengthen the capacity of the professionals across sectors. |

3.4 Communication and EU visibility

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

This Action shall contain communication and visibility measures, which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation. For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. 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 Action³ (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management⁴ with international organisations

This action may be implemented in indirect management with the World Health Organisation (WHO), the Food and Agriculture Organization of the United Nations (FAO) and the World Organisation for Animal Health (OIE). This implementation entails all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the PI Action.

This implementation is justified because of the specific technical competence of WHO, FAO and OIE on matters related to AMR. The three organisations have established a tripartite group internationally recognized with the mandate to strengthen the development, implementation and evaluation of NAPs, through regional action plans and technical assistance projects. WHO/FAO/OIE is also implementing the ongoing PI action “Working together to fight AMR” in Latin America.

Consequently, the tripartite WHO/FAO/OIE is best placed and constitutes a logical choice for implementing this complex EU action, due to the unique combination of technical expertise and contacts with relevant authorities in governments of partner countries and other important stakeholders.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.⁵

³ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

⁴ Article 154 of the Financial Regulation – Selection of the entities entrusted with the implementation of EU funds in indirect management.

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|---|------------------------------|
| <i>Indirect management with an international organisation</i> | 7 |
| Total | 7 |

4.3 Organisational set-up and responsibilities

Under the overall project management by the FPI Regional Team for Asia/Pacific, relevant EU services, most notably DG SANTE and DG Research & Innovation, will be responsible for steering the implementation of the action, as well as for ensuring coherence, visibility and alignment with EU policies and foreign policy. EU Delegations in key partner countries will provide advisory support on relevant project activities.

A Project Steering Committee including representatives from the Tripartite and relevant EU services will be established. Its final composition and working mechanisms will be defined during the negotiations of the contribution agreement. It will meet at least once a year, starting with a kick-off meeting during the inception phase of the project. Relevant stakeholders may be invited to the meetings of the PSC.

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.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

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

EN

ANNEX 17

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Working together to fight anti-microbial resistance (AMR) in Latin America – the link between AMR and COVID 19

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|----------------------------|
| Title of the Action | Working together to fight anti-microbial resistance (AMR) in Latin America – the link between AMR and COVID 19 | | | |
| Country/region/global | South-America: Argentina, Brazil, Chile, Colombia, Paraguay, Peru and Uruguay | | | |
| Sector of intervention | Health | | | |
| Indicative budget | Total: EUR 3 000 000 EU Contribution: EUR 3 000 000 (100%) ¹ | | | |
| Duration and target start date of implementation | 12 months ² | | | |
| Method of implementation | Indirect management with the World Health Organisation/Pan American Health Organization, the Food and Agriculture Organization of the United Nations and the World Organisation for Animal Health | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries ³ | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Internal markers | | | |
| | Digitalisation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| COVID | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |

¹ This is a top up to the currently implemented project 406-773 (AMR)

² Top up to the existing 36 months action (total 48 months)

³ OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

In June 2017 the European Commission adopted the new EU One Health Action Plan against Anti-Microbial Resistance (AMR). It builds on the 2011 action plan, its evaluation, the feedback received on a European Commission Roadmap. This new plan supports the EU and its Member States in delivering innovative, effective and sustainable responses to AMR; strategically reinforce the research agenda on AMR and enable the EU to actively promote global action and play a leading role in the fight against AMR. Its overarching goal is to preserve the possibility of effective treatment of infections in humans and animals. It provides a framework for continued, more extensive action to reduce the emergence and spread of AMR and to increase the development and availability of new effective antimicrobials inside and outside the EU.

The EU One Health action plan is built around three pillars for action. Having recognised that strengthened international cooperation is a key element in tackling AMR, the third pillar focuses on international action (i.e. activities outside of the EU) and aims to make a contribution towards globally addressing the issue. The action plan specifically sets out to 'engage with major global players and strategic countries' and 'contributing towards achieving objectives of the WHO Global Action Plan on AMR by sharing experiences, advocating best practices and stimulating actions outside the EU'. The European Union Strategic Approach to Pharmaceuticals in the Environment, adopted in March 2019, also includes actions on AMR and international cooperation.

The COVID-19 pandemic has simply made more urgent the need to implement such a global approach. EU reaction to COVID-19 has focussed particularly on global cooperation and coordination both in terms of social and economic measures and joint research efforts (vaccine, drugs, etc.). On 4 May 2020, the European Commission hosted the Coronavirus Global Response pledging event and registered €7.4 billion in pledges from donors worldwide. An important part of the pledges are devoted to COVID-19 regional surveillance, control efforts and emergency response as detailed in WHO's Strategic Preparedness and Response Plan.

In line with the EU strategic vision for the fight against AMR and COVID-19, the proposed action will continue to work in the target countries in South America (Argentina, Brazil, Chile, Colombia, Paraguay, Peru, and Uruguay) that have committed to global efforts, including the adoption of the 2015 WHO Global Action Plan on AMR. The global pandemic confirmed that AMR surveillance and COVID-19 fight in Latin America could also have a crucial impact on the health and life of European citizens. The different experiences in the fight of COVID-19 from EU member States and EU Agencies are a key asset to be shared with partner countries. Another key element is that AMR is a horizontal, yet crucial, issue for the implementation of trade agreements with the region.

2.1 Action summary

The recent context of the COVID-19 pandemic reinforces the importance of preventative measures such as vaccination and antimicrobial treatments in maintaining human health. Similarly, controlling infectious agents is necessary to sustain the global economy and societal functionality. Bacterial co-infections are a significant cause of morbidity and mortality during viral infections and are already being reported as having a significant impact in the context of COVID-19. The COVID-19 pandemic highlights the need to understand the complex connections between bacterial and viral infections. It is important to consider that patients in countries that have used high levels of antibiotics may also now face further complications during co-infection by antibiotic resistant bacteria. The COVID-19 pandemic is having an immense impact on public understanding of infection prevention and control. Throughout the world people are practicing improved hand-washing techniques and social distancing, and other intervention measures to prevent infection. Improved interventions in the healthcare systems have been implemented worldwide. The implications of these interventions will likely impact the levels of other infectious agents and AMR and should have positive impacts on global health. Momentum on the improved public knowledge regarding infection prevention and control should be maintained through education and advertising.

A global response is therefore needed and it is important to build on the existing cooperation and platforms. The main purpose for requesting this top-up to the PI supported action, “Working together to fight AMR”, is to decrease the impact of the COVID-19 outbreak in public health with a specific attention at minimizing its impact on the spread of AMR in healthcare settings.

Globally and regionally, countries confront similar challenges when detecting and responding to new and emerging threats such as COVID-19. Therefore, supporting rapid local analysis, quality data and exchange of new detection methods, lessons learnt, and strategies will be pivotal to collectively enhance the response capacity at national, regional and global levels. Countries and facilities across the globe can accelerate progress toward safeguarding their health system by working together as a collaborative network on common priority goals.

2.2 Background/Context/Rationale for PI funding⁴

Following an outbreak of a novel Coronavirus (COVID-19) in Wuhan City, Hubei Province of China, rapid community, regional and international spread has occurred with exponential growth in cases and deaths. On 30 January 2020, the Director-General of World Health Organization (WHO) declared the COVID-19 outbreak a public health emergency of international concern under the International Health Regulations (IHR) (2005). The first case in the Americas was confirmed in the USA on 20 January 2020 and Brazil reported the first case for Latin America and the Caribbean on 26 February 2020. Since then, COVID-19 has spread to all 54 countries and territories in the Americas.

As of June 4, 6,237,660 cases and 378,347 deaths related to COVID-19 have been reported globally to WHO. Of those, 2,949,455 cases and 165,311 deaths (confirmed and probable for COVID-19) have been reported in the Americas Region. The United States of America accounts for 61% of all cases and 64% of all deaths, and Brazil accounts for 18% of all cases and deaths respectively for the Region of the Americas. Combined, these two countries account for 79% of all cases and 82% of all deaths currently reported in the Region of the Americas.

South American countries are reporting significant increases in newly confirmed cases such as Brazil, Peru, and Chile. Brazil is as well reporting one of the highest increases in the trend of deaths in the Americas’ Region.

While the true fatality rate of COVID-19 will take some time to be fully understood, the data so far indicate that the case-fatality rate (the number of reported deaths divided by the reported cases) in the region of the Americas at the end of June is around 5.5%. The real mortality could be as high as 3.3 million deaths⁵ in Latin America and the Caribbean if no measures to suppress the virus had been taken. But countries have imposed lockdowns, with temporary closures of non-essential businesses and stay-at-home directives to save lives. Still, the human and economic costs of this pandemic will be significant.

Antimicrobial resistance (AMR) could lead to more COVID-19 deaths, as secondary bacterial infections can endanger the outcome of severe and critical COVID-19 patients. Already, some studies have found that 1 in 7 patients hospitalized with COVID-19 has acquired a dangerous secondary bacterial infection, and 50% of patients who have died had such infections⁶. Published papers show that very high proportions of patients hospitalized with what is presumed to be COVID-19 are receiving antibiotics, not to treat diagnosed bacterial infections but as insurance and protection once they are admitted to intensive care units or put on ventilators⁷. In the first Chinese cohort, 95 percent of the patients received antibiotics⁸. In other papers, the proportions are just as high, with 100 percent, 98.5 percent, 93 percent, 89 percent, 64 percent, 58 percent and 45 percent of sets of patients in

⁴ More information on PI funded actions is available on the PI map: www.pimap.eu

⁵ <http://www.imperial.ac.uk/mrc-global-infectious-disease-analysis/COVID-19/report-12-global-impact-COVID-19/>

⁶ [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(20\)30566-3/fulltext#tbl2](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(20)30566-3/fulltext#tbl2)

⁷ <https://COVID-amr.webnode.co.uk/literature/>

⁸ <https://jamanetwork.com/journals/jama/article-abstract/2761044>

various places receiving antibiotics as part of their COVID-19 care. The challenge of AMR-related infections could become an enormous force of additional sickness and death across health systems as the toll of coronavirus pneumonia stretches critical care units beyond their capacity.

The ongoing action “Working together to fight AMR” implemented by the Tripartite Alliance (FAO, OIE and WHO) at regional level, has been operating based on the concept of a One Health approach that include Public Health, Animal Health and Environment and the Private Sector. The existing cooperative working methodology will greatly benefit and support work to control the COVID-19 pandemic and support countries to be better prepare when facing other challenges in public health. The proposed action provides a framework for horizontal exchange of experiences, training, agreement on standards, and sharing of best practices to contain the spread of AMR-related infections with the current additional threats posed by the COVID-19 pandemic (secondary bacterial infections and increased use of antibiotics).

This action takes into account relevant priorities of the EU COVID-19 response, as limiting the spread of the virus and promoting research for treatments and vaccines, while framing the activities in the WHO updated Global Strategy to Respond to COVID-19⁹.

2.3 Lessons learnt

This action builds on the experience gathered from the ongoing PI action “Working Together to Fight AMR”. All seven partner countries and the EU have endorsed the UN Political Declaration on AMR and the action plans/strategies of the WHO, OIE and FAO and have published their national action plans (NAPs) on AMR.

The long-standing collaboration between WHO/PAHO, FAO, OIE through their Tripartite agreement and Global Action Plan on AMR is providing a strong foundation using the existing structures of the implementing organizations. Especially the existing structures at regional and country level are providing key support in the coordination and implementation of the activities. Using the framework of the ongoing PI action enhancing the AMR activities to support the countries with the COVID-19 response will be essential.

Many of the activities planned for the first year under the current project have been initiated and communication channels have been set up among the various stakeholders in the partner countries. Specific recommendations and lessons learnt from the country interactions are:

- Incorporate COVID-19 activities within the specific country work plans that are currently being developed (impact on policy level), and provide a clear description of the One Health activities that will be undertaken by the countries for the duration of the project (within the 4 components of the project).
- Focus on actions that can have immediate practical positive consequences on AMR issues related to COVID-19.
- Ensure the ownership of local authorities and stakeholders as a key factor to achieve the objectives set in the project.
- Continue to foster multi-sectoral collaboration to alleviate the burden of human health systems in their response to COVID-19, including virus testing and diagnosis.
- Beside European Commission DGs (SANTE and RTD) and EU agencies (ECDC, EFSA and EMA), incorporate in the action as much as possible good practices and know-how of EU member States health agencies, research centres and academic counterparts, along with the private sector, when appropriate.

⁹https://www.who.int/docs/default-source/coronaviruse/COVID-strategy-update-14april2020.pdf?sfvrsn=29da3ba0_6

2.4 Complementarity, synergy and donor coordination

Complementarity and coordination will be sought with relevant EU initiatives funded initiatives:

- EU – Brazil Sectoral Dialogues Support Facility; Responsible Business Conduct in Latin America and the Caribbean; Horizon2020 and other EU funded research programs; WIN-WIN: Gender Equality means Good Business; International Urban Cooperation; the trade projects in the region, including the Partnership Instrument projects on market access aiming at supporting the implementation of the EU Trade Agreement with Colombia, Peru and Ecuador, the Association Agreement with Central America, the Global Agreement with Mexico, the EU- Chile Association Agreement and the future implementation of the EU-Mercosur Association Agreement, projects supporting vulnerable groups and finally projects on public diplomacy.

The Regional Team in Brasilia and the EU Delegations in the relevant countries will ensure complementarity with other EU Member State actions and actions by other donors and international actors.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

The EU added value is based on the long standing global / coordinated approach used by the EU, and by the fact that it is exactly the cooperation among countries and international organizations which can offer tangible results. Finally, the EU commitment to multilateralism gains an even more important role through this action at a crucial moment when International Organizations are under political pressure by some major donors.

2.6 Cross-cutting issues

AMR presents a serious challenge to human and animal health, food safety and security, economy and development, even more in the context of the COVID19 pandemic. The 2017 EU One Health action plan aims to link various sectors and actors in defense of human, animal and environmental health and rights. Also the actions of the EU Strategic Approach to Pharmaceuticals in the Environment go into that direction. The project will take into consideration the following cross cutting issues: health as a basic human rights (including access to services), gender (specifically women head of family from vulnerable groups), social rights, LGBTI rights, minority rights, multilateralism (as EU answer to global challenges) and fight against disinformation / access to reliable data (health data to implement sound public policies).

3 ACTION DESCRIPTION

The COVID-19 pandemic has demonstrated the importance of a global and coordinated response, as already established for tackling AMR. Rather than seeing the fight against AMR and the COVID crisis as independent of each other, one will exacerbate the other, if not addressed properly. The current COVID-19 pandemic threatens to weaken further the already endangered fight against antimicrobial resistance, as the spike in antibiotic use would lead to more resistant bacterial infections.

Strategies for AMR containment can be also effective to decrease the impact of COVID -19, such as:

- Increasing adherence to infection, prevention and control (IPC) measures, including standard precautions, hand hygiene, contact precautions, and prevention of ventilation-associated pneumonia;

- Antimicrobial stewardship programs (ASP) aimed at ensuring the appropriate use of antimicrobials at hospital level, as near all COVID-19 severe patients are prescribed broad-spectrum antibiotics; and
- Strengthen laboratory capacity for detection and monitoring of multidrug resistant organisms (MDROs) causing healthcare associated infections.
- Promote good practices in livestock and food production and strengthen surveillance of zoonotic diseases to prevent spill-over of pathogens from animals to humans that may pose a threat to human health.

Within this context, ongoing AMR action can provide an opportunity to strengthen the national response to COVID-19 of partner countries and decrease the impact of this pandemic. Furthermore, the strategies and lessons learnt within the region and from the EU could be replicated by other countries in Latin America.

3.1 Objectives

Under the framework of the established objectives of the AMR ongoing project (which will not be modified), the overall objective of this top-up is to decrease the impact of the COVID-19 outbreak and future pandemics in public health with a specific attention at minimizing its impact on the spread of AMR in healthcare settings.

Considering the **specific objectives** of the ongoing project “Working together to fight AMR”, specific actions to contribute to the COVID-19 response were identified:

1. To support the development and evaluation of the implementation of national One Health AMR action plans.

- As part of the current Action, countries receive technical assistance for the establishment and/or implementation of specific intervention as infection prevention and control and antimicrobial stewardship in the context of the NAPs.
 - Additional/expanded activities include, among others, workshops on IPC, with a specific focus on COVID-19 monitoring of healthcare workers adherence to IPC measures, development of guidance for treatment of severe pneumonia including antibiotic empiric treatment.
 - Expected Result 1: NAPs are established and implemented, increasing country capacity for prevention of healthcare associated infections.

2. To strengthen surveillance and monitoring of AMR and consumption/use of human and veterinary antimicrobials in compliance with international standards

- Integrated surveillance and monitoring of AMR trends and consumption/use of antimicrobials are strengthened by improved data collection, management, and analysis and reporting. As part of the current project, National and Regional Reference Laboratories and AMR methodologies are strengthened in compliance with international standards.
 - Additional/expanded activities include, among others, strengthening microbiological and epidemiological surveillance of healthcare associated infections to increase capacity to monitor and detect future outbreaks, including ventilator-associated pneumonia. Monitoring of impact on healthcare workers, facilitate laboratory support and strengthen the veterinary public health laboratories capacity to implement PCR-RT (Reverse transcription polymerase chain reaction) and apply international standards on biosecurity.
 - Expected Result 2: Development and/or implementation of policies and regulations on healthcare associated infections surveillance. Improved national laboratory capacity for molecular detection of pathogens and/or resistance mechanisms. Monitoring of consumption/use of antimicrobials are strengthened by improved data collection, management, and analysis and reporting.

3. To stimulate the private sector to participate in the control of AMR, with the signing of Public-Private Partnership (PPP), strategic alliance and technical assistance on responsible and prudent use of antimicrobials

- The commitment and participation of the private sector in the control of AMR is increased through PPP initiatives, better capacities for the prudent use of antimicrobials, and improvements in the national AMR regulatory frameworks.
 - Additional/expanded activities will, among others, aim at improving biosecurity measures at farms, improve of good hygiene/sanitation practices at farms, monitor COVID-19 in animals, layout the current situation of wildlife trade and related activities in the Americas region and develop a risk-based analysis for future spill-overs events, establish guidelines and measures to better control livestock trade in wet markets, establish guidelines and measures to avoid wildlife trade in illegal markets, and strengthening good hygiene/sanitation practices in the supply chain.
 - Expected Result 3: Regulatory bodies are supported to strengthen policies on livestock and wildlife supply chain management. Capacity development for the adoption of COVID-19 risk mitigation protocols and AMR actions in Good Manufacturing Practices (GMP) programs for agroindustry. Dialogue will progress with the sanitary authorities to recognize these protocols on an official and voluntary basis (Soft Law).

4. To strengthen research and innovation on AMR and alternatives to antibiotics while fostering international cooperation in these areas.

- Under the One Health Approach, research and innovation on AMR and alternatives to antibiotics are strengthened and international cooperation in these areas is improved.
 - Additional/expanded activities include, among others, to facilitate the participation of academic institutions and researches in European studies on assessing emergence and spread of multidrug resistant organisms, antibiotic consumption during the COVID-19 pandemic, and potential changes in resistance patterns on hospital and/or community acquired pathogens.
 - Expected Result 4: Research and innovation on AMR and alternatives to antibiotics are strengthened, and international cooperation in these areas has been improved. Research on the emergence and spread of multidrug resistant organisms, and antibiotic consumption during the COVID19 pandemic.

The proposed additional activities will be implemented in two phases. In the short term (year 1), there will be specific activities aiming at protecting healthcare facilities during outbreaks, and the critical role of hospitals to actively detect, monitor, and respond to emerging infectious disease threats. Protecting healthcare workers and patients and maintaining essential services through safe delivery of care are critical priorities to reduce morbidity and mortality from COVID-19 and its complications (Objective 1). In the medium term (years 2 and 3), the improved Action will focus on strengthening preparedness for prevention and detection of emerging pathogens, including zoonosis, new AMR mechanisms, AMR and consumption/use antibiotic surveillance (Objective 2), research and innovation (Objective 4). The Objective 3 will be implemented throughout the lifespan of the project.

3.2 Stakeholders

The main stakeholders involved in articulating the AMR policies and implementation in the different countries are (indicative listing):

Argentina: Ministerio de Salud, Ministerio de Agroindustria, Servicio Nacional de Sanidad y Calidad Agroalimentaria (SENASA), Universidad de Buenos Aires, Administración Nacional de Medicamentos, Alimentos y Tecnología Médica. Asociaciones Nacionales de Agroindustrias.

Brazil: Ministério da Saúde, Ministério da Agricultura, Pecuária e Abastecimento, Agência Nacional de Vigilância Sanitária (ANVISA). Asociaciones Nacionales de Agroindustrias

Chile: Ministerio de Salud, Ministerio de Agricultura, Instituto de Salud Pública de Chile, Instituto de Investigaciones Agropecuarias, Servicio Nacional de Sanidad y Calidad Agroalimentaria. Asociaciones Nacionales de Agroindustrias.

Colombia: Ministerio de Salud y Protección Social, Ministerio de Agricultura y Desarrollo Rural, Instituto Nacional de Salud, Laboratorio Central de Salud Pública, Instituto Colombiano Agropecuario – ICA, Instituto Nacional de Vigilancia de Medicamento. Asociaciones Nacionales de Agroindustrias

Paraguay: Ministerio de Salud Pública y Bienestar Social, Ministerio de Agricultura y Ganadería, Instituto Nacional de Salud – INS. Asociaciones Nacionales de Agroindustrias.

Peru: Ministerio de Salud, Ministerio de Agricultura, Servicio Nacional de Sanidad Agraria – SENASA. Asociaciones Nacionales de Agroindustrias.

Uruguay: Ministerio de Salud Pública, Ministerio de Ganadería, Agricultura y Pesca, Servicio Nacional de Sanidad y Calidad Agroalimentaria, Academia Nacional de Veterinaria, Administración Nacional de Medicamentos, Alimentos y Tecnología Médica. Asociaciones Nacionales de Agroindustrias.

Other important stakeholders for the implementation of the proposed action are **European Medicines Agency (EMA), European Food Safety Authority (EFSA), European Centre for Disease Prevention and Control (ECDC), Joint Programming Initiative on AMR (JPIAMR), and the EU Member States specialised agencies.** Regional international organisations such as the Inter-American Institute for Cooperation in Agriculture, the Permanent Veterinary Committee of Cono Sur (CVP) and the American Committee for Veterinary Medicines (CAMEVET), General Secretariat of Andean Communities SG CAN. The academics, researchers and consumers associations working on AMR and on response to COVID-19 will be also associated to the action as well as the pharma industry.

Beneficiaries of the action

The activities will directly benefit microbiologists, epidemiologists and preventive medicine specialists working in hospitals and public health laboratories participating in the trainings, and the multidisciplinary teams implementing detection and response strategies in health services, including those in the veterinary sector and animal health and animal food production sector. From the food and agriculture sector, the activities will benefit the private sector, i.e. the food industry and its stakeholders, with an emphasis on SMEs; and the public sector, i.e. competent authorities that guarantee the supply of safe and quality food for all. This will contribute to the continuous strengthening of health services in a sustainable and cost-effective manner building capacity at national and regional level. It will also assist national authorities, responsible for future investments, to make use of the evidence-based interventions generated through this project, to better preserve the use of antimicrobials.

3.3 Risk assessment and management

The key assumption of this project is that both EU and target South American countries are committed to strengthening cooperation on the critical issues of AMR and COVID-19 fight.

| Risks | Risk level (H/M/L) | Mitigating measures |
|--|--------------------|--|
| Development/implementation process for National AMR Plan may not be jointly owned by national senior ministry management risking approval and resource allocation. | H | Inter-ministerial seminars will provide opportunity for senior level officials to understand the urgent need for action in the fight against AMR and their ownership role for NAP implementation and operational plans. |
| National coordination groups that developed NAPs may not have sufficient capacity to effectively manage the implementation of key technical components which may | H | A flexible approach of time-term technical assistance can provide longer term for countries at NAP development stage; and short or medium-term support may be more appropriate for laboratorial activities defined by countries with |

| | | |
|---|---|---|
| compromise the quality of execution. | | developed NAPs. |
| Insufficient buy in across the spectrum of business and industry, professional communities, and consumer groups, due to multiple and diverse business, professional and personal needs and interests. | M | Mitigation of this risk will be partly assured with the involvement of target governments to attract constituent groups to participate. Project will mitigate this risk through a series of tailored scientific-technical seminars providing basic scientific information about AMR directed to constituent groups. |
| In the aftermath of the crisis social and economic issues take the stage and National Governments lose interest on lessons learned and preparedness for the next pandemic. | H | Strong lobbying (technical and political) on stakeholders to keep health related issues at the top of the agenda. |
| Human, animal and environmental health professionals may not have sufficient understanding of and knowledge about antimicrobial resistance, and mechanisms to reduce the incidence of infection, and optimize use of antimicrobial agents. Country level laboratory staff may not have sufficient capacity to conduct AMR diagnostic technical for proper use of AM and AMR surveillance. | M | Cooperation with the International Organizations on this issue will be an integral part of this project, especially in relation to upgrading knowledge and capacity of human and animal health and environmental professionals in relation to AMR diagnostic techniques for the proper use of AM, and AMR surveillance. The project will partly mitigate this risk by supporting training through regional and national laboratory leaders to assist with specialised training program to strengthen the capacity of the professionals across sectors. |
| Lack of political will at the national level to adopt new policies. | L | Political awareness for the urgency of tackling AMR and intergovernmental fora. |
| Resistance from wet market owners and traders on improving health and safety procedures | M | Throughout the project continuous technical awareness raising and training activities on economic social and health consequences of poor hygiene / sanitation and illegal commercialization of wildlife. |
| Denial or opposition to science and fact-based policies in the health / agricultural / R&D system due to the rise of populist elites. | M | 360 degrees awareness raising campaign, lobby and data sharing with major media outlet, legislative powers, think tank and social media influencers. |

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action¹⁰ (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

This action has already a communication and visibility plan, stemming from the ongoing project.

¹⁰ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management¹¹ with international organisations

This action may be implemented in indirect management with the World Health Organisation (WHO)/Pan American Health Organization (PAHO), the Food and Agriculture Organization of the United Nations (FAO) and the World Organisation for Animal Health (OIE).

The entrusted entities would carry out the following budget implementation tasks: carrying out of activities relating to the management, monitoring, control and auditing of budget appropriations as well as the provision of technical assistance and consultancy services, seminars/conferences/events, carrying out studies and analysis and supporting specific partnerships.

This implementation entails undertaking all necessary actions, including the main indicative activities described above in section 3, to achieve the objectives and expected results of the PI action. This implementation is justified because of the specific technical competence of WHO/PAHO, FAO and OIE on matters related to AMR. The three organisations have established a Regional Tripartite group internationally recognized with the mandate to strengthen the development and implementation of the NAPs, through regional action plans and technical assistance projects. Consequently, the WHO/PAHO, FAO and OIE are best placed and constitute a logical choice for managing this complex EU intervention, due to the unique combination of technical expertise and contacts with relevant authorities in governments of partner countries, with businesses and other stakeholders.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.¹²

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|--|------------------------------|
| Indirect management with international organisations | 3 |
| Total | 3 |

4.3 Organisational set-up and responsibilities

This action will have the same the organisational set-up of the ongoing project.

The Project is advised by a Steering Committee (SC). Its members are: FPI, DG SANTE, DG RTD, EU Delegations, and the project's implementing partners (PAHO, FAO, OIE). The SC will be complemented and supported by an *ad hoc* Technical Advisory Board (TAB) to guarantee the translation of the political guidance of the Steering Committee into practical measures. The TAB will be composed by: PAHO, FAO, OIE, FPI, and representatives of European Medicines Agency (EMA), European Food Safety Authority (EFSA) and European Centre for Disease Prevention and Control (ECDC). Furthermore, existing structures of the implementing organizations will be used to coordinate and implement the activities at country level.

¹¹ Article 154 of the Financial Regulation – Selection of the entities entrusted with the implementation of EU funds in indirect management.

¹² 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.

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.

4.4 Performance monitoring

The daily technical and financial monitoring of the implementation of this Action will be a continuous process, and part of the leading implementing partner's (PAHO) 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. Technical and financial reports from FAO and OIE will be consolidated by PAHO before submission to the EC.

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 Log frame matrix (Annex B) following the PIMS methodology.

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

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

4.5 Evaluation and audit

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

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

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

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Safety across Asia For the global Environment (SAFE)

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Title of the Action | Safety across Asia For the global Environment (SAFE) | | | |
| Country/region/global | Proposed countries ¹ : China, Lao PDR, Thailand, Viet Nam + dissemination to other ASEAN Member States | | | |
| Sector of intervention | Public Health, Environment | | | |
| Indicative budget | Total: EUR 4 050 000 EU contribution: EUR 4 000 000 (99%) Other contributions: UNODC 50 000 EUR (1%) | | | |
| Duration and target start date of implementation | 48 months Start date: Q4 2020 | | | |
| Method of implementation | Indirect management with the United Nations Office on Drugs and Crime (UNODC) | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries ² | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Internal markers | | | |
| | Digitalisation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Covid | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |

¹ Countries will be confirmed or modified during the inception phase, based on an updated assessment of the situation.

² OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

The outbreak of coronavirus disease (COVID-19)³ is the major health emergency of our times, defined as a pandemic by the World Health Organization. It has rapidly spread across the globe in the first quarter of 2020, affecting populations in over 200 countries and territories and impacting entire communities, societies and economies.

Certain hypotheses which still need to be confirmed, suggest that the virus ‘SARS-CoV-2’ could be linked to a zoonotic pathogen in wild bats and pangolins that may have passed to humans; epidemiological investigations are ongoing to confirm this hypothesis.

The EU has been heavily affected by the COVID-19 pandemic. Understanding and acting on the prevention, preparedness, response and conscientious management of these risks is quickly becoming a matter of security for the EU and its Member States, and a clear goal from a foreign policy perspective.

While significant efforts have been made to combat illegal wildlife trade at international level, less attention has been devoted to high-risk wildlife facilities and locations until the outbreak of COVID-19. Yet, mitigating the risk of new zoonotic diseases within wildlife keeping facilities is one important element in the prevention strategy against new pandemics.

In light of this, and while fully acknowledging that potentially high-risk types of human-animal contacts can happen in a number of different contexts, wildlife keeping facilities and markets will be the main focus of this action. SAFE is conceived to directly contribute to reducing the likelihood of new wildlife-related pandemics by targeting risks associated to facilities and locations with a high risk of viral transmission from wild animals to humans with a clear focus on specific countries in Asia, the key region for action and prevention.

The project proposes to implement immediate action in four countries. A preliminary proposal would include China (tentative locations within Yunnan, Guangxi and Guangdong provinces), plus three ASEAN Member States (tentatively Vietnam and Lao PDR and Thailand), with dissemination at regional level to ASEAN Member States.

SAFE will work to strengthen partnerships and joint efforts between the EU and these partner countries to increase the understanding of the threat, assessing the risks and to identify prevention measures from both a policy and regulatory perspective.

The proposed lines of intervention will include:

- a) Identifying high-risk categories of facilities and locations by developing and implementing a risk assessment framework;
- b) Supporting partner countries in the application of appropriate risk-mitigation measures (regulatory, enforcement) in key high-risk facilities and locations;
- c) Supporting a regional policy dialogue and promoting regional engagement between ASEAN Member States and the EU.

2.2 Background/Context/Rationale for PI funding⁴

The COVID-19 pandemic constitutes an unprecedented challenge with very severe health and socio-economic consequences for the EU and globally. In the wake of the crisis, solutions are being deployed to manage the pandemic and its far-reaching impact and to prevent similar outbreaks in the future. COVID-19 is suspected to be linked to a zoonotic pathogen in wild bats which may have been

³ The official terminology as defined by WHO is “COVID-19” for the disease and “SARS-CoV-2” for the virus. In this proposal, both terms are used, where appropriate.

⁴ More information on PI funded actions is available on the PI map: www.pimap.eu

passed to humans via an intermediary host and scientists are investigating on this aspect. According to the United Nations Environment Programme, up to 70% of all emerging infectious diseases are zoonotic, i.e. originating from animals and transmitted to humans.⁵ The World Health Organization, in response to COVID-19, has highlighted the importance of enforcing bans on the sale of wildlife, as well as food safety and hygiene regulations⁶. Governments will face serious challenges in enforcing such controls as long as illegally sourced wildlife products find their ways to legal establishments in East Asia and Southeast Asia.

In most countries in Southeast and East Asia it is possible to find wet markets, exotic pet markets, restaurants specialized in wild animal [bush] meat, Traditional Chinese Medicine (TCM) shops as well as captive breeding facilities that cater to a demand for rare wildlife derived products. While the vast majority of these establishments comply with local existing sanitary and management requirements, others take advantage of loopholes to trade with rare and profitable wildlife products. Illegally sourced wildlife, traded in a clandestine way, escape any sanitary control that would normally apply to internationally safely traded wild meat, and thereby potentially increase the exposure of human beings to new viruses and other pathogens.

The existence of a parallel wildlife trade that exploits the loopholes of the legal market in Asia makes the enforcement and security measures against wildlife trafficking ever more relevant to help prevent a similar pandemic in the future.

Asia is therefore a critical part of any preventive solution against future wildlife-related pandemics and the EU is at the forefront of a forward-looking response to this major challenge, which includes strengthening the ongoing cooperation on biodiversity and health with key partners in the region, such as China and ASEAN Member States.

In Southeast Asia, the ASEAN-EU Plan of Action for 2018-2022 sets out to promote the inter-regional cooperation in addressing trafficking of wildlife, including by strengthening the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and other international conventions. Furthermore, the Plan of Action sets out to enhance EU-ASEAN cooperation on health matters by strengthening coordination and cooperation in addressing emerging infectious diseases including pandemics. This includes developing a network of existing agencies to enhance the effectiveness of regional surveillance and response towards emerging infectious diseases (EID) for better preparedness against major disease outbreaks (art 3.2).⁷

By tackling both the health risks of transmission of zoonotic diseases to humans at source and illegal wildlife trade in the beneficiary countries, SAFE will directly contribute to the implementation of SDG 3 (health), target 3.D and SDG 15 (life on earth), target 15.7.

Geographic scope

The geographic scope of SAFE will include countries where consumption, breeding and trading of wildlife products - legal and illegal - have been well documented and may involve a greater the risk of wildlife-related zoonotic diseases. A preliminary proposal is to include China (Yunnan, Guangxi and Guangdong), Vietnam, Lao PDR and Thailand. This selection of countries or regions/provinces may be reconsidered at the end of the inception period, in light of a first screening of literature and survey of AMS to identify and prioritise highest risk areas in ASEAN. Finally, the regional activities proposed under SAFE will more broadly address ASEAN Member States.

⁵ https://www.unodc.org/documents/wwcr/2020/Wildlife_crime_Pangolin_UNODC.pdf

⁶ WHO Director-General's opening remarks at the Mission briefing on COVID-19 - 16 April 2020
<https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-mission-briefing-on-covid-19---16-april-2020>

⁷ <https://asean.org/storage/2017/08/ASEAN-EU-POA-2018-2022-Final.pdf>

2.3 Lesson learnt

SAFE builds in particular on UNODC-EU experience in the implementation of EU funded actions in the region and the latest regional UNODC-CITES project addressing wildlife trafficking in East and South East Asia. Key lessons learnt SAFE builds on are:

- The importance of a strong working relationship with national counterparts and their involvement into the project design from the onset to ensure the effective implementation and outcomes of the programme.
- Early consultations with the relevant stakeholders to review and assess ongoing initiatives exchange and build on existing knowledge and identify gaps.
- The importance of the regional dimension and the involvement of ASEAN for political commitment to an issue of concern at the regional level and to mitigate the displacement effect which can affect other neighbouring countries
- The importance of transparency and regular communication between the EU and UNODC and with all counterparts about the action progress and results.

UNODC has been conducting extensive consultations with the perspective beneficiary countries, key international organizations - UNEP, WHO, FAO, World Organization for Animal Health (OIE) - civil society organizations and individual experts.

2.4 Complementarity, synergy and donor coordination

SAFE will build on the relationships and networks the EU and UNODC have developed in partner countries, particularly in the joint UNODC-CITES EU funded action "Law Enforcement and Demand management of wildlife in Asia", which will be completed in 2020.

UNODC has achieved significant progress in working with the national authorities on interdicting, seizing, investigating and prosecuting wildlife cases. The action, however, has primarily focused on transnational wildlife trafficking and not on internal markets and has not looked at the health implications of illegal wildlife trade, which SAFE will address.

SAFE will also benefit from the EU funded action "*Wildlife law enforcement in targeted countries and international coordination improved by supporting ICCWC through UNODC and INTERPOL*" implemented by UNODC and INTERPOL in collaboration CITES, World Customs Organization, the World Bank (the partners of International Consortium on Combating Wildlife Crime - ICCWC). The action is global and covers 32 countries. It will help target illegal wildlife trade online and high risk borders between China, Lao PDR and Vietnam.

UNODC will also closely collaborate with Wildlife Conservation Society (WCS), which is implementing an EU-funded action in South East Asia with an objective of disrupting illicit supply chains from source to market for tiger, Asian elephant, Siamese rosewood, and freshwater turtles in the Greater Mekong region, Malaysia and China by leveraging civil society partnerships to increase the effectiveness of Government action. This action will support civil society engagement and links with the SAFE initiative and provide inputs to the risk indicators of the latest wildlife trafficking trends in the region.

SAFE will also seek complementarities with the project "*Biodiversity Conservation and Management of Protected Areas in ASEAN*" which aims to enhance biodiversity conservation and effective management of protected areas in Southeast Asia. The action supports the Association of Southeast Asian Nations (ASEAN) Centre for Biodiversity and provides training of ASEAN heritage parks.

SAFE will also seek complementarities with the second component of the Partnership Instrument (PI) funded "*EU-China Cooperation on environment, green economy and wildlife protection*" which addresses the role of China as key destination for wildlife trafficking.

Lastly, SAFE will closely work with the EU funded action "Enhanced Biosecurity in South East Asia", implemented by the Sustainable Criminal Justice Solutions Europe in Cambodia, Indonesia,

Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam, focusing on enhanced Biosecurity in South East. Finally, SAFE will build on the knowledge gathered by relevant interventions supported by the EU on the One Health approach in Southeast Asia.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

EU response to COVID-19, has been unprecedented. Comprehensive actions, encompassing rapid response, health, political, socio-economic, and targeted measures to halt the virus spread and to address its impact have been rolled out since the beginning of the crisis. The EU has also taken the lead at the multilateral level, advocating for unity and coordination in the response. At the latest World Health Assembly in May 2020, a resolution on the importance of a collective response to the pandemic, sponsored by the EU and its Member States, was adopted by consensus. Prevention, better preparedness and collective response have therefore become an important priority for the EU, who is actively engaged domestically and internationally. The EU's value added to this action will be in providing the political and leadership capital, sharing its expertise and supporting further engagement, ultimately protecting the interests of the EU and its global partners. The EU will also bring the strategic value of its newly adopted relevant policy frameworks. In fact, SAFE is in line with the EU's commitment to the mobilisation of COVID-19 response domestically and internationally, while remaining strongly anchored in the key principles of the EU Green Deal, particularly to the aim to '*protect the health and well-being of citizens from environment-related risks and impacts*'⁸ and in support to its external dimension, which is key for the Green Deal's full implementation.

Finally, SAFE aligns with the EU 2030 Biodiversity Strategy⁹, which proposes measures for countering global biodiversity loss, including the efforts to reduce wildlife trade and consumption, protection and restoration of ecosystems, contributing to the risk mitigation of new zoonotic diseases and pandemics and supporting a One Health approach where human, animal and ecosystem health are integrated in a common biosecurity framework.

2.6 Cross-cutting issues

The action targets crosscutting issues of multilateralism (in particular by supporting the EU dialogue with ASEAN and among the ASEAN member states on biosafety and serious zoonotic diseases), resilience (highly relevant in the post-COVID-19 political and geopolitical context), and biodiversity conservation. Wildlife trafficking has become one of the most profitable criminal activities worldwide, with devastating effects for biodiversity and critical threat to multiple species, including the pangolin. Environmental considerations are therefore at the core of the project design and are explicitly mainstreamed in the project's results framework at the overall objective, purpose and results level. Human rights and a gender approach are of relevance in this programme and will be taken into consideration when the partner countries' assessments are carried out and throughout implementation.

⁸https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf, p.1

⁹https://www.acceptance.ec.europa.eu/environment/nature/biodiversity/strategy/index_en.htm

3 ACTION DESCRIPTION

3.1 Objectives

SAFE supports the prevention of future wildlife-related pandemics by focusing on facilities and locations posing high risk of harbouring severe zoonotic diseases and will work to strengthen partnerships and joint efforts between the EU, China and four ASEAN countries to increase the understanding of the threat and identify prevention measures from both a policy and regulatory perspective.

The overall objective of SAFE is to start an EU/UN/Asia cooperation to contribute to the prevention of wildlife-related pandemics by targeting risks at facilities and locations with a high risk of disease agents' transmission from wild animals to humans in four priority Asian countries.

Specific objectives are:

- 1) Develop and implement a risk assessment framework for facilities and locations posing the highest risk of passing severe zoonotic diseases from wild animals to humans.
- 2) Provide regulatory and advisory support to governments to manage and phase out as appropriate high-risk facilities and locations.
- 3) Support existing dialogues and increase regional cooperation framework (ASEAN, China, EU) on biosafety aiming to prevent zoonotic diseases in the future.

In order to contribute towards the overall objective and the three specific objectives, SAFE is articulated around three results.

Result 1: High-risk facilities identified for possible zoonotic viruses in priority Asian countries – (preliminary proposal includes China (Yunnan, Guangxi and/or Guangdong provinces), Vietnam, Laos PDR and Thailand)

Indicative Activities:

1.1 Developing a risk assessment framework to identify high-risk facilities and locations

The first step to assess a number of wildlife facilities will be the development of a set of indicators that will form the assessment framework. Such a framework will require the identification of science-based parameters and best practices to be developed by a multi-disciplinary team of experts (epidemiology, biosafety and food safety, food-security and law enforcement, value chain and illegal wildlife, etc.) in consultation with key Government counterparts. This framework will form the basis to identify high-risk facilities and markets, to analyse licensing systems and controls in place, disease agent gathering potential, sanitary procedures, HCCP and vulnerability to illegal wildlife trade and corruption.

1.2 Mapping and baseline setting for high risk facilities/locations

Specialised teams will conduct on the ground inspections of potentially high-risk establishments involved in possible illegal or unsafe trade, breeding and consumption will be mapped, including markets, captive breeding facilities, restaurants, zoos, TCM shops and other relevant entities. The identification of the priority 1 facilities will be agreed with Government counterparts on the basis of existing information collected from reports, media articles, local community, NGOs, expert opinions and any other relevant information. The assessments will also include an analysis of national legal and regulatory frameworks.

This will result in the comprehensive mapping and overview of locations, licensing, authorization, inspections and socio-economic value of the facilities.

Result 2: National policies adopted to prevent wildlife- related zoonotic diseases

Indicative Activities:

2.1 Conducting national dialogues based on the assessment findings

In close coordination with relevant EU services and EU Delegations, the project will engage with national authorities on regulatory and enforcement systems and policies.

In accordance with the countries' policy process, engagement with national authorities should also address possible social consequences of the closure or suspension of facilities, should these be enforced by the partner countries, in order to take preventative actions to ensure that current legal practices are not pushed towards the black market. Additional consequences could impact food and/or economic security of people that have relied on such facilities. Appropriate mitigation measures will need to be discussed with the relevant ministries to address any resulting socio-economic challenges.

2.2 Supporting the review of existing regulations, policies and strategies

Based on the findings and recommendations of the assessments, SAFE will support partner countries in reviewing the existing regulations on husbandry, markets, hygiene, trade, medicinal uses and any other relevant decisions and regulations related to the consumption of wildlife products.

Result 3: Regional biosafety standards and joint strategies adopted within ASEAN

Indicative Activities:

3.1 Facilitating ASEAN communities to define cross-sectoral standards for safe, sustainable keeping, trade, use and consumption of wild animals

Based on the assessment framework developed in Result area 1 and in light of engagement with China, Lao PDR, Thailand and Viet Nam for the development of new national policies, the project will engage with relevant ASEAN bodies to support the identification of regional standards in the management of wildlife facilities. Given the cross-sectoral nature of the technical standards to be discussed, consultations will have to take place through ad-hoc gatherings or existing gatherings of key senior official meetings from all three ASEAN Communities (Political/Security, Economic/Socio-Cultural, Animal and Public Health).

3.2 Supporting existing dialogues and establishing an exchange platform on risk mitigation measures against zoonotic diseases between ASEAN, China, European Union and other key stakeholders

The platform will bring together relevant experts to discuss preventive solutions and measures across regions to support the alignment of measures to respond to zoonotic diseases and public and animal health emergencies. Through the dialogue among scientists and selected policy makers from EU and ASEAN institutions, a renewed stimulus for the exchange of information will be set in motion.

3.2 Stakeholders

The proposed action will involve many stakeholders, which would include:

National authorities (Ministry of Health, Ministry of Environment, Ministry of Public Security, Ministry of Agriculture, customs, law enforcement) of China, Vietnam, Lao PDR, Thailand; EU representatives; UN system; ASEAN representatives; representatives from international scientific, health, biosafety, security and enforcement communities; CSOs; research entities and universities. SAFE will have multiple benefits for wider populations across the partner countries, ASEAN, the EU and globally by increasing the prevention of wildlife-related pandemics at source. The beneficiaries will therefore be the entire human populations. Wildlife populations will directly benefit from the action, including the endangered and critically endangered species, which are being traded illegally.

3.3 Risk assessment and management

| Risk description | Risk level (H/M/L) | Mitigating measures |
|--|--------------------|---|
| National governments may be reluctant to acknowledge the link between wildlife consumption/trade and zoonotic diseases or to prioritise measures to prevent wildlife related pandemics | M/H | <ul style="list-style-type: none"> ▶ Maintain regular engagement with the countries at site, national and regional levels, including by liaising with EU delegations as needed; ▶ Reiterate the neutral, independent and technical approach of SAFE, customized around the specificities of each participating Country; ▶ Stressing the importance of building scientific knowledge to underpin policy reforms, while acknowledging that the ultimate decision for policy changes stays with Governments ▶ Initiate inception dialogue with key ministries in respective four countries |
| <p><u>Assumptions</u></p> <ul style="list-style-type: none"> ▶ High level political commitment to work with UNODC/EU on SAFE ▶ Provision of high quality and timely technical advice ▶ High convening power of UN organisations at site, country and regional level ▶ Willingness by EU delegations to use their diplomatic channels and relevant policy dialogues to keep the level of engagement by partners countries high | | |
| Reluctance of governments to amend regulations, polices, enforce the control and/or suspensions and bans on high risk facilities and locations | M | <ul style="list-style-type: none"> ▶ Secure commitment from the government and engage national authorities, including public health, environment, enforcement, in the development of risk assessment framework and assessments on site ▶ Secure national ownership of outcome reports from risk assessments and action plans for the mitigation of risks ▶ Maintain a focus on technical and scientific arguments for the prevention of public health emergencies |
| <p><u>Assumptions</u></p> <ul style="list-style-type: none"> ▶ Commitment of governments to take appropriate measures to address high risk facilities and locations ▶ Provision of high quality and timely technical advice ▶ High convening power of UNODC at site | | |
| Reluctance of ASEAN to engage in the dialogue on biosafety and wildlife related pandemics | M | <ul style="list-style-type: none"> ▶ Engage ASEAN socio-economic, environment and security communities in the dialogue and provide the benefits of engagement |
| <p><u>Assumptions</u></p> <ul style="list-style-type: none"> ▶ High level political commitment of ASEAN to address biosafety across the region linked to wildlife passing severe diseases to humans ▶ ASEAN commitment to political engagement with the EU ▶ High convening power of UNODC at site | | |
| Displacement effect-shifting of high-risk wildlife markets and facilities to other locations | H | <ul style="list-style-type: none"> ▶ Hold dialogue with the countries and ASEAN on a broader application of the action beyond the selected sites and secure interest to scale up the similar activities and assessment in other ASEAN countries |
| <p><u>Assumptions</u></p> <ul style="list-style-type: none"> ▶ Partner countries committed to effectively managing high risk facilities and locations and take action to prevent the relocation of high-risk facilities to other areas | | |
| Shift of open wildlife trade markets and facilities to clandestine operations and | H | <ul style="list-style-type: none"> ▶ This is a very high risk, which will need to be addressed through a targeted set of measures against wildlife trafficking and complemented by other law enforcement |

| | | |
|---|--|--|
| increased online trade | | activities and actions outside the scope of SAFE project |
| Assumptions | | |
| <ul style="list-style-type: none"> ▶ Law enforcement scale up investigations of illegal wildlife trade online ▶ Police and other front-line agencies increase intelligence-led investigations, including the use of specialized investigative techniques to address online wildlife trade | | |

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action¹⁰ (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management¹¹ with an international organisation

This action may be implemented in indirect management with the United Nations Office on Drugs and Crime (UNODC), in the framework of its Global Wildlife and Forest Crime Programme. This implementation entails carrying out activities described in section 3. UNODC is a leading organization in the UN System working on illegal wildlife trade and has widely implementation network of partners and stakeholders as well as established relationship with the national counterparts.

With a presence of a regional office in Thailand and other field offices in Lao PDR and Vietnam, UNODC is well positioned to deliver the action effectively while promoting the UN and EU core values and principles. Assessments of high-risk facilities and conducting baseline studies will require an interdisciplinary approach that brings together experts from different backgrounds, including wildlife trafficking, legal trade, animal health, biosafety, food safety, public health and developmental aspects. UNODC is in the process of identifying relevant partners and stakeholders that need to be involved in the project implementation. Key organisations currently being consulted include the World Health Organization, the World Organisation for Animal Health (OIE), the Food and Agriculture Organization (FAO), United Nations Environment Programme and other organisations.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.¹²

¹⁰ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

¹¹ Article 154 of the Financial Regulation – Selection of the entities entrusted with the implementation of EU funds in indirect management.

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|--|-----------------------|
| Indirect management with an international organisation (UNODC) | 4 |
| Total | 4 |

4.3 Organisational set-up and responsibilities

Under the overall project management by the FPI Regional Team for Asia/Pacific, relevant EU services will contribute to steering the implementation of the action, as well as to ensuring coherence, visibility and alignment with EU policies and foreign policy. EU Delegations in key partner countries will provide advisory support on relevant project activities. A Project Steering Committee (PSC) including representatives from the EU and UNODC will be established. Its final composition and working mechanisms will be defined during the negotiations of the contribution agreement. It will meet at least once a year, starting with a kick-off meeting during the inception phase of the project. Relevant stakeholders may be invited to the meetings of the PSC.

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.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

For this Action, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference. The project will be subject to routine internal audits by the United Nations Office for Internal Oversight Services (IOS) as per United Nations rules and regulations. Regular spot checks will be conducted on reported expenditures by partners.

¹² www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this Action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments. As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.4. above, will be funded from sources other than those allocated to this specific Action.

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Unwaste: tackling waste trafficking to support a circular economy transition

1 KEY IDENTIFICATION DATA

| | | | | |
|---|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Title of the Action | Unwaste: tackling waste trafficking to support a circular economy transition | | | |
| Country/region/global | Indonesia, Malaysia, Thailand and Vietnam (bilateral level, priority 1 countries), all ASEAN countries (regional level and ad hoc activities) | | | |
| Sector of intervention | Environmental policy and administrative management | | | |
| Indicative budget | Total: EUR 3 000 000 EU Contribution: EUR 3 000 000 (100%) | | | |
| Duration and target start date of implementation | 48 months Start date: Q4 2020 | | | |
| Method of implementation | Indirect management with the United Nations Office on Drugs and Crime (UNODC) | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries ¹ | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input 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"/> |
| | Internal markers | | | |
| | Digitalisation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Covid | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

¹ OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

The issue of illegal waste shipments to Southeast Asia has increasingly gained attention since 2018, when China banned the importation of 24 types of recyclable materials, including plastics, putting a halt to a well-established model of delocalisation of waste. Waste - both legal and illegal² - started to be redirected to less regulated countries, particularly in Southeast Asia. Malaysia, Vietnam, Thailand and Indonesia have soon become top destinations and the management of the sudden and sharp increase in plastic waste imports has proved challenging. These countries have responded by sending back waste containers to the countries of origin (Malaysia), announcing a ban on the import of plastic by 2021 (Thailand) and stopping the issuing of new import licences (Vietnam).

The environmental and health impact of international shipments of certain types of waste is increasingly and consistently raised at the international level. In May 2019, mixed, unrecyclable and contaminated plastic waste exports were included in the Basel Convention,³ requiring consent from importing countries before waste can be exported. The implications for both export and import countries are expected to be significant, and cooperation and coordination in the implementation of these measures will be critical for their success.

Illegal waste shipments, defined under Regulation (EU) No 660/2014 of the European Parliament and of the Council of 15 May 2014 amending Regulation (EC) No 1013/2006 on shipments of waste⁴ and Regulation (EC) 1418/2007⁵, represent also an important challenge to the efforts towards increased efficiency and circularity of waste management systems, both in the EU and in Southeast Asia. The issue has developed a clear foreign policy element, as illustrated at the first meeting of a High-Level Dialogue on Environment and Climate Change in Bangkok in 2019, where the EU and ASEAN agreed that special attention and urgent action on plastic waste export is necessary⁶.

The **overall objective** of this action is to fight trafficking in waste between the EU and South East Asia by promoting enhanced EU-ASEAN Member States partnerships, in support of ongoing efforts towards a circular economy transition, in line with the relevant policy frameworks in the EU and partner countries. To achieve this overall objectives, the following specific objectives will be pursued:

1. To better understand waste flows between Europe and Southeast Asia, with an additional focus on the COVID-19 pandemic's impact on medical and hazardous waste movements;
2. To promote cooperation through national dialogues to combat the illicit movements of waste from the EU towards Southeast Asia;
3. To facilitate intra- and inter-regional dialogues at the policy level to promote partnership between the EU and Southeast Asian nations with a view to promote circular economies.

It will also attempt to analyse the impact of COVID-19 on existing transboundary movements of waste in relation, for instance, to healthcare waste⁷.

² OECD (2018), International Trade and the Transition to a More Resource Efficient and Circular Economy: A Concept Paper, p. 13.

³ [Basel Convention on the Control of Transboundary Movements of Hazardous Waste and Their Disposal](#)

⁴ [OJ L 189, 27.6.2014, p. 135–142](#)

⁵ Amended by Commission Regulation (EU) No 733/2014 of 24 June 2014 amending Regulation (EC) No 1418/2007 concerning the export for recovery of certain waste to certain non-OECD countries, [OJ L 197, 4.7.2014, p. 10–63](#)

⁶ https://eeas.europa.eu/headquarters/headquarters-homepage/65134/node/65134_en

⁷ <https://www.unenvironment.org/news-and-stories/story/healthcare-waste-what-do-it>

2.2 Background/Context/Rationale for PI funding⁸

After absorbing the bulk of the world's waste for the past three decades, in 2018, China implemented a ban on the import of sixteen types of waste, including metal scraps, industrial waste and plastics. Sixteen additional types of waste, including stainless steel, titanium and wood waste, were further banned in December 2019.

This prompted a major shift in the global flow of waste disposal. After the introduction of the first ban, China's imports of plastic waste dropped by 99%, while the import of mixed paper fell by a third.⁹ It is estimated that 111 million tons of plastic waste will be displaced with these bans by 2030.¹⁰ In the EU, about half the plastic waste is sent abroad, and until 2018 more than 85% was exported to China.¹¹ Southeast Asia – where the regulations on waste import are less stringent – has been receiving large quantities of global waste. Between 2016 and 2018, ASEAN countries saw the volume of plastic waste import grow by 171%, from 836,529 tons to more than 2.2 million tons.¹²

Furthermore, although the impact and extent is yet to be explored and understood, the ongoing COVID-19 pandemic is seen to be generating an increasing amount of healthcare and hazardous waste globally.¹³ While safe disposal of this type of waste is critical, most public health guidance have initially focused on prevention of infections via primary channels. Guidance on disposing healthcare waste such as used masks has been published by the Basel Convention¹⁴ and the European Commission¹⁵. The influx of contaminated waste in the context of the COVID-19 pandemic has the potential to cause an additional negative impact.

The import ban in China is also believed to have created greater opportunities for criminal groups to engage in related illegal activities in Southeast Asia, including waste trafficking. Particularly for plastics, it is often difficult to control the import and illegal dumping of waste, as containers are often deceptively labelled 'recyclable' when in fact the contents are not processable. Waste related to COVID-19 is also likely difficult to regulate and manage, as they may not have been categorised separately as hazardous at their origins.

Already in 2013, UNODC and UN Environment flagged concerns over illicit waste trafficking, particularly e-waste from the EU, USA and Japan to Asia. At the time, it was conservatively estimated that organised criminal syndicates earned US\$ 3.75 billion a year from this business, making it the 6th most lucrative form of transnational organised crime in the region.¹⁶ Europol and experts have also flagged the involvement of transnational organised crime in the illegal export of plastic waste from Europe.¹⁷ For instance, a case in Malaysia in 2019 involved mislabelled plastic and non-recyclable waste coming from Spain, the Netherlands and the UK.

To respond to the increasing flow of waste, Southeast Asian countries have taken actions in recent years. In 2019, Malaysia, Indonesia, the Philippines and Cambodia shipped waste containers back to the countries of origin. Malaysia set up a dedicated task force to strengthen its actions against illegal import by non-permit holders, and the country intends to ban plastic waste imports by 2021. Thailand also intends to ban the import of plastic and electronic waste in 2021, and a dedicated sub-committee headed by the Deputy Prime Minister was set up to amend the legal framework accordingly. Vietnam has stopped issuing new licenses for the import of waste and has revoked import permits held by companies that did not meet international standards on environmental control. The Vietnamese government has publicly declared its intention to ban plastic waste import by the end of 2024.

⁸ More information on PI funded actions is available on the PI map: www.pimap.eu

⁹ "Piling Up: How China's Ban on Importing Waste Has Stalled Global Recycling". Yale Environment 360.

¹⁰ Brooks, Amy L. [The Chinese import ban and its impact on global plastic waste trade](#).

¹¹ European Commission. [A European Strategy for Plastics in a Circular Economy](#), 2018

¹² Greenpeace. [Southeast Asia's Struggle Against the Plastic Waste Trade](#), 18 June 2019.

¹³ UN Environment Programme. [Waste Management an Essential Public Service in the fight to beat COVID-19](#), 24 Mar 2020.

¹⁴ <http://www.brsmeas.org/Implementation/MediaResources/NewsFeatures/COVID19Factsheet/tabid/8409/language/en-US/Default.aspx>

¹⁵ https://ec.europa.eu/info/sites/info/files/waste_management_guidance_dg-env.pdf

¹⁶ UNODC, [Transnational Organised Crime in East Asia and the Pacific. A threat assessment](#), April 2013.

¹⁷ EUROPOL, [TRASH WORTH MILLIONS OF EUROS](#), September 2019.

Setting up governance structures on this issue is a challenging task, with the volume and types of waste import being so vast. While some Chinese recycling companies have opened factories in Southeast Asia, many countries may be ill prepared to handle the kind of influx that was previously absorbed by China. The lack of accurate and reliable data on the waste flows has also been a bottleneck.

Given that European countries export a significant portion of waste to Southeast Asia, an effective partnership between the EU and these Southeast Asian countries on policy development can have a positive impact. In addition, the issue of waste trafficking features high in the ASEAN agenda¹⁸ and provides an opportunity for the EU to deepen its partnership with ASEAN and its member states, within the framework of the discussions to upgrade bilateral relations to a Strategic Partnership. At the first meeting of a High-Level Dialogue on Environment and Climate Change in Bangkok in 2019, the EU and ASEAN agreed that the issue of plastic waste export deserved special attention and urgent action¹⁹.

2.3 Lesson learnt

This programme builds on the relationships and networks the EU and UNODC have developed in partner countries over 20 years in implementing EU-funded actions in the region in the field of environmental crime. The key lessons learnt this action builds on are:

- The importance of a strong relationship with the national counterparts and their involvement in the project design from the onset to ensure an effective implementation and impact.
- Early consultations with relevant stakeholders to review and assess ongoing initiatives exchange and build on existing knowledge and identify gaps.
- The importance of the regional dimension and the involvement of ASEAN for political commitment to an issue of concern at the regional level and to mitigate the displacement effect which can affect other neighbouring countries
- The importance of transparency and regular communication with the EU and all counterparts about progress and results.
- The importance to set up realistic targets and objectives that are achievable within the scope of the action and have the potential for scale up.

All these lessons have been taken into account for the programme design and implementation approach. At the time of the development of this action document, UNODC has been conducting consultations with the prospective partner countries, key international organizations, such as UNEP, and individual experts.

2.4 Complementarity, synergy and donor coordination

This action would complement and coordination with other interventions undertaken in the region, including the following ones:

- *Rethinking Plastics: Circular Economy Solutions to Marine Litter project*, a joint action between the EU, GIZ, China, Indonesia, Japan, the Philippines, Singapore, and Vietnam. A partnership between the two actions would ensure that policy coherence is achieved, wherever appropriate, between source and destination countries of waste.
- *Shipment of Waste Enforcement Actions Project*, a project co-funded by the EU and the LIFE Fund, and coordinated by the IMPEL Network²⁰, to support circular economies by disrupting illegal waste trade at the EU level through capacity-building and the development of tools/dataset.

¹⁸ See, for instance: ASEAN Foreign Ministers' Statement on Illegal Transboundary Movement of Hazardous Waste and other Wastes in Southeast Asia: <https://asean.org/asean-foreign-ministers-statement-illegal-transboundary-movement-hazardous-waste-wastes-southeast-asia/?highlight=waste>

¹⁹ https://eeas.europa.eu/headquarters/headquarters-homepage/65134/node/65134_en

²⁰ <https://www.impel.eu>

- *Circular Economy and Plastics: a Gap-Analysis in ASEAN Member States*, a study funded by E-READI under the ASEAN-EU High-Level Dialogue on Environment and Climate Change. The "Enhanced Regional EU-ASEAN Dialogue Instrument" (E-READI) is an EU cooperation programme that facilitates dialogues between the EU and ASEAN on policy areas across all three ASEAN Community pillars.
- A new project in its formation stage by the Basel Convention Regional Centre and entitled "Development of Technical Guidelines for the Transboundary Movement Control of Plastic Waste in the ASEAN Region".
- The *Asian Network for the Prevention of Illegal Transboundary Movement of Hazardous Wastes*, which is aimed at facilitating collaboration within Asia to address movements of hazardous waste.
- The work of the European Anti-Fraud Office (OLAF), which is currently implementing a project aimed at tracking shipments of plastic and paper waste originating from Europe and directed towards Southeast Asia. Coordination and a regular exchange of information will be set up during the inception phase.
- The "Rapid Alert System for plastic waste and dangerous goods" agreed within the context of the Strategic Administrative Cooperation Arrangement and an Action Plan (2018-2020)²¹ on strengthening the cooperation in combatting customs fraud in particular in the field of transshipment fraud, illicit traffic of waste and undervaluation fraud signed by Anti-Smuggling Bureau of China and the European Anti-Fraud Office (OLAF) and the Anti-Fraud Information System (AFIS) also managed by OLAF and crucial for intelligence gathering.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

EU's leadership is critical for the action to succeed, and the programme design takes this into account by placing the partnership between the EU and ASEAN countries at its centre. With the EU Green Deal, the EU makes a green transition its growth strategy, arguably the most ambitious plan of its kind globally. The Green Deal narrative, the traction its message generates together with the EU longstanding technical and policy expertise on tackling illegal waste, particularly under the EU Waste Shipment Regulation are a distinct value added, in support of the achievement of the project's goals.

The proposed action fully aligns with EU Green Deal and the new Circular Economy Action Plan and has the potential to provide elements of reflection to the upcoming revision of waste shipments and illegal exports regulations under the new Circular Economy Action Plan, expected by 2021. The action supports as well the ongoing EU efforts towards a sustainable and circular bioeconomy as outlined in the updated 2018 Bioeconomy Strategy²² within the existing international context of the International Bioeconomy Forum²³ and the Global Bioeconomy Summit²⁴. It will further strengthen current EU efforts in the Southeast Asian region aimed to promote the Circular Economy approach by providing coherence and continuing to project the EU as a responsible and reliable partner.

2.6 Cross-cutting issues

- **Multilateralism:** this action is centred on building alliances to collectively address a global environmental issue.

²¹ https://ec.europa.eu/anti-fraud/policy/preventing-fraud/customs-cooperation-non-eu-countries_en

²² A sustainable Bioeconomy for Europe: Strengthening the connection between economy, society and the environment (COM(2018) 673 final)

²³ <https://ec.europa.eu/research/bioeconomy/index.cfm?pg=policy&lib=ibf>

²⁴ <http://gbs2018.com/home/>

- EU principles and values (rule of law, human rights and fundamental freedoms, respect for human dignity): by facilitating policy and legislative responses to an environmental issue by the governments in Southeast Asia, this action will strengthen the rule of law both at national and transnational levels. In doing so, it will also help protect the right to health of citizens who are negatively affected by the issue of environmentally harmful waste.
- Resilience: this action aims to help Southeast Asia achieve a better environmental practice related to the import of waste, particularly from Europe.
- Innovation: this action, by filling the gap in existing knowledge and providing policy recommendations, prompts new strategies and solutions to be created.

3 ACTION DESCRIPTION

Waste shipments might leave European ports based on rules in line with the *acquis communautaire*. However, they may still be regarded as illegal according to domestic regulations in some Asian countries. Knowing the differences in regulations, having a trusted system of information exchange, as well as a network of informed focal points, may prevent disputes between countries and may greatly support EU and partner countries in Asia to work more effectively together and operate more efficiently. Some actions on this issue have already been undertaken at the EU level (notably for the purpose of Regulation 1418/2007) or by individual EU Member States, and the project will build on these precedents.

The proposed action fully aligns with EU Green Deal and the Circular Economy Action Plan's goal of taking measures 'to ensure that the EU does not export its waste challenges to third countries' and it supports 'measures at multilateral, regional and bilateral levels to combat environmental crime notably in the areas of illegal exports and illicit trafficking, strengthen controls of shipments of waste, and improve the sustainable management of waste in these countries.'²⁵ It will reinforce EU policy efforts towards diminishing its reliance on the exportation of some waste streams, providing a better understanding of EU-ASEAN waste flows, increasing material circularity by keeping more waste in the EU for treatment and valorisation, and reducing and contrasting illegal exports. A potential risk linked to the COVID-19 crisis is that the legal and illegal exportation of waste to third countries might see an increase. Should this be the case, the project will be well placed to be part of the response to this challenge.

3.1 Objectives

The **overall objective** is to fight trafficking in waste between the EU and South East Asia by promoting enhanced EU-ASEAN Member States partnerships, in support of ongoing efforts towards a circular economy transition, in line with the relevant policy frameworks in the EU and partner countries.

To achieve this overall objective, the following **specific objectives** are envisaged:

1. To better understand waste flows between Europe and Southeast Asia, with an additional focus on the COVID-19 pandemic's impact on healthcare and hazardous waste movements;
2. To promote cooperation through national dialogues to combat illicit movements of waste from the EU towards Southeast Asia;
3. To facilitate intra- and inter-regional dialogues at the policy level to promote partnership between the EU and Southeast Asian nations, in support of the circular economy approach.

In order to contribute towards the overall objective and the three specific objectives, this action is articulated around three results:

Result 1: Waste trafficking flows from Europe to Southeast Asia are better understood

Indicative Activities:

²⁵ A new Circular Economy Action Plan: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020DC0098&from=EN>; point 4.4.

1.1. Concise quarterly bulletins on waste trafficking trends and developments, including those pertaining to the impact of COVID-19, as well as on the latest on policy developments, are disseminated to Southeast Asian governments and EU stakeholders

Through data collection, the research team will issue regular bulletins to EU and Southeast Asian governments and stakeholders. This initiative is aimed at raising awareness and generating common understanding, thus laying the ground for the policy development process that would follow (*Result 2 and 3*).

1.2. A first comprehensive study detailing waste flows from Europe to Southeast Asia, as well as policy and legislation gaps, is launched and disseminated

Using data available at the national and regional levels a study will be developed on the different types of waste being exported from the EU to Southeast Asia. Such analysis will identify trends and patterns in waste trafficking and inform policy development both in the EU and in Southeast Asia. This study will also attempt to shed light on whether the COVID-19 pandemic produced significant consequences on the production of waste and on the possible illegal management of it, either through export, import or dumping. The study will be accompanied by a review of the current legal frameworks in ten ASEAN countries to generate a detailed gap analysis and recommendations aimed at effectively criminalizing harmful environmental practices.

Result 2: Cooperation at national level is enhanced to effectively regulate and criminalise illegal waste imports

Indicative Activities:

2.1. Bilateral dialogues in the four countries lead to country strategies on improvements at the legislative, enforcement, management and compliance levels, to effectively respond to waste trafficking and to support the transition to a circular economy

The outcome and recommendations from the above study would be discussed at national workshops, organised in each of the Priority 1 countries, with participants from relevant members of legislative bodies, members of task forces and/or national committees (if applicable), regulating authorities (e.g. environmental agencies), criminal justice institutions (police, customs, judiciary), EU Delegations, civil society organizations, trade associations. This component of the initiative will aim at identifying adequate cooperation mechanisms between regulatory agencies and criminal justice institutions to ensure that the policies set in place for the import, export and management of waste provide clear guidance for their implementation.

Result 3: Intra-regional and EU-Southeast Asia cooperation are enhanced, with key relationships developed at multiple levels

Indicative Activities:

3.1 Shared understanding on the legal/illegal imports/exports of waste among relevant stakeholders at the ASEAN level

Waste trafficking and the impact of the Chinese bans on waste import have affected many Southeast Asian countries. So far, each country in the region has been reacting individually to address the environmental and social consequences. It is therefore important to identify broadly shared principles related to trade in waste and circular economies. To do so, this action would support a regional approach stemming from the experience of the four Priority 1 countries under *Result 2*. For this reason, this component would be implemented during the second half of the action.

To support policy development in these countries, relevant stakeholders at the regional level will be convened to exchange on good practices pertaining to policies on waste trafficking and to promoting a circular economy approach. Such regional approach and cooperation will enable a more effective response to a global issue.

3.2. Development of partnerships and exchanges (e.g. real-time communication channels, shared databases, joint task forces, etc.) between countries of origin, transit and destination to counter waste trafficking

To deepen partnership, a series of technical and policy exchanges on European legislation and on the risk of infiltration by transnational organised crime of the waste value chain will be held, gathering stakeholders from both Europe and Asia, as relevant. The information exchange would focus on three levels:

1. Trade and Customs regulations: involving ministries of commerce, environment and finance, custom authorities and other relevant actors from the four countries and EU institutions and member states, focusing on promoting real-time information exchange to minimise trade disruption and ensure compliance in the short-term;
2. Strategies against illicit flows and organised crime: involving law enforcement agencies and environment authorities from four countries and EU Institutions and member states (such as IMPEL or EMPACT), focusing on intelligence exchange to identify criminal activities;
3. Circular economy policies: promote a life-cycle approach to support a transition to a more circular economy aimed at making sustainable products as the norm in the EU and ASEAN by focusing on key product value chains of high concerns (e.g. e-waste, packaging, plastics).

One specific focus of this component will be the development of a mechanism for information exchange to be used by law enforcement and regulators in Europe and in Asia. This action will provide a platform for all stakeholders to come together and concretely think about viable options; links to the ASEAN Platform on Circular Economy will be sought.

3.2 Stakeholders

The proposed action will involve a number of stakeholders including: the national authorities (policymakers, national sub-committees and task forces, Ministries of Environment, Ministries of Justice, Ministries of Trade, Customs Authorities, etc.); ASEAN bodies from the political/security, environmental, socio-cultural and economic communities; relevant EU Commission services, EU Delegations and the European Anti-Fraud Office (OLAF); civil society organizations; international organizations (UN Environment Programme, UN Economic and Social Commission for Asia and the Pacific, World Customs Organization, Basel Convention Secretariat and its Regional Centre, etc.); research institutions and universities; trade associations; and European and Southeast Asian media.

3.3 Risk assessment and management

| Risk description | Risk level (H/ M/L) | Mitigating measures |
|---|---------------------|---|
| Economic and social impact of COVID-19 may lead to de-prioritization of the waste issue and to delays in implementation of the publication, workshops and events. | M | <ul style="list-style-type: none"> • Work closely with national champions to ensure internal buy-ins for the action and its relevance; • Insert COVID-19-related issues in the narrative on waste with ASEAN countries; • Ensure effective media outreach after the publication (the first element of the action), so that public awareness is raised and demand for actions remains. |
| Displacement of illicit waste flows from Priority 1 countries, where project operates at bilateral level, towards non-priority countries | M | <ul style="list-style-type: none"> • Non-priority countries will participate to all regional events and will be kept up to date on changes in trends in illicit waste flows; • By participating in key regional dialogues under this action, non-priority countries will learn from efforts from the priority countries to improve policies; • This action may allow for ad-hoc support to non-priority countries when this is explicitly requested and when this falls within the scope of this action. |

| | | |
|--|---|---|
| A potential increase in healthcare and hazardous waste being trafficked to Southeast Asia poses a new challenge for the action (insufficient data, etc.) | L | <ul style="list-style-type: none"> • Ensure that the first line of action (assessment and data collection) allocates time and resources for COVID-19-specific challenges and changes in trends; • Employ a participatory approach to data collection, so that the research team can identify the latest information from the field. |
| COVID-19-related travels and meetings restrictions hinder implementation. | M | <ul style="list-style-type: none"> • Formulate a contingency plan at the start of the programme; • Wherever appropriate and possible, explore virtual platforms and alternate modalities for meetings and events. |
| Data available on the topic is too limited to conduct a meaningful analysis | L | <ul style="list-style-type: none"> • Leverage existing relationships UNODC holds with government ministries to facilitate the sharing of data that is not publicly available; • If necessary, provide advice on data collection processes to relevant authorities. |
| Countries do not develop effective policy responses or fail to follow up on the implementation of these policies | M | <ul style="list-style-type: none"> • Provide advisory support on the quality of the policy responses and actions during and after the national workshops; • Conduct continuous engagement with relevant stakeholders to encourage their follow-through on their own commitments |

3.4 Communication and EU visibility

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

This Action shall contain communication and visibility measures, which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation. For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. 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 Action²⁶ (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management²⁷ with an international organisation

This action may be implemented in indirect management with UNODC. This implementation entails carrying out activities described in section 3. UNODC has a comparative advantage stemming from its thematic expertise in legislative assistance and law enforcement matters. UNODC has existing working relationships with all the relevant national authorities in the Southeast Asia region and is a

²⁶ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

²⁷ Article 154 of the Financial Regulation – Selection of the entities entrusted with the implementation of EU funds in indirect management.

trusted partner for technical cooperation for ASEAN countries on legal and criminal justice matters. UNODC regularly publishes threat assessments and other types of studies related to trafficking in illicit goods and on environmental crime, and these studies are considered for policy development and discussions by ASEAN Member States.

Due to the nature of the proposed action, focusing on policy advice on a cross-sectoral issue, UNODC will identify additional partners to cover a broader range of expertise, such as the United Nations Environment Programme and the Secretariat of the Basel Convention. As for the research component of the initiative, UNODC will cooperate, as needed, with academia and civil society organization that can bring additional specific expertise, such as GRID-Arendal, the European Environmental Bureau (EEB) and the Environment Investigation Agency. All significant events organised under this action will seek the involvement of the EU Delegations in each relevant country, as well as for the regional events. UNODC will also liaise with OLAF with a view to take advantage of the expertise gained during the pilot exercise carried out on the transshipment of dangerous goods, including waste and to be updated on new trends and modus operandi.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.²⁸

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|--|------------------------------|
| Indirect management with an international organisation (UNODC) | 3 |
| Total | 3 |

4.3 Organisational set-up and responsibilities

Under the overall project management by the FPI Regional Team for Asia/Pacific, relevant EU services will contribute to steering the implementation of the action, as well as to ensuring coherence, visibility and alignment with EU policies and foreign policy. EU Delegations in key partner countries will provide advisory support on relevant project activities. A Project Steering Committee (PSC) including representatives from the EU and UNODC will be established. Its final composition and working mechanisms will be defined during the negotiations of the contribution agreement. It will meet at least once a year, starting with a kick-off meeting during the inception phase of the project. Relevant stakeholders may be invited to the meetings of the PSC.

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.

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

²⁸ 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.

final reports shall provide quantified and qualitative data in relation to the logical framework indicators, which will include relevant indicators from the list of core and corporate indicators.

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

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

4.5 Evaluation and audit

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

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

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

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Support to the EU's bilateral relations with strategic partners on climate-related policies and investment

1 KEY IDENTIFICATION DATA

| | | | | |
|---|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Title of the Action | Support to the EU's bilateral relations with strategic partners on climate-related policies and investment | | | |
| Country/region/global | Global, with a focus on major economies | | | |
| Sector of intervention | Climate change mitigation and adaptation, sustainable energy, sustainable finance, agriculture, forestry, industry, transport | | | |
| Indicative budget | Total: EUR 12 000 000 ¹ EC contribution: EUR 12 000 000 | | | |
| Duration and target start date of implementation | 30 months Start date: Q3 2021 | | | |
| Method of implementation | Direct management through procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries ² | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input 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"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Climate change adaptation | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Internal markers | | | |
| | Digitalisation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Covid | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

¹ EU Member States may contribute.

² OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

The systemic threat of climate change highlights the interdependencies between the EU and its strategic partners. The EU is the strongest proponent of ambitious international action under the Paris Agreement that steers the world in the transition to a global climate-neutral and climate-resilient economy. The EU is also leading in the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). As the EU's share of global emissions is limited, effective action from all major economies is required in order to achieve sustained progress towards the goals of the Paris Agreement and the SDGs.

In December 2019, the European Commission launched the European Green Deal and the European Council committed to achieving a climate-neutral EU by 2050. In addition, the European Council of December 2019 and the EU Foreign Affairs Council of January 2020 called for increased international engagement on climate change, particularly with major emitters for enhanced mitigation ambition.

The COVID-19 pandemic crisis and the resulting global economic downturn present challenges and opportunities for decarbonising the global economy. On 27 May 2020, the European Commission presented a collective and cohesive economic recovery plan to accelerate the twin green and digital transitions and thereby strengthen Europe's competitiveness, resilience and position as a global player. It features the European Green Deal as the EU's growth strategy and aims to ensure that the resources invested in the Next Generation EU instrument and the Multiannual Financial Framework contribute to making the European economy more sustainable, resilient and future-proof.

Against this background, the new action will build on the pioneering experience of the SPIPA project (Strategic Partnerships for the Implementation of the Paris Agreement) and factor in the new context brought by the COVID-19 pandemic crisis and the green recovery agenda, as well as preparations for the first global stocktake under the Paris Agreement in 2023.

The overall objective of this action is to promote the effective implementation of the Paris Agreement in the context of economic recovery from the pandemic crisis. By fostering exchanges and collaboration among national and sub-national administrations, business communities, academia and civil society stakeholders, the action encourages and assists the EU and other major economies in making their best efforts towards the goals of the Paris Agreement, harnessing international economic and political relations to move more quickly together towards its full implementation.

The action includes technical cooperation among peers, support to subnational authorities and civil society organisations, seminars/visits and communication activities. It targets major economies and selected other mid-size economies. The activities foreseen will be an integral part of the EU's Climate Diplomacy approach, in its bilateral climate policy dialogues, its trade relations, and action in multilateral fora.

As a strong advocate of international climate action and having pegged its economic future on a net-zero emission model, it is in the EU's offensive interest to ensure that equally ambitious policies are put in place in the world's largest economies, that often set global standards and which are our key partners and competitors on global markets. Investing in regulatory convergence and the development of low-emission trade and investment will be critical in the context of delivering on the vision for a more influential, confident and assertive Europe. Conversely, it is in our partner countries' interest to seize opportunities for increased cooperation in order to raise the mutual benefits of enhanced climate action.

2.2 Background/Context/Rationale for PI funding³

Climate change is a global challenge that requires a decisive and confident response from all major economies. Moreover, as the nexus between climate change and security is steadily becoming more

³ More information on PI funded actions is available on the PI map: www.pimap.eu

evident, beyond political changeovers in individual countries, the EU as a key proponent of international action must answer to the renewed calls for more multilateralism and sustain and build from the positive international momentum, cooperation and alliances. This priority has already been the central objective of EU climate diplomacy in the past years and is now an important pillar of the external dimension of the European Green Deal. The political guidelines for the European Commission in 2019-2024 state that the EU will lead international negotiations to increase the level of ambition of other major emitters by 2021.

Since the historic Paris Agreement we have seen important developments on the international side of our “Energy union and climate change” priority area with the conclusion and early entry into force of the Paris Agreement on climate change and with the massive non-state and business engagement worldwide. At the G20 Summits in Hamburg, Buenos Aires and Osaka, 19 members reiterated their commitment to the effective implementation of the Paris Agreement despite the US dissidence.

Europe has a 20-year head start in the implementation of ambitious climate policies, with its greenhouse gas (GHG) emissions dropping by 24% between 1990 and 2018 while its GDP grew by 61%. Building on this leadership, in 2019 the EU committed to becoming a climate-neutral continent by 2050 and launched the European Green Deal as a new growth strategy. Industry and investors in Europe and globally would also benefit from clear signals and evidence of progress in this regard.

The outbreak of the COVID-19 pandemic and preparation of economic large-scale stimulus packages to counter its negative economic consequences offer a once-in-a-generation opportunity to massively invest in future-proof, climate-neutral and resilient business models and infrastructure. The European Commission placed the EU’s commitment to climate-neutrality by 2050 at the core of the economic recovery plan presented on 27 May 2020 and proposes to use the European Green Deal as the EU’s growth strategy. As the pandemic has spread throughout the world with devastating economic consequences, third countries find themselves in need of rebooting their national economies, while many are deprived of the financial resources required to repair and prepare properly for the next generation. It is therefore even more critical now to enhance the EU’s climate policy outreach and help partner countries seize opportunities to embark on pathways consistent with the long-term goals of the Paris Agreement.

While the EU27 only accounts for about 7.5% of global greenhouse gas emissions (2018 data), its ability to set standards and trends and shape global efforts is preeminent thanks to its leadership in clean technologies and the depth of its Single Market. The need for a confident – even assertive – EU outreach is even more pressing with the advent of the European Green Deal and an increasingly turbulent geopolitical landscape.

By contributing to strengthening the Paris Agreement, this action directly supports multilateralism and a rule-based global order. It will contribute to creating the right conditions for a successful first global stocktake (scheduled in 2023) of the implementation of the Paris Agreement to assess the collective progress towards achieving its purpose and long-term goals. It will also support the implementation of the 2030 Agenda for Sustainable Development, as climate action is a stand-alone goal (SDG13) and also contributes to achieving many other goals.

2.3 Lessons learnt

The SPIPA project was designed in a geopolitical context generated by the US political changeover in 2017 and implemented from 2018 to 2021 to support the EU’s international leadership and its climate diplomacy. As of May 2020, 25 different activities were completed under SPIPA, 54 are under implementation and another 22 approved but not yet started. The mid-term evaluation of the SPIPA project launched in June 2020 will help assess SPIPA’s effectiveness and efficiency.

Based on the implementation of the SPIPA project so far, a few lessons can already be drawn for the future:

- Promoting climate action in major economies aligns with the interest of the EU and it helps shape the EU’s profile as a progressive forward-looking block of countries. It contributes to levelling

the playing field among competitors, thus decreasing the risks of carbon leakage and accelerating the emergence and market penetration of climate-friendly solutions.

- Action at the level of G20 is more relevant than ever. SPIPA target countries account for 77% of the world's GHG emissions, and countries in scope of this new action 81%. The SPIPA project was instrumental in upholding the Paris Agreement in a critical period so that it remains widely recognised and accepted as an overarching framework to guide international climate action.
- The EU's expertise and know-how on climate policy measures and technologies are in high demand across the world. The EU's model aiming at climate-neutrality is gaining traction among partner countries, especially with the European Green Deal setting a clear direction. As the 2023 global stocktake under the Paris Agreement is getting closer, there is an even stronger interest for this expertise in order to identify economic opportunities while raising the level of ambition.
- Relatively small amounts of financial resources, when invested at the right time and in the right place, can play a significant role in advancing climate ambition in third countries and unlock decision-making. The flexibility that the SPIPA programme has offered is a key feature.

2.4 Complementarity, synergy and donor coordination

The action closely ties in with climate diplomacy efforts carried out by the EU, notably following up on the EU Foreign Affairs Council Conclusions of January 2020. It complements, builds upon and benefits from the lessons learnt and experience gathered from ongoing projects in major economies at bilateral and multi-country level. It also supports EU-led initiatives such as the International Platform on Sustainable Finance.

Relevant PI projects are those that appear under the category "Climate energy action & Urbanisation" on the Partnership Instrument Map⁴. They include, but are not limited to:

- The Green Gateway to Japan is designed to assist European SMEs access the Japanese market with a focus now in the area of green technologies as well as in the field of Japan's public procurement markets, where access has been particularly restricted.
- The Low-Carbon Business Action in the Americas helps green 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. The EU-GCC Dialogue on Economic Diversification project supports Gulf States in the process of economic diversification away from hydrocarbon resources by promoting policy analysis, dialogue and cooperation at regional and country level in relation to climate-friendly trade, investment and economic affairs.
- The Green Gateway / EU Business Avenues in South East Asia promotes opportunities for Europe's goods and services in areas in which the Union has a competitive advantage such as environmental and low carbon products and services as well as clean tech industries.
- The EU-South Africa Strategic Economic Partnership project intends to provide a wide range of pertinent technical, advocacy and communication tools to ensure that the EU may benefit from the economic and trade-related aspects of its Strategic Partnership with South Africa to the fullest.
- The UNEP-led Promoting biodiversity and sustainability in the agriculture and food sector through economic valuation project aims to protect biodiversity and contribute to a more sustainable agriculture and food sector in selected EU partner countries.
- The OECD/ILO-led Responsible business conduct in Latin America and Caribbean project aims to promote smart, sustainable and inclusive growth by supporting CSR/RBC practices in line with internationally agreed upon principles and helps move towards a level playing field.

Other relevant activities supported by the Development Cooperation Instrument include:

- The [Euroclima+](#) programme, 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.

⁴ <https://pimap.eu/>

- The [Partnership for Market Readiness \(PMR\)](#) managed by the World Bank that provides support on carbon pricing to ARG, BRA, CHN, IDN, IND, MEX and RSA.
- The [NDC Support Facility](#) managed by UNDP provides support to ARG, CHN, IDN and MEX.
- The [Clean Energy Transitions Programme \(CETP\)](#), managed by the International Energy Agency (IEA), supports clean energy activities in Brazil, China, India, Indonesia, Mexico and South Africa.
- The EU [SWITCH-Asia](#) programme supports sustainable consumption and production including in China, India, Indonesia, Thailand and Vietnam. 130 projects were funded since 2007 for a total of nearly 280 million EUR.
- The [NAMA Facility](#), co-funded by the EU, Germany, Denmark and Great Britain, supports greenhouse gas emission reduction projects including in Brazil, China, Colombia, India, Indonesia, Mexico, Morocco, South Africa and Thailand.

2.5 EU added value

The EU is a global frontrunner in the transition towards a zero-emission future. Partners from major economies are expressing their interest in learning more about the EU knowledge and experience in delivering greenhouse gas reductions and ensuring the energy transition without compromising economic growth.

The size of the EU's Single Market is also attracting key trade partners to understand better our regulations, technical tools, investment and ambition in areas such as carbon pricing, sustainable finance, energy efficiency, renewable energy, clean mobility and clean industrial technologies. The EU's trade agreements have set up the implementation structures fit take joint actions on these issues.

To add most value and to ensure partner interest, the country-level interventions can focus on areas where EU approaches are particularly advanced and where Parties to the Paris Agreement have committed to strengthen their action and come forward with time-bound deliverables.

International partners want to do business with our companies and investors who have gained an edge on clean technologies, sustainable cities, green value chains, etc. As such, this action also contributes to opening up economic opportunities for EU businesses as they are leading the global transition. For example, EU companies have a share of 40% of all patents related to renewable technologies; they provide world-renowned expertise on waste management, recycling, water management, energy- and resource-efficient industrial processes.

2.6 Cross-cutting issues

While climate action is central to the implementation of this action, other major benefits are expected also to arise, such as biodiversity protection, business innovation, healthier urban populations, inclusive job creation, fight against energy poverty, air pollution, etc.

By contributing to strengthening the Paris Agreement, this action directly supports multilateralism and a rule-based global order.

The action will strive to achieve gender balance for instance by ensuring gender balanced speaker panels, round tables and working groups, including at high level representation.

In implementing the action, measures will be taken to promote circularity, appropriate waste management and reduce the environmental impact of activities⁵.

⁵ In particular, efforts will be made to align the action with the Commission's verified environmental management policy (EMAS).

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of the action is to promote the effective implementation of the Paris Agreement in the context of economic recovery from the pandemic crisis, the implementation of the 2030 Agenda for Sustainable Development and the national agendas of the partner countries. By fostering exchanges and collaboration among national and sub-national administrations, business communities, academia and civil society stakeholders, the project encourages and assists the EU and non-EU major economies in making their best efforts towards the goals of the Paris Agreement, harnessing international economic and political relations to move more quickly together towards its full implementation. The project ties in the EU climate diplomacy efforts led by the European External Action Service and the European Commission.

Specific objectives:

Specific objective 1: Facilitate exchanges on climate policy options, expertise, success stories and good practices between the EU and non-EU major economies with a view to enabling policy shifts. Upstream policy dialogues can relate to the elaboration of climate strategies, policy instruments for climate change mitigation, adaptation measures, setting up climate transparency systems and providing enabling environments;

Intensified cooperation under this specific objective focuses on five broad thematic axes:

| Climate strategies | Mitigation policy instruments | Adaptation measures | Climate transparency | Enabling environment |
|--|---|--|---|---|
| <ul style="list-style-type: none"> • Methodological aspects of emission and adaptation modelling • <i>Ad-hoc</i> studies and impact assessment • Stakeholder dialogue <p>(applies to the preparation of long term strategies and/or the updating/renewal of NDCs)</p> | <ul style="list-style-type: none"> • Carbon pricing • Energy efficiency, including zero emission buildings • Deployment of clean renewable energy sources • Clean mobility • Industrial emissions and processes • Circular economy • Network infrastructure • Bioeconomy (incl. agriculture and forestry) and carbon sinks • Carbon capture, storage and use | <ul style="list-style-type: none"> • Coordination of local /national-level action and vulnerability assessments • Methodologies for adaptation planning and preparedness scoreboard • Support for city-level action through the Covenant of Mayors for Climate and Energy • Information platforms on vulnerabilities and good adaptation practices • Budget mainstreaming and infrastructure resilience • Resilient agriculture • International security issues in relation to climate change | <ul style="list-style-type: none"> • Managing information flows across branches and levels of administration • Assuring quality and promoting continuous improvement • Addressing monitoring capacity gaps for key sources categories • Land use monitoring, in particular with the EU Copernicus programme • Subnational greenhouse gas data • Value chain emissions tracking • Climate governance and vertical integration | <ul style="list-style-type: none"> • Green recovery and economic stimulus in reaction to the pandemic emergency • Sustainable finance (notably in connection with the activities of the International Platform for Sustainable Finance) • Implementation of EU's trade agreements, where relevant. • Just transition • Research and innovation |

Specific objective 2: Advance bilateral trade, investment and innovation in a level playing field in pursuit of the goals of the Paris Agreement;

Specific objective 3: Contribute to improving public awareness, including in the business community, of challenges and opportunities associated with the implementation of the Paris Agreement.

Expected results:

Result 1: Enhanced understanding of partner countries' policies and good practices in the field of climate action (relates to specific objective 1);

Result 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 and its co-benefits such as reduced air pollution (relates to specific objective 1);

Result 3: Customised policy and practice options developed for partner countries in support of the implementation of the Paris Agreement, including the preparation or updating of long-term strategies and nationally determined contributions (relates to specific objective 1);

Result 4: Enabling conditions created for the development of advanced bilateral cooperation and investment among businesses, government agencies, subnational governments, academia and civil society organisations in pursuit of the goals of the Paris Agreement (relates to specific objective 2);

Result 5: Increased awareness of the opportunities and challenges related to the Paris Agreement and of EU-partner country cooperation (relates to specific objective 3).

Main activities:

Project activities to achieve the above-mentioned results include a combination of seminars/visits/exchanges, technical cooperation among peers, support to civil society initiatives, and communication/information management:

| Seminars, visits and exchanges | Technical cooperation and studies | Support to civil society organisations | Communication / information management |
|--|---|---|---|
| <ul style="list-style-type: none"> • Organisation of conferences, thematic workshops in countries, including logistics and expertise • Invitation/exchange of experts from countries in scope for study visits in Europe | <ul style="list-style-type: none"> • Cooperation among technical institutes and knowledge centres to customise relevant EU regulatory instruments and tools • Cooperation among subnational governments • Cooperation among business/industry/banking federations on matters related to innovation, low emission technology, enabling environment for climate-friendly investment and long-term vision | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • Communicate on the Paris Agreement, EU climate and clean energy policies, EU bilateral cooperation activities and the EU's global role in the implementation of the Paris Agreement and the 2030 Agenda. • Maintain intelligence on partner countries' ambition and delivery • Maintain a roster of European expert organisations/individuals in relation to thematic axes • Contribute to certain multilateral events as needed |

Geographic coverage:

The action is a global one, with focus on non-EU G20 members (except the United Kingdom) and additional partners in the EU's neighbourhood, the Persian Gulf, the Asia-Pacific region and the Pacific coast of Latin America, which are regional lighthouses for enhanced climate action and/or which are maintaining closer relations with the EU, including through trade agreements. The scope of the action will include activities in the following partner countries as a matter of priority – including activities carried out in several of them when relevant: Argentina, Australia, Brazil, Canada, China, Colombia, Egypt, India, Indonesia, Iran, Japan, Mexico, Morocco, Republic of Korea, Russia, Saudi Arabia, Singapore, South Africa, Thailand, Turkey, Ukraine, United Arab Emirates, United States of America and Vietnam. The action may also occasionally support specific activities in countries beyond those listed above.

3.2 Stakeholders

Stakeholders from EU institutions include the Commission services, with the active engagement of DG CLIMA and DG ENER, and the *ad hoc* involvement of other services, the European External Action Service and the respective EU Delegations and the European Environment Agency.

Other EU stakeholders may include EU scientific and technical institutions and think tanks, EU development aid agencies and financial institutions, business and civil society organizations engaged in bilateral cooperation with the respective partner countries.

EU Member States may be willing to contribute to the funding and implementation of this action. In case they do, their relevant services (Ministry of the Environment, Ministry of Foreign Affairs, specialised agency, etc.) will be involved in the overall and country-by-country management on a voluntary basis.

Through the European Commission, the project will maintain regular informal exchanges with selected partners undertaking related work in some of same countries. If eligible, these partners may in particular receive funding under this action.

Correspondingly, stakeholders from the partner countries may include governmental and state authorities and institutions, and domestic non-state actors such as scientific and technical institutions, urban and provincial authorities, and business and civil society organizations.

3.3 Risk assessment and management

| Risks | Risk level (H/M/L) | Mitigating measures |
|---|---------------------------|--|
| 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. |
| Overlaps with existing EU-funded projects at national and regional level | L | Direct involvement of Commission geographical desk and EU Delegations ensures full knowledge of parallel EU-funded activities. |
| Changes in the priorities of partner countries and in our bilateral relationships | M | Few major economies will undergo general elections in 2021-2023. Project design introduces necessary level of flexibility to adapt to such changes by focusing to particular topics and/or by involving stakeholders from a wide spectrum. |
| Limited visibility for the EU's action | M | Effective supervision of the delivery partner is required, in particular through a dedicated Communication and Visibility Plan (see below). |
| The delivery partner is not able to implement activities and disburse funds in some of the countries in scope | M | Should the delivery partner not have a permanent office or be unable to implement/disburse in some countries, solutions will be sought in teaming up with relevant local or European entities who can. |
| Assumptions | | |
| Sustained willingness of partner countries to engage with EU as already expressed in our bilateral dialogues. | | |
| Sustained commitment of partner countries to implement the Paris Agreement, at national and/or subnational level. | | |

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action⁶ (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The project aims to communicate on the Paris Agreement, EU climate policies, EU bilateral cooperation activities, EU's trade policy activities, the EU's global role in the implementation of the Paris Agreement and the EU's green deal/green recovery agenda.

Communication, including global event organisation, participation and logistics, will be a key element of the programme. The delivery partner will be tasked with organising various networking and communication activities while ensuring EU visibility in line with relevant guidelines.

Appropriate communication and visibility contractual obligations shall be included also for subcontractors.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

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

This call will be launched in Q3 2020 under a suspensive clause prior to the adoption of this decision. This is justified because this new project needs to phase in without leaving a time gap, while the previous SPIPA project is ending. A time gap would be particularly problematic at this critical juncture as the new project is meant to advance promptly on green recovery actions in support of the European Commission's top priority in the new context brought by the COVID-19 pandemic crisis and the green recovery agenda.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.⁷

⁶ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

⁷ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|---------------------------------|-----------------------|
| Procurement (direct management) | 12 |
| Total | 12 |

4.3 Organisational set-up and responsibilities

The delivery partner(s) will maintain a steering committee with EU institutions and representatives of all co-funders; an EU-based management team; and a roster of European knowledge centres and service providers around the main thematic axes of this action.

The steering committee should include representatives of at least: the Service for Foreign Policy Instruments (FPI); the Economic and Global Issues Division of EEAS; DG CLIMA; DG ENER; other EU services as relevant, and the delivery partner. The steering committee meets once every 1-2 months to assess progress made and provide strategic direction, review country and thematic engagement strategies and approve particular activities.

In addition, country liaison teams will be established to design and monitor the work plan at country level and decide on issues relevant to day-to-day operations. Each country team will include at least an expert of the delivery partner (not necessarily full-time), a member of the FPI headquarter or the relevant regional team, the relevant geographical correspondents in DG CLIMA, DG ENER and DG TRADE, and the climate change correspondents in the relevant EU Delegation and EEAS geographical directorate, as well as thematic experts as needed.

In designing and implementing particular activities, the delivery partner will tap in a roster of key European knowledge centres and service providers that are repositories of the deep expertise underneath EU policy measures. The roster will be maintained based on advice from EU institutions, including the European Environment Agency and the Joint Research Centre, and findings from project activities.

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.

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, including country by country, and elaborate annual progress reports and a final report, in addition with regular contacts with the Commission's and involved Member States' services. These progress reports will be discussed at the steering committee meeting following their publication.

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 clear quantified and qualitative data in relation to key performance 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's implementation.

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 21

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for the ‘Global Alliance on Circular Economy and Resource Efficiency. Towards Just Transitions’

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Title of the Action | Global Alliance on Circular Economy and Resource Efficiency. Towards Just Transitions | | | |
| Country/region/global | Global | | | |
| Sector of intervention | Environment, climate and energy | | | |
| Indicative budget | Total: EUR 1 000 000 EU Contribution: EUR 1 000 000 (100%) | | | |
| Duration and target start date of implementation | 48 months Start date: Q4 2020 | | | |
| Method of implementation | Indirect management with the United Nations Environment Programme (UNEP) and the United Nations Industrial Development Organization (UNIDO) | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries ¹ | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC codes | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Internal markers | | | |
| | Digitalisation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Covid | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

¹ OJ L 77, 15.3.2014, p. 77–84

2 RATIONALE AND CONTEXT

2.1 Action summary

The action aims to promote EU's leadership role in supporting the global transition to a climate-neutral, resource-efficient and circular economy as set out in the new Circular Economy Action Plan (CEAP) (COM(2020) 98)², thus contributing to the overarching political priorities of the European Green Deal (COM(2019) 640). In particular, it supports the external dimension of the CEAP namely through the establishment of a 'Global Alliance on Circular Economy and Resource Efficiency. Towards Just Transitions' to identify knowledge and governance gaps in advancing a global circular economy and take forward partnership initiatives, including with major economies.

Through this Action, the EU will increase its influence at multilateral level, notably at the United Nations Environment Assembly (UNEA), in the High-Level Political Forum (HLPF), and at the United Nations General Assembly (UNGA), so that the circular economy model is increasingly recognised across the world as an effective way of achieving key objectives under the 2030 Agenda for Sustainable Development, notably on sustainable consumption and production as well as resource efficiency. It will also support countries in managing their resources in a more sustainable way, influenced by EU approaches and standards. These include in particular reducing the consumption footprint and increasing the circular material use rate, in line with the European Green Deal's acknowledgement of access to resources as a strategic security issue for the EU.

Building on this political framework, the action will develop a global resource efficiency forum for the sustainable management of natural resources through resource-efficient and circular approaches, in support of the European Commission's commitment to consider initiating discussions on an international agreement on the management of natural resources.

2.2 Background/Context/Rationale for PI funding³

Current patterns of linear economic activity depend on a permanent output of materials⁴ that are extracted, traded and processed into goods, and finally disposed of as waste or emissions. Between 1970 and 2017, the annual global extraction of these materials more than tripled, rising from 27 billion tonnes to 92 billion tonnes. Since 2000, extraction rates have accelerated, growing by 3.2% per year.

The rise of the middle class in emerging economies and developing countries, together with rapid urbanisation, is expected to have a strong impact on the environment, exacerbate climate change, increase the exposure to climate change and disaster risks, and intensify competition for certain raw materials.

The circular economy and the management of natural resources are two intertwined aspects of sustainable development. Both are linked with resource efficiency, which is a matter of achieving improved outputs with fewer inputs and less adverse impacts.

The worldwide transformation to a circular economy entails moving from linear, highly resource depleting systems with high emissions, waste generation, and high impacts on ecosystems and natural capital, towards circular, less wasteful systems that use resources more efficiently and sustainably, while providing work opportunities and a high quality of life. Reducing the consumption footprint and increasing the circular material use rate is a particular priority. This is a key contribution to the 2030 Agenda for Sustainable Development and its Sustainable Development Goals, and other commonly agreed international targets under e.g. the Paris Agreement, the Convention on Biological Diversity, and the United Nations Convention to Combat Desertification.

² See also SWD(2020) 100.

³ More information on PI funded actions is available on the PI map: www.pimap.eu.

⁴ Biomass (including food crops), minerals, metals, and fossil fuels.

If the material resource demands of a growing world economy and population are met with current patterns of production, consumption and associated policies and infrastructure, according to the International Resource Panel's (IRP) projections, global material use would more than double between 2015 and 2060, reaching 190 billion tonnes⁵. The projections of the Organization for Economy Cooperation and Development (OECD) differ somewhat but relate to a similar scale of the challenge would increase⁶. Both the IRP and the OECD underline that this scale of growth in material resource use – without improvements in managing the impacts linked to their extraction, cultivation, regeneration, use and disposal – would result in substantial additional stress on resource supply systems and unprecedented environmental pressure and impacts. There is therefore a need to step up global action in favour of the circular economy transition.

Circular economy policies and approaches support developing effective and efficient greenhouse gas and pollution reduction methods⁷. By raising the overall performance of national economies, the circular economy can help creating new markets and jobs. For example, between 2012 and 2018 the number of direct jobs linked to the circular economy in the EU grew by 5% to reach around 4 million⁸.

At the global level, the United Nations Environment Assembly (UNEA) has noted that, in a circular economy, 'products and materials are designed in such a way that they can be reused, remanufactured recycled or recovered and thus maintained in the economy for as long as possible, along with the resources of which they are made, and the generation of waste, especially hazardous waste, is avoided or minimised, and greenhouse gas emissions are prevented or reduced'⁹. The Assembly has also adopted a number of other resolutions related to circularity and resource efficiency.

The United Nations Industrial Development Organization (UNIDO) stresses the need to advance environmentally sustainable industrial development between 2018 and 2021 in particular by "building institutional and industrial sector capacities for greening industries through resource efficiency and cleaner production (CP) technologies and practices; creating green industries, including in fields of waste management and recycling; and facilitating the transition to a circular economy"¹⁰.

It should be noted that the Council, in its conclusions on 'More circularity – Transition to a sustainable society', adopted on 4 October 2019, encouraged the Commission and the EU Member States to explore opportunities for an international agreement on natural resources management in order to move towards a sustainable and efficient use of natural resources. Therefore, building on the possible development of a 'safe operating space' for natural resource use¹¹, this action will support the initiation of discussions on an international agreement on the management of natural resources through the Alliance.

At a time when the European Green Deal is shaping the EU's agenda, this Action will allow keeping our international messaging constantly up to date and consistent with the domestic policy agenda. The new CEAP emphasises that the EU cannot deliver alone the ambition of the European Green Deal for a climate-neutral, resource-efficient and circular economy. It confirms that the EU will continue to lead the way to a circular economy at the global level by using its influence, expertise and financial resources. The action will create opportunities for effective and concrete outreach to a much broader number of countries than is currently possible. It will strengthen the EU's ability to be present and heard in multilateral fora. Moreover, it will potentially result in business opportunities in new markets for EU companies and investors. Furthermore, the Covid-19 lockdown has shown how dependent and

⁵ IRP (2019), Global Resource Outlook 2019, pp. 102-103.

⁶ OECD (2018), Global Material Resources Outlook to 2060. Highlights.

⁷ OECD (2018) Global Material Resources Outlook to 2060. Highlights, p. 183. See also Ellen MacArthur Foundation (2019), Completing the Picture: How the Circular Economy Tackles Climate Change, p. 11.

⁸ https://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=cei_cie010&language=e.

⁹ Resolution 4/1 'Innovative pathways to achieve sustainable consumption and production'.

¹⁰ UNIDO, Medium-term programme framework, 2018-2021 (https://www.unido.org/sites/default/files/2017-05/IDB.45_8_Add.2_2_E_Medium-term_programme_framework_2018-2021_1703143E_20170522_0.pdf).

¹¹ See COM(2020) 98, Chapter 7; and SWD(2020) 100, Section 3.3.1.

intertwined are the countries in the world when it comes to supply chains for resources and products, but also how innovative and adaptable industry can be in adapting its production lines. This action will help the global circular economy transition, thus ‘building back better’ in the pandemic’s aftermath, as the United Nations Secretary General put it.

This Action will address mainly the specific Union objectives set out in Article 1, para. 2 of the Partnership Instrument Regulation¹², namely objective (a) ‘supporting the development of collective approaches and responses to challenges of global concern, such as fight against climate change and the promotion of the environmental standards of the Union’, as well as objective (b) ‘supporting international dimension of "Europe 2020"' by favouring the global transition to a circular economy, as per the new Circular Economy Action Plan, and objective (c) ‘improving access to markets in partner country by means of economic partnerships, business and regulatory cooperation’. Furthermore, the Action is expected to contribute to improving the EU business opportunities and competitiveness by increasing the uptake of circular and resource-efficient products/services, low-carbon technologies, circular business models, and smart solutions, thus contributing to the European exports/investments in these fields.

2.3 Lesson learnt

There are a number of initiatives that either have as an explicit objective the transition towards a global circular economy or are contributing to it. What is missing, however, is an alliance of governments, supported by stakeholders, willing to support the global circular economy transition as well as a more sustainable management of natural resources (material resources included) at the political level and in multilateral fora. These include the United Nations Environment Assembly (UNEA), the High-Level Political Forum (HLPF), and the United Nations General Assembly (UNGA).

Furthermore, there is a lack of governance mechanism that address the unsustainable and linear use of natural resources at global level, despite the strong link between resource management, environmental impacts and the circular economy. While a number of resources are (at least partially) dealt with by multilateral environmental agreements or conventions, their geographic scope, thematic coverage and implementation success vary greatly and they do not constitute an adequate governance framework to bring about the transformative change needed.

2.4 Complementarity, synergy and donor coordination

Synergies will be sought with existing Partnership Instrument projects, including ‘Environmental Diplomacy in G7/G20’, ‘Low carbon and circular economy business action in the Americas’, ‘Reducing plastic waste and marine litter in East and South East Asia. Supporting a transition to a circular economy in the region’ and ‘Reducing Plastic Waste in the Americas’.

Synergies will also be sought with existing initiatives for sustainable consumption and production that are either managed or financial supported by the EU, including the SWITCH programmes, the 10YFP, and PAGE.

Finally, this action will exploit complementarities with other relevant initiatives in support of the circular economy transition, including the World Circular Economy Forum¹³ (WCEF) and the Platform for Accelerating the Circular Economy¹⁴ (PACE). Initiatives contributing to the global circular economy transition include the 10 Year Framework of Programmes on Sustainable

¹² Regulation (EU) No 234/2014 of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries, OJ L 77, 15.3.2014, p. 77

¹³ <https://www.sitra.fi/en/projects/world-circular-economy-forum-2019/>.

¹⁴ <https://pacecircular.org/>.

Consumption and Production Patterns (10YFP)¹⁵, also known as the One Planet Network, and the Partnership for Action on Green Economy¹⁶ (PAGE). The G7 Alliance on Resource Efficiency (launched in 2015) and the G20 Resource Efficiency Dialogue (2017) are further examples.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

The Council conclusions on ‘More circularity – Transition to a sustainable society’, adopted on 4 October 2019, acknowledge the Union and its Member States’ efforts to become global leaders in promoting circular economy both bilaterally and multilaterally, and underline that the role of the Union has been instrumental in maintaining the momentum required to take the first steps towards sustainable consumption and production and waste management. In line with the new CEAP, this action will support further leadership by the Union in supporting the global circular economy transition and discussions on an international agreement on the management of natural resources.

2.6 Cross-cutting issues

Given the focus on the global circular economy transitions, support to positive climate action and biodiversity represents the backbone of this action. While almost all Sustainable Development Goals (SDGs) depend on sustainable management of natural resources, no less than 10 SDGs can only be achieved if resources are used in a more efficient way¹⁷. This action contributes primarily to the progressive achievement of SDG 12 on sustainable consumption and production, 8 on inclusive and sustainable growth and 9 on inclusive and sustainable industrialisation, resilient infrastructure and innovation, while also contributing to SDG 15 on the terrestrial environment, SDG 14 on the oceans, and SDG 13 on climate change.

By helping increase resource efficiency and sustainable consumption and production at the world level, this action will also be indirectly supporting EU’s development cooperation objectives concerning disadvantaged communities, particularly those that bear the brunt of industrial pollution and waste mismanagement, subsistence economies and the informal sector, thus helping addressing broader sustainable development objectives, including decent work and inclusive economic growth that are the basis of human rights and fundamental freedoms.

Gender mainstreaming aspects will be considered throughout the project. Equal gender representation among participants for the activities will be ensured to the maximum extent possible. Any impact on women especially at local community level will be considered for any relevant activities, including through outreach and, where relevant, gender sensitive studies. Finally, considering the action is based on a multilateral approach and will be implemented through UN agencies, cross-cutting issues such as multilateralism, EU principles and values will be directly considered.

3 ACTION DESCRIPTION

3.1 Objectives

Changing the way in which we extract, process and use material resources, how we produce, consume and dispose of materials and products so that we minimise the environmental and social impacts of our

¹⁵ <https://www.oneplanetnetwork.org/>.

¹⁶ <https://www.un-page.org/>.

¹⁷ IRP (2015), Policy coherence of the Sustainable Development Goals. A natural resource perspective.

activities, while contributing to the economic and social welfare of societies and citizens, are key factors for achieving the commonly agreed international goals mentioned above and for remaining within a safe operating space for natural resource use¹⁸.

The **overall objective** of the action is to promote EU's leadership role in supporting the global transition to a climate-neutral, resource-efficient and circular economy as set out in the new Circular Economy Action Plan, thus contributing to the overarching political priorities of the European Green Deal.

The **specific objectives** of the action are the establishment of a functioning Global Alliance on Circular Economy and Resource Efficiency to create a better understanding of the transitions towards circular economy, including their potentials and implications towards advancing sustainable development across its three dimensions, and contributing to the establishment of a global resource efficiency forum for the sustainable management of natural resources through resource-efficient and circular approaches, and to consider initiating discussions on an international agreement.

Result/output 1: Establishment of the Global Alliance on Circular Economy and Resource Efficiency

The United Nations Environment Programme (UNEP) and the United Nations Industrial Development Organization (UNIDO) will act as 'managing organisations' of the Alliance and will support the EU in its establishment. UNEP and UNIDO will seek the cooperation with other relevant international organisations / UN agencies, such as the United Nations Development Programme (UNDP) in implementing the activities under this action.

UNEP and UNIDO will liaise with their membership, inviting it to join the Alliance. Countries that have demonstrated a particular interest in supporting the global circular economy transition¹⁹ could be approached first and would thus become founding members. The managing organisations will organise a launch event of the Alliance at UNEA-5 (February 2021), exploiting the presence of ministers and high-level representatives at the Assembly.

Result/output 2: Advocacy activities implemented and governance barriers in advancing a global circular economy are identified

The managing organisations will support the delivery of the following tasks by the Alliance:

- a) Advocate for the transition to a global circular economy for a more efficient use of resources, and to achieve sustainable consumption and production, thus contributing to the Paris Agreement goals, halting and reversing biodiversity loss, and curbing pollution.
- b) Undertake a mapping of domestic policies, fiscal and regulatory frameworks on the management of natural resources and the circular economy transition, building on relevant information including just transition policies and practices, such as promoting green and decent work, or developing accompanying measures in sectors that may be negatively affected by the transition, with a focus on policies and regulatory frameworks that have proved successful.
- c) Identify barriers and governance gaps that hinder circular and just transitions and are bottlenecks in decoupling economic growth from resource use, biodiversity loss, and greenhouse gas emissions at the international and global level, and possible opportunities for making greener, more resource efficient and circular global value chains.

¹⁸ A 'safe operating space' refers to use of resources (e.g. water, soil, land, minerals, metals, biomass) that does not exceed certain local, regional and/or global thresholds so to avoid that environmental impacts exceed planetary boundaries and lead to the breakdown of life-sustaining functions and impairing sustainable livelihoods across countries. See SWD(2020) 100, Section 3.3.1.

¹⁹ E.g. Canada, Chile, China, Colombia, India, Indonesia, Japan, New Zealand, Mexico, Nigeria, Peru, Republic of Korea, Rwanda, South Africa, and the United Kingdom.

d) Identify research needs²⁰ and possible global governance improvements that could help governments and stakeholders to address such barriers and bottlenecks, including concerning specific resources.

For the delivery of those tasks, the managing organisations will, as appropriate, prepare concept notes, working documents and reports to stimulate the debate; identify potential speakers for relevant Alliance events (including possible events back-to-back with major international environmental meetings); draft meeting reports; propose appropriate follow-up actions to the Alliance members; organise logistical arrangements for meetings, be it physical (renting of venue; catering; information materials such as posters and flyers; travel, accommodation and meals for speakers; registration of participants etc) or, preferably, virtual.

In addition, the managing organisation will organise yearly meetings of the Alliance's high-level representatives to decide on priorities and monitor progress. When necessary, they will also organise meetings of members' experts, preferably remotely, to advance the Alliance's work and implement the agreed priorities. This will include drafting meeting agendas, preparing working documents, drafting the minutes, taking care of logistical arrangements etc.

Result/output 3: Establish circular economy partnerships

As appropriate, the managing organisations will support the establishment of sectoral, bilateral and/or regional partnerships in support of circular and just transitions, while making sure not duplicating efforts. Such partnerships could be established in particular with regional stakeholders platforms²¹ major economies (should they not be members of the Alliance), and in the context of regional coordination mechanisms²². To this end, the managing organisations will engage in outreach activities with prospective partners, through e.g. targeted communications and awareness raising campaigns, and exploit opportunities arising from relevant regional / national events.

Through such partnerships, the Alliance would contribute to circular and resource efficient developments in the target regions / countries, notably by disseminating and exchanging best practices and, where relevant, compare the different circular economy initiatives being developed in such regions / countries and by relevant stakeholders (international organisations, global businesses etc.).

Result/output 4: Develop and launch a global resource efficiency forum

The managing organisations will exploit the results of the Alliance's work, notably in relation to points a) and d) under result/output 2 and the partnerships established under result/output 3, for gathering momentum towards the establishment of a global resource efficiency forum. The forum will build on the Alliance's insight to improve the management of natural resources through resource-efficient and circular approaches.

To this end, the managing organisations will work with the Alliance's members towards developing such a forum and launching it at Stockholm+50 (2022) / UNEA-6 (2023). A proposal for a roadmap for the development of the forum will be elaborated by the managing organisations within six months from the start of the present action, to the extent possible through a participatory process involving their membership, and be discussed at the first suitable meeting of the Alliance.

The forum will inter alia provide a venue for initiating a global conversation on the governance of natural resources and options to improve the current situation.

²⁰ For example concerning metrics and indicators for circularity, contributing to a common understanding towards measuring how circular economies are and which progress we aim at achieving at global and regional levels.

²¹ For instance, the [European Circular Economy Platform](#) and the African Alliance on Circular Economy.

²² E.g. the Regional Coalition in Latin America and the Caribbean.

3.2 Stakeholders

Stakeholders involved in the Alliance and other activities run under the project include first and foremost governments that are willing to take the leadership in advancing on circular economy and resource efficiency, as well international organisations, including UN agencies, funds and programmes, that play a key role in sustainable consumption and production as well as natural resource management. Other relevant stakeholders include circular economy platforms at regional level to increase consistency and cooperation with and among existing platforms; business leaders who want to seize the opportunities offered by the circular economy model for the improving resource efficiency of their businesses, thus contributing to decoupling the world’s economic growth from environmental degradation; environmental NGOs and civil society organisations who want to provide their expertise on circular economy practices contributing to sustainable consumption and production, and better natural resource management; as well as relevant international networks and initiatives, as their participation will ensure optimal information sharing and complementarity.

3.3 Risk assessment and management

| Risks | Risk level (H/M/L) | Mitigating measures |
|---|--------------------|---|
| Lack of interest from third countries stakeholders and/or the United Nations Environment Assembly | L/M | Considering the increasing interest in circular economy approaches across the world and the adoption of a resolution by UNEA in 2019 related to circular economy, this risk is considered in general low (medium for certain countries). It can be further mitigated by having a proactive and advocacy approach during e.g. bilateral dialogue meetings to secure buy in of UNEA members |
| Differing interpretations of the role of the Alliance | L | Specific terms of reference for the Global Circular Economy Alliance are being negotiated and will be finalised by the time the present action starts. They will ensure a common understanding between UNEP, UNIDO and the Commission about the objectives of the Alliance. Moreover, a Steering Committee comprising also of EU representatives will oversee the implementation of the action. |
| Duplication with existing initiatives / platforms / fora | M | The Commission has an active role in practically all relevant international initiatives related to the circular economy. Synergies will be thus easily sought and duplications / unnecessary overlaps avoided. |
| Opposition to an international agreement on the management of natural resources | H | The objective of this Action is limited to supporting the launch of a global conversation on such an international agreement. It is not supposed to lead to its adoption, which indeed at this stage could be considered premature. |
| Sustainability of the action | M | The action has four years to promote the Alliance and secure alternative funding. |

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. 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 Action²³ (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management²⁴ with international organizations

The action may be implemented in indirect management with the United Nations Environment Programme (UNEP) and the United Nations Industrial Development Organization (UNIDO). This implementation entails carrying out activities described in section 3 (taking into account the final version of the Alliance Concept Note that will need to be endorsed by the Council). The entities have been selected on account of their technical competence, and high degree of specialisation:

- UNEP will be a partner of choice to manage the action. Besides running the secretariat of the UN Environment Assembly, it is tasked with environmental issues and manages a number of related initiatives in this area²⁵. As such, it is in an ideal position to rally other member countries around the Alliance.
- The collaboration with UNIDO as a junior partner is a strategic choice, given their successful collaboration with the European Commission on related issues, particularly on circular economy²⁶, their focus on inclusive and sustainable industrial development in connection to safeguarding the environment, and strong standing with developing countries, including on-the-ground work with their business communities and Ministries of Economy, Environment, Industry and Trade.

If negotiations with the above-mentioned entities fail, that part of this action may be implemented in direct management through procurement. Indicatively, one service contract would be signed.

²³ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

²⁴ Article 154 of the Financial Regulation – Selection of the entities entrusted with the implementation of EU funds in indirect management.

²⁵ Such as the 10 Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP), the Partnership for Action on Green Economy (PAGE).

²⁶ In particular, the DEVCO-led SWITCH Sustainable production and consumption and circular economy initiatives, DG ENV circular economy missions, and as a member of the Partnership for Action on Green Economy (PAGE).

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.²⁷

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|---------------------------------|------------------------------|
| Indirect management | 1 |
| Total | 1 |

4.3 Organisational set-up and responsibilities

Relevant EU services will ensure technical steer as well as the technical coherence of the action as a whole.

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

To ensure proper governance of the action and strategic orientation, a Steering Committee will be established. The Steering Committee will include representatives of relevant EU services as well as representatives of the managing organisations UNEP and UNIDO. It will meet at least once a year, starting with a kick-off meeting during the inception phase of the action.

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.

4.4 Performance monitoring

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

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

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

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

²⁷ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.5 Evaluation and audit

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

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

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

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for EU-China Energy Cooperation Platform (ECECP) - Phase II

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Title of the Action | EU-China Energy Cooperation Platform (ECECP) - Phase II | | | |
| Country/region/global | People's Republic of China | | | |
| Sector of intervention | Clean energy transition and climate actions, Energy global markets, Business cooperation | | | |
| Indicative budget | Total: EUR 1 500 000 EU Contribution: EUR 1 500 000 (100 %) | | | |
| Duration and target start date of implementation | 24 months Start date: Q4 2021 | | | |
| Method of implementation | Direct management through procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries ¹ | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Internal markers | | | |
| | Digitalisation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Covid | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

¹ OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

This action aims to enhance the EU-China energy cooperation, spanning the fields of clean energy transition, energy markets and governance and business cooperation.

The EU-China Energy Cooperation Platform (ECECP-I) was set up in 2018 and was formally launched in May 2019, to support the *EU-China Energy Dialogue*, and to help operationalise the 2016 *EU-China Energy Cooperation Roadmap*. The proposed action will provide ongoing support to the Platform. In addition to implementing the new *EU-China Energy Roadmap (2020-2025)* currently under development, it will help implement the *Joint Statement on the Implementation of the EU-China Energy Cooperation* as signed by the leaders on the margins of the 2019 Summit.

Under the proposed project, the Platform will continue to leverage EU's long-standing experience and bring together governments, regulatory agencies, businesses and other key energy sector players to promote innovative EU approaches, policies and/or legislation and business cooperation in the field of clean energy.

By supporting China's transition to clean energy, the action will promote closer integration of China in the existing international energy architecture, thus contributing to increased stability and predictability in the international energy markets.

It will also promote enhanced energy governance in China and liberalisation of China's energy markets. Above all, it will continue to build and reinforce much needed networks and channels of communication with relevant Chinese stakeholders, thus contributing to greater trust and understanding between the two strategic partners.

2.2 Background/Context/Rationale for PI funding²

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 13th 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. The present project is in line with the *EU's Energy Union*, the external dimension of the *European Green Deal*, the Joint Communication of 12 March 2019 "*EU-China: A strategic outlook*", the *EU-China 2020 Strategic Agenda for Cooperation*, and the *Paris Agreement on Climate Change*.

The EU can offer valuable 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 can 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* and adopted the *Joint Statement on the*

² More information on PI funded actions is available on the PI map: www.pimap.eu

Implementation of the EU-China Energy Cooperation in 2019. An updated EU-China Roadmap on Energy Cooperation (2020-2025), is currently under development.

The second phase of the EU China Energy Cooperation Platform (ECECP –II) will help strengthen these efforts further by supporting the operationalisation of these commitments.

2.3 Lessons learnt

The first phase of the ECECP has already proven successful in supporting the high level dialogue on Energy with China by developing studies and activities that provided opportunities for in-depth exchanges on 4 shortlisted topics of mutual interest, namely: 1) development of energy systems and markets, 2) promotion of renewable energy, 3) energy efficiency and 4) innovative business platform and market access). Through various workshops and webinars, it provided opportunities to build a network of contacts and maintain a dynamic exchange in China on the topic of clean energy transition.

One of the recurring lessons learnt from implementing projects in China, is that rolling out a new project in the country requires a relatively long kick-off phase. This is due to the logistics needed for putting in place a new team, but most importantly given the need to reinforce the relations with the Chinese administration and to ensure the understanding of the project by the Chinese partners. The first phase of the ECECP has already built effective mechanisms of coordination both with Chinese partners as well as with the multiple EU stakeholders involved in that action.

In order to further enrich the second phase, a mid-term evaluation of phase I will be conducted and the lessons learnt therefrom will be integrated in the negotiation process and the work plans for the second phase.

2.4 Complementarity, synergy and donor coordination

ECECP-II will carry forward and directly build upon the work started under the first phase of the EU China Energy Cooperation platform. As such, it will continue to build upon the legacy of past EU funded projects in China such as EC2-EU China Clean Energy Center and EC-link. However, like its first phase, ECECP-II will broaden the scope of the past energy related projects, from renewables and energy efficiency to a wider cooperation and trust building on energy matters (including energy market reforms and energy sector business cooperation).

At present, ECECP is the only EU funded energy project in China. However, certain other relevant actions are currently under implementation, such as the Platform for Policy Dialogue and Cooperation between the European Union and China on Emissions Trading and the International Urban Cooperation Asia. ECECP-II will ensure synergies with these and other relevant projects.

With regard to market access as well as trade and investment barriers, the Commission, led by DG TRADE, already implements a broad strategy, covering China and the energy sector. Market barriers in China are continuously assessed in that context, and the proposed project will be implemented in a way that fully supports those processes

With regard to the business cooperation component of this project, close coordination will be ensured with the EU SME Centre.

Coordination will 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 (multiple sectors), Denmark (renewable energies) and France (nuclear). All ongoing actions undertaken by EU Member States are regularly monitored in order to ensure complementarity, build on good experiences and avoid duplications. Close coordination with EU MS

will continue to take place at the field level through regular engagement with European Member States Embassies, Chamber of Commerce and other relevant stakeholders present in China.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

This action supports EU's cooperation with China in areas such as energy market reforms, clean energy transition and uptake of EU technologies and standards in the sector. Engaging in this area at the EU level is in line with the Energy Union approach as well as the European Green Deal.

The appropriateness of designing this action at the EU level is further confirmed by the fact that the project aims to implement the political commitments undertaken by EU and China, under the annual high level *EU-China Energy Dialogue* and in the *Joint Statement on the Implementation of the EU-China Energy Cooperation*

It is also important to underline that despite the action being conceptualised at the EU level, coordination with EU Member States on energy cooperation with China has been significantly strengthened during the first phase of the EU China Energy Cooperation Platform. This will be further enhanced in the proposed second phase.

2.6 Cross-cutting issues

Climate change and multilateralism are central to the objectives of this action and will be directly addressed during implementation.

Gender equality will be mainstreamed throughout the implementation of the action, for instance by ensuring gender balanced speaker panels, round tables and working groups, including at high-level representation.

Measures will be taken to reduce the environmental impact of the action's activities³ and efforts will be made towards more accessible project resources, e.g. accessible event venues, accessible project website, etc.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of the project is to enhance EU-China cooperation on energy. In line with the EU's Energy Union, the Clean Energy for All Europeans package, the Paris Agreement on Climate Change, the EU's Global Strategy and the European Green Deal, this enhanced cooperation will help increase mutual trust and understanding between the two strategic partners and contribute to a global transition towards clean, sustainable, reliable and secure 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. Continued support will be provided to the EU-China Energy Cooperation Platform (ECECP) with this objective.

The project has two main components:

³<https://myintracomm.ec.europa.eu/serv/en/scic/conference/Documents/Checklist%20for%20Greener%20Conferences%20Aug%202018.pdf>

1. ***Enhancing EU-China political dialogue and cooperation on key energy policy areas identified under the Roadmap***

The main areas of work under the Platform are 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. It 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.

2. ***Strengthening 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.

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 managing the Platform, for the implementation of the 2019 Joint Statement on the Implementation of the EU-China Energy Cooperation, implementation of the new Energy Roadmap 2021-2025, which is currently under development, 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 sides' 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 2019 Joint Statement on the Implementation of the EU-China Energy Cooperation and EU-China Roadmaps 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.

3.2 Stakeholders

- European Commission (DG ENER, DG CLIMA, DG ENV, DG GROW, DG TRADE, DG RTD and DG MOVE), EEAS and EU Delegation to China;
- EU Member States;
- Chinese authorities (National Energy Administration - NEA, National Development and Reform Commission - NDRC, Ministry of Innovation and Information Technology - MIIT, Mission of China to the EU, MoHRSS);
- Energy-related EU businesses in China, EU businesses with a trade or investment interest (in energy sector) in China, relevant 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 organisations (e.g. International Energy Agency), relevant think tanks, energy research institutions, environmental NGOs, civil society, and academia.

3.3 Risk assessment and management

| Risk description | Risk level (H/ M/L) | Mitigating measure |
|---|---------------------|---|
| 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 counterparts; 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 and EU Member States to cooperate on energy matters in line with the EU-China Energy Cooperation Roadmap.

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action⁴ (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The implementing partner will consult with the contracting authority to establish appropriate communication actions (or absence thereof) as per the political context at the time of the project implementation.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

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

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.⁵

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|---------------------------------|------------------------------|
| Procurement (direct management) | 1.5 |
| Total | 1.5 |

4.3 Organisational set-up and responsibilities

The action will be deconcentrated to the EU Delegation in China for implementation.

A Project Steering Committee (PSC), composed of relevant Commission services, EEAS and EU Delegation in China, will provide technical guidance to the implementation of the action. Chinese stakeholders, such as the NEA, will be invited to join the PSC if relevant.

⁴ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

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

Policy and strategic coordination between the EU and China will be ensured by DG ENER through regular meetings with the NEA. This coordination mechanism will be closely aligned with the follow up of the 2019 Joint Statement on Energy Cooperation and the upcoming Energy Cooperation Roadmap. Other stakeholders and services may be invited to these discussions join as relevant.

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.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Enhancing EU-China Strategic Cooperation in Respect of the Made in China 2025 Initiative

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Title of the Action | Enhancing EU-China Strategic Cooperation in Respect of the Made in China 2025 Initiative | | | |
| Country/region/global | European Union (EU) and the People's Republic of China | | | |
| Sector of intervention | Partnership Instrument objective 3, trade and market access | | | |
| Indicative budget | Total: EUR 6 000 000 EU contribution: EUR 6 000 000 (100 %) | | | |
| Duration and target start date of implementation | 24 months Start date: Q4 2020 | | | |
| Method of implementation | Direct management through procurement | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries ¹ | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Internal markers | | | |
| | Digitalisation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Covid | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

¹ OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

The action will support EU market access in the context of the Chinese industrial plan Made in China 2025 (MIC 2025) in order to maximise EU business opportunities in China, inter alia by achieving a level playing field, fair competition and investment conditions for EU companies commercialising goods, services, and technologies. Building on a successful first phase, this action will cover six remaining priority sectors, i.e. new advanced information technology; aerospace and aeronautical equipment; maritime equipment and high-tech shipping; modern rail transport equipment; power equipment; agricultural equipment.

The action will underpin the political framework for EU-China strategic cooperation by providing a valuable up-to-date input in the selected priority sectors of Made in China 2025 (MIC2025) in view of the several bilateral dialogues that the EU and China have established in various policy areas.

Made in China 2025 is an initiative aimed at comprehensively upgrading the Chinese industry in ten high-tech strategic sectors. The strategy was drafted by China's Ministry of Industry and Information Technology (MIIT) and launched in March 2015.

This initiative potentially represents sizeable business opportunities for EU companies, as our technologies, products, services and investment can make a unique contribution to China's efforts to upgrade manufacturing. For this to take place, it is of vital importance that China engages in providing the right policy framework in the context of their reform process, including open and fair competition with EU companies, so that the EU and China can cooperate in a truly win-win industrial and technological partnership.

2.2 Background/Context/Rationale for PI funding²

The accelerated process of economic development experienced by China over the last 15 years has made it the second largest world economy in GDP terms and the largest trading nation in the world. After years of double digit growth, China has seen its growth rate to stabilise at more than 6% a year. As a result, China is - and will remain - a country rich in "opportunities for business". The size of its internal market, the dynamism of its companies and research centres and the sheer growth rate of its economy attract foreign companies.

However, a critical question for China – and for the rest of the world - is how to implement structural reforms necessary for longer term growth. The market-based reforms announced by the Third Plenum in 2013 have made little progress since. In line with the outcomes of the Communist Party Congress of October 2017, the Party's control over State Owned Enterprises ("SOEs") and the economy in general has been significantly reinforced, possibly contrasting with the need for the Chinese economy to become more competitive, including through much more significant participation of EU companies in the Chinese economic fabric, which necessitates more market opening and a more level playing field.

China has launched over the last two years a series of industrial plans and initiatives aimed at strengthening the Chinese manufacturing sector in a comprehensive and long term way. Among such initiatives, we have identified as particularly significant the "Made in China 2025" (MIC 2025) initiative.

MIC 2025 is an initiative to comprehensively upgrade Chinese industry in ten strategic sectors: 1) New advanced information technology; 2) Automated machine tools & robotics; 3) Aerospace and aeronautical equipment; 4) Maritime equipment and high-tech shipping; 5) Modern rail transport equipment; 6) New-energy vehicles and equipment; 7) Power equipment; 8) Agricultural equipment; 9) New materials; and 10) Bio-pharma and advanced medical products.

² More information on PI funded actions is available on the PI map: www.pimap.eu

The sectors include important high-tech sectors with a cross-cutting digital thread, which are not only vital pillars for the employment, competitiveness and growth in the EU but also bear a strategic importance considering the key technologies they produce. With the further expansion of the digital and high-tech economy, it is essential to further strengthen the position of EU industry in the Chinese market as well as globally. EU companies can provide best practices with regard to industry development based on free and fair market principles.

Finally, the health and economic crisis due to COVID 19 makes it even more important to closely follow developments in key sectors in China.

2.3 Lesson learnt

Information from the ground indicates that MIC 2025 could potentially represent sizeable business opportunities for EU companies, as our technology, products, services and investment can make a unique contribution to China's efforts to upgrade manufacturing. Experience shows that the identification of these opportunities - which may present themselves on different levels of government – is often a very challenging exercise which requires an in-depth knowledge of the Chinese system and of where to find documents that are not publicly or easily available.

2.4 Complementarity, synergy and donor coordination

This new action will be fully complementary to previous ones as it will provide information about sectors not yet analysed.

This complements an ongoing project covering the other MIC 2025 sectors. In addition, a number of prior actions have been realised concerning China related to the monitoring of the Chinese legislative and regulatory system, however, they have not been specific enough and have not possessed the necessary resources to provide the adequate level of output required for this action.

Two projects have been funded under the Partnership Instrument's Policy Support Facility (PSF): a one-year action launched in October 2015 (“Understanding Chinese Legal Economic Reform”) and a second 14-month project expected to run until January 2018 (“Understanding Chinese Legal Economic Reform II”). In both cases, objectives, outputs and activities are focused on monitoring of the government's daily announcements, analyses, translations, presentations etc.

Another project "Anticipating the impact of China's trade policies on the EU" was launched in 2015. This action has a different focus and is supposed to support EU trade policy-making vis-à-vis China through the production of dedicated studies on Chinese overcapacity and subsidies in selected industries. In addition, there is an ongoing project undertaken by Directorate H of DG Trade, focussing on a different scope (only on traditional sectors such as steel and aluminium) and exclusively on subsidies.

There is no overlap identified with these projects, on the contrary these projects could reinforce each other by providing a better understanding of China's policies. Moreover, the current action has learnt from previous projects. Hence, it is concluded that significantly more robust resources and more punctual investigation are needed for the current action and that is the reason for the allocation of resources for the proposed sectors.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

Made in China 2025 can have a considerable impact on EU business. It poses opportunities and challenges taking into account that the EU-China bilateral relationship is crucially interlinked: China

is the EU's second largest trading partner and the EU is China's first trading partner. The EU has a significant stock of investment in China and Europe has recently developed as a priority destination for Chinese Foreign Direct Investment (FDI), notably in high-tech sectors. It is essential for both sides that we make it work. For the EU, the long-term economic and trade relationship with China is key to the build-up and success of a partnership which has become an integral part to our own economic growth and welfare.

And this is all the more relevant and urgent now in the light of the political priorities of the Von der Leyen Commission and the Commission communication on “A new industrial strategy for Europe” of 10 March 2020, that highlights the need to move towards Europe’s “sovereignty” in strategic sectors, like those covered under Made in China 2025, in the twin transitions towards climate neutrality and digital leadership.

"Trade for All" has made clear that EU policy should support the EU's investment plan for Europe in line with the Europe 2020 objectives and priorities, as also reinforced in June 2016 in the "EU-China Strategy". Moreover, the Joint Communication on “EU-China: a strategic outlook” of March 2019 laid down the objective for the EU to achieve a more balanced trade and investment relationship with China. This action will support market access for EU companies in China and – more generally - also the work of Member States, EU companies and EU business associations in China. The action will also support the EU-China comprehensive investment agreement negotiations.

2.6 Cross-cutting issues

This action follows up the legislative and policy agenda of the covered sectors within MIC 2025. As the EU has been moving towards a more responsible trade and investment policy, as stated in the 2015 "Trade for All" Communication, the project will also report, as relevant, on developments occurring in the sectors dealing for instance with business and human rights, climate change or corporate social responsibility, looking also for possible trade policy impacts. Cross-cutting issues may therefore be included in the monitoring of relevant policy areas. Moreover, the project itself is expected account for a low CO2 impact, given it is desk and web-based to a considerable extent.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of the action is to provide a basis for enhancing strategic cooperation between the EU and China, by maximising business opportunities, inter alia by achieving a level playing field, fair competition and investment conditions for EU companies commercialising goods, services, and technologies in the below-mentioned priority sectors out of the ten sectors earmarked overall by the Chinese industrial plan MIC2025.

The **specific objective** of the action is to collect concrete information about such business opportunities and analyse them in as many as possible of the following areas:

- ICT³;
- Aerospace and aeronautical equipment;
- Maritime equipment and high-tech shipping;
- Modern rail transport equipment;
- Power equipment;
- Agricultural equipment;
- New materials

³ Including all relevant areas such as telecom equipment (except those covered in relevant previous projects such as semiconductors).

Activities foreseen in the action include the (1) monitoring, understanding and putting in context of all MIC 2025 related policy developments, (2) identification of specific areas where EU business can directly benefit from programmes under MIC 2025 and (3) comprehensive analysis relevant measures and practices applicable to these important sectors, with a view to identifying specific ways forward.

3.2 Stakeholders

Key stakeholders are Commission officials working on trade files related to China and the EU Delegation to China. The action will not be limited to DG TRADE but also provide information to the EEAS and all relevant Commission line departments (i.a. DG MOVE GROW, CNECT, COMP, ENER, etc.).

The project will support the political framework by providing a valuable up-to-date input in the selected priority sectors of MIC2025 in view of the several bilateral dialogues that the EU and China have established in various policy areas. While there are many ongoing bilateral trade and trade-related dialogues, some of the main ones covering trade and investment issues with China are:

- The annual EU-China Summit, including the Business Summit, chaired at heads of state and government level;
- The annual High Level Economic and Trade Dialogue (HED) chaired by a Commission Vice President on the EU side and a Vice-Premier on the Chinese side;
- The Joint Committee (JC) meeting annually at Commissioner/Minister level;
- The Trade and Investment Policy Dialogue (TIPD) meeting also annually at DG level;
- The Economic and Trade Working Group (ETWG) meeting annually at Director level;
- The High-Tech Working Group (HTWG) meeting annually at Director Level.

Moreover, there are numerous negotiations and fora in multilateral organisations, including the WTO and G20 frameworks, in which China and the EU have a direct dialogue and need to align strategies.

In addition, the project will also support the numerous dialogues line DGs and the EEAS are undertaking with China.

The project could also provide useful information for EU stakeholders.

3.3 Risk assessment and management

External risks: key documents are not always published and their distribution can be restricted to a limited number of recipients. The consultant will be required to adequately cover all sectors in the scope of this project; their staff will be expected to have in-depth knowledge of China and of where to find documents that are not available in the most obvious public resources. Consequently, this risk shall be alleviated to the minimum.

Internal risks: the team selection should be done very carefully as this action requires intensive work and the challenge is to produce quality content within a short period of time. Should experts working in the team fail to meet to high quality standards, they will be replaced. Therefore, the risk of hampering this activity is low.

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action⁴ (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

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

This call will be launched in Q3 2020 under a suspensive clause prior to the adoption of this decision. This is justified because prompt investigation on the new sectors is essential in view of EU China relations.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.⁵

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|---------------------------------|------------------------------|
| Direct management - Procurement | 6 |
| Total | 6 |

4.3 Organisational set-up and responsibilities

A Project Steering Board composed by relevant EU services will provide the overall technical steering and will meet at least two times per year. The daily management will be ensured by DG TRADE.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

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.

⁴ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

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

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for IP key China

1 KEY IDENTIFICATION DATA

| | | | | | |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|--|
| Title of the Action | IP Key China | | | | |
| Country/region/global | People's Republic of China | | | | |
| Sector of intervention | Partnership Instrument objective 3, trade and market access | | | | |
| Indicative budget | Total: EUR 4 666 667 EU contribution: EUR 3 500 000 (75 %) Other contributions: EUIPO EUR 1 166 667 (25%) | | | | |
| Duration and target start date of implementation | 36 months Start date: Q1 2022 | | | | |
| Method of implementation | Indirect management with the European Union Intellectual Property Office (EUIPO) | | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries ¹ | | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | | |
| DAC code(s) | 99810 | | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective | |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Trade Development | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| | RIO Convention markers | | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Internal markers | | | | |
| | Digitalisation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Covid | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

¹ OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

This action aims to improve the situation of Intellectual Property (IP) protection and enforcement in China and to contribute to a level playing field in this regard for EU companies operating in China.

This objective will be achieved by supporting the further strengthening the IP protection and enforcement system already set in place in China with the support of the previous and present technical cooperation programmes. Proposed activities will essentially consist of a menu of studies, exchanges and communication actions, which will help to improve China's IP Right (IPR) policy and regulations, as well as their implementation and enforcement, in line with EU standards and best practices.

The programme will follow the priorities set under the IPR Dialogue, in full consistency with the political guidance from EU-China summits and High Level Economic Dialogue (HED).

2.2 Background/Context/Rationale for PI funding²

China remains the EU's biggest challenge in the area of intellectual property rights. Even though significant legislative progress has been made during recent years, IPR protection and enforcement is in many areas still not sufficient.

Substantial concerns exist in particular as regards the interpretation of patentability requirements, the lack of sufficient protection against trademark applications made in bad faith, and the protection provided for trade secrets. An emerging concern is the assurance of fair and non-discrimination treatment in competition cases related to IPR opened against foreign right holders.

Access to the Chinese administrative and judicial enforcement system in China remains problematic for EU companies, notably for SMEs. In addition, the EU industry suffers from a long-standing discrepancy between the federal and the provincial protection level in China in terms of IPR enforcement effectiveness and efficiency. Finally, the lack of transparency in proceedings before Courts and administration, as well as limited access to reliable information, is a constant issue for EU stakeholders.

Moreover, according to the OECD-EUIPO study *Mapping the economic impact of trade in counterfeit and pirated goods* (2016), China is the world's main producer of counterfeit goods. The Commission's *Report on EU customs enforcement of intellectual property rights* (2018) shows that, including Hong Kong, around 80% of seized counterfeit goods by article came from China. This problem goes beyond lost revenues of IP stakeholders, since a significant part of detained articles are products for daily use, presenting potential risks to the health and safety of consumers. The globally rising phenomenon of online counterfeiting and piracy sees Chinese e-commerce companies at its forefront.

The establishment of three specialised IP Courts in Beijing, Shanghai and Guangzhou is a clear progress. It has been followed by the creation of specific Internet Courts in Hangzhou, Beijing and Shanghai also dealing with IPR infringements. In early 2019, China created a specialised IP court as part of the Supreme People's Court (SPC) to focus mainly on patent cases. The creation of such a specialised IP court within the SPC is promising as it could increase coherence of court decisions at all levels.

Notwithstanding these encouraging signs, in view of the existing problems and the economic dimension of China, the European Commission's biennial report on the protection and enforcement of IP rights in third countries still puts China as the only country in priority category one.

² More information on PI funded actions is available on the PI map: www.pimap.eu

The adequate protection and enforcement of IPR in 3rd priority countries is key for fair/lawful trade *inter alia* in medicines and medical equipment, also to avoid negative implications on health and lives stemming from potential counterfeiting of drugs and equipment. The EU is heavily relying on imports of medical and protective equipment to fight viruses, including Covid19. China is a major originator of these products but also of counterfeits in this domain, therefore requiring adequate efforts by the EU to ensure appropriate IPR protection and enforcement of IPRs.

2.3 Lesson learnt

The findings of the mid-term evaluation of the current ongoing project, IP key China 2017-2021, were overall positive and supportive of a continuation. Indeed the mid-term review revealed that the project is successful in supporting IPR legislation being set in place in China. Even though legislative measures are in place, issues on enforcement persist, specifically for non-Chinese actors. Still, China is raising the bar in general terms, which will have a positive effect also for non-Chinese companies.

2.4 Complementarity, synergy and donor coordination

The action is supposed to provide essential support for implementing activities defined during the EU-China IP Dialogue mechanism, which consists of annual IP Dialogues and bi-annual IP Working Groups.

This support is particularly needed after the recently signed Memorandum of Understanding (MoU) on reinforcing the EU-China IP Dialogue Mechanism, which not only upgraded the IP Dialogue to vice-ministerial level, creating a direct reporting link to the EU-China Joint Committee (JC) and High Level Economic and Trade Dialogue (HED), but also introduced the annual definition of priorities of cooperation.

Upon need/request, the programme will be complementary to and provide support for:

- The investment negotiations with China (DG TRADE).
- The Customs Framework Agreement and Action Plans with Mainland China and Hong Kong (DG TAXUD).
- The surveillance and influence upon the developments of China's growing use of competition policy in the area of IPR (DG COMP).
- The cooperation of DG GROW, DG CONNECT, and DG SANTE with China in the areas of industrial property, standard setting, copyright, plant variety, and regulatory aspects in the area of pharmaceuticals.

Supplementary activities to the bilateral activities carried out with China by the European Patent Office (EPO) and the European Union Intellectual Property Office (EUIPO, and to their efforts through the network of the five leading IP Offices (IP5, TM5, ID5).

The China IPR SME Helpdesk (funded by the Programme for Competitiveness and Enterprises and SMEs (COSME)) provides the following services related to IPR protection and enforcement in the respective regions: provision of first line advisory services, development and publication of background material, provision of training to EU SMEs, monitoring of policies and legislation, provision of partnering services, communication and dissemination, joint services and other innovative services to EU SMEs. Thus, the IPR SME Helpdesk does not aim at shaping the IP policies or environment in those regions. IP Key and the SME Helpdesk have worked together since 2018 and increased/improved their synergies by attending activities on a regular basis.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

As pointed out in the EU 2020 Strategy, the EU must encourage trading in open, fair markets worldwide, within a rule-based international framework to be able to foster economic growth. This action will contribute to three aspects of the external policy objectives set out in the Europe 2020 strategy: it will promote the external aspects of EU internal policies (in the field of intellectual property); it will promote trade; and will strive to build strategic relationships with partners worldwide so as to discuss market access issues of common concern, promote cooperation on regulation and other matters, alleviate trade irritants and resolve bilateral issues.

The action will help to ensure that right holders from the EU can benefit from a high level of intellectual property rights protection and that there are adequate measures in place to enforce such rights, especially in view of the fact that the R&D and high tech sectors are sectors where the EU has a very strong export performance. This is all the more relevant and urgent now in the light of the political priorities of the Von der Leyen Commission and the Commission communication on “A new industrial strategy for Europe” of 10 March 2020, that highlights the need to move towards Europe’s “sovereignty” in strategic sectors in the twin transitions towards climate neutrality and digital leadership.

2.6 Cross-cutting issues

Activities reflect EU law and policy which takes cross-cutting issues into account when being adopted at Commission level.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of this action is to promote a more level playing field for European companies operating in China by contributing to greater transparency and fair implementation of the IPR protection and enforcement system in China.

The **specific objectives** of this action are the following:

- To promote progressive convergence of China towards European standards in IPR legislation, protection and enforcement and the development of best practices.
- To support the interest of European innovators and right holders trading with or investing in China.
- To contribute to greater transparency and fair implementation of the IPR protection and enforcement system in China, avoiding and discouraging any protectionist market access barriers through the misuse of IPR legislation and to further improve the IPR environment.
- To increase political and public awareness of the importance of IPR protection, including through academia.

The following **type of activities** will be organised:

- Regular exchange activities between experts on both sides (via exchange visits, conferences, seminars, workshops etc.). These regular contacts and visiting programmes proved to be crucial for creating understanding, building trust and achieving tangible results.
- Ad-hoc support for EU-China IP Working Groups in form of support activities for the EU-China IP Working Groups, and in form of translations of Chinese draft legislative acts, which the EU is invited to comment upon.
- Assistance for registration practices and tools to modernise China’s IP registration practices and its information and management tools, preferably by replacing them, or making them compatible, with those developed by EUIPO and the EPO.

- Awareness raising on IP protection and enforcement in China as regards the significance of providing IP protection and enforcement for sustainable economic development.

The **expected results** are:

- improved convergence of China towards EU and international standards in IPR legislation, protection and enforcement and the development of best practices.
- better transparency and more fair implementation of the IPR protection and enforcement system in China, avoiding and discouraging any protectionist market access barriers through the misuse of IPR legislation.
- increased political and public awareness of the importance of IPR protection, including through academia.

The logical link is through the identification of particular needs for support in China during our established bilateral contacts and our regular exchanges or in the context of the follow-up to stakeholder discussions. The issues that were distilled from those contacts and activities aim at delivering on the objectives outlined above. For example, increased political and public awareness of the importance of IPR protection will support changes in the Chinese IPR system. Improved IPR legislation, protection and enforcement of IPR and the development of best practices will enable convergence of China towards European and international standards in IPR. Better transparency and more fair implementation of the IPR protection and enforcement system in China will help avoiding and discouraging any protectionist market access barriers through the misuse of IPR legislation.

3.2 Stakeholders

The main stakeholders are EU businesses already active on or intending to access the Chinese market – aided by EU business associations, chambers of commerce, the trade section of the EU Delegation and EU Member States.

However, in order to create a secure, efficient and non-discriminatory environment for EU companies in the host country, other stakeholders are important players, such as public authorities (police, customs, judiciary, IP offices), educational establishments, government ministries, local businesses and trade associations, legal representatives (lawyers who carry out the registration of IPR).

3.3 Risk assessment and management

| Risk | Risk level (H/M/L) | Mitigating measure |
|--|--------------------|---|
| Requests for ad-hoc activities in support of the EU-China IP Dialogues and Working Groups might not meet the necessary responsiveness, due to different main interests and the disruption of the implementation of the yearly activity plan. | M | During the negotiation of the agreement, key elements in terms of rights and obligation will have to be defined. In particular, modalities governing requests for new activities will have to be identified, including the setting of estimated timelines for delivery and the agreement on a reprioritization and possible postponement of planned activities in consultation with DG TRADE (change management). |
| The successful and timely implementation of activities largely depends on the support provided by the various administrative and judicial stakeholders on the Chinese | M | The Joint Statement and the MoU signed during the last EU-China Summit, elevates MOFCOM's role at political level and provides a reporting link to high-level meetings (Joint Committee, HED). This is to be considered as |

| | | |
|---|---|---|
| side. A risk exists that Chinese support may not be constant over time or decrease. | | mitigating measure, as it provides MOFCOM with additional leverage to assure support to this programme. A meticulous preparation of the programme and an early outreach to the Chinese stakeholders will further limit this risk. Appropriate mechanisms should allow for the necessary flexibility to adapt activities and plans to evolving circumstances. |
| Given current travel restrictions, it might not be possible to find and employ enough qualified staff from Europe. | M | Through the resident team leader in China this may be mitigated by hiring locally-based staff. |
| Planned activities might not receive sufficient support from the Commission DGs involved or IP Offices in charge of the substance matter. | L | The inclusion of suggested activities into the annual activity plan will require the written commitment of the Commission DG in charge of the substance matter that it will provide the necessary support for carrying out the activities. The close partnership between EUIPO and EPO seems to assure a sufficient support by EPO. |

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. 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 Action³(or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The action will ensure visibility of its activities through continued feeding of information and publicity via the dedicated website and social media; continued distribution and creation of information brochures and development of other media tools such as webinars and videos; continued updating and expansion of network of contacts and stakeholders.

³ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management⁴ with an EU specialised agency

This action will be implemented in indirect management with the European Union Intellectual Property Office (EUIPO). This implementation entails implementation exclusively through the signature of a contribution agreement. As a result, objectives, expected results and main activities are those defined above under section 3.1. The EUIPO has been selected on account of its technical competence, its high degree of specialisation and administrative power.

Given the high political relevance for the EU of supporting promotion and enforcement of intellectual property, it is judged as most appropriate to select as implementing partner of this project the Intellectual Property Office of the EU, which is responsible for intellectual property related matters in the EU by virtue of its own mandate. In view of its position, EUIPO offers a unique combination of technical expertise and contacts with relevant stakeholders in the field of intellectual property worldwide.

If negotiations with the above-mentioned entity fail, (part of) this action may be implemented in direct management through procurement.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.⁵

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|--|------------------------------|
| Indirect management with EUIPO - EC contribution | 3.5 |
| Total | 3.5 |

4.3 Organisational set-up and responsibilities

EUIPO will be responsible for the implementation of the Action. In this context, DG TRADE will be directing and providing steering, in particular by setting the objectives and deciding on the content and format of the annual activities to be implemented, and be responsible for the coordination, programming, regular monitoring and annual, mid-term and end-of-term reviews of the implementation. EUIPO will be responsible for the performance of the obligations and in charge of the technical and financial implementation under the foreseen Contribution Agreement.

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.

⁴ Article 154 of the Financial Regulation – Selection of the entities entrusted with the implementation of EU funds in indirect management.

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

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for IP Key South East Asia

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Title of the Action | IP key South East Asia | | | |
| Country/region/global | South East Asia (SEA), namely the 10 countries members of ASEAN (Brunei, Cambodia, Indonesia, Lao, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam) | | | |
| Sector of intervention | Partnership Instrument objective 3, trade and market access | | | |
| Indicative budget | Total: EUR 4 333 333 EU contribution: EUR 3 250 000 (75%) Other contributions: EUIPO EUR 1 083 333 (25%) | | | |
| Duration and target start date of implementation | 36 months Start date: Q1 2022 | | | |
| Method of implementation | Indirect management with the European Union Intellectual Property Office (EUIPO) | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries ¹ | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Internal markers | | | |
| | Digitalisation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Covid | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

¹ OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

The action will support the EU in its Free Trade Agreement (FTA) talks and Intellectual Property (IP) Dialogues with technical expertise on IP issues in South-East Asia. At the same time, it will support these countries in improving their Intellectual Property Rights (IPR) rules and regulations, high quality and expeditious processing for the registration of IP rights and their proper enforcement. The action will also assist South-East Asian countries to implement EU FTA IPR commitments, ensure a level playing field, and continue to support the advancement of the EU agenda on IPR for these countries with a view to go beyond existing obligations under the World Trade Organisation (WTO) Agreement of Trade-Related Aspects of Intellectual Property (TRIPS).

The programme may allow for participation, on an *ad-hoc* basis, of possible third countries outside ASEAN as observers in certain activities.

2.2 Background/Context/Rationale for PI funding²

In spite of positive developments in ASEAN trading partners, there are still market access barriers due to insufficient IPR protection and enforcement, which discourage trade and investment. Adequate IP protection in ASEAN countries would offer significant business opportunities for EU companies in a dynamic region of high economic growth and would tackle the substantial losses for European companies stemming from counterfeiting and piracy.

In the last European Commission's biennial report on the protection and enforcement of IP rights in third countries³, which identifies priority countries where the EU should reinforce IPR actions, several ASEAN countries are within the top priority countries (namely Indonesia, Thailand and Malaysia). ASEAN countries also feature high on the US watch lists for deficient intellectual property regimes.

Some countries still need to accede to important international conventions. Indonesia, Malaysia, and Thailand have not yet acceded to the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs and, with the exception of Vietnam, to the 1991 Act of the International Convention for the Protection of New Varieties of Plants (UPOV 1991). Thailand and Vietnam have not yet acceded to the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.

The main problems with IP enforcement are linked to the lack of political will to fight against IPR infringements. This materialises in deficiencies in infrastructure, capacities and resources, expertise of the judicial and enforcement authorities as well as insufficient awareness of the value of IPR.

The level of counterfeiting remains high in Southeast Asian countries such as Indonesia, Malaysia, Thailand and Vietnam, which are also significant source countries of counterfeits, while transit hubs such as Singapore continue raising concerns. Copyright piracy, especially online, remains a major issue in Indonesia, Thailand, and Vietnam.

The adequate protection and enforcement of IPR in 3rd priority countries is key for fair/lawful trade *inter alia* in medicines and medical equipment, also to avoid negative implications on health and lives stemming from potential counterfeiting of drugs and equipment. The EU is heavily relying on imports of medical and protective equipment to fight viruses, including Covid19. Countries in South East Asia are major originators of these products but also of counterfeits in this domain, therefore requiring adequate efforts by the EU to ensure appropriate IPR protection and enforcement of IPRs.

² More information on PI funded actions is available on the PI map: www.pimap.eu

³ <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1349>

Better IPR protection will contribute to make some countries remain or other countries become more attractive for exports from the EU pharmaceutical industry. Failure to implement IPR protection for pharmaceuticals means medicines are not protected from copying, making market entry less attractive, and reducing pharmaceutical companies' ability to recoup their investment in research and development of medicines.

Several key pieces of legislation remain pending in several countries, including legislation to address the growing problems of copyright piracy and trademark counterfeiting on the Internet, or to provide customs authorities with adequate ex officio controls covering all IPRs including for export and goods in transit.

In the light of the above, the action will continue to familiarise our trading partners in ASEAN with the IPR issues high on the EU agenda, will support the EU in FTA negotiations (with Indonesia, and possible resumption with Thailand, Malaysia, the Philippines) and IP Dialogues (Thailand), as well as assist our trading partners to implement IPR commitments in EU FTAs (Singapore, Vietnam).

2.3 Lesson learnt

The findings of the mid-term review of the current ongoing programme were overall positive and supportive of a continuation.

The coexistence of IP Key in the region with ARISE+IPR (EU funded programme with a different focus on IPR – see below) has provided excellent opportunities for addressing IPR issues in a comprehensive manner. It also made it necessary to improve communication elements for the correct differentiation of IP Key in the reach out to counterparts and stakeholders.

The improved quality and availability of information on-line for stakeholders has contributed to give appropriate visibility to the programme and EU's IPR policy goals.

2.4 Complementarity, synergy and donor coordination

IP Key SEA coexists with ARISE+IPR, funded under the Development Cooperation Instrument (DCI), which focuses on the objectives of the ASEAN IPR Action Plan. The ARISE+IPR programme aims to support ASEAN regional integration, further upgrade and improve the systems for IP creation, protection, utilisation, administration and enforcement in the ASEAN region, in line with the ASEAN IPR Action Plan 2016-2025. In doing so, it funds activities included in that Action Plan, i.e. the political ASEAN agenda of soft approximation and convergence in the IPR area. Activities under this programme take place only at ASEAN level and funds thereunder cannot be used for bilateral activities such as an IPR Dialogue. IP Key activities will continue to focus on the EU's offensive interests, including the support of negotiations and implementation of FTAs within the region, in line with the overall objective of the Partnership Instrument.

IP Key SEA will also continue to rely on cooperation and coordination with the IPR SME Helpdesk SEA for relevant activities, notably those with special focus on SMEs. The ASEAN IPR SME Helpdesk funded by the Programme for the Competitiveness of Enterprises and SMEs 2014-2020 (COSME), with an expected renewal until 2022, contributes to the internationalisation of EU businesses by providing them with expert advice on how to protect and enforce their IPR in or relating to South-East Asia.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

This action will support the negotiation and implementation of EU trade and investment agreements and IP dialogues. The action can assist our trade partners to implement IPR commitments in EU FTAs.

The EU must encourage trading in open, fair markets worldwide, within a rule-based international framework to be able to foster economic growth. This action will contribute to three aspects of the external policy objectives: i) it will promote the external aspects of EU internal policies in the field of intellectual property; ii) it will promote trade; and iii) it will strive to build strategic relationships with developing economies so as to discuss market access issues of common concern, promote cooperation on regulation and other matters, alleviate trade irritants and resolve bilateral issues.

The action will help to ensure that right holders from the EU can benefit from a high level of intellectual property rights protection and that there are adequate measures in place to enforce such rights, especially in view of the fact that the Research & Development (R&D) as well as high-tech sectors are areas where the EU has a very strong export performance.

2.6 Cross-cutting issues

Activities reflect EU laws and policies that take cross-cutting issues into account when being adopted at Commission level.

3 ACTION DESCRIPTION

3.1 Objectives

The **overall objective** of this action will continue to be the promotion of a more level playing field for European companies operating in South East Asia by contributing to greater transparency and effective implementation of the IPR protection and enforcement system.

The **specific objectives** are:

- To promote European standards in IPR legislation, protection and enforcement and the development of best practices where possible via FTAs.
- To support the interest of European innovators and right holders trading with or investing in South-East Asia.
- To contribute to greater transparency and effective implementation of the IPR protection and enforcement system in South-East Asia, avoiding and discouraging any protectionist market access barriers through the misuse of IPR legislation and to further improve the IPR environment.
- To increase political and public awareness of importance of IPR protection, including through universities.

The project will support FTA negotiations and implementation with certain countries by providing useful information/analysis on IPR legislation and enforcement in the partner countries. Activities will be organised in selected countries to improve IPR protection and enforcement and raise awareness among the general public and public officials involved in IPR.

Expected results include:

- Greater awareness of the importance and usefulness of IPR in people involved directly in processing IPR but also the public at large.
- Improve level of skills of those involved in processing, protecting and managing IPR.
- Enhance frameworks for IPR protection and enforcement.

The logical link is through the identification of particular needs for support in several or individual SEA countries during the EU's established bilateral contacts, being this in the form of regular exchanges or in the context of the preparation, negotiations or follow-up of FTAs. The results of the

activities proposed can be verified via the reports from the FTA negotiation rounds and the content of the IPR chapters as the end result of the negotiations; the reports from the IP Subcommittees of existing FTAs and reports of activities organised in the framework of projects carried out in SEA and reports of IP Dialogues. The opinions of stakeholders that provide input to DG TRADE's regular enforcement survey as regards the countries of SEA will also be useful as a means of verifying the pertinence and success of the project.

3.2 Stakeholders

Governmental parties to be involved are mainly government officials from the Departments of Intellectual Property as well as relevant enforcement authorities such as customs authorities. Non-governmental parties to be involved would typically be EU businesses operating in the various countries and other policy-oriented non-governmental organisations, non-profit business associations, chambers of commerce, professional associations as well as civil society organisations, where appropriate.

The specific partners to work with (EU chambers of commerce, local authorities, etc) will need to be identified and selected for each sector (type of business and/or type of IPR) and country concerned as there is no one-size-fits-all approach for the entire panoply of issues that the action seeks to address.

DG Trade/EU Delegations will have a regular update and exchange with representatives of Member States/Trade counsellors and their chambers of commerce during the Market Access Team meetings as well as dedicated IP meetings before an IP Dialogue. The IPR SME Helpdesk will be involved. The specialised EU Delegation “IP Network”, composed of experts dealing with IPR issues in the different EUDELS of ASEAN, will ensure relevant exchanges of information and follow up of IP Key activities in the region with relevant stakeholders.

3.3 Risk assessment and management

| Risk | Risk level (H/M/L) | Mitigating measure |
|--|--------------------|---|
| Request for ad-hoc activities in support of the IP Dialogue and Sub-Committees might not meet the necessary responsiveness due to different main interests and the disruption of the implementation of the yearly activity plan. | M | The rights and obligations must be defined very clearly and concisely in the Working Agreement. In particular, they must include modalities governing requests for new activities, including the setting of estimated timelines for delivery and agreement on a reprioritisation and possible postponement of planned activities in consultation with DG TRADE. |
| Interruption or postponement of FTA negotiations could occur, due to social/political uncertainties in the partner countries. | L | Replacing of certain activities by others that may appear of higher priority at the given time. |
| The successful implementation of activities largely depends on the support provided by the various stakeholders on the third country side. | M | This risk should be mitigated through making the appropriate contacts sufficiently in advance and having clear discussions so that the host country is well aware and agrees with the activity and the approach. |
| Planned activities may not receive sufficient support from the Commission DG or IP Offices in charge of the substantive part. | L | The inclusion of suggested activities into the annual activity plan will require a written commitment of the Commission DG in charge of the substance matter that it will provide the necessary support to be able to carry out the |

| | | |
|--|--|--|
| | | activities. The close partnership between EUIPO and EPO seems to assure sufficient support from the EPO. |
|--|--|--|

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action⁴(or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The action will ensure visibility of its activities through continued feeding of information and publicity via the dedicated website and social media; continued distribution and creation of information brochures and development of other media tools such as webinars and videos; continued updating and expansion of network of contacts and stakeholders.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management⁵ with an EU specialised agency

This action will be implemented in indirect management with the European Union Intellectual Property Office (EUIPO). This implementation entails implementation exclusively through the signature of a contribution agreement. As a result, objectives, expected results and main activities are those defined above under section 3.1. The EUIPO has been selected on account of its technical competence, its high degree of specialisation and administrative power.

Given the high political relevance for the EU of supporting promotion and enforcement of intellectual property, it is judged as most appropriate to select as implementing partner of this project the Intellectual Property Office of the EU, which is responsible for intellectual property related matters in the EU by virtue of its own mandate. In view of its position, EUIPO offers a unique combination of technical expertise and contacts with relevant stakeholders in the field of intellectual property worldwide.

If negotiations with the above-mentioned entity fail, (part of) this action may be implemented in direct management through procurement.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.⁶

⁴ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

⁵ Article 154 of the Financial Regulation – Selection of the entities entrusted with the implementation of EU funds in indirect management.

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|--|------------------------------|
| Indirect management with EUIPO - EC contribution | 3.25 |
| Total | 3.25 |

4.3 Organisational set-up and responsibilities

EUIPO will be responsible for the implementation of the Action. In this context, DG TRADE will be directing and providing steering, in particular by setting the objectives and deciding on the content and format of the annual activities to be implemented, and be responsible for the coordination, programming, regular monitoring and annual, mid-term and end-of-term reviews of the implementation. EUIPO will be responsible for the performance of the obligations and in charge of the technical and financial implementation under the foreseen Contribution Agreement.

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.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

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

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for IP key Latin America

1 KEY IDENTIFICATION DATA

| | | | | |
|---|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Title of the Action | IP key Latin America | | | |
| Country/region/global | Latin America (<i>in alphabetical order</i>): Andean Community (Colombia, Ecuador and Peru), Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), Chile, Mercosur (Argentina, Brazil, Paraguay and Uruguay), Mexico | | | |
| Sector of intervention | Partnership Instrument objective 3, trade and market access | | | |
| Indicative budget | Total: EUR 4 333 333 EU contribution: EUR 3 250 000 (75%) Other contributions: EUIPO EUR 1 083 333 (25%) | | | |
| Duration and target start date of implementation | 36 months Start date: Q1 2022 | | | |
| Method of implementation | Indirect management with EUIPO (EU decentralised agency) | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries ¹ | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Internal markers | | | |
| | Digitalisation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Covid | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

¹ OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

The EU industry suffers because not all our trade partners have a level of protection and enforcement of intellectual property rights (IPR) equivalent to the one that EU and foreign businesses enjoy in the EU. This action will continue to support and spread the introduction of a level of IPR protection and enforcement in our Latin American trading partners in line with EU standards, ensuring a level playing field, and going beyond existing obligations under the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property (TRIPS).

The action will support the EU in the implementation of the FTAs it has in Latin America, e.g. those with the Andean Community, Central America and, when they come into force, Mercosur and the updates to long-standing FTAs with Chile and Mexico. The action will continue to support IP dialogues in these countries with technical expertise on IP issues.

Support will also be provided to our trading partners on how to improve their IPR rules and regulations, offer high quality and expeditious processing for the registration of IP rights and ensure their proper enforcement. The action can also assist our trade partners to implement EU FTA IPR commitments.

The programme may allow for participation, on an *ad-hoc* basis, of possible third countries as observers in certain activities.

2.2 Background/Context/Rationale for PI funding²

The economic importance of IPR is reflected in the contribution of IPR-intensive industries to the EU's external trade. In 2016, taking both goods and services into account, 80% of EU imports and 82% of EU exports were generated by the IPR-intensive industries, which translates into a trade surplus of around € 182 billion³.

Insufficient IPR protection discourages trade and investment. Better IPR protection would contribute, for example, to make countries remain or become attractive for export from the EU pharmaceutical industry. Failure to implement IPR protection for pharmaceuticals means medicines are not protected from copying, making market entry less attractive, and reducing pharmaceutical companies' ability to recoup their investment in research and development of medicines.

Better IPR protection and enforcement also provides the right environment for companies to invest in technology- and research-intensive areas often in partnerships in the host country.

Since many countries in Latin America have not signed up to the most common (and most useful) multilateral treaties in intellectual property and their national IP laws are not up to the standard of those found in the EU and other developed countries, there is a good margin for progress.

Basic IPR protection is guaranteed via the countries being members of the WTO TRIPS Agreement which came into effect in 1994. The TRIPS Agreement can be considered a low common denominator (as is often the case with multilateral agreements) as far as IPR protection is concerned and includes a series of flexibilities which have been used by individual countries in different ways according to national political preferences. Most often, the flexibilities are used to weaken IPR protection, notably on patents. The EU aims to improve and strengthen the protection of IPR in all of the countries in the Latin America region in order to protect EU creative and innovative business and investment interests. This is all the more important when one considers that around 90% of all EU exports are IP protected.

² More information on PI funded actions is available on the PI map: www.pimap.eu

³ Intellectual Property Rights Intensive Industries and Economic Performance in the European Union, Industry-Level Analysis Report, joint EPO/EUIPO study, 3rd edition, September 2019.

Counterfeiting and piracy of IPR are rife across Latin America and has to be addressed also in conjunction with a series of public authorities (customs, police, judiciary, IP Offices, educational and research establishments).

The adequate protection and enforcement of IPR in 3rd countries is key for fair/lawful trade *inter alia* in medicines and medical equipment, also to avoid negative implications on health and lives stemming from potential counterfeiting of drugs and equipment especially in COVID-19 type of outbreaks.

2.3 Lesson learnt

The findings of the mid-term review of the current ongoing project, IP key Latin America 2017-2021, were overall positive and supportive of a continuation. The setting up of the project required some time, but now good results are emerging, and the project is widely appreciated by EU and local stakeholders. The communication to the outside has equally improved.

2.4 Complementarity, synergy and donor coordination

Up until the introduction of IP Key Latin America in 2017, there had not been any framework programme specifically on IPR in Latin America, apart from two prior border enforcement seminars financed by FPI, and the IPR SME Helpdesk operating in the Mercosur countries and Chile since 2014 and the whole of Latin America since July 2015.

The Latin American IPR SME Helpdesk (funded by the Programme for the Competitiveness of Enterprises and SMEs COSME and in existence since 2014) has been extended until 2020 with a possibility for renewal until 2022. The IPR SME Helpdesk provides the following services related to IPR protection and enforcement in the respective regions: provision of first line advisory services, development and publication of background material, provision of training to EU SMEs, monitoring of policies and legislation, provision of partnering services, communication and dissemination, joint services and other innovative services to EU SMEs. Thus, the IPR SME Helpdesk does not aim at shaping the IP policies or environment in those regions. IP Key and the IPR SME Helpdesk started working together as from the first year (2018) and increased/improved their synergies by attending activities on a regular basis for the following years. The IPR SME Helpdesk does not have a budget to organise events in Latin America but can provide expertise and publicise its services at events organised or attended by IP Key.

IP Key Latin America will also take into account the EU actions in the sphere of Private Sector promotion, be at regional, sub-regional or national level (i.e. INTEC - Integración Económica Regional Centroamericana, an on-going sub-regional project). Strengthening and improving IPR systems is a potential tool to boost regional economic integration and complement the development-oriented efforts that the EU is undertaking with the region.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

This action is to support the negotiation, implementation and enforcement of EU trade and investment agreements and IP dialogues. The action can assist our trade partners to implement IPR commitments in EU FTAs.

If countries agree to modernise their IP system, the action will provide support to countries in the implementation of the IPR chapters of the trade agreements and cooperation to improve public awareness on the benefits of IP.

The action will be carried out in close cooperation with the relevant national authorities, such as customs, the judiciary, civil servants in the IP Offices, the police, officials from the various Ministries (culture, agriculture, trade, technology, industry, investment, etc.) and personnel from educational establishments.

2.6 Cross-cutting issues

Activities reflect EU law and policy which takes cross-cutting issues into account when being adopted at Commission level.

3 ACTION DESCRIPTION

3.1 Objectives

The **general objective** of the action is the promotion of a secure environment for EU investment and business, by promoting European standards in IPR legislation, protection and enforcement.

The **specific objective** is to improve the level of IPR protection and enforcement in Latin America and ensure equal treatment for EU companies doing business in Latin America as compared to local companies thereby ensuring a level playing field. The action will also help prepare and accompany FTA negotiations for the EU with certain countries by providing useful information and data on IPR legislation and enforcement in the partner countries of Latin America.

Activities will be organised in selected countries to improve IPR protection and enforcement and raise awareness among the general public and public officers involved in IPR.

The **expected results** are:

- progress towards achieving a level playing field for EU companies operating in Latin America,
- increase the uptake of EU standards on IP protection,
- improve the presence of transparency and fair competition rules, and
- raise the level of awareness on the importance of IPR for innovation and creation and the economy and society at large.

The logical link is through the identification of particular needs for support in several or individual Latin American countries during out established bilateral contacts, being this in the form of our regular exchanges or in the context of the preparation, negotiations or follow-up of FTAs. The results of the activities proposed can be verified via the reports from the FTA negotiation rounds and the content of the IPR chapters as the end result of the negotiations; the reports from the IP Subcommittees of existing FTAs and reports of activities organised in the framework of projects carried out in Latin America and reports of IP Dialogues. The reports of activities can also include the opinions of participants. The opinions of stakeholders that provide input to DG TRADE's regular enforcement survey as regards the countries of Latin America will also be useful as a means of verifying the pertinence and success of the project.

The focus will be on the countries and IP areas according to their priority in the interests of achieving a good level of protection and enforcement of IPR via the implementation of the IP chapters of the FTAs agreed with the EU in Latin America.

Specific activities will be defined on a yearly basis in an Annual Activity Plan, according to EU selected priority areas, input from all stakeholders, the responsiveness and support provided by the respective public authorities and to the remaining resources.

3.2 Stakeholders

Non-governmental parties to be involved would typically be EU businesses operating in the various countries and other policy-oriented non-governmental organisations, non-profit business associations,

chambers of commerce, professional associations as well as civil society organisations, where appropriate.

The specific partners to work with (EU chambers of commerce, local authorities, etc) will need to be identified and selected for each sector (type of business and/or type of IPR in question) and country concerned as there is no one-size-fits-all approach for the entire panoply of issues that the interventions seek to address.

DG Trade/EU Delegations will have a regular update and exchange with representatives of Member States/Trade counsellors and their chambers of commerce during the Market Access Team meetings as well as dedicated IP meetings before an IP Dialogue. IPR SME Helpdesks will be involved. The specialised EU Delegation “IP Network”, composed of experts dealing with IPR issues in the different EU Delegations, will ensure relevant exchanges of information and follow up of IP Key activities in the region with relevant stakeholders.

3.3 Risk assessment and management

Political risk:

The EU must maintain the prerogative to define the exact content and timing of activities under the IP Key project. Actions will be carried out after discussion and in accordance with the respective authorities in the selected countries, the EU Delegations, local EU linked chambers of commerce, business associations and other relevant stakeholders. It is important to continue and improve if necessary a modus operandi which both meets the interest of the EU and is acceptable by our partners.

Implementation risks:

a) The successful implementation of activities largely depends on the selection of efficient collaborators and contractors for the provision of expertise, studies and reports and the support provided by the various stakeholders of and present in the respective countries. In order to mitigate this risk, best use will be made of the experience made during the first four years of the IP Key project and information provided by counterparts such as the EU Delegations and chambers of commerce in situ.

b) The successful implementation further depends on the cooperation and performance of the implementing organisation (EUIPO).

Financial risk:

The financial implementation of a programme with certain flexibility as regards the content of its annual activities requires a particularly close financial follow-up and reporting scheme. It is proposed to continue to have a regular reporting and financial control scheme in place, beyond the provision of the annual budget report.

3.4 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action⁴(or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The action will ensure visibility of its activities through continued feeding of information and publicity via the dedicated website and social media; continued distribution and creation of information brochures and development of other media tools such as webinars and videos; continued updating and expansion of network of contacts and stakeholders.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management⁵ (with an EU specialised agency)

This action will be implemented in indirect management with European Union Intellectual Property Office (EUIPO). This implementation entails implementation exclusively through the signature of a contribution agreement. As a result, objectives, expected results and main activities are those defined above under section 3.1. The EUIPO has been selected on account of its technical competence, its high degree of specialisation and administrative power.

Given the high political relevance for the EU of supporting promotion and enforcement of intellectual property, it is judged as most appropriate to select as implementing partner of this project the Intellectual Property Office of the EU, which is responsible for intellectual property related matters in the EU by virtue of its own mandate. In view of its position, EUIPO offers a unique combination of technical expertise and contacts with relevant stakeholders in the field of intellectual property worldwide.

If negotiations with the above-mentioned entity fail, (part of) this action may be implemented in direct management through procurement.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.⁶

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|--|------------------------------|
| Indirect management with EUIPO - EC contribution | 3.25 |
| Total | 3.25 |

4.3 Organisational set-up and responsibilities

EUIPO will be responsible for the implementation of the Action. In this context. DG TRADE and the concerned EU Delegations will be directing and providing steering, in particular by setting the objectives and deciding on the content and format of the annual activities to be implemented, and be

⁴ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

⁵ Article 154 of the Financial Regulation – Selection of the entities entrusted with the implementation of EU funds in indirect management.

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

responsible for the coordination, programming, regular monitoring and annual, mid-term and end-of-term reviews of the implementation. EUIPO will be responsible for the performance of the obligations and in charge of the technical and financial implementation under the foreseen Contribution Agreement.

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.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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

EN

ANNEX 27

of the Commission Implementing Decision on the 2020 Annual Action programme for the Partnership Instrument

Action Document for Aviation Partnership Project in Latin America and Caribbean Region (LAC)

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|-------------------------------------|-------------------------------------|----------------------------|
| Title of the Action | Aviation Partnership Project in Latin America and Caribbean Region (LAC) | | | |
| Country/region/global | Latin America and the Caribbean | | | |
| Sector of intervention | Civil Aviation | | | |
| Indicative budget | Total : EUR 4 000 000 EU Contribution : EUR 4 000 000 (100%) | | | |
| Duration and target start date of implementation | 36 months Start date: Q1 2022 | | | |
| Method of implementation | Indirect management with the European Union Aviation Safety Agency (EASA) | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument (PI) for cooperation with third countries ¹ | | | |
| Programming document | European Commission Implementing Decision C(2018)4001 on the second Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020 | | | |
| DAC code(s) | 99810 | | | |
| Markers | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | | | |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Internal markers | | | |
| | Digitalisation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Covid | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

¹ OJ of the EU L77 of 15.3.2014

2 RATIONALE AND CONTEXT

2.1 Action summary

The purpose of the action is to enhance the role of the EU as a global actor in the domain of civil aviation, promoting a level playing field on the aviation market through continued and new partnerships with Latin America and the Caribbean (LAC) aiming at:

- Strengthen institutional relations, deepen dialogue and cooperation between aviation authorities, encourage regional cooperation and support implementation of aviation agreements;
- Promote industrial exchanges and support EU competitiveness in those markets. Facilitate a more secure, more compatible and less restricted access for European industry;
- Increase mutual awareness of aviation best practices, promote EU standards, raise environmental protection efforts and encourage climate action.

The action will be implemented fully in line with the Commission priority 2019-2024 for a European Green Deal, notably addressing environmental protection efforts and climate action.

The envisaged action will contribute to post-Covid-19 economic recovery by supporting the EU aviation industry. Cooperation between LAC and European authorities will enforce a mutual interest in re-establishing connectivity and ensure a platform for dialogue to mitigate impact.

The project will encourage regional cooperation and block-to-block dialogue with Regional Safety Oversight Organizations (RSOOs) in the region such as Regional Office of the International Civil Aviation Organisation (ICAO)/Safety Oversight Cooperation System (SRVSOP), Central American Aviation Safety Agency (ACSA) and Caribbean Aviation Safety and Security Oversight System (CASSOS). Where appropriate, partnerships will be established at bilateral level (e.g. with Argentina, Brazil, Chile, Colombia, Mexico).

2.2 Background/Context/Rationale for PI funding²

Aviation connects countries and communities, supports tourism and trade and is a key driver for sustainable economic and technological development, growth, jobs, trade and mobility. It plays a crucial role in the EU economy and reinforces its global leadership position.

On 7 December 2015, the Commission adopted the Communication “an Aviation Strategy for Europe” (COM(2015)598), identifying “Tapping into growth markets by improving services, market access and investment opportunities with third countries, whilst guaranteeing a level playing field” as a key priority.

In the framework of this EU Aviation Strategy, the Commission puts forward the launch of new aviation dialogues with important aviation partners. The Commission aims to develop a positive, broader and longer-term aviation agenda, including aspirations to come to bilateral aviation safety and comprehensive air transport agreements.

The EU aviation sector directly employs between 1.4 and 2 million people and overall supports between 4.8 and 5.5 million jobs. It is one of the key drivers for research and development, with the aeronautical industry recognised as one of the top five advanced technology sectors in Europe. The direct contribution of aviation to EU GDP is €110 billion, while the overall impact, including tourism, is as large as €510 billion through the multiplier effect.

From a climate perspective, aviation accounts for 2-3% of carbon emissions. This action will include cooperation activities aiming at minimize the negative environmental and climate effects of aviation

² More information on PI funded actions is available on the PI map: www.pimap.eu.

on topics related to carbon compensation mechanisms, mitigation measures, application of cleaner technologies or regulatory convergence.

In this context, the EU has negotiated a Bilateral Aviation Safety Agreement (BASA) with Brazil. The EU has signed horizontal agreements with a number of countries in the region, recognising the EU as a single destination with respect to air traffic rights.

The Partnership Instrument (PI) support to the sector started in 2015 and projects generated very positive feedback from stakeholders as an effective approach to boost relationships between public authorities and with the EU industry.

This action responds directly to the third objective of the Partnership Instrument (“Enhancing market access and boosting trade, investment and business opportunities for EU companies”). It also supports the other three objectives, by addressing global challenges, in particular regarding environmental protection and climate action, and promoting policy dialogues by projecting the international dimension of the Europe 2020, and by positioning the EU as a global actor in the sector.

Specific Background for Latin America and the Caribbean

Market

The Latin America and the Caribbean aviation market is characterised by rapid growth, consolidation and significantly improved profitability. The value of the aviation market services in Latin America and the Caribbean has been calculated around 270 Billion Dollars (~245 Billion Euros).

While aviation growth prospects hold substantial business opportunities for European manufacturers and airlines, competition is low due to the presence of big legacy operators. The US traditionally has a strong presence and holds near half aircraft market.

Brazil remains the region’s largest market and home to Embraer, which currently competes with Canadian rival Bombardier for the title of third largest airplane maker after Airbus and Boeing.

Mexico is the 12th largest aerospace manufacturing country with 55,000 aerospace jobs and more than 400 Original Equipment Manufacturers (OMS) for commercial and civil aviation, with 8.6 Billion in annual exports in 2018.

Prior to COVID-19 outbreak, the demand for Airbus passenger aircraft is forecasted at around 2700 new aircraft (2019-2038). The Airbus workforce in Latin America is considerable, in Mexico (700 direct, 5000 indirect), Brazil (500) and Chile (100). Safran presence is also very strong, in Mexico (1200), Brazil (200) and Chile (4600). Rolls-Royce (ITP Aero), Thales, Dassault and INDRA also have a strong presence in the region. Additionally, EU Maintenance and Repair Organizations (MRO) have an important presence in the region (e.g. Iberia Maintenance, Lufthansa Technics) as well as airport operators (e.g. Aena managing 22 airports in Latin America).

Cooperation experience from the ongoing PI funded action shows that European market intelligence on aviation in Latin America and Caribbean is quite well established. In several fields, EU presence is important. The majority of aircrafts, ATM/CNS systems and Airport Operators are European. Nevertheless, presence in other fields is still to be explored, and this cooperation can support European industry to address a lack of awareness of latest developments in the region (e.g. drone operations, there are ambitious ATM modernisation plans, etc.). Members of the EU SESAR programme (ATM research) see a clear potential for the application of EU technologies.

Moreover, the COVID crisis has put into question current supply chains in Europe and around the world, also for the aviation sector. This action could help to diversify and strengthen EU value chains with Latin America.

Traffic

Before the Covid-19 crisis, Latin America and the Caribbean boosted approximately an 8% share of global traffic, with a projected annual growth rate of 4.7%, in particular in Mexico, Brazil, Chile, Colombia and Argentina. This growth was much higher than in the mature markets of North America

and Europe. Evidence of this evolution can be seen in the number of new airports being served. Since 2008, 57 new airports have recorded new aviation services. Several European companies are operating Latin America and the Caribbean airports. The region was expected to face an unprecedented development of airport infrastructures.

The Latin American and Caribbean regions are important destination for EU citizens. Several EU Member States have overseas territories and islands within the region. The passenger growth in Latin America and the Caribbean for 2018-2038 is estimated around 4,1% (up to 457M) – compared to only 2,5% in North America (up to 589M) and 2,1% (up to 568M) in Europe.

Europe is estimated to generate the largest growth in air traffic with Latin America and the Caribbean in the coming years. The air traffic between Latin America and the Caribbean and Europe is dominated by legacy European companies (Iberia, Air France, KLM, TAP and Lufthansa). The estimated volume of inbound traffic in Latin America and the Caribbean from North America was almost similar to the one coming from Europe.

Growth of the region's airlines in Latin America and the Caribbean is estimated at 5.3% per annum and the air traffic has experienced a growth of 5.4% in the last decade. The growth in Low Cost Carrier operators amounts more than 10% in 2018 contributing to higher levels of connectivity. European low cost companies are already operating within the region. It is also estimated that around additional 47,550 pilots will be needed in LAC for 2018-2038.

For the Caribbean, 26.6 million travellers were estimated in 2019. Tourism travel represents 15.5% of the total economy i.e. 2.4 million jobs.

Safety/security standards

Overall, Latin America and the Caribbean show good aviation safety record. However, there are some areas of concern.

According to the ICAO Regional Safety Report on the Regional Aviation Safety Group Pan America (RASG-PA), 76.47% of the States in the RASG-PA have achieved the target of 60% of Effective Implementation, as suggested by the Global Aviation Safety Plan (GASP).

The EU Ramp Inspection Programme (SAFA) shows a less favourable ratio between inspections findings in Latin America and the Caribbean compared to other regions in the world and there are areas where aviation safety can be improved. Further analysis is necessary to assess whether there is a reason for higher concern. The SAFA Working Arrangement between EASA and the National Authority for Civil Aviation-ANAC Brazil, currently under negotiation, could provide further reliable data in this regard.

The Caribbean area deserves special attention, looking at the SAFA ratios of some of the countries concerned.

Cooperation between authorities

The first EU-Latin America and Caribbean Civil Aviation Partnership programme (2018-2021) has shown the high interest of the Latin America and the Caribbean aviation authorities and the EU industry in having a stronger EU presence and involvement in the region. This is underlined by the recent conclusion of a Working Arrangement between EASA and Mexico (July 2019) and the expressed interest by Colombia to conclude a similar one in the coming months.

Several Latin America and the Caribbean authorities are pointing out that air transport development in the region is negatively affected by a lack of safety/security regulatory convergence and harmonisation.

EU industry is pointing out the need to have solid and reliable aviation authorities, working as far as possible on the basis of EU standards. They highlight the need for harmonisation of the aviation rules between the countries in the region, which would highly facilitate a level playing field for the EU industry and its access to the different markets. This would also contribute to eliminate other existing

barriers (e.g. subsidies, taxation, and ownership) between the Latin America and the Caribbean countries contributing to connectivity and tourism.

There is still a lot to gain in visibility of EU expertise and assistance in Latin America and the Caribbean, coordination of different support instruments, as well as coordination with individual efforts of the various European players, among others certain EU Member States.

The EU is not alone in its efforts toward partnership with Latin America and the Caribbean. Other countries and aviation authorities, including emerging powers and organisations are active in the region (e.g. FAA, ICAO). In this scenario, Latin America and the Caribbean countries can be faced with making a choice between competing systems.

The continued progress of certain Latin America and the Caribbean countries (Mexico, Brazil, Colombia, Chile, Argentina) and EU/local industry development, together with the consolidation of multinational organisations (LACAC, IATA, ALTA) and the further development of Regional Safety Oversight Organisations (RSOOs), merit a continued and enforced partnership with the EU.

2.3 Lessons learnt

This project is designed as a follow up to the ongoing Aviation Partnership Project for the Latin American and Caribbean regions (EU-LAC APP). The overall objective of this second phase is to further develop 1) European aviation interests in the region through enhanced dialogue with national and regional authorities, 2) regional regulatory convergence towards EU standards and best practices, 3) the promotion of the EU industry.

The achievements and experience gained during the first phase for this action (2018-2021) are an excellent platform to build on. In addition to continuing current cooperation relationship, there is an incentive towards larger scale technical cooperation activities, and possibility to promote and support more directly European industry. Some specific insightful lessons learned for this new action are:

- The interest/involvement of local partners was created afresh, and progressively increased during the life of the action. The relations created with the Aviation Authorities offer a very good basis for future cooperation and momentum should be kept, avoiding a gap between the current and envisaged second phases.
- Industry involvement has proved challenging during the first stage. Contributors meetings were the starting point to engage industry partners in the region and the participation of the European companies in technical cooperation activities progressively consolidated as a practice during the first stage. New options to engage and promote EU industry have shown the potential to increase industry participation in other aviation partnerships (e.g. China APP), such as conducting trials of new technologies.
- This is a relatively new cooperation field in the region. EU visibility and the project brand should be strengthened. Modern communication platforms (LinkedIn, Facebook, Tweeter, etc.) should be used to proactively promote the Project's activities and to develop further its communication strategy.
- New ways to run activities remotely were developed due to the COVID-19 pandemic. These working methods and tools, where successful and convenient, can be incorporated into the new action also in a post COVID-19 framework. This can contribute to the EU Climate Change objectives as well as to increase the efficiency and the value for money of the action.

2.4 Complementarity, synergy and donor coordination

The action will contribute to the EU Strategy for Economic Diplomacy and the EU Space Diplomacy in the region as well as to the European Green Deal.

Where appropriate, synergies will be sought with other EU initiatives in the region. Examples are the Partnership Instrument financed initiatives on EU public diplomacy, the Facilities to support Policy Dialogues; the actions to support business cooperation, including AL-INVEST and the Enterprise

Europe Network; the actions to promote the European Global Navigation Satellite Systems (EGNSS), including the two EGNSS Information Centres set in Brazil and Chile; or actions on Digital, Environment and Climate Change. The project will also look for complementarities with the implementation of EU trade agreements with Colombia, Peru and Ecuador, the Association Agreement with Central America, the Global Agreement with Mexico, the EU- Chile Association Agreement, the EU-CARIFORUM Economic Partnership Agreement and the future implementation of the EU-Mercosur Association Agreement, including through relevant Partnership Instrument projects on market access.

To ensure coherence, the Action will closely coordinate with the other Aviation partnership initiatives in Asia, also implemented by the European Union Aviation Safety Agency.

At the level of the EU, synergies will be sought with Member States (e.g. the ANAC-Brazil and ENAC-France and the AESA-Spain (FIIAPP) and Latin America Cooperation Programmes), with the European industry and with the European Business associations in the region as well as with the EU Horizon 2020 / Horizon Europe collaborative research in aviation, including the initiatives SESAR and Clean Sky.

Moreover, multilateral EU collaborative research programmes in aviation include LAC/Brazil in areas as weather hazards, human factors, sustainable alternative fuels and, expectedly, aerial means to detect and fight wildfires.

Finally, complementarity and coordination will be sought with the regional ICAO/SRV SOP offices, aiming at building capacity in Latin America for improving safety oversight and to develop regional common standards, as well as with the regional initiatives working to promote regional integration and develop a common approach to aviation safety and a common regulatory framework, including ACSA/COCESNA and CASSOS.

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

2.5 EU added value

The initiative will support the development of closer aviation ties and policy dialogues. It will address capacity limitations and regulatory oversight issues and support the EU in its endeavour to engage with its counterparts and decision makers in the region and promote European aviation expertise. It will improve the EU's visibility and promote industrial interests in a broad range of areas such as aviation safety, airports, ground handling, air traffic management, airworthiness, flight standards, slot allocation, new technologies, economic regulation, environmental standards and climate action. It will facilitate dissemination and uptake of new technologies pursuant to EU investment in research and innovation. In doing so, the project will draw upon past and present efforts, and help to consolidate the EU's position as a reliable, long-term partner. The EU and its Member States will benefit from a more sustainable and safer aviation and from an increased market access for the industry. Close coordination with Member States will be ensured and promoted all along the implementation of the Action.

2.6 Cross-cutting issues

The action will promote EU values and standards, will support innovation by liaising with the EU industry, the SESAR and Clean Sky projects. The action will promote multilateralism. The partnerships will promote EU aviation rules as part of its technical cooperation activities. European rules are based on international standards developed by ICAO and hence will promote the development of international standards at global level.

The equitable involvement of women and men is recognised as key to driving sustainable growth of the aviation industry as a whole and is promoted as such under the ICAO Gender Equality Programme Promoting the Participation of Women in the Global Aviation Sector and the Next Generation of Aviation Professionals Programme. This action will use existing dedicated tools and guidelines to ensure gender and equitable involvement of women and men in its activities.

The EU has the objective to lead international action for the environment (it accounts for only 11% of global greenhouse gas emissions). Global progress, particularly in aviation, is therefore conditional on the actions and policies of the EU's strategic partners. Against a backdrop of continued, rapidly rising global aviation emissions, measures in this sector are needed to significantly reduce aviation's impact on climate and to support meeting the Paris Agreement objectives.

In line with EU norms and the Commission's medium-term environmental goals, EASA will offset the carbon emissions from flights undertaken during the implementation of this project. High quality off-setting projects can be selected in the partner countries, where they can provide social and economic benefit and can also be used for enhancing the political visibility of the intervention.

3 ACTION DESCRIPTION

The **overall objective** of the action is to enhance the role of the EU as a global actor in the domain of civil aviation, promoting a level playing field on the aviation market through continued and new partnerships with Latin American key partner countries and at regional level in Latin America and the Caribbean.

3.1 Objectives

The **specific objectives** are:

- Strengthen institutional relations, deepen dialogue and cooperation between aviation authorities, encourage regional cooperation and support implementation of aviation agreements;
- Promote industrial exchanges and support EU competitiveness in those markets. Facilitate a more secure, more compatible and less restricted access for European industry;
- Increase mutual awareness of aviation best practices, promote EU standards, raise environmental protection efforts and encourage climate action.

The expected **outputs** of the Action are:

- Improved regulatory exchanges and cooperation between aviation authorities, including regional cooperation (regional fora, programmes and working arrangements).
- Conditions created for increased regulatory convergence and compatibility of working practices between the EU and the South American and Caribbean key regional and country level partners, and the uptake of EU/International safety and environmental standards.
- Conditions created for increased competitiveness of EU aviation industry and market uptake of products resorting from EU aviation industry (with regard to large as well as small and medium size companies based in the EU), including the identification and reduction of trade barriers. Special attention will be provided to promote EU new technologies and those improving efficiency, safety and environmental performance.
- Enhanced shared knowledge on new developing areas (e.g. drones, cybersecurity)
- Support provided to the post-Covid-19 economic recovery for the EU aviation industry, including through the reinforcement of international supply chains and promotion of clean technologies.
- Conditions created to increase performance regarding environmental protection and climate change, notably regarding international arrangements for emission reduction and compensation efforts.

- Improved EU visibility as a global actor in the aviation domain, sustainable aviation and the fight against climate change.

Indicative **activities** for this Action include providing specialised technical assistance and exchanges in topics of EU and mutual interest, including regulatory and institutional themes, safety, air and airports management, environmental, security training, digital transformation and post COVID-19 response. Trials and demonstration of European technologies, especially clean and innovative ones. Organisation and participation in high-level aviation conferences, including on connectivity. Support to policy dialogues. Peer to peer exchanges. Large-scale initiatives such as technical and industrial support for building the capacity and efficiency of airports and Air Traffic Management / Air Navigation Services in support of the Global Air Navigation Plan (GANP). Technical support for the implementation of the BASA agreement with Brazil and potential negotiation of other agreements can be provided by organising information sessions for industry and authority certification staff. Technical studies. Design and development of visibility material. Support to briefings. Visibility and promotion events.

A layered approach will be employed, incorporating a regional dimension and a specific national dimension for each country. Cooperation will be tailored to each country’s needs and capabilities. This mitigates obstacles that might be faced due to bilateral politics between partner countries.

The main **Stakeholders** of this Action from the European Union will be the relevant EU institutions dealing with Aviation, Mobility and Transport, Foreign Policy (including Delegations in the region), Research and Innovation, climate and environment, trade, satellite navigation services and digitalisation. EU joint undertaking under the ATM research programme SESAR JU; the EU National Aviation Authorities, National Accreditation Bodies, Accident Investigation Bodies; the industry, including the manufacturing industry (ASD), airlines(A4E), airports(ACI), ground handling, Navigation Service Providers and other service providers in the aviation industry; the European business associations European Chamber of Commerce in key partner countries in Latin America and other trade bodies; the passenger protection groups, environmental protection groups. The Single European Sky Network Manager.

Main Stakeholders external to the EU are Ministries of Transport, Ministries of the Environment, Ministries of Finance, other relevant ministries in Latin American and the Caribbean key countries. Regional cooperation fora, including SRVSOP, ICAO Regional Office Lima, ACSA and CASSOS, ICAO Regional Office Mexico. Latin America and Caribbean National Aviation Authorities, Accident Investigation Bodies, Air Navigation Service Providers, manufacturing industry, airlines, IATA, ACI, ALTA, educational institutions, passenger protection groups, environmental protection groups, trade bodies, national accreditation bodies, verification bodies.

3.2 Risk assessment and management

| Risks | Risk level (H/M/L) | Impact | Mitigating measures |
|---|-----------------------|--|---|
| Changes to the political environment and/or an EU Air Safety List ban may lead to reduced desire for a particular country to work with EASA and the EU. | H | Limited to the country concerned. The duration of fall-out from an EU air safety ban is typically short as this stimulates momentum within the country to correct the situation with EU support. | Adopt a regional approach, monitor the overall political context, communicate and adapt the project accordingly together with the stakeholders, DG MOVE and EU Delegations. |

| | | | |
|---|--|--|--|
| Political instability, conflict or social unrest in the region might lead to reduced ability to cooperate and execute activities on-site. | South America: M Central America: M Caribbean: L | Limited to the countries concerned. Experience shows that technical cooperation can continue despite political differences. | Focus on the technical level and monitor the overall political context and adjust focus of the project. |
| Disease outbreak might lead to reduced demand for aviation transport services and/or ability to execute activities on-site. | H | If limited to certain countries, activities can be easily relocated. Region-wide contagion would have a high impact on the ability of the project to deliver. | Monitor relevant news sources (WHO) and adjust project accordingly. Use of solutions provided by new technologies. Continuous project monitoring and, if needed, contingency planning |
| Slowdown of economic growth resulting in reduced demand in aviation transport services and products. | South America: H Central America: H Caribbean: H | Low impact as there is high political and economic awareness of the long-term need to address the current and future challenges. | Monitor overall economic development, consider adjusting focus of project activities. Alternatively, in case of a severe and prolonged economic crisis, consider reducing the scope, postponing or early closure of the project. |
| Increased market access obstacles for European companies trading with or investing in the region. | South America: M Central America: L Caribbean: L | This will impact the envisaged result of the project, but the project itself is a mitigation measure. | Monitor industrial and national policy developments. Increase dialogue and technical project activities addressing market access obstacles. |
| Contractual differences. | H | Differing interpretations of the requirements and unforeseen administrative difficulties may negatively impact the operational running of the project. | Upfront dialogue with FPI and DG BUDG; leverage experience from previous projects implemented by EASA and EU. |

3.3 Communication and EU visibility

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

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

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. 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 Action³ (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management⁴ with an EU specialised agency

This action will be implemented in indirect management by means of a contribution agreement with the EU agency European Union Safety Agency (EASA). This implementation entails carrying out activities described in section 3. The entity has been selected by the European Commission using the following criteria: 1) nature of the action; 2) operational capacity; 3) value added.

EASA is a key player in the European Union's aviation safety system. Its mission is among others to promote European Union aviation standards and rules at international level by establishing appropriate cooperation with competent authorities of third countries and international organisations.

In accordance with Article 90(1) and (6) of Regulation (EC) 2018/1139 on common rules in the field of civil aviation and establishing a European Union Safety Agency (EASA Basic Regulation), the Agency assists the Commission in its management of relations with third countries and international organisations. The Agency may also engage in ad hoc technical cooperation, research and assistance projects with third countries and international organisations.

EASA is proposed as implementing partner for this project as the Agency:

1. Is a counterpart aviation authority / Regional Safety Oversight Organisation (RSOO) and as such an good interlocutor for building the bridge between projects and political views;
2. Can group regionally present EU Member States and EU industry under a partnership to cover the whole spectrum of aviation safety, security and environmental protection within aviation;
3. Has developed experience, procedures and tools for channelling technical assistance in a sustainable manner;
4. Is the technical source of EU aviation safety legislation and environmental protection within aviation, as well as a source of aviation intelligence;
5. Provides coordination, efficiency and visibility at EU level for the EU's actions in the field of aviation.

If negotiations with the above-mentioned entity fail, (part of) this action may be implemented in direct management through procurement.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁵.

³ https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en

⁴ Article 154 of the Financial Regulation – Selection of the entities entrusted with the implementation of EU funds in indirect management.

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

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|---|-----------------------|
| Indirect Management (Contribution Agreements with EASA) | 4 |
| Total | 4 |

4.3 Organisational set-up and responsibilities

The Commission services in close collaboration with the EEAS will be responsible for ensuring policy coherence and internal coordination to maximize the impact of the action and promote synergies.

A Steering Committee of EU stakeholders, chaired by the relevant Commission Services, will meet on an annual basis to review, evaluate and direct the project. Relevant EU services and Member States agencies and industry will be invited to participate.

EASA will establish a local/regional project office, where there is a willingness from the participating countries to provide the necessary facilities, and where this is considered to be in the interest of effective and efficient project implementation and allocation of resources.

At local level, a Project Management Board for the action will provide the overall technical steering. The board will include representatives of the relevant EU Services and EASA as well as from local stakeholders. The technical framework will be set out by an overall project work plan for the Latin American and the Caribbean regions, and a series of annual work plans. Those plans will follow a regional approach for Latin America, Central America and the Caribbean, and a more customized approach for specific partner countries, including Argentina, Brazil, Chile, Colombia and Mexico. EU Services will be closely involved in the design of the work plans.

Active involvement and participation of relevant third countries counterparts will be sought in the different activities implemented under the project.

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.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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



Brussels, 24.2.2020
C(2020) 936 final

COMMISSION IMPLEMENTING DECISION

of 24.2.2020

**on the financing of an individual measure in favour of Malaysia
and Indonesia for 2020**

COMMISSION IMPLEMENTING DECISION

of 24.2.2020

on the financing of an individual measure in favour of Malaysia and Indonesia for 2020

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing action², and in particular Article 2(1) thereof,

Whereas:

- (1) In order to ensure the implementation of an individual measure in favour of Malaysia and Indonesia, it is necessary to adopt a financing decision, which constitutes the work programme, for 2020. Article 110 of Regulation (EU, Euratom) 2018/1046 establishes detailed rules on financing decisions.
- (2) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.
- (3) The objectives pursued by the measure to be financed under the Partnership Instrument⁴ are to reinforce EU-Indonesia and EU-Malaysia partnerships by supporting national processes and international dialogue on the sustainable use of natural resources, with specific focus on palm oil (as one among other drivers of deforestation), including in the overall regional framework of the dialogue between EU and relevant ASEAN Member States.
- (4) The action entitled “Sustainable Palm Oil in Malaysia and Indonesia” aims to develop further understanding of relevant international and EU policies towards the establishment of sustainable and inclusive value chains, to take stock of progress achieved in this sector, and to promote cooperation and exchange with national and sub-national stakeholders in Malaysia and Indonesia, including palm oil producers, on the different aspects of sustainability (economic, social, environmental), at meaningful scale.

¹ OJ L 193, 30.07.2018, p. 1

² OJ L 77, 15.3.2014, p. 95

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

⁴ 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)

- (5) Pursuant to Article 4(7) of Regulation (EU) No 236/2014 indirect management is to be used for the implementation of the programme.
- (6) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of Regulation (EU, Euratom) 2018/1046.
- (7) To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of Regulation (EU, Euratom) 2018/1046⁵ and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of Regulation (EU, Euratom) 2018/1046 before a contribution agreement can be signed.
- (8) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (9) In order to allow for flexibility in the implementation of the measure, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.
- (10) The measures provided for in this Decision does not fall within the categories of measures for which the prior opinion of the Committee is required. The measure shall be communicated to the European Parliament and to the Member States through the Partnership Instrument Committee established under Article 7 of Regulation (EU) No 234/2014 within one month of its adoption.

HAS DECIDED AS FOLLOWS:

Article 1
The Measure

The individual measure in favour of Malaysia and Indonesia for 2020, as set out in the Annex, is adopted.

The measure shall include the following action “Sustainable Palm Oil in Malaysia and Indonesia”.

Article 2
Unit contribution

The maximum Union contribution for the implementation of the measure for 2020 is set at EUR 4,500,000, and shall be financed from the appropriations entered in the budget line 19.0501 of the general budget of the Union.

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

⁵ Except for the cases of Article 154(6) of Regulation (EU, Euratom) 2018/1046, where the Commission may decide, not to require an ex-ante assessment.

Article 3

Methods of implementation and entrusted entities or persons

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

Article 4

Flexibility clause

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution set in the first paragraph of Article 2, or cumulated changes⁶ to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046, provided that these changes do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may apply the changes referred to in the first paragraph, acting in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 24.2.2020

For the Commission
Josep Borrell Fontelles
Vice-President

⁶ These changes can come from assigned revenue made available after the adoption of the financing decision.

EN

ANNEX

of the Commission Implementing Decision on the financing of an individual measure in favour of Malaysia and Indonesia for 2020

Action Document 'Sustainable Palm Oil in Malaysia and Indonesia'

1 KEY IDENTIFICATION DATA

| | | | | |
|---|---|---------------------------------|--|--|
| Title of the Action | KAMI ("Us/ We" in both Indonesian and Malaysian languages)- "Keberlanjutan sAwit Malaysia dan Indonesia", i.e. "sustainability of Malaysian and Indonesian palm oil" | | | |
| Country/region/global | Indonesia and Malaysia (plus other relevant ASEAN countries as appropriate) | | | |
| Sector of intervention | Multisector (climate change, environment, energy, agriculture, trade) | | | |
| Indicative budget | Total: €4 500 000 EC contribution: 100 % | | | |
| Duration and target start date of implementation | 36 months Tentative starting date Q1 2020 | | | |
| Method of implementation | Indirect management | | | |
| Legal basis | Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries | | | |
| Programming document | Multiannual Indicative Programme for the Partnership Instrument for the period 2018-2020. | | | |
| DAC code(s)¹ | 41010 - Environmental policy and administrative management | | | |
| Markers | General policy objective | Not targeted² | Significant objective³ | Principal objective⁴ |
| | Participation development/good governance | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input type="checkbox"/> | X |
| | Gender equality | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

¹ See the full list of DAC codes on: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/dacandercodelist.htm>

² The score "0" means that the activity was examined but found not to target the objective in any significant way. For activities that have not been assessed, the marker field should be left empty. This ensures that there is no confusion between activities that do not target the objective (score = "0"), and activities for which the answer is not known (score = "null").

³ An activity can be marked as significant when the objective is explicitly stated but it is not the fundamental driver or motivation for undertaking it. Instead, the activity has other prime objectives but it has been formulated or adjusted to help meet the relevant climate concerns.

⁴ An activity can be marked as principal when the objective is explicitly stated as fundamental in the design of, or the motivation for, the activity. Promoting the objective will thus be stated in the activity documentation as one of the principal reasons for undertaking it. In other words, the activity would not have been funded (or designed that way) but for that objective.

| | | | | |
|--|---|--------------------------|--------------------------|--------------------------|
| | Trade Development | <input type="checkbox"/> | X | <input type="checkbox"/> |
| | | | | |
| | RIO Convention markers⁵ | | | |
| | Biological diversity | <input type="checkbox"/> | <input type="checkbox"/> | X |
| | Combat desertification | X | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input type="checkbox"/> | X |
| | Climate change adaptation | <input type="checkbox"/> | X | <input type="checkbox"/> |

2 RATIONALE AND CONTEXT

2.1 Action summary

The **overall objective** is to reinforce EU-Indonesia and EU-Malaysia partnerships by supporting national processes and international dialogue on the sustainable use of natural resources, with specific focus on palm oil (as one among other drivers of deforestation), including in the overall regional framework of the dialogue between EU and relevant ASEAN Member States.

The **specific objective** is to develop further understanding of relevant national, international and EU policies towards the establishment of sustainable and inclusive value chains, to take stock of progress achieved in this sector, and to promote cooperation and exchange with international, national and sub-national stakeholders in Malaysia and Indonesia, including palm oil producers, on the different aspects of sustainability (economic, social, environmental), at meaningful scale, in line with the priorities set in the Communication (2019) 352 on Stepping up EU Action to Protect and Restore the World's Forests.

The proposed action builds on the increasing centrality of the palm oil sustainability in EU-Indonesia and EU-Malaysia relations, and increasingly in the regional context.

The approach proposed includes three main components (i) supporting, when possible, emerging policy dialogues between the relevant stakeholders in EU, Indonesia and Malaysia on the sustainability of the palm oil value chain (economic, environmental, social), such as a Working Group with relevant ASEAN Member States (EU ASEAN Ministerial Statement, January 2019) or similar Working Groups at national levels or in a broader format; (ii) to provide technical assistance to enhance and monitor the partner countries efforts towards increased sustainability of the palm oil value chain; (iii) to consolidate project's results and support the EU in their dissemination to partner countries and different stakeholders in the public and private sectors.

The three components, while mutually reinforcing, shall be considered as independent.

2.2 Background/Context/Rationale for PI funding

The EU has a long-standing commitment to the promotion of sustainable development, including by protecting the environment, fighting against deforestation and climate change, and supporting the uptake of responsible business practices. Active engagement with partner

⁵ Short guide to the use of Rio markers: <https://europa.eu/capacity4dev/public-environment-climate/minisite/tools-and-methods/short-guide-use-rio-markers>

countries is a key element of the EU action towards achieving these objectives and a number of projects, outlined in section 2.4 and dialogues are in place to support these efforts in Malaysia and Indonesia. An increasingly strong focus is given to actions on the sustainable management of natural resources, and in particular palm oil, in view of the very important role of this sector in Indonesia and Malaysia - from a political, economic, social and environmental perspective.

In particular, a large number of smallholders, representing a significant amount of production and plantation areas, depend on the palm oil market volumes, rules and prices. The EU is an important market for palm oil, which is used in a diverse range of products, including e.g. food, cosmetic products, lubricants and biofuels. While palm oil plays an important role in terms of growth and employment in producing countries, there are concerns about the negative impacts that palm oil production has had, or could have – notably on forests and biodiversity, but also with regard to labour conditions in the plantations. These concerns underpin a lively public debate in the EU – which in turn triggers reactions by Indonesia and Malaysia, where there are concerns on the perceived lack of recognition by the EU of producing countries' efforts to increase the sustainability of palm oil production. Thus, there is a need to for both the producing and consuming communities to understand each other's perspectives, and to develop credible means to achieve and demonstrate sustainability of production that are adapted to national realities and that are scalable.

The link between deforestation and the sustainability of value chains was first highlighted in the **Commission Communication on deforestation and forest degradation (2008)**⁶ followed by the **EU Forest Strategy**⁷ of 2013 and its implementation plan (2015). In July 2019, the European Union has renewed this commitment⁸ to address the main direct and indirect drivers of deforestation and forest degradation through a combination of 5 priorities including:

- Encouraging the consumption of products from deforestation-free supply chains;
- Working in partnership with producer countries to reduce pressures on forests and to “deforest-proof” EU development cooperation;
- Strengthen international cooperation to halt deforestation and forest degradation, and encourage forest restoration;
- Redirect finance to support more sustainable land-use practices;
- Support the availability and quality of information on forests and commodity supply chains.

This complements ongoing actions promoting land governance, biodiversity economics, and sustainable forest management and afforestation, research, monitoring and transparency, green finance and multilateral cooperation with, among others, major market importers. The action also aims at addressing **farm-gate price and redistribution of profit** along the value chains, with a view to internalise the environmental and social costs of palm oil production, thus making the terms of trade fairer for local farmers.

The European Union considers that crop-based biofuels have a limited role in decarbonising the transport sector due to their global impact on indirect land use change. This consideration

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52008DC0645>

⁷ https://ec.europa.eu/agriculture/forest/strategy/communication_en.pdf

⁸ https://ec.europa.eu/environment/forests/pdf/EU_Communication_2019.pdf

led to the decision to include in the revision of the **EU Renewable Energy Directive**⁹ a 7% cap on the contribution of conventional biofuels to the EU renewable energy targets. Building on this approach, the recast of the Renewable Energy Directive (REDII) introduced national limits to the extent to which conventional biofuels can account towards these targets, including a freeze of the contribution of conventional biofuels deemed presenting high-ILUC¹⁰ risks at the 2019 levels of consumption, followed by a gradual reduction between 2024 and 2030. Biofuels certified as low ILUC-risk are exempted from such limits.

Following the adoption of REDII in December 2018 and in May 2019 of the Delegated Regulation and accompanying report which identifies palm oil as high-ILUC feedstock, engagement with producing countries to support their efforts towards sustainability becomes increasingly important both on a bilateral level and in a broader format.

The proposed timing of the activity is such that results and knowledge generated by the project about the Indonesian and Malaysian contexts could also contribute to informing (inter alia) further certification efforts, or the reviews – planned for 2021 (data only) and 2023 (data and certification criteria) – as mandated within REDII.

The approach proposed by this action is to reinforce and better communicate on the sustainable management of natural resources, and in particular of palm oil production districts/clusters, and thereby contribute to a shared objective of the EU and two key partners in South East Asia, by (i) supporting emerging policy dialogues between relevant stakeholders in EU, Indonesia and Malaysia on the sustainability of the palm oil value chain (economic, environmental, social); (ii) to provide technical assistance to enhance the partner countries platforms and initiatives towards increased sustainability of the palm oil value chain; (iii) to consolidate project's results and support the EU in their dissemination to partner countries and different stakeholders in the public and private sectors.

The proposed action will contribute to policy goals in different key EU policy areas (environment, energy, climate change, trade, human rights, land governance and sustainable development), while directly supporting the EU political relationship with key partner countries. Furthermore, it will serve as a possible blueprint for addressing the global climate and forest footprint more holistically, in line with shared commitments undertaken by the EU and partner countries in the UN framework (SDGs, Paris Agreement). In light of the strategic and political relevance of this project, EEAS, ENV, ENER, CLIMA, TRADE and DEVCO were consulted and provided input during the identification and formulation stages.

The relevance and applicability of lessons learnt from the project with respect to the sustainability of palm oil production in Indonesia and Malaysia will be assessed against the specific circumstances in other significant sectors and geographies in the region.

Malaysia

Malaysia is a partner of growing importance for the EU due to its geographical location, rapidly developing economy, strong trade and investment links with the EU and importance for environment and biodiversity.

⁹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001&from=EN>

¹⁰ Indirect Land Use Change

Following the May 2018 elections, Malaysia has committed to a large and transformative reform programme, which represents a window of opportunity for renewed momentum for EU-Malaysia relations, with particular focus on achieving signature and starting implementation of a Partnership Cooperation Agreement (PCA). The PCA sets out to strengthen the bilateral relationship and to further enhance cooperation in all sectors of mutual interest, including: democracy and human rights, environment, energy and climate change, trade, education, culture, science and technology; people-to-people contacts; migration; and security and counter-terrorism.

Malaysia is the second largest producer of palm oil in the world after Indonesia, with more than 5.8 million hectares of oil palm plantations (18% of nation's total land area and 70% of agricultural land) with smallholders (650,000) accounting for 40% of production and larger companies controlling the remaining 60%.

Palm oil and palm oil based products account for 9.9% of Malaysian exports and 6% of GDP, with the EU importing 12% of the total Malaysian production. A significant share of the Malaysian exports of palm oil to the EU is used in the biofuels sector.

The current debate in the EU about the use of palm oil has gathered important attention in Malaysia as it is linked to the livelihoods of many Malaysians and a key sector of the economy.

As part of its efforts towards increased sustainability of its palm oil production, Malaysia introduced in 2013, and formally launched in 2015, the Malaysian Sustainable Palm Oil (MSPO) scheme. Originally a voluntary scheme, the MSPO standard is currently being rolled out nationally for both plantation industries and smallholders. At the end of 2017, the total area certified under the MSPO was 294,000 hectares (under 6% of the total palm oil area), of which just 4,000 hectares were farmed by independent smallholders.

Challenges therefore remain with regard to its uptake, and a number of stakeholders have argued that the MSPO standards could still be improved and the application and enforcement of the scheme could be strengthened. Such an analysis is, for instance, provided in the *Study on the environmental impact of palm oil consumption and on existing sustainability standard*¹¹, which concluded that the MSPO scheme, while being broadly similar to the ISPO (insofar as it does allow forest clearance provided it is within land zoned for agriculture), includes additional requirements on air pollutions, Environmentally Sensitive Areas and areas with high biodiversity value, yet it also stressed other potential issues with peat land conversion, greenhouse gas emissions or supply chain verification mechanisms.

Indonesia

EU-Indonesia bilateral relations are guided by a Partnership and Cooperation Agreement (PCA), signed in 2009 and entered into force in 2014. The PCA was concluded to promote further cooperation in sectors of mutual interest and to this effect the EU and Indonesia have established annual Dialogues on Human Rights (including 'Business and Human Rights'), Strategic and Security Policy, Maritime Affairs, as well as specialised Working Groups on Development Cooperation, Trade and Investment, and Environment and Climate Change.

Indonesia is also the first country to have ratified a Voluntary Partnership Agreement for FLEGT (Forestry Law Enforcement, Governance and Trade) and has been implementing it

¹¹ http://ec.europa.eu/environment/forests/studies_EUaction_deforestation_palm_oil.htm

since 2016. Negotiations are ongoing towards a Comprehensive Economic Partnership Agreement (CEPA). The Indonesian Government often stresses the importance of addressing environmental issues related to palm oil production in the broader context of the UN Sustainable Development Goals, particularly in relation to SDG1- No Poverty.

Indonesia highly values palm oil as a crucial sector in its national development strategy. An estimated 4 million people work in the sector which indirectly provides additional employment to up to 17 million people, including many independent smallholders, in respect of which concerns have been raised with regard to land ownership/tenure rights. The sector is an important foreign exchange earner for the country, generating over 18 billion euros in 2018 from export destinations such as the EU, India, China and Pakistan, second only to the tourism sector in relative economic importance. The Indonesian government is committed to tackling climate change and environmental degradation, as well as ensuring that the development of oil palm plantations takes place in a way that is socially equitable and contributes to poverty reduction. To achieve these goals, Indonesia has introduced a large number of regulations governing land allocation, oil palm plantations, peat land protection and indigenous rights, amongst others. However, the complexity of ever-changing regulations, overlaps in ministerial/local responsibilities and problems related to decentralisation and quality of governance, make enforcing them challenging. While the government intends compliance with a renewed version of the national certification scheme ISPO (Indonesian Sustainable Palm Oil, in development since 2015) to become mandatory for all producers, there has been much criticism of its current version – including with regard to concerns on providing inadequate environmental protection, neglecting issues related to human rights, weak law enforcement and poor governance. To date, less than 20% of palm oil plantation areas in Indonesia are certified and about 2000 (0.05%) of small producers are fully traceable¹². The feasibility, relevance and cost of verifying compliance at farm level remain to be assessed, but a new Presidential Decree on a recast ISPO would allow for **stepwise group certification**, which could potentially alleviate those issues through economies of scale (i.e. clustering audits at the level of districts or villages, and relying more on remote sensing). A temporary moratorium (on further expansion of plantations into peatlands and primary natural forests) is considered to be made permanent and/or extended to also include secondary and APL forests.

The above-mentioned *Study on the environmental impact of palm oil consumption and on existing sustainability standard*¹³ identified scope for ISPO improvement in the following areas: certification body accreditation process, independence of accreditation, complaints and redress mechanisms, documented procedures available, audit reports publicly available. In addition, significant adjustments may be required in the capacity for centrally-managed laws and regulation to be interpreted, enforced and rolled out at sub-national level, and for monitoring information to be fed back to the central level (depending on IT tools, qualified human resources and Ministerial Implementation Decrees meant to consolidate about 20 laws pertaining to palm cultivation, trade and processing).

2.3 Lesson learnt

The PI-funded study “TEPERCAYA- *Tracking sustainable palm oil and jurisdictional sustainability in Indonesia*”, as well as smaller analytical efforts e.g. the DCI-funded Value

¹² Figures from the Indonesia Coordinating Ministry of Economic Affairs

¹³ http://ec.europa.eu/environment/forests/studies_EUaction_deforestation_palm_oil.htm

Chain Analysis of the Indonesian palm oil sector for Development" VCA4D, are currently being finalised.

The core of the work has been to collect and consolidate relevant data and laws to reach a better understanding on whether and how it could be possible and efficient to assess progress made along the main dimensions of SDGs (economic, social, environmental, governance) based on existing laws and information systems.

Key lessons include:

- The need to consult and involve a broad range of sources (officials from several ministries, representatives from various producer categories from family-run to large corporations, experts, downstream industries and buyers, and civil society organisations) to capture the full complexity of issues and challenges;
- The multiplicity of information sources on key indicators at various levels, and the difficulty to assess which one is to be deemed "official", when they differ;
- The need to assess not only sustainability outcomes but also relative pace of progress, in order to maintain the buy-in and commitment of various parties;
- The relevance of legality as a pre-requisite to sustainability, as well as the existence of extra-legal requirements meant to achieve and sustain social and environmental goals (e.g. REDD+, public private partnerships for replanting, diversification and mixed-cropping);
- The need for a proper budget and a proper timeline to be first established, as framing conditions for rolling out intended policies at national and subnational levels;
- The need for fewer, larger players to be both empowered and made accountable for sustainability outcomes; as it stands it is next to impossible to disentangle roles and responsibilities shared by various classes of public and private operators in the forest and palm oil sectors. The attribution of deforestation to any given actor, within a land transition (between e.g. natural forest to palm oil plantation) that spans over 5-10 years is not straightforward. It is therefore important that all stakeholders are made collectively responsible, but for well-identified, capable managers and institutions to ensure sustainable stewardship of the whole landscape, irrespective of size, economic interests and ownership classes of the constituency;
- The challenge to establish farm-to-mill traceability for palm fruits, which is a critical step of sustainability assessment, but also a critical condition of market transparency and fair pricing;
- The potential to develop and spread extension services, in particular as regards good agricultural practices, perennial management and regeneration, and quality of reproductive material, that have major bearings on intensification and/or forest conversion patterns.

2.4 Coherence and complementarity

The proposed action is coherent with EU-funded initiatives, currently ongoing or in formulation, in Indonesia and Malaysia, and aims to be informed by their findings while using them to support foreign policy priorities.

It builds upon the analysis of three DG Environment studies (*Options to step up EU action to combat deforestation and forest degradation; The environmental impact of palm oil consumption on existing sustainability standards; Financing of REDD+ pre and post 2020*), and particularly for Indonesia on the traceability work conducted by the TRASE¹⁴ platform (with the possibility to be extended to Malaysia), the TEPERCAYA work, mapping and screening jurisdictional approaches to demonstrate palm oil sustainability based on Indonesian legal framework and alignment to SDGs, and the Value Chain Analysis conducted under the VCA4D Project.

Regular exchanges will be established, and synergies explored, with EU-funded projects on biodiversity and sustainable agriculture (TEEB-Agrifood, Malaysia and Indonesia), the agricultural component of the Trade Related Technical Assistance Programme for Malaysia, the Sustainable Landscape Management Project in Sabah, Malaysia and the Indonesia and Malaysia components of the Sustainable Use of Peatland and Haze Mitigation in ASEAN project.

Regular exchange and coordination will be ensured with programmes funded by EU Member States, such as the Dutch funded NI-SCOPS in Malaysia and German-funded Low Emissions Oil Palm Development in Indonesia, the follow up to Revamping ISPO project from UK, and possible future engagements by the Amsterdam Declaration Partnership on jurisdictional approaches. Contacts have already been established and will be strengthened in the next phase of formulation and opportunities for cooperation explored with Germany, France, UK, Netherlands, Denmark and Norway.

Linkages and synergies with programmes implemented by International Organisations and Civil Society Organisations (e.g. UNDP, FAO, Winrock, SNV, CIFOR, NMI micro, Inovasi Bomu, INOBU, WWF, WRI etc.) will be explored and strengthened during project implementation. These include, inter alia, the Indonesian Sustainable Palm Oil Initiative, the global Green Commodity Program¹⁵ and the Malaysian GEF Palm Landscapes Project. Finally, complementarities will be sought with the soon to be launched PI project on Business and Human Rights, implemented by UNDP regional hub in six Asian countries, including Malaysia and Indonesia. In particular, the action could build upon the Global Bioenergy Partnership (GBEP¹⁶), an international initiative meant to advance bioenergy for sustainable development, climate change mitigation and food and energy security. European Commission is formally a Partner of GBEP since 2010, Indonesia and Malaysia are participating as observers. Relevant linkages between iaeg-sdgs¹⁷ and recent EU Copernicus developments¹⁸ could as well be considered to reflect the contribution of palm oil to SDG statistics, based on earth observation.

¹⁴ <https://trase.earth/>

¹⁵ <http://www.greencommodities.org/content/gcp/en/home.html>

¹⁶ <http://www.globalbioenergy.org/programmeofwork/task-force-on-sustainability/gbep-report-on-sustainability-indicators-for-bioenergy/en/>

¹⁷ <https://unstats.un.org/sdgs/iaeg-sdgs/>

¹⁸ https://forobs.jrc.ec.europa.eu/iforce/redd_copernicus.php

2.5 EU added value

The proposed action will contribute to policy goals in different key EU policy areas (environment, energy, climate change, trade, human rights, land governance and sustainable development), while directly supporting the EU relationship with key partner countries. It will serve as a possible blueprint for addressing the global climate and forest footprint more holistically, in line with shared commitments undertaken by the EU, its Member States and partner countries in the UN framework (SDGs, Paris Agreement). Given the global dimension of these challenges, coordinated EU-level action is considered more efficient and effective. By acting jointly and in coordination, the EU and its Member States can aim to bigger impact and political clout.

2.6 Cross-cutting issues

The project addresses different aspects of sustainability in a productive sector and is in particular expected to positively contribute to (i) environmental protection and climate change mitigation; (ii) the promotion of responsible value chains based on sustainable development, human rights and ethical trade.

A gender sensitive approach will be used throughout the formulation of the project and embedded in the project's Monitoring and Evaluation (M&E) system. Women's participation and engagement will be actively promoted in national and subnational activities.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective is to reinforce EU-Indonesia and EU-Malaysia partnerships by supporting national processes and international dialogue on the sustainable use of natural resources, with specific focus on palm oil (as one among other drivers of deforestation), including in the overall framework of a dialogue between EU and relevant ASEAN Member States.

The specific objective is to develop further understanding of relevant national, international and EU policies towards the establishment of sustainable and inclusive value chains, to take stock of progress achieved in this sector, and to promote cooperation and exchange with international, national and sub-national stakeholders in Malaysia and Indonesia, including palm oil producers, on the different aspects of sustainability (economic, social, environmental), at meaningful scale, in line with the priorities set within the Communication (2019) 352 on Stepping up EU Action to Protect and Restore the World's Forests.

The **main expected results (R)**, and **indicative activities** of the proposed action are:

R.1: Strengthened basis for dialogue on palm oil sustainability (economic, environmental and social) with the relevant stakeholders in EU, Indonesia and Malaysia, including in the overall framework of a dialogue between EU and relevant ASEAN Member States.

R.2: Specialised technical assistance and expertise is provided at national and sub-national level to relevant stakeholders on jurisdictional/landscape approaches, traceability,

independent monitoring and verification, enforcement and convergence of environmental and social standards, technical expertise on ILUC risk certification and for the improvement, adaptation, and compliance with, existing or future certification schemes, especially with regard to smallholders participation;

R.3: Effective communication and dissemination strategy implemented, supporting the priorities of the political dialogue and the dissemination and communication of project's results.

The three components, while mutually reinforcing, shall be considered as independent. In particular, should the political context not be conducive to a constructive policy dialogue, the technical assistance and dissemination component, equally important for the achievement of the project objectives, may still be implemented.

The **indicative activities** of the proposed action *might include*:

R1:

- Preparation of case studies, policy briefs, desk reviews/screenings;
- Joint research to inform bilateral and multilateral policy dialogues;
- Organisation of events (conferences, seminars, workshops, mutual technical visits and other exchange activities, etc.) within the scope of the dialogues, in EU, Indonesia, and Malaysia, as well as in other relevant ASEAN countries, as appropriate.

R2:

- Provision of specialised technical assistance and expertise at national or sub-national levels, including:
 - a) *Review and benchmark of existing approaches at jurisdictional level;*

At the technical level, the project will work on expanding the work on jurisdictional/cluster approaches.

In the past decade, a large number of cooperation projects and private sector initiatives have been developed to try to assess or curb the risk of negative social and environmental impacts associated with palm oil production, while maximising its economic benefits, in Indonesia and Malaysia. Yet all of them have worked at project, farm/mill, village, company or sub-national levels, based on objectives and indicators that may not be consistent across those elements, and which may therefore not allow for a fair, transparent and comparable assessment of their impacts at higher scales. Large monitoring frameworks and scientific studies (conducted by e.g. FAO, CIFOR, WRI Global Forest Watch) have provided global or country level monitoring frameworks of deforestation based on global methodologies and/or national definitions. Those usually struggle to attribute the liability of those impacts to given sectors/actors, or disregard discrepancies in national legislations that complicate fair cross-comparisons.

A third tier of conceptual frameworks, loosely labelled as jurisdictional approaches or verified sourcing areas, has lately emerged (such as EU TERPERCAYA, TRASE, IDH VSA, RSPO¹⁹ jurisdictional, ISPO²⁰ group-certification, MSPO²¹ cluster certification and others). These aim at connecting sub-national legality/sustainability indicators with global level indicators and supply chains, with a view to enable transparent, periodic and comparable assessments across those jurisdictions and inform public and private policies on sustainable sourcing of agricultural commodities. Those are, by definition, **inclusive**, in the sense that they do not discriminate between different types of producers (large, medium and small plantations, downstream industries), nor commodities, but only look at overall impacts and policies within jurisdictional boundaries, in terms of environment, social, economic dimensions as well as governance and human rights, in line with the Sustainable Development Goals.

The **Indonesian Ministry of Planning and Development** has expressed its interest in exploring technical assistance for a platform on jurisdictional approaches, while **the Malaysian Government** has started certifying Sustainable Palm Oil Clusters (SPOCs) under the MSPO scheme.

b) Support the development of a limited set of SPIV²², in line with national rules, regulations and SDGs, to fit to systematic application to Malaysian and Indonesian jurisdictions;

The set of Sustainability Performance Indicators and Verifiers (SPIV) will be based on national rules and regulations and SDGs. Their purpose is to strengthen the understanding of sustainability at the conceptual and technical level and to inform the improvement of national and international standards in partner countries, while also informing further work of the European Commission on deforestation, responsible trade or bioenergy.

The action would aim, on a voluntary basis, to align reporting frameworks and goals of responsible buyers, producers and investors through exchange of good practices, and further, soft standardisation of metrics and definitions. This should help informing and mutually reinforcing relevant public and private initiatives in both producing and consumer countries.

c) Support the voluntary testing of SPIVs in a large number of Malaysian and Indonesian districts/clusters twice (in 2020- baseline and 2022 end of project);

The action would aim at testing and refining those indicators and criteria for a representative sample of districts and clusters producing palm oil in Malaysia and Indonesia. This will be done in a participative manner with relevant state and non-state actors (including local governments, private sector, academia, civil society, investors and downstream value chains), with a view to assess and improve the feasibility to distinguish as many of them as appropriate (so-called "green districts/clusters"), thus facilitating, acknowledging and encouraging the fair participation of all their local producers and companies.

Based on the results of this first, near-exhaustive screening, a number of districts in a second tier ("yellow districts/clusters", i.e. meeting all legality requirements but without full capacities to reach green status) would be invited and supported, on a voluntary basis, to consider adopting policy measures and tools (at their disposal within the regulatory

¹⁹ Roundtable on Sustainable Palm Oil

²⁰ Indonesian Sustainable Palm Oil

²¹ Malaysia Sustainable Palm Oil

²² Sustainability Performance Indicators and Verifiers.

frameworks of Indonesia and Malaysia, with a specific focus on smallholders participation and empowerment) that could help them bridge the gap with "green districts/clusters".

This support could facilitate technical and financial support from upstream (seedlings, equipment) and downstream companies (i) to smallholders in scaling up a transition to sustainable palm oil production, and ii) to better address traceability and certification, in producing countries as well as in processing countries, including Europe.

d) Provide technical support to a significant number of 'yellow districts/clusters' (identified during the 2020 sweep), and monitor support brought over the same period by Indonesia, Malaysia and interested development partners to target districts.

The action would conclude with a second screening (based on same or slightly adapted SPIVs) to measure the extent to which those measures have been implemented and the extent to which they contribute to better sustainability outcomes in participating districts/clusters.

R3:

- Consolidation and dissemination of communication and visibility tools, including technical publications to relevant market players (especially in producing countries, trade hubs, EU Member States), participation in targeted events (such as conferences, seminars, workshops, mutual technical visits and other exchange activities, etc.);
- Support to the policy dialogues with the Government of Indonesia and Malaysia, but also to the involvement of the EU private sector and civil society;
- Synthesis and analysis of project results for possible application in other sectors (e.g. cocoa, coconut, coffee, rubber) and countries in the region.

The approach proposed above for R1, R2 and R3 is indicative and will be further developed and detailed in the description of the action, based on consultations with all relevant stakeholders.

The definition of priorities will involve the relevant national stakeholders, the EEAS, key line DGs, EU Delegation to Indonesia, EU Delegation to Malaysia, the FPI Regional Team and the lead implementing partner.

3.2 Stakeholders

Key stakeholders include:

- EU, Indonesian and Malaysian relevant services and Ministries;
- Relevant UN and EU Member States organisations;
- Indonesian and Malaysian local authorities (typically: office of district head in target districts);
- Associations of smallholders and independent farmers;
- Representatives from middlemen and mills;
- Representative of schemed farmers (FELDA, FELCRA, Plasma, etc) and industrial plantations;

- Representative from downstream industries, traders and buyers in EU, Indonesian and Malaysia;
- Civil society organisations and experts.

3.3 Risk assessment and management

| Risk | Risk level (H/M/L) | Mitigating measure |
|--|---------------------------|--|
| Lack of political support linked to developments in EU-Indonesia and EU-Malaysia relations | Medium/High | Continuous engagement with national and sub-national counterparts and monitoring of the situation. Careful choice of partners in implementation. Project activities shall adapt to evolving circumstances and the project is structured so that its three components, while being mutually reinforcing, are independent from each other. |
| Key stakeholders remain sceptical and unsupportive of a jurisdictional/cluster approach to sustainability of palm oil production | Medium | Strengthened engagement at the technical level, trying to demonstrate concrete cases and benefits of simplified jurisdictional/cluster performance assessment systems. |
| Poor engagement and availability of Indonesian and Malaysian counterparts in the implementation of the project | Medium | Strategic selection of the areas of intervention and extensive coordination among project staff and counterparts at the national and sub-national level. Strong focus on involving, empowering and strengthening national platforms and initiatives. |

3.4 Communication and EU visibility

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

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

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

The Communication and Visibility Manual for European Union External Action²³, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Indirect management²⁴ with an international organization

This action may be implemented in indirect management with an entity that will be selected by the Commission’s services using the following criteria:

- The Entity will have specific technical competence in the management of projects in relevant fields such as climate change/environment/forestry/sustainable value chains, as required for the implementation of the action;
- The Entity will have the management capacity to coordinate a complex action in two countries, Malaysia and Indonesia, and requiring the involvement of a significant number of actors, both as stakeholders and as associated partners in the implementation;
- The Entity will have the necessary legitimacy vis-à-vis stakeholders in Malaysia and Indonesia, in particular public authorities, to operate in the fields covered by this action.

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

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²⁵.

4.2 Indicative budget

| Method of Implementation | Amount in EUR million |
|---------------------------------|------------------------------|
| Indirect management | 4.5 |
| TOTAL | 4.5 |

²³ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf
²⁴ Article 154 FR - Selection of the entities entrusted with the implementation of EU funds in indirect management
²⁵ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.3 Organisational set-up and responsibilities

A Project Steering Committee (PSC) will be established to approve the project's priorities and work plans, and to discuss progress. The final composition and working mechanisms of the PSC will be defined during the negotiations of the contract.

The action will be managed by the FPI Regional Team for Asia/Pacific based in Bangkok, in close coordination with the EU Delegations to Indonesia and Malaysia.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

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

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