EN

ANNEX 15

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

**Action Fiche for EU-China Partnership Facility**

1. **IDENTIFICATION**

<table>
<thead>
<tr>
<th>Title of the action</th>
<th>EU-China Partnership Facility (ECPF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>China</td>
</tr>
<tr>
<td>Total cost</td>
<td>Total estimated cost: EUR 8 000 000</td>
</tr>
<tr>
<td></td>
<td>Total amount of the EU budget contribution: EUR 8 000 000</td>
</tr>
<tr>
<td>Total duration¹</td>
<td>36 months</td>
</tr>
<tr>
<td>Method of implementation</td>
<td>Direct management</td>
</tr>
<tr>
<td></td>
<td>Procurement – Services</td>
</tr>
<tr>
<td>Markers (from CRIS Dac form)</td>
<td>Rio Convention Markers</td>
</tr>
<tr>
<td></td>
<td>Biological diversity</td>
</tr>
<tr>
<td></td>
<td>Combat desertification</td>
</tr>
<tr>
<td></td>
<td>Climate change mitigation</td>
</tr>
<tr>
<td></td>
<td>Climate change adaptation</td>
</tr>
<tr>
<td>Not targeted</td>
<td>☑</td>
</tr>
<tr>
<td>Significant objective</td>
<td>☐</td>
</tr>
<tr>
<td>Main objective</td>
<td>☐</td>
</tr>
</tbody>
</table>

2. **RATIONALE AND CONTEXT**

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

This action aims to strengthen EU-China relations by supporting bilateral dialogues and partnerships in key priority areas. It will contribute, through expert and logistical assistance in targeted interventions, to the implementation of the EU Global Strategy, the EU Strategy for China, the EU – China 2020 Strategic Agenda for Cooperation, and other bilateral Memoranda of Understanding, as well as Declarations and Agendas in place between EU Institutions (mostly relevant European Commission

¹ Maximum duration of the operational implementation period of individual contracts upon their signature.
Directorates General and the European External Action Service) and their Chinese counterparts.

2.2. **Context**

The EU-China Comprehensive Strategic Partnership has grown into a multi-faceted relationship including a vast array of domains, as reflected in the new EU Strategy on China adopted in 2016. The 'EU-China 2020 Strategic Agenda for Cooperation', jointly signed in 2013, also covers the broad areas of peace and security, prosperity, sustainable development, and people-to-people exchanges. The annual bilateral Summits provide strategic guidance to a relationship sustained by three high-level pillars: a) the annual High-Level Strategic Dialogue; b) the annual High Level Economic and Trade Dialogue; and c) the biennial High-Level People-to-People Dialogue. Additionally, over 60 regular high level and senior officials' dialogues - covering all pillars - underpin those three areas. The Global Strategy for the European Union’s Foreign and Security Policy also frames the engagement with China.

As global players and strategic partners, the EU and China increasingly cooperate with each other in many other key bilateral, regional and international issues. The EU is also China’s biggest trading partner, while China is the second largest two-way trading partner for the EU. Considering the evolution of the bilateral dialogues and the momentum for further expansion provided by the new strategy, the need for a tool to advance the agenda on issues of strategic interest remains vital for EU-China relations.

2.3. **Lessons learnt**

The proposed action builds on the experience of previous China-specific policy support and trade-related facilities funded by the EU and points to the importance of identifying priority areas for enhancing the partnership, allowing the facility’s efforts to be concentrated in sectors with clear strategic interest, specific engagements and foreseeable EU or shared benefits. A mechanism to establish priorities and links between the political agreements or sector dialogues and activities will be developed and implemented as part of the action's implementation taking into account overall evolving priorities and the new policy framework for EU engagement with China.

Previous projects have shown the importance of maintaining a high degree of flexibility to respond to changing priorities or political commitments, while also planning and ensuring continuity of activities in a number of key priority areas. Careful planning will be also essential to ensure that the demand-driven mechanism is combined with a strategic approach to the use of the facility and that financial and logistic uncertainties are properly handled. It will be also essential to ensure the active participation relevant DGs responsible for each dialogue in the very labour intensive follow-up of political engagements.

Additional lessons include the importance of ensuring that actions continuously feed the political dialogues. Also, the facilities' activities have added more value when

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2 The strategy is formed by the Council conclusions on the "EU Strategy on China" in July 2016 and the High Representative's and European Commission's Joint Communication "Elements for a new EU Strategy on China".

3 To be defined once the AAP2017 1st phase will be adopted.
appropriately framed inside the EU strategic framework towards China, limiting the number of isolated events. Finally, it is paramount to ensure adequate buy-in from the Chinese counterparts, their early involvement and contribution to the actions.

2.4. **Complementary actions**

Complementarities will be sought with all relevant PI actions in China and the region (for instance, the Migration and Mobility Support Project, Gateway to China, Legal Affairs Dialogue, Public Diplomacy, etc.) as well as other ongoing and future Partnership Instrument (PI) projects, in particular through the PSF and TAIEX.

Complementarities will also be explored with ongoing DEVCO and other DGs' projects (H2020, COSME, EEN, etc.) as well as with the relevant interventions developed by other donors (especially EU Member States and International Organisations) and by the Chinese Government and institutions.

It will be important to continuously monitor ongoing actions relevant to the identified priority areas, in particular those undertaken by EU Member States, in order to ensure complementarity, build on good experiences and avoid duplications.

3. **Detailed Description**

3.1. **Objectives**

The overall objective of the EU-China Partnership Facility (ECPF) is to contribute to the strengthening and enlargement of EU-China relations in line with the strategic framework represented by the EU Global Strategy, the EU Strategy for China, the EU-China 2020 Strategic Agenda for Cooperation and other relevant bilateral agreements.

The specific objective is to help advance EU-China bilateral dialogues and partnerships in specific priority areas of EU and mutual interest.

3.2. **Expected results and main activities**

The main expected results of the project are:

R.1: Extended and strengthened basis for the EU-China relationship in the framework of the EU China Strategy and the bilateral Strategic Partnership.

R.2: Active implementation of EU-China Memoranda of Understanding and Agreements in different areas (signed between EEAS/EC and Chinese Ministries and Institutions).

R.3: The external dimension of a number of key EU policies is promoted with the ultimate aim of influencing decision making processes by Chinese institutions in relevant policy areas of EU and mutual interest.

R.4: Cooperation in priority areas is reinforced and concrete follow-up measures to sector dialogues are put in place and implemented.

R.5: Updated information available and regularly disseminated on the evolution, contents and results of the different dialogues.
R.6: Regulatory convergence in selected areas is promoted.

R.7: New areas of cooperation of EU and mutual interest are identified and developed.

The indicative project activities will include:

- The preparation of baselines, benchmarking and specific sector studies on issues that are relevant for the dialogues and partnership;
- The organisation of events (conferences, seminars, workshops, mutual technical visits and other exchange activities, etc.) within the scope of the dialogues;
- The provision of specialised technical assistance to relevant stakeholders;
- The consolidation and further development of monitoring, communication and visibility tools.

3.3. Risks and assumptions

The main assumption is that Chinese and European authorities are committed to further strengthening the EU-China Comprehensive Strategic Partnership and engaging in concrete actions to foster sector dialogues in the framework of the Agenda 2020. Policy measures stemming from the new Chinese 13th Five Year Plan will also have to be taken into account in order to elicit the interest of the Chinese counterparts.

While major risks would arise from the non-confirmation of this main assumption, the commitment of both parties to promoting the Strategic Partnership and the agreed sectoral dialogues, together with the ongoing dynamism already evidenced by the stakeholders, show that the occurrence of such risks should be limited.

In order to achieve the action's results, it will also be important to take stock of previous facilities' lessons, including the adequate design of action and the careful selection of key experts working in the country. In this sense, previous implementation structures should evolve to reflect the new nature and scope of this facility. A new approach will be proposed whereby the team of experts will be independent from the Government, while operating in full cooperation with the partner country relevant institutions/entities, as well as with any other stakeholders, under the clear steer of the Commission. This will allow better tailoring the actions to the facility's objectives, understanding specific needs and constraints and adjusting the project to the real possibilities of implementation.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack or decreasing commitment to implement the EU-China Strategic Agenda; lack of staff availability from Chinese counterparts.</td>
<td>L</td>
<td>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.</td>
</tr>
<tr>
<td>Poor availability of EU institutions/DGs to get involved</td>
<td>M</td>
<td>Strategic selection of the areas of intervention, in line with EU's</td>
</tr>
<tr>
<td>Risk</td>
<td>Risk level (H/M/L)</td>
<td>Mitigating measure</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
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<td>---------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>in the actions, including the necessary provision of human resources needed to steer them.</td>
<td></td>
<td>interests and policy priorities. Extensive internal coordination among EU services.</td>
</tr>
<tr>
<td>Irritants coming from political developments, trade-related disputes or human rights issues negatively affect bilateral relations.</td>
<td>M</td>
<td>Carefully monitoring of the bilateral agenda and continuous engagement with Chinese counterparts. Project will monitor political developments so as to adapt to evolving circumstances.</td>
</tr>
<tr>
<td>Overlaps with activities from other DGs or EU MS.</td>
<td>L</td>
<td>Internal monitoring and informal coordination with MS through the EU Delegation in Beijing; ensure enough flexibility to avoid overlaps.</td>
</tr>
<tr>
<td>Frustration in counterparts when specific proposals are rejected.</td>
<td>L</td>
<td>Extensive coordination, dissemination and preparatory work with relevant counterparts, linked to the bilateral policy dialogues.</td>
</tr>
</tbody>
</table>

3.4. Stakeholders

The key stakeholders are:

- EU institutions, including the EEAS and European Commission Directorate Generals;
- EU Member States and their relevant Institutions;
- Chinese Ministries and Agencies;
- To a lesser extent European and Chinese Academia and Civil Society. Private sector, local governments and other actors will also be associated when appropriate and relevant.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

4.1.1. Procurement (direct management)

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

(b) Indicative timing to launch the call for tenders: 2nd quarter 2017
4.2. **Indicative budget**

<table>
<thead>
<tr>
<th>Method of Implementation</th>
<th>Amount in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.1 Procurement (direct management)</td>
<td>8</td>
</tr>
</tbody>
</table>

**Total** 8

4.3. **Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of the project will be a continuous process and part of the implementing partner’s responsibility, with regard to the opinions of the SC and under the supervision of the EU Delegation. To this end, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate progress and final reports.

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

A Steering Committee (SC) composed of EEAS and Commission Services will be established to provide strategic guidance to the project –following agreements and decisions taken at higher political levels-, ensure the regular monitoring of its implementation, appraise the results achieved and propose eventually needed corrective measures. The SC will meet at least twice a year and will ensure that specific actions will also be coordinated with relevant Chinese counterparts.

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

4.4. **Evaluation and audit**

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

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

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

4.5. **Communication and visibility**

In order to ensure that the proposed project is reaching its objectives, the use of communication and visibility tools is crucial. A specific Communication and Visibility Plan in line with relevant guidelines shall be elaborated at the start of
implementation of the service contract. It will also feed into the Public Diplomacy activities of the Delegation and related PI actions in China.

Communication and visibility activities will create an integral part of each event organised in the framework of the ECPF. Regular information will be sent to key stakeholders (including media, think thank 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.