EN
ANNEX 12

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

Action Document for EU-Malaysia and EU-Singapore Partnership Facility

1 Key identification data

<table>
<thead>
<tr>
<th>Title of the Action</th>
<th>EU-Malaysia and EU-Singapore Partnership Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country/region/global</td>
<td>Malaysia and Singapore (some activities may be implemented in the EU)</td>
</tr>
<tr>
<td>Sector of intervention</td>
<td>Multi-sector</td>
</tr>
</tbody>
</table>
| Indicative budget | Total: EUR 2 500 000  
EC contribution: EUR 2 500 000 (100 %)  
Other contributions: NA |
| Duration and target start date of implementation | 36 months – Q4 2019 |
| Method of implementation | Direct management - Procurement |
| DAC code(s) | NA |
| Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective | Main objective |
| Participation development/good governance | ☐ | ✔ | ☐ |
| Aid to environment | ☐ | ✔ | ☐ |
| Gender equality (including Women In Development) | ☐ | ✔ | ☐ |
| Trade Development | ☐ | ✔ | ☐ |
| RIO Convention markers | Biological diversity | ✔ | ☐ | ☐ |
| Combat desertification | ✔ | ☐ | ☐ |
| Climate change mitigation | ☐ | ✔ | ☐ |
| Climate change adaptation | ☐ | ✔ | ☐ |
| Global Public Goods and Challenges (GPGC) thematic flagships | NA |
2 RATIONALE AND CONTEXT

2.1 Action summary

This action aims to strengthen EU-Malaysia and EU-Singapore relations by supporting the implementation of the respective Partnership and Cooperation Agreements (PCA) in priority areas for the EU and in areas of mutual interest with the partner countries, as well as in support of the EU-Singapore Free Trade Agreement (FTA) and Investment Promotion Agreement (IPA).

The PCA Facility will contribute to advance existing bilateral dialogues and other working groups. It will open avenues to expand the political relations in new areas and domains under the PCAs, in coherence with the priorities of the EU Global Strategy.

Through the provision of expertise, exchanges of knowledge, as well as logistical support, the proposed initiative will act as an instrument to translate political commitments into concrete actions.

2.2 Background/Context/Rationale for PI funding

The proposed action responds to the Partnership Instrument (PI) Regulation Objectives 1 ("To enhance EU bilateral, regional, inter-regional and multilateral cooperation and partnership strategies through 1) reinforcement of policy dialogues and 2) Development/adopt/implementation of collective approaches and responses to challenges of global and/or mutual concern, in particular in the areas of climate change, energy and the protection of the environment") and 2 ("A strategy for smart, sustainable and inclusive growth" Implementing the international dimension of "Europe 2020") of the PI Regulation.

By bringing together three pillars: economic, social and environmental, it will enhance policy dialogue and cooperation with two relevant countries, i.e. Malaysia and Singapore, taking into consideration all areas within the scope of Europe 2020.

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

Malaysia

Malaysia is a partner of growing importance for the EU due to its geographical location, its rapidly developing economy, its strong trade and investment links with the EU, its importance for environment and biodiversity, as well as a predominantly moderate Muslim country.

At the same time Malaysia continues to face a number of challenges of concern to the EU, as regards the rule of law, entrenched corruption, and the protection of human rights, including labour rights, the death penalty, non-discrimination and the rights of minorities.

Malaysia is a hotspot for biodiversity, thus climate change is increasingly important as the country faces deterioration and impacts on its rainforests and long shores. The current debate in the EU about the use of palm oil for biofuels gathers important attention in Malaysia as livelihoods of many Malaysians are linked to the country’s position as second world producer of palm oil.

Any deterioration of the environmental, climate, social and/or political, security situation in Malaysia would substantially impact the EU and its Member States. Not only does the EU have large investments in Malaysia but hundreds of thousands of EU citizens visit the country every year.

2018 proved to be a significant year for EU-Malaysia relations, seeing the visit of Commissioner Cretu at the World Urban Forum, the realisation of a Senior Official Meeting (SOM) in Malaysia, and the election of a new Malaysia Government with a significant reform agenda. With a possible resumption of the FTA negotiations in 2019 and the conclusion of the PCA (expected to be signed in 2019), bilateral exchanges should further enhance cooperation in all sectors of mutual interest including:
Trade; Democracy and Human Rights; Environment, energy, and climate change; Education, culture, science and technology; People-to-people contacts; Migration; Security and counter-terrorism.

For these reasons it is in the EU’s interest to actively address those challenges and foster sustainable solutions in coherence with the values and principles of the European Union, and as outlined by the EU Global Strategy.

Singapore

Singapore is already a significant partner for the EU due to its geopolitical and strategic location, its highly developed economy, and its emerging role in the international arena, including the UN and ASEAN.

Singapore steadfastly remains a strong and likeminded partner for the EU as it shares the EU values for a global rules-based order and open and fair markets, which it describes as its “life blood”. Singapore is an economic, commercial and strategic entry point into Southeast Asia for the EU, and engaging with Singapore must be seen in its context as a hub, trendsetter, and political and economic influencer in the ASEAN region. This will be important during the next three years as Singapore will be the coordinator of EU-ASEAN relations. Therefore, partnering with Singapore on issues of common concern and highlighting the value added of this partnership will serve for greater ASEAN engagement.

Economic relations between Singapore and the EU remain strong and the city-state is used as a regional hub by most of the 10,000 European companies based in the country. Singapore is the EU’s 14th biggest trading partner in goods and its 4th biggest trading partner in services. Given Singapore’s dependence and interest for strong economic partnerships with external players, the recent signing of the EU-Singapore Free Trade Agreement (FTA) and Investment Promotion Agreement (IPA) in October 2018 will allow developing relations even further.

Beyond economic ties, opportunities for engagement with Singapore have not been exploited fully. However, recently, Singapore confirmed an interest to explore cooperation with the EU on specific areas of common concern, starting with environment and climate change, as well as non-traditional security. The signing of the Partnership and Cooperation Agreement (PCA) in October 2018 is thus an opportunity to open a new chapter of EU-Singapore relations by furthering co-operation on global and bilateral issues, with an initial focus on Environment, Climate Change, Security, Trade and Connectivity, and in line with the EU Global Strategy.

2.3 Lesson learnt

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

In this sense, lessons learnt from similar programmes in China, Thailand, or Brazil and from past EU cooperation in Indonesia and Vietnam indicate that transforming political agreements and dialogues into concrete actions is labour intensive.

Therefore, a key element for the success of this facility is the active involvement and close technical steer from the different EU services.

Particularly, relevant national counterparts and EU line Directorate Generals (DGs) engaged in the high level dialogues, joint committees, and other mechanisms of consultation and political and trade exchanges, will be expected to actively take part in the design, implementation, and evaluation of results to ensure that the actions under this Facility can contribute to advance the EU political and sectorial objectives with Malaysia and Singapore.
As political relationships evolve, it is difficult to forecast priorities and allocations of funds for the actions, which will be approved based on the priorities that are defined each year.

In order to be reactive and pertinent, the Facility must maintain a flexible approach and approve activities stemming from the dialogues, priorities, and orientations set by the EU, Malaysian, and Singaporean partners.

Other lessons show that ensuring continuity of the actions is vital to reach concrete results for the political dialogues. A regular dialogue often raises new questions and issues, therefore continued financial and technical support allows building blocks and results to achieve its overall objectives.

Finally, all actions must present a logical structure and sequence and not be limited to isolated studies, missions, or conferences.

2.4 Coherence and complementarity

For both, Malaysia and Singapore, complementarities and synergies will be sought with all relevant on-going and future Partnership Instrument actions and bilateral development programmes of DG DEVCO and other line DGs in Malaysia, Singapore, and the South East Asia region, as far as they have impact on the political dialogue with Malaysia and Singapore.

Complementarity with the ASEAN regional policy dialogue facility "Enhanced Regional EU–ASEAN Dialogue Instrument (E-READI)" will be constantly checked when defining actions and prior to their approval and realisation under this proposed Facility.

For Malaysia, coherence and complementarity with the future DEVCO “SDG Partnerships and Policy Dialogue Facility in Asia” that aims to promote dialogue on development cooperation and support the development processes of Asian partners. This differs from the objectives of the PI Facility which strictly aims to translate political and sectorial dialogues into actions that advance EU foreign policy and trade interests in Malaysia and Singapore, influence policy-making in taking up EU standards and policies, and build stronger alliances on the response to global challenges and issues of common interests.

Complementarity with the Trade Related Technical Assistance and the support to the Malaysian Government for the FTA negotiations will also be sought, as well as with projects supporting governance and press freedom will be of particular attention.

Complementarity, communication and synergies with regional and multi-country PI-funded actions will be sought, in particular with “Multilateral Asia” that supports the implementation of the political security pillar of EU-ASEAN, as well as the digital cooperation projects “Personal Data Protection”, “ICT Standardisation”, and “Cyber diplomacy and cyber resilience” will also be ensured during implementation.

The Facility will also guarantee further coordination and coherence with the actions “Circular Economy in Asia” action as well as “International Urban Cooperation (IUC)”, “Economic Empowerment of Women”, “Public Diplomacy South East Asia”, the “EU-Asia Cooperation on Phyto-Sanitary and Food Safety Regulation”, as well as the future “Security in and with Asia” projects.

2.5 EU added value

EU interest / mutual interest in the action in Malaysia

Considering the present state of the bilateral relationship between the EU and Malaysia and the momentum and scope for further expansion, the proposed action is a crucial tool to accelerate and substantiate this political process and to advance the agenda.

It is in the EU interest to have a tool that can help translate political commitments into concrete actions, promote new alliances and influence policy-making and uptake of EU standards and policies. The use of this tool will be driven by EU interest and the shared interest of Malaysia as a partner.
This Partnership Facility will allow the EU to strengthen its role and influence and promote its ideas and ideals, in a very competitive environment in which other partners of Malaysia hold and promote sometimes very different views.

EU interest / mutual interest in the action in Singapore

This programme will provide a fundamental tool to accelerate the implementation of the PCA in Singapore, and coupled with other efforts, such as the Delegation's press, information and visibility efforts, advance the agenda on issues of strategic interest.

It is more important than ever for the EU to gain credibility as a partner in Singapore and to translate political commitments into concrete actions, as well as to deliver appropriate means to achieve the implementation of the mutual objectives set by Singapore and the EU. It is therefore in the EU's interest to have a tool that can help translate political commitments into concrete actions, promote new alliances and influence policy-making and uptake of EU standards and policies

This Partnership Facility will allow the EU to strengthen its political influence and promote its ideas and ideals, in a very competitive environment in which other partners of Singapore hold and promote opposite views.

2.6 Cross-cutting issues

In line with the internal, multilateral, and international political commitments and objectives of the EU, the action will consistently mainstream cross-cutting issues, including gender, environmental sustainability, and sustainable economic growth. Cross-cutting issues will be addressed when designing and implementing activities in support of the dialogues.

Particular attention will be paid to the role and participation of women, including for policy inputs and decisions as well as for the application of these policies through a differentiated approach that reflect the interests of women and girls.

The actions will also be monitored for their capacity to influence and advance on the issues of gender equality, climate change, the environment, and trade development in the in relation to international conventions and agreements to which the involved parties are signatories, including the Sustainable Development Goals (SDG) agenda, the Paris Agreement on Climate Change, and the New Global Urban Agenda.

3 ACTION DESCRIPTION

3.1 Objectives

The overall objective of this action is to contribute to the strengthening and enlargement of EU relations with Malaysia and Singapore, against the background of the strategic framework represented by the EU-Malaysia and EU-Singapore Partnership and Cooperation Agreements (PCAs), and the EU-Singapore FTA, and in line with the EU Global Strategy.

The specific objectives is to build long-term alliances, strengthen the bilateral dialogues and working groups of the PCA, and influence policy-making by encouraging alignment and uptake of EU policies, norms, and standards in priority cooperation areas.

The proposed action shall respond to needs on a dialogue-driven basis, when they relate to priorities and decisions taken in the framework of political dialogues, working groups, country team meetings, and joint committees.

Whilst priority sectors have been indicatively identified by the EU Delegations with the EU Heads of Delegations in Malaysia and Singapore, they will be reviewed each year based on the evolution of the

political relationships as aforementioned. These indicative sectors of focus for the PCA actions are: Trade, Connectivity, including digital, Security and Counter-Terrorism, Global challenges including climate change, Environment, Energy, Democracy and Human Rights, including labour rights, Culture, Science and Technology.

The main expected results (R) of the Facility are:

R.1: Cooperation in priority areas is reinforced, future priority areas to support PCA working groups and advance dialogues are identified, concrete follow-up measures to sector dialogues and working groups are put in place and implemented.

R.2: Malaysian and Singaporean authorities have a better understanding of EU policies, which inspire the decision-making process, improvement, or definition of new policies in Malaysia and Singapore (externalisation of EU internal policies).

R.3: Updated information is available and disseminated on the evolution, contents and results of the different activities in support of the PCAs.

The indicative activities for both Malaysia and Singapore will include:

- Preparation of baselines, benchmarking and specific sector studies on issues that are relevant for the dialogues and partnership;
- Organisation of events (conferences, seminars, workshops, mutual technical visits and other exchange activities, etc.) within the scope of the dialogues;
- Provision of specialised technical assistance and expertise to relevant stakeholders;
- Consolidation and further development of monitoring, communication and visibility tools, including technical publications.

3.2 Stakeholders

Main stakeholders in the EU, Malaysia and Singapore are:

- EU Delegations to Malaysia and to Singapore, FPI RT AsiaPac
- EU Institutions and EU Agencies with experience in the prioritised policy domains
- EU Member States and their relevant institutions
- Malaysian and Singaporean Ministries and national government agencies
- EU, Singaporean and Malaysian local and regional governments and public entities at sub-national level
- EU, Singaporean and Malaysian civil society, including social partners, academia, media, private sector, and other actors which will be associated when relevant

When relevant, EU Member States, local governments, private sector, civil society organisations, and other stakeholder may be invited to participate in the implementation of the actions. Their contributions and inputs will be taken into account in the results of the actions that will feed into the subsequent sector dialogues.

3.3 Risk assessment and management

Assumptions: it is assumed that the overarching political climate is favourable for the partnership facility and that the governments of Malaysia and Singapore will keep raising their international profile. The success of the proposed action is also linked to the growing interest by Malaysia and Singapore for further political, security and economic engagement with the EU, as well as to stable political conditions in the target countries.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measure</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
Decline in the overarching political commitment in Malaysia and Singapore to share the EU’s more active approach to the partnership | L | Continuous assessment of the political situation in Malaysia and Singapore and increased engagement activities with key partners and individuals. The EU will make all necessary diplomatic efforts to ensure that dialogue-driven cooperation remains a priority in the two partner countries.

Engagement and availability of staff of Malaysian and Singaporean counterparts to implement PCA not sufficient or decreases over time | M | The proposed activities have to meet the interest of the Malaysian and Singaporean counterpart authorities, be assessed critically and secure the support from both dialogue partners.

Wrong/inadequate personnel attends meetings in Malaysia and Singapore | M | Devote time to a clear identification of the Malaysian and Singaporean official participants to activities. High quality preparation and negotiation of the events with partner stakeholders.

Poor availability of EU institutions to get involved in the activities, including the provision of necessary human resources to steer them | M | Strategic selection of the areas of intervention, in line with the EU's interest and policy priorities. Extensive internal coordination among services to make sure in advance of actual commitment by to requesting service to follow up on implementation.

Irritants coming from political developments, disputes or human rights issues negatively affect bilateral relations | M | Carefully monitoring the bilateral agenda and continuous engagement with Malaysian and Singaporean counterparts. Project activities shall adapt to evolving circumstances.

Negative perceptions within Malaysia and Singapore of EU-driven dialogue | M | Link the project activities to the areas of priority and interest of the Malaysian and Singaporean government, and raise awareness of EU priorities as regards to sustainable and inclusive development.

Frustrations if activity proposals are rejected | L | Extensive coordination, dissemination and preparatory work with counterparts so as to manage expectations properly.

Excessive last minute changes to work programme rendering actual implementation problematic. | L | Good identification, preparation and negotiation of actions and work-plans discussed and agreed upon by relevant stakeholders.

3.4 Communication and EU visibility

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

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

Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.
The Communication and Visibility Manual for European Union External Action⁴, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

In addition, this action will be attentive to communicate on the actions that support the different dialogues, working groups, high level meetings, and technical exchanges of the EU-Malaysia and EU-Singapore bilateral relationships. In particular, the inception phase of this action will define a communication strategy, including media engagement, in order to adequately communicate the EU’s contribution to policy developments in Malaysia and Singapore. To ensure pertinence, impact, and coherence, the Press and Information sections of the EU Delegations to Malaysia and Singapore will coordinate all communication and visibility actions.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

(a) The programme will be implemented via service contract(s). Indicatively, one service contract is expected to be concluded for the implementation of the programme.
(b) Indicative timing: call(s) for tender or negotiated procedure expected to be launched during the 2nd quarter 2019.

4.2 Indicative budget

<table>
<thead>
<tr>
<th>Method of Implementation</th>
<th>Amount in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement (direct management)</td>
<td>2.5</td>
</tr>
<tr>
<td>Total</td>
<td>2.5</td>
</tr>
</tbody>
</table>

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁵.

4.3 Organisational set-up and responsibilities

The action shall be implemented separately with one bilateral component for Malaysia and one component for Singapore.

The Facility will be steered and guided by relevant EU services in Headquarters and Delegations of the European Union to Malaysia and to Singapore. The technical assistance provided under this facility will be completely independent from the partner Governments.

Flexibility will guarantee the success of this Facility, as the actions will respond to priorities agreed and reviewed yearly and coherent with the evolution of the political relationships between the EU and Malaysia and between the EU and Singapore.

The decision-making procedure for an action to be approved will be sequential and based on a confirmation that the topic of focus relates directly to an agreed priority or discussion in the framework of high level sectorial dialogues, working groups, country team meetings, or PCA joint committees.

⁵ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.
Subsequently, concerned EU services (in Headquarters and Delegations) and Malaysian and Singaporean counterparts involved in the dialogues, working groups, country team meetings, or PCA joint committees will have a right to initiative and presentation of a proposal for action.

When submitting a proposal for action, they will have to confirm their engagement to contribute actively to the design and implementation of the action, and they will be responsible to report on the results in the following policy dialogues.

The service provider will have to screen the quality and relevance of the actions against the agreed priorities stemming from the political exchanges, and propose to the EU an indicative list of priority and relevance.

The decision on what actions should be funded and their implementation modalities will be taken by an Approval Committee composed of relevant EU services in EU Delegations. The respective resident coordinator of the service provider in each country (part of the service provider's team) will participate in these meetings and provide the secretariat's function. Other EU services DGs may be invited to participate in this Committee as relevant.

The service provider’s team will include one resident coordinator to manage the component for Malaysia and one resident coordinator to manage the component for Singapore. This will allow to understand the specific needs and constraints and to adjust the actions to the real possibilities of implementation in the respective national contexts. It will also help to closely coordinate with the EU Delegations and the national counterparts.

The service provider will have to guarantee backstopping for the resident coordinators, oversee the coherence of the overall facility, draw synergies and complementarities, monitor the actions, identify and share good practices, and implement all communication and visibility dispositions.

4.4 Performance monitoring

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

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

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

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

4.5 Evaluation and audit

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

Without prejudice to the obligations applicable to contracts concluded for the implementation of this Action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.
As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.4. above, will be funded from sources other than those allocated to this specific Action.