EN

ANNEX 23

of the Commission Implementing Decision
on the 2018 Partnership Instrument Annual Action Programme

**Action Fiche for EU-China (Asia) action on consumer protection and non-food product safety in Asia**

1. **IDENTIFICATION**

<table>
<thead>
<tr>
<th>Title of the action</th>
<th>EU-China (Asia) action on Consumer protection and non-food product safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country(ies)/Region</td>
<td>Asia, in particular China</td>
</tr>
<tr>
<td>Total cost</td>
<td>Total estimated cost: EUR 3 900 000</td>
</tr>
<tr>
<td></td>
<td>Total amount of the EU budget contribution: EUR 3 900 000</td>
</tr>
<tr>
<td>Total duration¹</td>
<td>36 months</td>
</tr>
<tr>
<td>Method of</td>
<td>Direct management</td>
</tr>
<tr>
<td>implementation</td>
<td>Procurement – Call for Tenders</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Markers (from CRIS DAC form)</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Main objective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rio Convention Markers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biological diversity</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Combat desertification</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Climate change mitigation</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Climate change adaptation</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td><strong>General policy objective</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Aid to environment</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Gender equality</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Trade Development</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
</tbody>
</table>

¹ Maximum duration of the operational implementation period of the contract(s).
2. **RATIONALE AND CONTEXT**

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

China is the EU's second biggest trading partner and many of the non-food consumer products sold in the EU come from China. With European consumers buying more and more online (57% of European citizens purchased online during 2017), including directly from China, product safety and consumer protection concerns become even more relevant. There is a trend of moving certain manufacturing zones to other countries of the Asian region. This seems to be the case of Vietnam, where the trend of exchanges with the EU is growing.

This action aims to enhance cooperation between the EU and Asian countries, in particular China, on consumer protection and product safety. It will underpin the EU's product safety dialogue with Chinese Authorities and increase awareness among Chinese companies (mainly SMEs) on European non-food product safety requirements. In addition the action will scope future similar activities in other relevant countries in Asia.

Concretely, the proposed action will support the EU-China dialogue on product safety, provide information resources and training on EU requirements on product safety relevant for both online and offline trade, targeting local manufacturers, buyers, exporters and e-commerce operators with a focus on the products most often detected as unsafe in the European market. Technical cooperation (seminars and workshops) will also be addressed to Chinese authorities, especially on risk assessment practices. Parallel activities envisaged consist in establishing an institutional dialogue in Vietnam and scoping future similar training activities in other countries of the region according to further market development and increasing number of products manufactured in Asian countries and sold on the EU market. If successful the proposed PI action could serve as an example for possible future EU activities in other countries of the region.

The action will benefit European consumers, companies and Member State authorities through safer products on the European market both sold offline and online. Since a consistent number of these products are bought and then sold by EU companies under their own brand, this is also an advantage for EU businesses. Moreover, the promotion of EU practices on product safety can potentially improve the access of EU businesses to Chinese and other Asian markets, as that promotion may bring the Chinese and Asian regulatory framework closer to the EU acquis. The action also promotes level playing field among EU and non-EU based businesses by encouraging investment in and the respect of EU product safety laws.

2.2. **Context**

China is the EU's second biggest trading partner and many of the non-food consumer products sold in the EU come from China.

The EU Rapid Alert System for dangerous non-food products (RAPEX) is a system managed by the European Commission Directorate General for Justice and Consumer (DG JUST)’s Product Safety and Rapid Alert System Unit. In this system, Member States' Market Surveillance Authorities notify dangerous consumer products detected in the EU.
The penetration of Chinese made consumer products on the EU market is high and they account for more than half of the dangerous products notified in RAPEX. China therefore remains the number one country of origin for the notified dangerous products, in 2017 representing 53% of all notifications received:

For this reason, on the one hand strong cooperation with the Chinese authorities is needed to make product safety controls “at source” more effective and so that manufacturers comply with EU consumer product safety rules when they export to the EU. On the other hand, in the light of the Belt and Road Initiative aiming to expand the scope of action of Chinese products, preventive action such as training becomes more and more important so that manufacturers and exporters respect product safety rules.

With European consumers buying more and more online, including directly from China, product safety and consumer protection concerns become even more relevant. 57% of European citizens purchased online during 2017\(^2\), and this percentage is expected to increase in the coming years. When products are sold directly from China online to EU consumers, in addition to the requirements for products, there are obligations regarding price transparency, after sales services and guarantees that need to be respected. Normally a compliant product becomes therefore more costly, which in turn reduces the cost pressure on EU business.

There is a trend of moving certain manufacturing zones to other countries of the region. This seems to be the case of Vietnam where the trend of exchanges with the EU is growing:

<table>
<thead>
<tr>
<th>European Union, Trade with Vietnam</th>
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<tbody>
<tr>
<td><strong>Trade flows by HS section 2014 - 2017</strong></td>
</tr>
<tr>
<td><strong>Imports</strong></td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

In RAPEX, there are a number of notifications for products produced in Vietnam on a yearly basis. However no trend can be identified for the time being. This will be

\(^2\) Source: Eurostat
monitored during the project to check the impact of a possible similar action in Vietnam.

The trends of other countries of the Region will also be analysed in this project.

**Political context**

The EU-China 2020 Strategic Agenda for Cooperation contains a specific reference to the willingness to "continue and strengthen cooperation in the consumer non-food product safety area, including the functioning of the RAPEX-China system. Intensify cooperation on product risk assessment, risk management and market surveillance to support the simplification of conformity assessment procedures". The EU Strategy on China also indicated that "the EU should build on the launch of the new Legal Affairs Dialogue which first took place in June 2016 focussing on e-commerce and consumer protection online".

This proposed action also fully matches the objectives of the new Communication COM(2018)183 from the Commission to the European Parliament, the Council and the European Economic and Social Committee "A New Deal for Consumers" published on 11th April 2018. This builds on what the Juncker Commission has already achieved to improve consumer protection and aims to empower consumers, promote fairness and build trust across the single market. The New Deal also includes longer-term thinking on how to increase the effectiveness of enforcement, the role of consumer organisations and sustainable consumption. International cooperation features prominently in the Communication, especially with China: "The Commission will further improve cooperation with China and will raise awareness among manufacturers about EU product safety requirements. The Commission will also support international initiatives to improve globally the safety of products sold online."

Legal reform in China is precondition for the overall success of China's reforms. A transparent and impartial legal system is an essential part of the institutional bedrock for a market-based economy and would provide effective guarantees for EU and Chinese businesses alike. In this sense, the EU should continue to pursue dialogues with China on standards, regulation and conformity assessment procedures in key sectors in order to reduce costs and entry barriers, and to promote international standards in areas such consumer product safety. This in turn will increase opportunities for growth and jobs in both the EU and China, create mutual benefits for consumers, and improve market access for commodities. To this end, the EU encourages China to adhere to international standards and to act reciprocally to recognise the EU as a single entity. While strengthening the EU-China partnership, the EU should also continue to deepen its engagement in Asia with a view to multiplying and diversifying economic opportunities and sources of growth.

The EU has several official dialogues potentially dealing with related aspects of the action (economic and trade; regulatory dialogue; consumer protection; legal affairs). In addition to this, the European Commission also has specific dialogues with the Chinese authorities on consumer non-food product safety. The European Commission's Chinese Authority counterpart in the product safety area has been AQSIQ (General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China). AQSIQ was among others in charge of entry exit

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commodity inspection. The recently proposed new structure of the Chinese administrative units will give competences for quality supervision to the new Market Surveillance Authority and the inspection and quarantine (previously in the hands of CIQs) to the border control office. The proposed action will also contribute to strengthening cooperation with these new restructured units.

A Memorandum of Understanding (MoU) with AQSIQ provides the basis for the EU-China consumer product safety cooperation. It was signed in 2006 and updated twice since. Based on this MoU, regular technical meetings are held between authorities. It also sets up “RAPEX–China”, an information exchange system between the European Commission and the Chinese authority on dangerous non-food consumer products of Chinese origin found in the EU. As a follow-up, the competent Chinese authority investigates and reports back on investigation results to the European Commission. To date, AQSIQ has followed up 11,540 RAPEX notifications and has been able to take corrective measures over 3,700 cases. In many cases, tracing the source of the product and identifying the manufacturer still remain difficult.

The regulatory dialogue with AQSIQ has been running since 2001 and is held on a regular basis at working group level. Cooperation is very effective in the areas of standards and conformity assessment which can be a useful tool for reaching an adequate level of safety for many consumer products. In 2012 a web-based tool was launched, the Europe-China Standardization Information Platform, to offer businesses information about the standards that are applicable to highly-traded, regulated products. The platform can offer insight to small and medium-sized businesses (SMEs) in their quest to go international. In the area of conformity assessment, one priority is to increase exchanges on product risk assessment, risk management and market surveillance to support China’s work on simplifying the China ‘compulsory certification scheme’. During a formal meeting between the EU and AQSIQ in September 2017, AQSIQ already confirmed their support and commitment to co-operate on this awareness raising project. Such support has been confirmed in different occasions, including during the Trilateral EU-China-US Summit in Washington in June 2018.

2.3. Lessons learnt

The bilateral cooperation with the Chinese Authorities is complemented by trilateral cooperation among the European Commission, the US Consumer Product Safety Commission, and the Chinese Authorities. High level (Ministerial/Commissioner level) Trilateral Summits with the participation of the European Commission take place every two years. Since 2008, the central product safety authorities of the United States, China, and the European Union have pursued joint efforts to strengthen non-food consumer product safety and protect the end consumers. Previous Consumer Product Safety Trilateral Summits have led to improved information sharing and regulatory cooperation among the Tripartite Participants in order to promote high levels of consumer product safety. The need to strengthen regulatory cooperation on e-commerce transactions, including direct-to-consumer transactions, was highlighted at the Trilateral Summit between the European Commission, AQSIQ and the US Consumer Product Safety Commission, in 2016.
The 2018 Summit took place in Washington on 25\textsuperscript{th} and 26\textsuperscript{th} June and focused on the consumer product safety challenges presented by e-commerce, innovative products, and recurring product safety issues such as products using high energy batteries (e.g. lithium-ion).

The event also included discussions with a variety of stakeholders on consumer product safety matters of interest to them. As concrete measures to improve product safety information delivery to online sellers, the Participants are taking steps to ensure that in the near future, each of their jurisdictions allows easier access to information on jurisdiction’s consumer product safety requirements that can be of use for e-commerce and other suppliers. The Tripartite Participants also welcomed third party platforms to enhance cooperation with public authorities and to take further voluntary commitments to improve the safety of products sold online. The Tripartite Participants renewed their commitment to encouraging the adoption of a culture of safety in product design, manufacturing, marketing, and in the supply chain. This includes exchange of information and appropriate actions on hazardous products. Another action is to continue to strengthen communication regarding consumer product safety requirements and policies among the Participants, especially on new rules and policies and significant changes.

The action proposed will therefore significantly contribute fulfilling these commitments.

2.4. Complementary actions

There are currently no other EU actions in the concerned sector. Nonetheless, complementarity and coordination will be sought to create synergies with EU relevant initiatives and cooperation, such as:

- the bilateral cooperation with the US Consumer Product Safety Commission (CPSC) that organises training events in China and Vietnam about US product requirements. In this context, the EU participates on an \textit{ad hoc basis} providing training on EU requirements, raising awareness among Chinese companies about the difference of safety requirements for products in the EU and US.

- Product safety cooperation with Canada is currently under development linked to the CETA agreement. Canadian authorities showed their interest to join future training EU and US activities in China. This will help Chinese economic operators to better understand the different safety requirements products need to meet when accessing different markets.

- The action will capitalise on relevant existing EU tools, such as the \textit{Europe-China Standardisation Information Platform}\textsuperscript{4} and \textit{Trade Helpdesk}\textsuperscript{5} (see infra section 3.2);

- The action will take also advantage of the existing Switch Asia project in term of sustainable production, consumption and fair-trade in the textile industry, providing better products and ecolabels.

The EU Delegations to the beneficiary countries will ensure complementarity with other Member State actions in the targeted countries.

\textsuperscript{4}https://webgate.ec.europa.eu/cesip/index.aspx

\textsuperscript{5}http://trade.ec.europa.eu/tradehelp/
2.5. Cross-cutting issues

In several of the priority sectors identified (such as textiles, child care products, leather, toys, etc.) there are distinct gender and age-based consumer patterns. For this reason, unsafe products in these (and potentially other) sectors are likely to have a differential impact on women, men, youth and children. Related training for companies selling or planning to sell their products in the EU need to include gender issues and concerns as a standard factor to be included in any risk assessment tools and case studies used. This assessment also needs to be conducted from the perspective of both consumers of different sexes and ages and of risks to market capture and penetration.

Many consumer decisions in several economic sectors and product lines are made by women. Studies have found that women and men also often have distinctly different consumer decision-making styles. Different consumer groups also have differing priorities, needs and concerns with regard to product safety. Therefore a wide range of views needs to be represented adequately in related EU-China cooperation and dialogue. This can be done by ensuring the inclusion of different formal consumer groups representing different male/female and demographic groups and products in related events and dialogue on policy and cooperation. Training materials also need to include examples and case studies that represent the voice and views of different groups of women, men and youth with regard to product safety in specific sectors.

Additionally, men and women also often have different communication patterns and preferences. Thus communications regarding consumer product safety requirements and policies that target participants in events and on-line training supported by this action will need to develop communications tools that take these gender-based differences into account.

The project will also contribute to limiting potential damage to the environment, in so far as unsafe products on the market contribute to climate change. Product-group specific environmental aspects could also be taken into due consideration when appropriate and relevant.

3. Detailed Description

3.1. Objectives

The overall objective of this action is to increase the protection of EU citizens by reducing the presence of unsafe products on the EU market through enhancing cooperation between the EU and China on consumer protection and product safety and raising awareness among Chinese economic operators about product safety and consumer protection requirements.

The specific objectives of the project are:

1. To further strengthen the cooperation and dialogue with Chinese authorities in the Product Safety and Consumer Protection policy area, including with the regional offices that are responsible for carrying out hands-on inspections and testing of products.

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2. To raise awareness among manufacturers, retailers, exporters, distributors and online operators in the producer country about EU product safety and consumer protection requirements they need to meet in order to reduce the presence of unsafe products on the EU market.

3. To facilitate the market surveillance of EU and EEA countries due to improved safety of products at source meeting the EU requirements. The compliance with EU legislation will be easier if Chinese economic operators use the same benchmark (legal requirements, technical standards, procedures and tests, etc.) usually used by EU market surveillance authorities to assess safety of a product on the market.

4. To further strengthen the trilateral cooperation with the US and China and to tackle product safety concerns of common interest.

3.2. Expected results and main activities

The expected results are:

R1: Cooperation and dialogue with Chinese authorities in the Product Safety and Consumer Protection policy area are strengthened

R2: Awareness about EU product safety and consumer protection requirements is raised among manufacturers, retailers, exporters, distributors and online operators in the producer country and the presence of unsafe products on the EU market is reduced.

R3: Market surveillance of EU and EEA countries is facilitated due to improved safety of products at source meeting the EU requirements.

R4: The trilateral cooperation with the US and China on product safety is strengthened.

The activities envisaged to achieve the above-mentioned results are:

A1. Technical cooperation (R1, R2 and R4)

Technical cooperation will aim at supporting the regulatory dialogue and the implementation of this action. This includes the organisation of workshops, conferences and other events to strengthen and enhance the EU's outreach, promote EU practices, policies and standards and facilitate a common understanding of both side's respective policies.

Whenever appropriate, synergies will be sought with US and Canadian authorities. This enables to highlight the differences in requirements businesses need to respect depending on the market they sell to.

A.2. Training and e-learning activities (R2, R3, R4)

As it will focus on obligations when selling directly to EU consumers, the trainings will be targeted for local manufacturers, buyers, exporters, e-commerce operators and Chinese authorities.
Training events will also be addressed to identified multipliers able to further spread knowledge during and after the project, including through a "train the trainer" approach and through the development of an e-learning platform.

Three specific training activities are proposed:

- **Trainings on EU product safety requirements:** These trainings would focus on non-food consumer products that are most often found as unsafe on the EU market (e.g. toys, electric accessories and appliances, childcare products, etc.). Contents of the training programmes will focus on legislation in place in the EU and relevant European standards and practices, including risk assessment. When product specific environmental requirements are also relevant for the particular product groups subject to the training, the training can take this into account. The training will also provide practical/ hands-on advices to economic operators to allow the identification and the avoidance of risks due to different hazards (mechanical, chemical, product information and other) by using real examples and case studies. The project will concentrate on certain regional manufacturing areas and clusters in China that are relevant for the targeted products (e.g. Demonstration areas).

- **Trainings on commercial practices:** These trainings aim at operators selling to consumers in the EU online. Training for online sellers will focus on pre-sale, post-sale and other obligations for sellers and platforms.

- **E-learning platform with learning and information material in English and Chinese:** To increase the impact and extend knowledge sharing as much as possible, training of trainers, including to Chinese authorities, as well as e-learning modules to complement the training, will be included. E-learning will support the face-to-face trainings but it will also be made available online to Chinese economic operators more widely (including ones that are more difficult to reach with face to face training). A number of e-learning modules and recorded lessons will be developed. The material should be easy to update so that it could be used after the end of the project. Cooperation should be sought with online marketplaces to make these training materials available to sellers targeting EU consumers. The material and e-learning modules will be available in English and Chinese and will be hosted on a website in Chinese specifically developed for this purpose.

The website will draw information and build upon already available information on product safety requirements in particular Europe-China Standardisation Information Platform (https://webgate.ec.europa.eu/cesip/index.aspx ) and Trade Helpdesk (http://trade.ec.europa.eu/tradehelp/). It will remain available after the end of the project and updated in case.

Throughout the project implementation the increased level of understanding of EU safety and consumer protection requirements will be tested by a questionnaire and survey so as to have a clear understanding of the benefits and further needs.

The training modular structure proposed will allow easier replicability and possible continuation of the activities beyond the project duration: the aim is to keep the platform available after the end of the project, where the training material will be available and can be used as long as the legislation and other requirements do not change. They will anyway be developed in a way that an update is possible without
the need to develop completely new training material. Possible arrangements with the Chinese authorities will be discussed in order to keep the platform up to date in Chinese in the future.

A.3 Scoping future activities in the Region (R2, R3)

The action would also involve other producer countries in the future, such as Vietnam. To further explore this possibility, an institutional dialogue will start with Vietnamese authorities. The contractor would provide assistance with an ad hoc analysis in support of such a dialogue.

In addition, a study will be carried out in relation to the changing geography of manufacturing zones possibly moving to other countries of the region. This study will assess the potential impact of similar activities in other countries identified through the study (for example India).

Sectors and geographic scope

There is still lack of awareness from the Chinese companies' side on the European product safety requirements they need to respect. Many of producer companies are SMEs which do not necessarily have the knowledge concerning the requirements to trade with the EU because of lack of available information in Chinese or because of lack of resources. Chinese authorities have also shown interest in learning more about risk assessment practices in Europe. Given the vast territory of China, it is difficult to ensure a homogeneous level of control of product safety and compliance. This is why the venues and structure of the training sessions have to be carefully considered (see point 4). There are more and more demonstration areas organised by sectors in China, which help create best practices and spread knowledge on requirements for products, safety and compliance. We will liaise with the most appropriate actors of these demonstrations zones to create synergies in cooperation with local offices of the Chinese authority.

Among Product categories presenting serious risks most often notified in RAPEX there are:

- Toys and childcare products
- Textiles
- Electrical appliances

There are also significant numbers of notifications for jewellery, lighting equipment, hobby and sports equipment, etc.

Those sectors will be taken into account for further definition of the geographical areas in China. The Chinese authorities (General Administration for China Customs GACC) agreed to help identifying the areas and events (trade fairs, demonstration sites, etc.) where to focus face-to-face events on, with the aim of reaching the companies operating in those priority sectors.

However, given the fact that the e-learning platform to be developed under this project will be available no matter where the Chinese company operates and no matter where the Chinese authority is located, the overall geographic scope will be wider.

There is also lack of awareness in China on obligations when selling directly to EU consumers via online trade. In addition, already now, but possibly more in the future,
production of consumer products can also be found in other countries neighbouring China (e.g. Vietnam).

With the growth of e-commerce, many Chinese manufactured products can also be bought online, including directly from Chinese websites/manufacturers. It is challenging for EU Member States to take enforcement actions against Chinese manufacturers when products are sold directly to EU consumers, and where there is no EU-based responsible economic operator present. Therefore, it is essential that cooperation is further reinforced with the new GACC and State Agency of Market Supervision (SAMR), and that economic operators in China are aware and respect product safety requirements.

## 3.3. Risks and assumptions

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weak commitment from Chinese authorities either on national or regional level.</td>
<td>M</td>
<td>High level representatives of AQSIQ have already formally supported the project and single activities can be further negotiated to find the consensus area. There is cooperation with GACC on other aspects (Trilateral cooperation, RAPEX etc.) which can help mitigating this risk. Lack of cooperation from regional authorities can be mitigated by strong leadership from the new competent Chinese authority. In addition, some budget is available for the contractor to help identifying multipliers in China.</td>
</tr>
<tr>
<td>Weak commitment from the EU Member States.</td>
<td>L</td>
<td>Should MS not offer their cooperation despite the interest they have shown, experts funded though the action will ensure the training is effective.</td>
</tr>
<tr>
<td>Insufficient impact of the proposed activities.</td>
<td>M</td>
<td>Clear learning outcomes will be defined and knowledge will be tested ex ante and ex post to assess the efficacy of the training. Corrective measures will be put in place at each milestone to improve in itinere the impact of the training based on the attendees response (i.e. more material translated, more case studies etc.).</td>
</tr>
<tr>
<td>Major changes in socio-economic parameters in China affecting the proposed project design.</td>
<td>L</td>
<td>Major socio-economic changes are not forecasted for the time limit of the project duration. However, the proposed action is intentionally designed in a way to be able to respond to unforeseen socio-economic developments or new policy challenges.</td>
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</tbody>
</table>
3.4. **Stakeholders**

The main stakeholders that will actively be involved in the project implementation are:

- Chinese authorities, in particular GACC and its local units, Chinese manufacturers, retailers, distributors, exporters, online operators, testing laboratories, information multipliers;
- Relevant services of the European Commission and of the European External Action Service, EU Member States, EU Chambers of Commerce, the expert group Consumer Safety Network, European testing laboratories and EEA countries.

4. **IMPLEMENTATION ISSUES**

4.1. **Method of implementation**

4.1.1. **Procurement (direct management)**

(a) The programme will be implemented via service contract(s). Indicatively, one service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing to launch the call for tenders: 1st quarter 2019

4.2. **Scope of geographical eligibility for procurement and grants**

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

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

4.3. **Indicative budget**

<table>
<thead>
<tr>
<th>Method of Implementation</th>
<th>Amount in EUR million</th>
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<tbody>
<tr>
<td>4.1.1. – Procurement (direct management)</td>
<td></td>
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<tr>
<td></td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.9</strong></td>
</tr>
</tbody>
</table>

4.4. **Organisational set-up and responsibilities**

A steering committee will be set up. It will be composed of a representative of national authorities relevant to the project, and representatives of relevant services of the European Commission and the European External Action Service. The service provider implementing the action and representatives of other stakeholder groups
listed under section 3.4 may participate as observers. The Steering Committee will provide general political guidance and oversight of progress.

4.5. **Performance monitoring**

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

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

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

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

4.6. **Evaluation and audit**

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

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments. As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.5 above, will be funded from sources other than those allocated to this specific action.

4.7. **Communication and visibility**

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

Due the specific nature of this Action which pursues an improved cooperation between the EU and the targeted countries measures will be taken to make sure that implementers systematically ensure visibility of the European Union.

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.
This action must comply with the updated 'Communication and Visibility Requirements for EU External Actions' for implementing partners that came into force on 1st January 2018, and apply to all contracts signed from that date.\footnote{https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf}