EN

ANNEX 23

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

Support to the EU-LAC Foundation – Phase 2

1. IDENTIFICATION

<table>
<thead>
<tr>
<th>Title of the action</th>
<th>Support to the EU-LAC Foundation – Phase 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country(ies)/Region</td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>Total cost</td>
<td>Total estimated cost: EUR 1 500 000</td>
</tr>
<tr>
<td></td>
<td>Total amount of the EU budget contribution: EUR 1 500 000</td>
</tr>
<tr>
<td>Total duration¹</td>
<td>18 months</td>
</tr>
<tr>
<td>Method of implementation</td>
<td>Grants – direct award</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>Rio Convention Markers</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>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>☑</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>General policy objective</td>
<td></td>
<td></td>
<td></td>
</tr>
<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 individual contracts upon their signature
2. **RATIONALE AND CONTEXT**

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

The overall objective of the proposed action is to expand cooperation and strengthen the EU-LAC bi-regional strategic partnership by fostering dialogues based on shared values and interests, in line with the Global Strategy for the European Union's Foreign and Security Policy.²

By continuing to support cooperation with the EU-LAC Foundation, this action can help the EU to further engage with the Latin America and the Caribbean (LAC) region to promote bi-regional values and core interests, facilitate intra-regional and inter-regional cooperation and address jointly key issues of global and common interests.

2.2. **Context**

The EU’s partnership with Latin America and the Caribbean is founded on close historical and cultural ties, extensive people-to-people exchanges, strong and growing trade and investment flows and a deep bedrock of shared values and aspirations.

Over the years, the two sides have progressively built up an extensive relationship founded on mutual respect and open dialogue. A bi-regional strategic partnership, culminating in periodic summits, was established in 1999, and the EU-CELAC Action Plan, which is revised and updated in each Summit, provides a consented and dynamically evolving framework for political dialogue and cooperation in specific areas of mutual interest.

The objectives of this action are fully in line with the Global Strategy for the European Union’s Foreign and Security Policy which encourages the EU to expand cooperation and build stronger partnerships with Latin America and the Caribbean and to develop multilateral ties with the Community of Latin American and Caribbean States (CELAC) and with different regional groupings according to their competitive advantage.

Notwithstanding the efforts towards setting a structural bi-regional relationship, CELAC’s rotating presidency on yearly basis and the operation of CELAC based on the primacy of consensus, cause an underlying asymmetry in the bi-regional relationship.

The Community of Latin American and Caribbean States (CELAC) is an inter-governmental mechanism for dialogue and political agreement which brings together all of the 33 Latin American and Caribbean countries and was formally established in December 2011 as the main forum for political dialogue in the region. CELAC was designated by its member countries as the counterpart of the EU for the strategic partnership as from 2012 (replacing the Rio Group). Successive bi-regional summits have marked the continual intensification of political dialogue and progress on jointly tackling a wide range of issues, including climate change, migration, the fight against illicit drugs, the promotion of human rights, education, cultural issues and cooperation in the fields of science and technology. The EU-CELAC Summits have generated Action Plans, which are consistent with other international commitments and agreements, including the Agenda 2030 and the Paris Agreement on Climate Change.

The creation of the EU-LAC Foundation was effectively decided at the EU-LAC Summit, in May 2010 in Madrid. The Foundation started operating in 2012, as a foundation under German civil law with Headquarters in Hamburg, Germany. The Foundation has 62 members, 28 EU Member State countries, 33 from the Latin America and the Caribbean and the European Union.

The leaders of the EU and CELAC countries signed the Constitutive Agreement to establish the EU-LAC Foundation as an international organisation at the Ministerial Meeting held in the Dominican Republic in October 2016; currently this Agreement is in the process of ratification. The Agreement shall enter into force thirty days after eight Parties of each region, including the Federal Republic of Germany and the EU, have deposited their respective instruments of ratification or accession with the depositary. While contributions will continue to be voluntary, it is expected that the transformation into an international organisation will facilitate contributions from all Members reducing also the burden of costs linked to the current status of the Foundation under private German law.

2.3. Lessons learnt

Since its creation in 2011, the EU-LAC Foundation has improved its organisation and strengthened its activities, in particular:

- The Foundation has enhanced its role in support of the EU-CELAC policy dialogues and cooperation in key areas of common interest. In particular, the Foundation progressed in the consolidation of a network of relations with the main stakeholders of the bi-regional partnership in both regions, starting from stronger relations with and among member states, and in producing an enhanced mutual understanding among the actors of the bi-regional partnership.

- The management capacity of the Foundation has been strengthened, and mechanisms for monitoring and evaluating the Foundation's work have been implemented.

- The linkage between the Foundation's activities and the EU-CELAC policy agenda has also been strengthened. Not only extensive consultations with Members and key stakeholders are carried out prior to drafting the annual work programme’s proposal to the Board of Governors; the Foundation also consults regularly with the EU and the CELAC Presidency Pro Tempore, as well as the Members directly covered by each activity and key stakeholders throughout the different steps of implementation of the activities.

- The EU-LAC Foundation has been fundamental in connecting the intergovernmental processes with businesses, academia, education, the social sector; promoting the development of a joint and forward-looking global vision with shared strategies in both regions; dynamiting the bi-regional strategic partnership by encouraging and advocating for the formulation and implementation of policies and agendas; circulating knowledge to raise mutual understanding and increase the visibility of both regions and the importance of the bi-regional partnership itself.

Building on the achievements reached by the Foundation in the past years, this action will enable the EU to engage further with LAC to promote bi-regional values and core interests, to facilitate intra-regional and inter-regional cooperation and to address jointly key issues of global and common interest in line with the EU-CELAC Action Plans.

2.4. Complementary actions

There are various other institutions, which work on bi-regional affairs, of both governmental and non-governmental nature. To date, the Foundation has undertaken a range of activities in
coordination with many of these, including its four strategic partners (UN Economic Commission for Latin America and the Caribbean - ECLAC, Global Foundation for Democracy and Development - FUNGLODE, Institut des Amériques – IdA, and Lombardia Region); and other institutions such as CAF Development Bank of Latin America, the Inter-American Development Bank (IDB), Ibero-American General Secretariat (SEGIB), Organisation of Ibero-American States (OEI) , the Istituto Italo Latinoamericano (IILA), the Latin American Social Sciences Faculty (FLACSO), and the GIGA Institute of Global and Area Studies, among others. These activities are complementary to each other, as no other organisation has the Foundation's unique mandate to strengthen the bi-regional political partnership and genuine bi-regional nature. There is also close collaboration with a wide range of the European Commission services and other EU-funded programmes and initiatives working in LAC, including EUROsociAL, Euroclima, AL-INVEST 5.0, EU-LAC FOCUS, ELANBiz, ELAN Network, EU-LAC Museums, among others. The Euro-Latin American Parliamentary Assembly (EuroLat) and the African, Caribbean and Pacific (ACP)-EU Joint Parliamentary Assembly are also represented as Observers.

Cooperation has also been established with an increasing number of organisations and networks across the two regions, which have resulted in a large number of diverse events and conferences and which in some cases have been accompanied by the signature of partnership agreements.

2.5. Cross-cutting issues

The Foundation will focus its work on contributing to the implementation of the 2017 EU-CELAC Action Plan, and is guided by the principles of sustainable development, good governance and gender equality for all of its activities. In addition, the Foundation will continue to implement actions linked to Chapter 2 (Sustainable development, environment, climate change, bio-diversity, energy) and Chapter 7 (Gender) of the EU-CELAC Action Plan. In this sense, there are clear linkages with the Agenda 2030 and the Paris Agreement on Climate Change.

To effectively address gender considerations, activities will, _inter alia_, build on the opportunities identified in the study carried out by the EU-LAC Foundation "The issue of Gender in relations between the EU and LAC: State of the art and Opportunities for bi-regional cooperation."³

3. Detailed Description

3.1. Objectives

The overall objective of the proposed action is to expand cooperation and strengthen the EU-LAC bi-regional strategic partnership by fostering dialogues based on shared values and interests, in line with the Global Strategy for the European Union's Foreign and Security Policy.

By cooperating with the EULAC Foundation, the action will promote bi-regional values and core interests, facilitate intra-regional and inter-regional cooperation and address jointly key issues of global and common interests.

3.2. Expected results and main activities

The expected results of this action are:

R.1 Improved policy dialogue in key areas of mutual interest

R.2 Through improved outreach, EU-LAC intergovernmental processes are connected to non-governmental stakeholders in both regions

R.3 Increased mutual understanding and awareness of the EU-LAC bi-regional partnership

The main activities to achieve the expected results consist of the following indicative list:

a) Bi-regional networks, events and knowledge activities: A wide variety of meetings, conferences and other events will be organised to promote dialogue and the exchange and transfer of knowledge feeding into the broad EU-CELAC agenda, including with sub-regions within the EU-CELAC partnership that have traditionally been less integrated into the bi-regional process such as the Caribbean. Activities will facilitate relations with main stakeholders such as bi-regional networks of civil society, by enabling exchanges and disseminating information to and between them;

b) Analysis and research: The action will undertake or commission analysis or in-depth research on themes of interest for the bi-regional partnership, including youth, higher education, innovation and research, SMEs and competitiveness, climate change, resilience of public infrastructure, and gender equality. A study on the importance of the bi-regional relationship in the current global context is also foreseen. Cooperation with ECLAC will be sought for the production of a report on the bi-regional outlook. The Foundation will also further develop a repository of documents and information on the bi-regional relationship, including a digital library and a mapping of civil society organisations;

c) Preparatory and support activities for EU-CELAC Summit and Ministerial Meetings: The action will undertake activities related to the preparation and support of the 2019 EU-CELAC Summit and Ministerial Meetings to be held in Brussels as well as follow-up of previous EU-CELAC Summits. This can include the organisation of Reflection Fora on prioritised issues in order to stimulate an open policy dialogue between senior officials of the Foundation’s members (EU and LAC Member States) and representatives from academic, economic and societal sectors;

d) Dissemination of information, communication and visibility: The Foundation will outreach to key partners and communicate on the action by the action including through its web site, Intranet site, presence on social networks and the dissemination of publications including a newsletter. It will organize communication events such as the EU-LAC Awards for civil society organisations and journalists; and

e) Improvement of management capacity: Activities to further strengthen the Foundation's operational and financial sustainability will be undertaken, including the identification of alternative sources of funding.

The activities of the action will be tailor-made to the Work Programmes for 2018 and 2019 established by the Board of Governors and will draw upon future CELAC-EU Action Plans and other guidance emanating from the CELAC-EU Summits.
## 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>The financial sustainability of the Foundation in the medium to long term may suffer from the unpredictable commitment of financial support by some EU and CELAC States, thereby affecting delivery on the action.</td>
<td>M</td>
<td>The ratification of the Constitutive Agreement for the establishment of an international organisation will make it possible for additional member countries to provide financial contributions. Lobbying for additional funding to complement EU funding will continue both at bi-lateral meetings, and at meetings of the Board of Governors, as well as at SOM and other bi-regional meetings. The EULAC Foundation will also continue the established practice of partnering with other stakeholders for specific activities</td>
</tr>
<tr>
<td>Potential overlap or competition from other organisations / structures in LAC.</td>
<td>L</td>
<td>Clear definition of the scope of the mandate of the Foundation, based on the Constitutive Agreement, and focused on issues related to the bi-regional strategic partnership. Continuous engagement with partners to ensure that activities add value.</td>
</tr>
</tbody>
</table>

**Assumptions**

It is assumed that the EU and LAC remain committed in their political engagements to promote bi-regional values and to address jointly key issues of global and common interest in their EU-CELAC Action Plans.
3.4. Stakeholders

The main stakeholders for the proposed action are the relevant ministries and authorities of the 61 Member Countries and the EU involved in the EU-LAC bi-regional partnership, and representatives of civil society organisations in those countries.

The EULAC Foundation will serve as the main partner and implemented of this action. The Foundation has so far established strategic partnerships with four partners: l’Institut des Amériques in France and Regione Lombardia in Italy for the EU side, and the Global Foundation for Democracy and Development (FUNGLODE) in the Dominican Republic and United Nations Economic Commission for Latin America and the Caribbean (ECLAC) for the CELAC side. Likewise, close collaboration has been established with other institutions, organisations and programmes in the two regions.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

<table>
<thead>
<tr>
<th>4.1.1. Grants - direct award⁴</th>
<th>Support to the EU LAC Foundation (direct management)</th>
</tr>
</thead>
</table>

(a) Objectives of the grant

The action will be implemented exclusively through the signature of a grant agreement. As a result, objectives, expected results and main activities are those defined above under section 3.1 and 3.2.

(b) Justification of a direct grant

Under the responsibility of the Commission’s authorising officer responsible, the grant may be awarded without a call for proposals to EU-LAC Foundation, in accordance with the provisions of article 190(1) (f) of the RAP.

Under the responsibility of the Commission’s authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because as per its constitutive charter, the EU-LAC Foundation has a monopoly over the implementation at institutional level of the recommendations emanating from the EU-LAC political summits. EU-LAC is the only institution that has been established by a political decision of all the Heads of State or Government of the EU and LAC countries to strengthen the bi-regional partnership. The need for close contacts with the authorities of the partner countries require technical competence, high degree of specialization and institutional access that can only be provided altogether by the EU-LAC Foundation by virtue of the unique role and mandate it has been conferred upon. In compliance with its mandate set out in its Statutes and constitutive agreement, the Foundation will continue contributing to the strengthening of the CELAC-EU bi-regional partnership process involving participation and inputs of civil society and other social actors; encourage further mutual knowledge and understanding between both regions; and enhance the mutual visibility between both regions, as well as of the bi-regional strategic partnership itself.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

⁴ Article 190 (RAP) (article 128 FR) - Exceptions to calls for proposals (awarding grants without call for proposals
The essential award criteria are the relevance of the proposed activities to the objectives of the action: design, effectiveness, feasibility, sustainability, cost-effectiveness, as well as the added value for the EU, including with regard to visibility.

(d) Maximum rate of co-financing

The grant will cover 100% of the eligible costs of the action.

The maximum possible rate of co-financing may be up to 100 % in accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorizing officer in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement

The grant agreement will be concluded indicatively during Q4 of 2017.

4.2. Indicative budget

<table>
<thead>
<tr>
<th>Method of Implementation</th>
<th>Amount in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3.1. – Grant - direct award (direct management)</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1.5</strong></td>
</tr>
</tbody>
</table>

4.3. Organisational set-up and responsibilities

The EU-LAC Foundation’s Board of Governors oversees the management of the Foundation and ensures that the Foundation is working towards its goals. The Board of Governors has 62 members representing each of the members of the Foundation, 28 from the EU countries, 33 from the Latin America and the Caribbean and one from the European Union. The Board of Governors is called to meet on regular sessions twice per year co-chaired by the CELAC and EU presidencies, and on special sessions as needed.

The Presidency of the EU-LAC Foundation is ad honorem and nominated by the Board of Governors every four years.

The Executive Direction of the EU-LAC Foundation is nominated by the Board of Governors every four years. He/she is responsible for the daily management of the team and activities and reports to the EC for the activities funded by this grant.

Close cooperation and mutual agreement of EU-LAC Foundation, the European External Action Service and the European Commission services will be sought through the Project Oversight Group (POG). The POG brings together EU-LAC Foundation Executive Director, two members of the EU-LAC Foundation Board of Governors and up to three relevant officials from the EU institutions.

The POG will meet at least once a year (with the frequency to be agreed based on need) to 1) review and decide the Action plan; 2) review progress towards meeting the objectives of the Action and 3) consider issues arising from the Action's implementation. The POG will invite other participants to join its meetings when relevant.
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 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).

4.5. 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 4.4 above, will be funded from sources other than those allocated to this specific action.

4.6. Communication and 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 shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.