EN

ANNEX 22

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

Action Fiche for Business Support to the EU - India Policy Dialogues

1. **IDENTIFICATION**

<table>
<thead>
<tr>
<th>Title of the action</th>
<th>Business Support to the EU - India Policy Dialogues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country(ies)/Region</td>
<td>India</td>
</tr>
<tr>
<td>Total cost</td>
<td>Total estimated cost: EUR 3 799 000</td>
</tr>
<tr>
<td></td>
<td>Total amount of the EU budget contribution: EUR 3 799 000</td>
</tr>
<tr>
<td>Total duration(^1)</td>
<td>36 months</td>
</tr>
<tr>
<td>Method of implementation</td>
<td>Direct management –Procurement of services</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>
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<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**

This action aims to enrich EU - India Policy Dialogues with hands-on technical solutions from EU businesses, notably small and medium-sized enterprises (SMEs) in sectors where the EU has a strong potential, such as Environment, Energy, Climate and Urbanisation.

In keeping with the EU-India Summit of March 30, 2016 which recalled the need to strengthen dialogue between EU and Indian businesses, including SMEs, the action will facilitate and underpin this dialogue including through the conduct of research and analysis, and the dissemination of information. It will also enable EU-wide advocacy efforts by EU Member States, EU business organisations and businesses, to remove trade barriers and identify regulatory and economic trends with a particular focus on the needs of EU SMEs.

By meeting the Indian demand for knowledge and innovative technologies while at the same time facilitating the export of EU technologies, standards and business best-practices in key sectors, this action will contribute to an increased and diversified presence of EU companies, notably SMEs, in the Indian market. The project will play an important role in ensuring cooperation with and amongst EU Members States including through building upon existing resources and work in this field.

2.2. **Context**

With 1.25 billion people and the world’s fourth-largest economy, India has enjoyed consistent rates of GDP growth since 2012. With a growth rate of 7.1% for the fiscal year 2016-2017, India topped the World Bank’s growth chart for major economies. While the fast economic growth has translated into major progress on key development indicators, it has also highlighted existing gaps in equality and poverty reduction. The imperative of faster, more inclusive and sustainable growth is central to the government’s national development agenda.

In its drive to shift to cleaner solutions for a more sustainable development and to honour its pledge to fight the consequences of climate change under the Paris Agreement, the Government of India (GoI) is implementing a number of programmes such as Clean Ganga, Clean India, National Solar Mission and Smart Cities. Following a results-oriented approach to policy dialogue, the GoI is actively looking to collaborate with mature markets such as Europe to bring in proven know-how, better regulations and standards and cutting edge technological and management solutions to quickly advance on these flagship initiatives.

India, with its large market and high growth rate, represents an important opportunity for EU companies including for European SMEs. Currently, EU is India's largest trading partner and India is the EU's 9th largest trading partner. The European Union is also the largest investor in India. Nonetheless, EU commercial organizations and enterprises, notably SMEs, experience a variety of problems operating in India relating to market access, non-tariff barriers to trade and investment, lack of accurate information about the regulatory regimes applicable and practical restrictions and obstacles to commercial establishment.
In line with the EU-India Agenda for Action 2020\(^2\), EU sees benefit in accompanying and complementing its policy dialogues with India with a business component. This action is therefore developed to support the EU-India partnerships in sectors with an on-going or upcoming EU-India policy dialogue of high potential and interest for cooperation, such as Environment, Energy, Climate and Urbanisation. If considered relevant, a limited number of additional policy areas can be added during the course of the project.

The action will aim at providing European companies in India or in the EU who are innovators or leading actors in their sector, notably SMEs, greater opportunities for accessing information related to the Indian market and support their access to Indian stakeholders within the frame of the sectoral partnerships. By focusing on the above sectors, the action will strengthen the EU's image in India as a main actor in addressing global challenges and facilitate the participation of EU companies, notably SMEs, in the context of relevant dialogues. This action will also enable coordinated advocacy efforts carried out by EU Member States, EU businesses and EU business organisations. Activities include the development of a common advocacy strategy and the design of supporting materials. The European Business Group India (EBG), launched in September 1997 and identified as an effective actor for doing EU business advocacy in India, will also be assisted in its capacity to develop specific technical expertise and better respond to the needs of EU businesses, in particular SMEs, in the selected policy sectors. The action does not foresee any direct financial assistance to the EBG or to other business organisations as such organisation should be created, organised, led and financed by EU companies or business organisations.

The action is in line with the EU-India Strategic Partnership; the outcome of the 13th EU-India Summit (2016); the EU-India Agenda for Action 2020; the Joint Declaration on a Clean Energy and Climate Partnership and Joint Declaration on Water Partnership adopted at the EU-India 2016 Summit; and the Global Strategy for the European Union's Foreign and Security Policy.\(^3\)

2.3. Lessons learnt

The action builds upon the lessons learnt from the European Business and Technology Centre (EBTC), an EU initiative to support EU SMEs to enter the Indian market to establish business trade and linkages in the sectors of energy, environment, biotechnology and transport. While overall the EBTC experience was considered beneficial in promoting EU interests in India and has provided high quality services to clients, the EBTC focused on European companies already present in India while the needs of companies not yet in India remained largely unmet.

Keeping in mind these lessons learnt, this action has been designed with a defined sector focus, ensuring complementarity with the work of EU Member States and business organisations. To ensure appropriate outreach to EU companies not yet established in India, the action will put emphasis on building a communication strategy focused towards companies in Europe. The action will use various existing structures as relay, such as sectoral


associations and European Commission initiatives H2020, European Innovation Partnerships, and COSME.

Moreover, past and ongoing business and sectoral cooperation with India has demonstrated that high number of business opportunities beyond the central level in India remain untapped. Based on this learning, special attention will be paid to identifying and tapping into the opportunities at the sub national level.

2.4. Complementary actions

The project will work closely with and will be complementary to on-going activities in support of EU-India policy dialogues. These include:

- The Clean Energy Cooperation with India, whose objective is to support the energy policy dialogue under the EU-India Energy Panel through creating and consolidating a well-established cooperation framework that can reply to the mutual strategic interests and through giving a firm footing to implementing activities with a focus on renewable.
- The Sustainable Urbanisation Partnership to be developed, and whose objective will be to strengthen urban diplomacy and cooperation between EU and India on sustainable urban development, climate change through a focus on sustainable energy and innovation through the International Urban Cooperation project and the widening of the EU-Mumbai Partnership.
- The Resource Efficiency Initiative, whose objective is to make resource consumption more efficient in India so as to contribute to the global agenda on sustainable consumption and production, to promote green economy and to boost jobs and growth in Europe.
- The Indo-European Water Partnership, whose objective is to influence Indian policy making in the water sector, thereby facilitating progressive convergence by India towards relevant EU policies and standards on water management.
- The Clean Energy and Climate Partnership (CECP) support project, whose objective is to reinforce the dialogue in the areas of clean energy, energy efficiency and climate action to enhance the CECP partnership between India, the EU and the EU Member States in order to ensure a secure, clean, affordable and reliable energy supply for all and to support the implementation of the Paris Agreement.

The project will work closely with the European Business Group India (EBG), providing technical expertise for their efficient contribution to the advocacy component with a spirit of building upon the work already carried on by them and increasing the voice for European SMEs in this area of work.

The action has been designed based on extensive consultations with EU Member States and business stakeholders on the ground. This process of information, consultation and coordination will be further strengthened during action implementation.

2.5. Cross-cutting issues

Activities under this action will be implemented in a manner that contribute reducing inequalities between women and men, promoting women's empowerment and ensuring cities
are safe for women and girls. In addition, the action will mainstream throughout its implementation environmental protection.

To this end, the action will incorporate indicators for meaningful gender, inclusion and environmental protection mainstreaming. Furthermore, EU companies selected to participate in the different activities will be assessed as regards their environmental, gender equality, human and worker rights policies also with a view to share responsible business practice alongside technical solutions. The pan EU advocacy is also expected to allow for the sharing of EU standards and values with decision-makers.

3. **DETAILED DESCRIPTION**

3.1. **Objectives**

The overall objective of this action is to enrich EU-India Policy Dialogues with hands-on technical solutions from EU businesses, notably small and medium-sized enterprises (SMEs). In the long-term, the action will facilitate the positioning of the EU as a credible partner of India and will contribute to an increased and diversified presence of EU companies in the Indian market.

The specific objective of the action is to provide a horizontal business cooperation facility (with a special focus on SMEs) to feed the on-going and potential policy dialogues between EU and India. By linking businesses to policy dialogues, the facility will meet the Indian demand for knowledge and innovative technologies while at the same time facilitating the export of EU technologies, standards and business best-practices. It will also enable EU-wide advocacy efforts by EU Member States, EU business organisations and businesses, to remove trade barriers and identify regulatory and economic trends with a particular focus on the needs of EU SMEs.

The policy areas targeted by this cooperation are environment, energy, climate and urbanisation due to their high potential for mutual EU-India benefit cooperation. A limited number of other policy areas can be included in the cooperation in response to emerging policy priorities as relevant.

3.2. **Expected results and main activities**

To achieve the above objectives, this initiative will work towards these four expected results:

R.1 European technical and business solutions relevant to the targeted policy dialogues identified

R.2 Enhanced dissemination of information regarding European technical solutions and business opportunities in India in the areas of the targeted policy dialogues

R.3 Provision of European technical solutions to the targeted policy dialogues facilitated

R.4 Enhanced EU-wide advocacy (including regulatory aspects) related to the targeted policy dialogues
The main indicative activities of the action are:

1.1 Conduct technical market studies and analyses to match the Indian demand for technical and business solutions at national and subnational levels with the available European solutions.

1.2 Create a database of EU companies in Europe and interested in India or already present in India that could offer the identified technical and business solution.

2.1 Create an online communication platform to share information with and between EU stakeholders regarding relevant policy dialogues and linked technical, research and business opportunities.

2.2 Identify and disseminate information regarding policy, technical and business events to which relevant EU companies could participate.

2.3 Roll out a communication strategy to specifically reach out to businesses in Europe regarding opportunities in India.

2.4 Inform Indian stakeholders (businesses, government stakeholders at different levels etc.) of potential EU solutions using website or other appropriate communication tools.

3.1 As relevant, inform policy dialogues from a business perspective by providing technical inputs (including sharing European standards) on the specific policy areas.

3.2 Forge relationships with relevant Government of India stakeholders (including states or city corporations) and connect them to the relevant technologies in their area of interest.

3.3 Participate to relevant national and subnational events (such as Indian states' investors meetings and specialised fairs in the prioritised sectors) with speakers/stands/ relevant EU businesses to showcase EU innovative solutions.

3.4 Facilitate relations between EU and Indian stakeholders to set up small pilot projects to showcase EU technologies and business solutions applied in India.

3.5 Organise events as appropriate (thematic forums, expert workshops, seminars, business roundtables, roadshows etc.)

4.1 Identify trade, regulatory and investment opportunities and barriers in the prioritised sectors, working closely with EU Member States, EU Business organisations and EU businesses.

4.2 Conduct regular sectoral studies focused on market opportunities, barriers and solutions, as relevant.

4.3 Provide technical expertise to the EBG to enable the organisation to better respond to the needs of EU businesses.
4.4 Support the definition of a common EU-wide advocacy strategy including recommendations and common messages between EU Member States, EU business organisations and EU businesses.

4.5 Design materials for supporting the implementation of the EU wide advocacy strategy by EU Member States, EU business organisations and/or EU businesses, as appropriate.

### 3.3. Risks and assumptions

<table>
<thead>
<tr>
<th>Risks</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>The action fails to rally and coordinate a coherent offer by EU businesses in relation to the policy dialogues.</td>
<td>M</td>
<td>It will be necessary to ensure from the outset a European vision of the project which all relevant EU stakeholders can support and benefit from.</td>
</tr>
<tr>
<td>EU companies not already present in the Indian market might be unwilling to venture in. This would leave European know-how untapped for cooperation with India.</td>
<td>M</td>
<td>To mitigate against this risk, initial assessments will need to identify the right mechanisms to inform and provide incentives to EU companies to venture into the Indian market. This will imply carefully selecting partners for the implementation of the different project activities and pilot projects identified, and improving contacts between India-based and Europe-based partners to build trust and highlight the mutual interest and potential benefits for both sides.</td>
</tr>
<tr>
<td>The activities concern a large number of authorities in India at various levels which might not all be adequately involved</td>
<td>L</td>
<td>This risk will be mitigated against by ensuring that the project maintains close contact with both national and State levels and that adequate mechanism are developed to ensure that the national level actors are involved in the coordination and implementation of activities.</td>
</tr>
</tbody>
</table>

### Assumptions

- Continued political commitment on the side of India and EU member states towards the selected policy dialogues;
- Trade and investment conditions in India are not substantially modified to block access to foreign companies;
- Continued commitment on the side of the EBG to partner for the planned activities under the project;
Flagship initiatives promoted by the current Indian government are maintained.

3.4. Stakeholders

The main stakeholders of the action are:

- EU businesses, with particular focus on SMEs, business associations and networks active in the areas prioritised for the action intervention. The project will reach out to businesses in the EU and EU businesses already present in India;
- The European Business Group (EBG). Founded in 1997, EBG has come to be recognised by the Indian Government and the European Commission as the industry advocacy group representing the interest of European companies in India;
- European Member States Embassies, Trade offices, Chambers of Commerce and Industry and trade promotion agencies present in India or EU-based;
- Government of India and its relevant ministries and agencies (including the EU-India Investment Facility), with whom the EU is interacting in the framework of the ongoing policy dialogues and cooperation platforms;
- State and city level public stakeholders in India;
- Indian private sector stakeholders interested in business partnership in the sectors of intervention of the programme as well as business representatives/associations and SME associations/entrepreneurs engaged in relevant sectors; and
- EU institutions and agencies active in the area of trade, growth and investment (including the European Investment Bank) and supporting EU-India policy dialogues (EU Delegation, Commission services) and the European External Action Service.

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 1 service contract is expected to be concluded for the implementation of the programme.

(b) Indicative timing: call for tenders expected to be launched in the 4th Quarter 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>4.1.1. – Procurement (direct management)</td>
<td>3.799</td>
</tr>
<tr>
<td>Total</td>
<td>3.799</td>
</tr>
</tbody>
</table>
4.3. Organisational set-up and responsibilities

In order to ensure overall political steer, a project steering committee will be established with representation from Commission services, EU Delegation to India and the European External Action Service.

In addition, to ensure a fluid and on-going communication and exchange of information, a coordination mechanism will be set up involving relevant Indian national and local authorities, EU Member States and other stakeholders.

At the operational level, the EU Delegation and the contractor will meet regularly. To ensure alignment with sectoral priorities and identify planning of activities, close coordination with the implementing partners supporting policy dialogue actions will be maintained.

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 4.3 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.