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**ANNEX III**

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of the Asia-Pacific region for 2022-2023

**Action Document for Support for the EU's Environmental and Energy Policies and Effective Multilateralism in China**

**ANNUAL PLAN**

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of NDICI-Global Europe Regulation.

## 1 SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Support for the EU's Environmental and Energy Policies and Effective Multilateralism in China OPSYS number: ACT-60972 Financed under the Neighbourhood, Development and International Cooperation Instrument ( <u>NDICI-Global Europe</u> )
<b>2. Team Europe Initiative</b>	No
<b>3. Zone benefiting from the action</b>	The action shall be carried out in the People's Republic of China (PRC)
<b>4. Programming document</b>	Regional Multiannual Indicative Programme for Asia and the Pacific 2021-2027
<b>5. Link with relevant MIP(s) objectives / expected results</b>	<p>The proposed action provides support to key policy actions and priority areas of engagement in the EU-China relationship. Relevant specific objectives from the 2021-2027 Regional MIP:</p> <ul style="list-style-type: none"> <li>- Promote European values and interests in the bilateral relations with China, in line with the multi-faceted approach outlined in the 'Strategic Outlook' Joint Communication;</li> <li>- Engage China to tackle global challenges, to deliver on international commitments such as the Agenda 2030 and the Paris Agreement and to address its role as global actor and donor by promoting international norms and standards and countering negative impact where necessary.</li> </ul> <p>Relevant expected results from the 2021-2027 Regional MIP:</p> <ul style="list-style-type: none"> <li>- ER 1.2: Increased frequency and/or more efficient preparation and follow-up of high-level dialogues and sectoral dialogues, and enhanced people-to-people ties (e.g. culture and education) and facilitated coordination on mobility, migration and people-to-people exchanges including on right-based migration management and civil society exchanges.</li> <li>- ER 1.3: Improved market access, level playing field and fair and equal treatment for European businesses (including SMEs) operating in China and competing with Chinese</li> </ul>

	<p>businesses in partner countries and support for European businesses (focus on competitiveness of European business organisations and SMEs; the implementation of ILO conventions; corporate social responsibility and environmental standards by Chinese businesses in China and overseas; raising awareness of Chinese producers and exporters about EU product safety rules; due diligence to ensure that production and supply chains are aligned with EU values on human rights, environmental objectives and long-term sustainability standards, including in research and innovation).</p> <p>-ER 2.1: Coordinate on the external dimension of the European Green Deal and progress towards the Paris Agreement targets, including via initiatives to address the impact of China's practices in partner countries and via initiatives that support the development and implementation of China's own climate change and environmental protection policies (e.g. the ETS trading system; biodiversity and wildlife protection; waste and water management; resource efficiency and circular economy; sustainable and deforestation-free supply chains; clean oceans; forest preservation and reforestation, including China's external footprint; EU-China Blue Partnership for the Oceans;</p> <p>-ER 2.2: Promote energy transition, clean energy investment and sustainable finance standards, both domestically and externally in partner countries (e.g. phasing out of investments in coal-powered energy generation), green technologies and innovation, renewable energy and energy efficiency.</p> <p>-ER 2.4: Promote and defend rules-based multilateralism, including the UN Development System and other multilateral institutions.</p> <p>-ER 2.5: Pursue sustainable, accessible quality infrastructure in line with the EU-Asia Connectivity Strategy, the EU Strategy for Cooperation in the Indo-Pacific and international standards, address development finance, including Chinese overseas lending practices, and promote best practices in aid management while ensuring coordination on humanitarian aid, focusing on China's increasing role in humanitarian crises and peacekeeping initiatives</p>
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	<p>410 – General Environment Protection</p> <p>140 – Water Supply &amp; Sanitation</p> <p>230 – Energy</p> <p>151 – Government and Civil Society – general</p>
<b>7. Sustainable Development Goals (SDGs)</b>	<p>Main SDG (1 only): Goal 12. Ensure sustainable consumption and production patterns</p> <p>Other significant SDGs (up to 9) and where appropriate, targets:</p> <p>Goal 5: Achieve gender equality and empower all women and girls</p> <p>Goal 6. Ensure availability and sustainable management of water and sanitation for all</p> <p>Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>Goal 13. Take urgent action to combat climate change and its impact</p> <p>Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p>Goal 16: Promote just, peaceful and inclusive societies</p> <p>Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development</p>
<b>8 a) DAC code(s)</b>	<p>410 – General Environment Protection – 25%</p> <p>140 – Water Supply &amp; Sanitation – 20%</p> <p>230 – Energy- 40%</p> <p>151- Government and Civil Society - general – 15%</p>
<b>8 b) Main Delivery Channel</b>	<p>Channel 1 – 13000 – Third Country Government (Delegated co-operation)</p> <p>Channel 2 – 60000 – Private sector institution</p>

	Channel 3 – 40000 – Multilateral Organisations			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers</b>  (from DAC form)	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @ digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Connectivity @ transport people2people energy digital connectivity		<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line (article, item): 14.020131 Total estimated cost: EUR 11 500 000 Total amount of EU budget contribution EUR 11 500 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing <sup>1</sup>	Direct management through: - Procurement Indirect management with the entity(ies) to be selected in accordance with the criteria set out in Section 4.3.2.			

## 1.2 Summary of the Action

This Annual Action Plan is aligned with the priorities identified in the China section of the Regional Multi-Annual Indicative Programming Asia and the Pacific 2021-2027, namely:

1. Promote European values and interests in the bilateral relations with China, in line with the multi-faceted approach outlined in the ‘Strategic Outlook’ Joint Communication;
2. Engage China to tackle global challenges, to deliver on international commitments such as the Agenda 2030 and the Paris Agreement and to address its role as global actor and donor by promoting international norms and standards and countering negative impact where necessary.

This AAP focuses on key sectoral policy dialogues and priority areas of engagement, namely **environmental, climate, and energy** issues (relating to the **external dimension of the European Green Deal**), as well as to the need to uphold rules-based **multilateralism** and China’s growing role and influence in international development. The Team Europe approach will be leveraged throughout the four components of this AAP.

Component 1 will aim to advance the transition to a **circular economy** in line with the EU Circular Economy Action Plan (2020) and the EU Plastic Strategy (2018).

Component 2 will seek to promote policy and regulations on **water management and security**, as well as the role of water policies to address climate change and cross border water management.

Component 3 will support **EU-China energy cooperation** pertaining to the clean energy transition, energy markets and governance and business cooperation.

Component 4 aims to promote the **effective functioning of the UN system in China**, based on the fundamental principles of the UN Charter.

The action will contribute to the realisation of the EU Gender Action plan 2021-2025, in particular to its thematic area of engagement “Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation”.

<sup>1</sup> Art. 27 NDICI

## 2 RATIONALE

### 2.1 Context

The relationship with China is “one of the most strategically important” and “challenging” that the EU has, as pointed out by Commission President von der Leyen in the EU-China Summit on 22 June 2020<sup>2</sup>. Management of the EU-China relationship will be a key determinant of the EU’s future economic and geostrategic security. The EU’s realist multifaceted approach to China launched in March 2019 in the EU-China ‘Strategic Outlook’ Joint Communication<sup>3</sup> (partner-competitor-systemic-rival) has served to address the different aspects of the relationship, through a period when economic and political relations have required flexibility and agility in bilateral dealings with China. It also kept open the space for bilateral engagement on matters of common or global interest.

Frictions in the relationship stem from fundamental differences in values and systems of governance, including relating to EU sanctions on human rights and Chinese counter-measures, economic coercion against Lithuania, and China’s positioning on Russia’s invasion of Ukraine. At the same time, the EU and China traded EUR 1.9bn a day as the largest partners for trade in goods. China is estimated to contribute more than one-fifth of the total increase in the world’s gross domestic product through 2026. Its growing role and influence as a global actor and the impact of its development model and external policies on climate change, unsustainable use of natural resources combined with its sub-par standards, make it a complex but critical partner in tackling key challenges.

China became the world's largest emitter of carbon dioxide in 2006 and is now responsible for more than a quarter of the world's overall greenhouse gas emissions (30.64% in 2020) contributing to climate change. In the energy field, China is at the same time by far the **world’s largest coal producer and consumer** and the **global leader in renewable energy capacity growth**. This underscores the importance of working with China to deliver on the external dimension of the **European Green Deal**<sup>4</sup>, the **EU external energy engagement in a changing world**<sup>5</sup>, and the Paris Agreement targets. With the EU’s energy engagement that aims at pushing China to work on its clean energy transition, the EU is also defending its own interests and addressing a key global challenge such as climate change. Having exchanges with China on energy related topics has become even more important in the context of the current energy crisis. It supports the EU’s efforts in assessing current developments such as China’s increasing role in purchasing Russian fossil fuels and in contesting China’s narrative. Working with China on energy issues also supports sustainable growth and jobs through a more balanced economic relationship based on **reciprocity and a fair and level playing field**. In a context where China’s so-called ‘true multilateralism’ is progressively distancing itself from rules-based multilateralism, and recent high-profile Chinese initiatives, such as the Global Development Initiative (GDI) and the Global Security Initiative (GSI) use to expand China’s influence globally, the EU also has a key role to play in enabling the UN to uphold **international norms and values** in China.

The EU’s relationship with China is an essential part of the EU’s overall approach in Asia, including in the context of the joint communications ‘**The Global Gateway**’<sup>6</sup> (December 2021) and ‘**The EU strategy for cooperation in the Indo-Pacific**’<sup>7</sup> (September 2021).

On **environment and climate** policy, the establishment of a High-Level Dialogue on Environment and Climate (HECD) in 2021 underscores the importance of joint efforts in addressing the climate and environmental crisis. In addition, an Environment Dialogue at ministerial level reviews ongoing collaboration on environment policies since 2003 and identifies further areas of cooperation. At the 2018 EU-China Summit, the two sides agreed on the transition to a **circular economy** as a priority for bilateral cooperation, recognising the contribution of resource efficiency to meeting climate and sustainable development targets. The **China Europe Water Platform (CEWP)** and the **High Level Dialogue on Water** are key in ensuring progress towards the implementation of the water-related Sustainable Development Goals. These policy actions have laid a solid foundation for Action 1 (Reducing plastic waste and marine litter in China – supporting a transition to a circular economy) and 2 (EU-China

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<sup>2</sup> STATEMENT/20/1162

<sup>3</sup> JOIN(2019) 5 final

<sup>4</sup> COM(2019) 640 final

<sup>5</sup> JOIN/2022/23 final

<sup>6</sup> JOIN(2021) 30 final

<sup>7</sup> JOIN(2021) 24 final

cooperation on water and the China Europe Water Platform). Both actions are complementary to ongoing research cooperation on climate and environment and the Strategic Partnership on the Implementation of the Paris Agreement (SPIPA) with China. Their implementation will also take into account the outcomes of the High-Level Dialogue on Environment and Dialogue and the EU-China Dialogues on Water and Circular Economy. The European Commission and the Ministry of Science and Technology of China (MOST) have also agreed on a Co-Funding Mechanism for the period 2021-2024 to support Collaborative Research and Innovation projects under the “Food, Agriculture and Biotechnologies”, and the new “Climate Change and Biodiversity” Joint Flagship Initiatives, under Horizon Europe.

The EU and China have a well-established energy cooperation, steered by **the annual high-level EU-China Energy Dialogue** and supported by the EU-China Energy Cooperation Platform (ECECP), launched in 2019. Action 3 will support this Platform, which enables regular exchanges with relevant Chinese government authorities and energy stakeholders and is instrumental in achieving tangible progress in the Joint Statement on the Implementation of the EU-China Energy Cooperation (2019). The Joint Statement identifies four key work streams: 1) energy markets (electricity, gas, global market), 2) development of renewables, 3) energy efficiency and 4) cooperation between innovative actors, for equal exchange and reciprocal business opportunities. These work streams are operationalised in the **EU-China Roadmap on Energy Cooperation (2020-2025)**.

**China’s role as a global development actor** has grown significantly over the last two decades, to the point that it is now one of the most influential players in many regions of the Global South. However, China does not consider itself to be a “donor” and does not use established systems, standards such as those developed by the OECD Development Assistance Committee (DAC). This position creates significant challenges to assessing the scale and impact of China’s development activities. The multi-faceted approach outlined in the EU-China Strategic Outlook of March 2019 stated that China should “increase its engagement as an Official Development Assistance donor and a partner in multilateral fora. In this respect, we should establish a dialogue, seek synergies and engage further to maintain momentum on the implementation of the Sustainable Development Goals in third countries.”

## 2.2 Problem Analysis

### **Component 1 - Reducing plastic waste and marine litter in China** – Supporting a transition to a circular economy

The EU’s ambitious Circular Economy Action Plan (March 2020) aims to stimulate the transition towards a circular economy, boost the EU’s competitiveness, foster sustainable economic growth and generate new jobs. In line with the Action Plan, the Commission aims to co-operate with international organisations and interested partners as part of the global efforts to implement the 2030 Agenda and achieve the SDGs. Particularly relevant SDGs for this action include SDG 6 on water and sanitation, SDG 8 on economic growth, SDG 12 on sustainable consumption and production, SDG 13 on climate action, and SDG 14 on oceans and marine areas. Of particular importance to this action is Target 14.1, which states: “By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution”. Addressing marine litter and the factors aggravating the situation necessitates a transnational and international effort.

At the 2018 EU-China Summit the two sides agreed on the transition to a circular economy as a priority for their cooperation, recognising the contribution of resource efficiency to meeting climate and sustainable development targets. In that context, the two sides signed the Memorandum of Understanding on Circular Economy Cooperation establishing a high-level policy dialogue. The action will build synergies with a number of international initiatives commitments and conventions such as the G20 Resource Efficiency Dialogue and the G20 Marine Litter Action Plan, which is of particular interest for China. It will also contribute to support the resolution endorsed at the United Nations Environment Assembly (“UNEA-5”) in Nairobi in March 2022 to negotiate an international legally binding agreement to “end plastic pollution” by the end of 2024 (the “UNEA Resolution”). China supported this resolution, co-sponsored by the EU. It also supports actions that are required under several other UN resolutions, including the Global Partnership on Marine Litter (GPML), the Basel Convention, and the International Maritime Organisation (IMO).

### **Component 2 - EU-China cooperation on water and the China EU Water Platform (CEWP)**

The action aims to advance the EU’s external policy on water security. At the 2018 EU-China Summit, both parties confirmed the importance of strengthening EU-China cooperation on water in the framework of the EU China

Water Policy Dialogue and acknowledged the role of the China Europe Water Platform (CEWP) in supporting the implementation of the water-related SDGs.

The action seeks to enhance the effectiveness of EU and China's policies for a more sustainable use of water resources in line with SDG 6 (Ensure availability and sustainable management of water and sanitation for all). It will also seek to strengthen a reciprocally beneficial business collaboration and to encourage exchanges on innovative approaches.

Under the guidance of the EU-China Dialogue on Water and taking into account other relevant high-level Dialogues, the action will be coordinated with the CEWP and contribute to support the activities of the platform. The CEWP is articulated around four focus areas (namely rural water and food security; water and urbanisation; water management and ecological security; water and energy security) and each of them consists of various programmes led by EU Member States and Chinese counterparts. Other policy priorities such as industrial waste water management or integrated management of rural waters, cooperation on climate, cross-border water management with neighbourhood countries, environment (including circular economy and biodiversity) research, urban policies or energy will also be taken into account. The Commission will seek **synergies with actions by Member States** by organising joint studies, seminars, or business events where relevant.

### **Component 3 - EU-China Energy Cooperation Platform**

The EU and China have a well-established energy cooperation, guided by the annual high-level EU-China Energy Dialogue, between the Commissioner for Energy of the European Commission and the National Energy Administration of China. Launched in 2019, the EU-China Energy Cooperation Platform (ECECP) enables regular contacts and exchanges of information with relevant Chinese government authorities and energy stakeholders, including research institutes and energy companies and it is designed for networking and building trust. The Platform is the main implementing tool for the **Joint Statement on the Implementation of the EU-China Energy Cooperation**, which identifies four work streams for development of bilateral cooperation: 1) energy markets (electricity, gas, global market), 2) development of renewables, 3) energy efficiency and 4) cooperation between innovative actors, for equal exchange and reciprocal business opportunities.

This Action will contribute to SDG 7 on clean energy. China's clean energy transition is in the interest of the EU and its energy diplomacy, which promotes a global clean energy transition, open and transparent energy markets, and a global response to climate change. The action is in line with the EU's Energy Union, the external dimension of the European Green Deal<sup>8</sup>, the Joint Communication of March 2019 'EU-China: A Strategic Outlook'<sup>9</sup>, and the Paris Agreement on Climate Change. In addition, the action enables the EU to react to global political developments and to address topical issues in its cooperation with China, e.g. the current energy crisis and its effect on China's gas demand, which are being addressed through the work stream on energy markets.

The action will also help bring about new business opportunities to European companies offering clean energy technologies or services. In addition, the third phase of the EU China Energy Cooperation Platform (ECECP –III) will ensure **synergies with other relevant ongoing actions**, such as the Platform for Policy Dialogue and Cooperation between the EU and China on Emissions Trading and the International Urban Cooperation Asia. Close coordination will also be ensured with active **EU Member States** in China, in particular Germany (multiple sectors), Denmark (renewables) and France (nuclear), through regular engagement with Member States, embassies, Chamber of Commerce and other relevant stakeholders present in China.

Regarding market access as well as trade and investment barriers, the Commission already implements a broad strategy, covering China and the energy sector. This action will be implemented in a way that fully supports those processes. On the **business cooperation** component, close coordination will be ensured with the **EU SME Centre**. Coordination will also be pursued with the activities under the Industrial Energy Efficiency and Greenhouse Gases Emission Reduction Working Group between the Commission and the Ministry of Industry and Information Technology (MIIT), in particular as regards energy efficiency activities and to mitigate the risks created by the fragmentations of policy competences in the Chinese government.

### **Component 4 – Effective multilateralism in China**

<sup>8</sup> COM(2019) 640 final

<sup>9</sup> JOIN(2019) 5 final

As China's role as a global development actor has become increasingly significant, the UN system is subject to **growing pressure from China to endorse its specific approach to development, and support its foreign policy initiatives (e.g. Global Development Initiative)**. The Chinese government, particularly the Ministry of Foreign Affairs, increasingly presents itself as championing “true multilateralism”, in opposition to “selective multilateralism” by Western governments, including the EU. Cooperation with like-minded partners will be necessary to **enable the UN to uphold international norms and values worldwide, including in China** and on climate and environment.

This action is designed to bolster and support rules-based multilateralism in international development. In line with the **Joint Communication “Strengthening the EU’s contribution to rules-based multilateralism”** (2021), the action aims to promote the **effective functioning of the UN system in China**, based on the fundamental principles of the UN Charter. The EU will play an active role in protecting the entirety of UN norms, concepts and terminology, as well as processes and institutions. The action will be led by the Commission (DG INTPA) working closely with the High Representative/Vice-President, also keeping track on the cross-cutting issues of gender equality and human rights.

The Action will primarily engage local offices of various UN agencies in China (headed by the UN Development Programme, UNDP). The UN Sustainable Development Cooperation Framework (UNSDCF) 2021-2025 for China has identified three pillars: people and prosperity; planet; and partnership. The third “partnership” pillar is led by UNDP and focuses on engaging with China on its global development engagement, including through its South-South Cooperation (SSC) and overseas lending and investment.

We will seek synergies with the activities of EU Member States in a **Team Europe approach**, with those of like-minded development partners present in Beijing, as well as with parallel political and diplomatic action in New York, Geneva and in other multilateral fora as appropriate. The intended impact of this action will be to build additional capacity at the UN system in China for bringing rights-based, normative approaches into China's increasing global development footprint; providing a platform for global development partners to engage with China; and improving the (currently limited) knowledge base on China's evolving approaches to international development.

### **Main stakeholders**

The proposed actions will target a variety of stakeholders:

### **Component 1 - Reducing plastic waste and marine litter in China – Supporting a transition to a circular economy**

- Chinese national authorities including National Development and Reform Commission (NDRC), Ministry of Ecology and Environment (MEE), Ministry of Industry and Information Technology (MIIT), and Ministry of National Resources (MNR)
- Chinese local and provincial authorities
- Businesses from targeted supply chains and think tanks including Chinese Academy of Circular Economy (CACE), and Ellen MacArthur Foundation (EMF China)
- UN agencies including UNEP and its Global Partnership on Marine Litter (GPM) and the International Environmental Technology Centre (IETC), UNIDO
- G20 to build synergies with its work on resource efficiency and against marine litter
- Civil society, think tanks and research centres.

### **Component 2 - EU-China cooperation on water and the China EU Water Platform (CEWP)**

- All EU Member States, starting with the co-leads of the CEWP
- The Chinese Ministry of Water Resources, which is on the lead on the CEWP together with co-leading Member States and adopted its work programme, and other Chinese partners (river commissions, provinces, regions and municipal levels.)
- Other relevant Chinese ministries, starting with NDRC and MEE
- EU Chamber of Commerce in China (EUCCC) and Business Associations, which are expected to be actively involved in the business component
- Civil society and local authorities.



### Component 3 - EU-China Energy Cooperation Platform

- EU Member States
- Chinese authorities (National Energy Administration - NEA, National Development and Reform Commission - NDRC, Ministry of Innovation and Information Technology - MIIT, Mission of China to the EU, MoHRSS)
- Energy-related EU businesses in China, EU businesses with a trade or investment interest (in energy sector) in China, relevant business associations or chambers of commerce, in particular Europe-China Chamber of Commerce
- Other stakeholder such as the EU Agency for the Cooperation of Energy Regulators (ACER), ENTSO-G and ENTSO-E, international energy organisations (e.g. International Energy Agency), relevant think tanks, energy research institutions, environmental NGOs, civil society, and academia.

### Component 4 – Effective multilateralism in China

- EU Member States, including their implementation agencies
- Chinese authorities (China International Development Cooperation Agency – CIDCA, Ministry of Commerce – MOFCOM, Ministry of Finance – MOF, China Development Bank - CDB)
- Chinese think tanks (China Academy of International Trade and Economic Cooperation – CAITEC, Centre for International Knowledge on Development – CIKD, China Agricultural University – CAU)
- UN agencies and international organisations including UNFCCC, CBD, UNICEF, UN Women. OECD, World Bank.

## 3 DESCRIPTION OF THE ACTION

### 3.1 Objectives and Expected Outputs

The **Overall** Objective (Impact) of this action is to promote EU values and interests and engage China to tackle global challenges.

The **Specific** Objectives (Outcomes) of this action are:

1. Advance the effectiveness of the international dimension of EU Circular Economy actions related to **sustainable consumption and production in China**, with a particular focus on plastic and specific value chains.
2. Promote **EU-China water policy dialogue (water diplomacy)** in cooperation with EU Member States, by supporting the implementation of China-Europe Water Platform (CEWP).
3. Enhance **EU-China energy dialogue** and cooperation, through the implementation of the EU-China Joint Statement on Energy Cooperation with support of the EU-China Energy Cooperation Platform (ECECP).
4. **Promote and defend the rules-based international system and effective multilateralism**, including the UN Development System and other multilateral institutions, such as UNFCCC and CBD, and strengthen the **application of international norms, standards and best practices** in China's outbound aid, lending, and investment.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are the following:

#### S.O.1 Circular economy and plastics

Output 1.1: Enhanced **exchanges** and understanding with key stakeholders in China for relevant EU policy dialogues, e.g. on environment, industry, research, fisheries concerning circular economy and sustainable products production and consumption in specific value chains (plastic, textile, electronics and packaging).

Output 1.2: Improved efforts in **implementing waste hierarchy**, extended producer responsibility and deposit return schemes for plastic products and plastic waste, as well as for the **reduction of litter** from sea-based sources

Output 1.3: Improved **circularity practices in the design, production and consumption of plastic** and specific value chains, and strengthened green procurement policies, processes and cooperation.

Output 1.4: Increased awareness of public authorities and consumers about sustainable consumption and production of plastic and impacts on the environment of littering.

### **S.O.2 EU-China water policy dialogue**

Output 2.1: Enhanced **exchange of knowledge and experiences** at policy, technical and business levels.

Output 2.2: **Policy recommendations** for the management of water resources developed.

Output 2.3: Enhanced **cooperation between EU/EU Member States** and China in the four focus areas of water management, to create enabling conditions for developing a formal EU-China water policy dialogue in longer term.

### **S.O.3 EU-China energy dialogue**

Output 3.1: Increased exchanges and understanding of respective key energy policy areas identified under the **Joint Statement**.

Output 3.2: Increased **engagement with EU business** under ECECP.

### **S.O.4 Effective multilateralism**

Output 4.1: Generation of evidence on China's approach to international development, including Chinese aid, lending, sectoral and regional investments.

Output 4.2: **Multilateral dialogue** mechanism established between Chinese development practitioners and international development cooperation actors.

Output 4.3: **Improved capacity** of Chinese institutions and practitioners to incorporate international, rights-based approaches into their outbound aid, lending and investment.

## **3.2 Indicative Activities**

**Component 1 - Reducing plastic waste and marine litter in China** – Supporting a transition to a circular economy

**1.1 Policy dialogues and exchanges with national, regional and provincial authorities** as well as key stakeholders (non-governmental organisations, community-based organisations, business organisations, etc.) on: regulating the production, packaging, retail and consumer goods industry, waste collection and recycling, and waste treatment of relevant value chains; regulating fisheries and aquaculture to support the development of relevant measures for preventing plastic leakage to the oceans; European production and consumption models and the opportunities it can offer to improve practices in the value chains of China; European lessons with the promotion of sustainable investments in the transition to circular economy. Where appropriate, policy dialogues and exchanges will be based on gender analysis in specific subsectors (e.g. packaging, retail and consumer goods industry, waste collection, treatment and recycling).

**1.2 Legislative or technical assistance** to public/competent authorities, local industries and industry organisations, to support development of effective waste management system and adoption of waste hierarchy and its effective implementation, with a particular focus on plastic and plastic waste and the prevention of littering; implementation of extended responsibility of producer (EPR) and deposit return scheme (DRS) schemes; design of plastic-containing products and development of appropriate standards for plastic recyclates (from mechanical and chemical recycling); promotion of separate collection of waste from ships in ports in compliance and relevant international convention and EU approach; development of passive 'fishing for litter' schemes.

**1.3 Advisory services, workshops or public campaigns**, in collaboration with national and/or local authorities as well as key stakeholders to: promote information sharing and visibility of EU circular economy policy, know-how and model which reduce marine litter including lessons learnt; show-case European approaches related to innovative operational processes, products or business concepts that use better or less resources; raise public awareness on sustainable consumption patterns of plastic, including alternatives to plastic and impacts of littering on environment; launch a potential EU-China Circular Economy Award Scheme.

## **Component 2- EU-China cooperation on water and the China Europe Water Platform (CEWP)**

**2.1.** Horizontal activities (e.g. organisation of annual meeting between parties involved in the four focus areas, key conferences and workshops, dialogues to promote exchanges on strategic topics such as sustainable use and protection of water and marine resources, sustainable finance in water sector, etc.; promote communication and visibility of EU water policy (e.g. via a user-friendly website, a regular newsletter).

**2.2. Pilot projects** focusing on demonstration on test sites which illustrate the implementation and projection of EU policies and legislation. Projects will be identified and/or confirmed during the implementation phase but possible pilot projects could: focus on Integrated Water Resources Management (IWRM) at basin level in one of the trans-provincial basins of China in which concrete solutions would be demonstrated; demonstrate the value and efficiency of applying a holistic approach to water management in urban areas and flood risk protection challenges; launch a potential EU-China Water Management Award Scheme.

## **Component 3 - EU-China Energy Cooperation Platform**

**3.1.** Technical and administrative services such as managing the Platform (for the implementation of the 2019 Joint Statement on the Implementation of the EU-China Energy Cooperation), implementation of the new Energy Roadmap 2021-2025 (currently under development), as well as coordination with Member States' energy cooperation with China.

**3.2. Workshops, conferences, study visits** aiming to strengthen and enhance EU's outreach to, and contacts with relevant Chinese governmental entities, regulatory agencies, academia and opinion makers; facilitate a common understanding of both sides' respective energy policies, underlying principles and potential future implications; share best practices and learning on how to transform the energy system towards clean energy; promote EU practices, policies and standards for improved access of EU businesses to Chinese energy related markets on reciprocal terms with competition on a level playing-field.

**3.3.** Development of **studies, briefings and fact sheets** to provide policy recommendations and summaries on areas covered by the 2019 Joint Statement on the Implementation of the EU-China Energy Cooperation and EU-China Roadmaps for Energy Cooperation; research technical and regulatory barriers faced by EU industry in China's energy market, and develop technical arguments against these policies in terms of the inefficiencies they entail for China's energy sector; cater for legal advice on improving existing or implementing new clean energy legislation in China. Where appropriate gender analysis will be conducted to support the integration of gender in policy recommendations.

## **Component 4 - Effective multilateralism in China**

Activities will involve political and development expertise by the EU and Member States' embassies and implementation agencies. Specifically, activities linked to Output 4.1: Improving the evidence base and understanding of China's approach to international development cooperation through research and analysis on:

- China's aid governance system, including the role of ministries, agencies and financial institutions.
- China's South-South Cooperation (SSC), with a focus on specific regions, sectors and implementation modalities, particularly those of strategic interest for the EU such as focus issues of the European Green Deal.
- China's work with UN agencies, including through the South-South Cooperation Assistance Fund (SSCAF), and UN Peace and Development Fund (UNPDF).
- China's approach to lending to low income countries, including sustainability assessments, and the role of financial institutions (involving specialised UN agencies as relevant).

- Issues related to China's overseas aid, lending and investment. Topics to be determined in annual work plans.

All work in this area will be carried out by the UN, under the steer of the EU and Member States (including their implementation agencies) and with input from Chinese entities, selected for their specific expertise and knowledge.

Activities linked to Output 4.2: Establishing a multilateral platform for dialogue between Chinese development practitioners and international development cooperation actors via:

- Regular meetings hosted by UN agencies to bring together Chinese development practitioners and international partners focused on international norms, standards and best practice in foreign aid, lending and investment.
- Analysis to support discussions of specific thematic or technical issues of common interest, emphasising interlinkages between the Sustainable Development Goals and key international commitments (e.g. Paris Agreement).
- Exchange of best practice, drawing on international norms and standards. Specific topics for discussion to be identified in annual work plans.

Activities linked to Output 4.3: Building the capacity of Chinese institutions and practitioners to incorporate international, rights-based approaches into their outbound aid, lending, and investment through:

- Training and capacity-building activities to be developed and delivered by UN agencies (under the EU and Member States' steer) to Chinese institutions and individuals involved in outbound aid, lending, and investment. These activities will focus on human rights-based approach, to include child's rights, women's rights, rights of persons belonging to ethnic minority, persons with disabilities, rights of LGBTI persons and will be carried out by specialised UN agencies depending on subject area. Specific issues to be identified in annual work plans.

### 3.3 Mainstreaming

Crosscutting issues will be integrated in the components of this programme. Implementation of the gender action plan in China is informed by an in-country gender equality working group composed of EU institutions and Member States. The working group has been guided by a recently completed country gender analysis while deliberating on the country level gender implementation plan. In line with Gender Action Plan (GAP) III, 85% of projects in the PRC are expected to be gender mainstreamed.

#### **Environmental Protection & Climate Change**

**Outcomes of the EIA (Environmental Impact Assessment) screening** (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

**Outcome of the CRA (Climate Risk Assessment) screening** (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment)

#### **Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G0. This implies that the action has been screened against the marker but has not been found to target gender equality.

#### **Human Rights**

Respect for human rights, including women's rights, is a fundamental value of the European Union. Aligning the legal framework of China with international standards (ratification and implementation of international human rights treaties) is a key activity under this action. The design and implementation of the action will give attention to those who are most marginalised, excluded or discriminated against and living in vulnerable situations. The action will attempt to intensify the dialogue on human rights as universally recognised and as a core aspect of

China-EU relations. This action will apply a human rights-based approach encompassing all human rights, whether civil and political or economic, social and cultural in order to integrate human right principles (applying all human rights for all, meaningful and inclusive participation and access to decision-making, non-discrimination and equality, accountability and rule of law for all, and transparency and access to information supported by disaggregated data). The approach will be guided by the principle of “leaving no one behind”, equality and non-discrimination on any grounds.

### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that disability is not considered the overall nor a specific objective of the facility. However, in all activities all possible measures will be taken to ensure inclusive policy dialogues. Therefore, attention will be paid to ensure and enable the participation of persons with disabilities in the activities under the facility and to ensure that the achieved results will be accessible for persons with disabilities. For instance, one of the areas included in component 4 capacity-building activities will focus on incorporating persons with disabilities into Chinese aid projects.

### **Democracy**

All activities, including policy dialogue with the Chinese Government, will aim to strengthen the inclusiveness of policy dialogues as well as an accent on the importance of the rule of law, good governance, transparency and anti-corruption.

### **Conflict sensitivity, peace and resilience**

Monitoring the promotion of human rights, fundamental freedoms, peace and security both in China and in partner countries may be an expected output of this action.

### **Disaster Risk Reduction**

Building resilience and preventing disaster are primarily relevant in China when it comes to floods and earthquakes. Protecting the environment, mitigating and adapting to climate change and building resilience of communities living within or in close proximity to water resources will be key issues of thematic policy dialogue. Following the COVID-19 pandemic, our global response to it will be a relevant crosscutting issue.

## **3.4 Risks and Lessons Learnt**

### **Component 1 - Reducing plastic waste and marine litter in China – supporting a transition to a circular economy**

<b>Category</b>	<b>Risks</b>	<b>Likelihood (High/ Medium/ Low)</b>	<b>Impact (High/ Medium/ Low)</b>	<b>Mitigating measures</b>
Domestic environment	Stakeholders that are going to take part in the activities have to be identified and need to be mobilised. Some governmental actors may remain distant, especially NDRC.	L	M	Strong participatory approaches involving multi-stakeholders to be adopted. High level diplomatic outreach to NDRC will aim to ensure meaningful engagement. Flexible modality to be considered to increase ownership and engagement of key political actors.
Domestic environment	Central and local governments lack	M	H	Awareness raising and full involvement of national and local levels in the action.

	political will and enforcement power to improve waste separated collection or to develop innovative approaches such as EPR.			Prioritise the topic of separate waste management in relevant policy dialogues to demonstrate the relevance of the EU approaches, also in economic terms.
Domestic environment	Reluctance of local communities to move away from illegal or unsustainable practices in plastic waste management.	H	M	Awareness raising about the benefits for their livelihoods and employment situation. Encourage reward system for communities that actively participate in waste collection schemes.

#### **Lessons Learnt:**

The interim evaluation of a previous phase has underlined high relevance of the project for key EU policy priorities externally (Green Deal and Strategy for Cooperation in Indo-Pacific, EU Circular Economy Action Plan, EU Plastics Strategy, Sustainable Consumption and Production Plan & Sustainable Industrial Policy Action Plan, Single Use Plastics Directive & Packaging and Packaging Waste Directive). It contributed to deepening engagement with partner countries (including China) and EU Member States (Germany, Netherlands, Denmark, Sweden, Spain and France). The project outputs were relevant and closely linked to partner countries' work and engagement under the global and regional priorities and processes, including G7, G20, United Nations Environment Assembly (UNEA)-3 and -5, Basel Convention on Hazardous Waste, Environmentally Sound Management toolkit, International Convention for the Prevention of Pollution from Ships (MARPOL).

#### **Component 2 - EU-China cooperation on water and the China Europe Water Platform (CEWP)**

<b>Category</b>	<b>Risks</b>	<b>Likelihood (High/ Medium/ Low)</b>	<b>Impact (High/ Medium/ Low)</b>	<b>Mitigating measures</b>
External environment	Perception of lack of a coordinated EU position by partner country given numerous bilateral level engagements with Member States. Lack of effective coordination with CEWP.	M	M	Horizontal activities and centralised project team will support EU steering and coordination in order to maximise EU added value. The project team will assess ongoing activities and communicate with relevant parties in order to mitigate the risk of dispersion and lack of coordination. The project will support the coordination activities of the CEWP Secretariat.  The project steering committee will involve representative of CEWP to ensure close synergies and complementarity

				between the activities of the platform and activities of the project.
External environment	Overlap among four focus areas on which the CEWP implements activities.	M	L	Close communication between all partners and timely information on progress will be ensured by the CEWP Secretariat and the CEWP Steering Group.
Planning and systems	Risk of lack of effective coordination with numerous relevant Chinese stakeholders at different levels (national, provincial, municipal).	M	M	The project team and the EUDEL will ensure close coordination with relevant Chinese Ministries, notably with the Ministry of Water Resources (MWR) in view of its coordination role within the Chinese system.
Planning and systems	Challenges to fully integrate the business component of CEWP into the main governmental cooperation work stream.	M	M	Business forums will take place back-on the back of high level political meetings and activities, in close coordination with business associations.

#### **Lessons Learnt:**

A 2021 review of EU-China cooperation on water over the past 10 years underlined that the EU has inspired the adoption of policies in China, as:

- The Ministry of Water Resources shift from engineering solutions to a broader water resources management that includes other approaches (demand management)
- Groundwater policy and management, based on Danish expertise
- EU integrated River Basin Management approach, including ecological flows and public participation
- Further outcomes and impacts are expected to emerge from the ongoing project.
- The development of green hydropower standards (with support of Austria)
- A key problem remains the differences in the understanding of the primary objectives of the intervention between the European Commission, the different EU Member States and China.

#### **Component 3 - EU-China Energy Cooperation Platform**

<b>Category</b>	<b>Risks</b>	<b>Likelihood (High/ Medium/ Low)</b>	<b>Impact (High/ Medium/ Low)</b>	<b>Mitigating measures</b>
Planning and systems	Lack of ability of National Energy Administration	M	M	Ensure internal coordination among the EU services and functions to mobilise their respective Chinese counterparts,

	(NEA) to coordinate with and mobilise other Chinese ministry stakeholders (e.g. MIIT and NDRC)			including making use of channels developed through other initiatives, e.g. the Urbanisation Partnership with the NDRC. Include the EU Delegation to China and China's Mission to the EU as further discussion channels. Strive to recruit experts with experience working with NEA and other Chinese authorities.
Domestic environment	Lack of Chinese commitment to implement the EU-China Energy Cooperation Roadmap	L	H	Ensure involvement at the highest level from the EU side to ensure active Chinese involvement.
External environment	Low involvement of business stakeholders	L	L	Involve EU business associations in the EU and China, from the outset including chambers of commerce, and use existing dialogue processes and fora.
External environment	Political developments outside the sphere of the project will limit its ability to progress quickly	H	H	The project will be extended in time as long as necessary until it completes its schedule of activities.

**Lessons Learnt:** Based on the experience, knowledge and understanding acquired during the first phase, activities on Power Market, Renewable Energy, Electricity System Modelling, LNG/NG Market Development, Innovation, Energy Efficiency and Business Opportunities will continue to be among the top thematic areas that the project team expects to continue during phase 2 of the project, under both components. In addition, the platform can address other requests and subjects that are of interest to the EU and Chinese counterparts, including EU's actions to address the current energy crisis, underline the EU's positioning on the causes of the current situation and envisaged solutions, preserve the EU's credibility as a promoter of the clean energy transition and its unwavering commitment to tackle climate change with a renewed focus on energy security in the current global context.

#### Component 4 – Effective multilateralism in China

Risk description	Risk level (H/ M/L)	Impact (High/ Medium/ Low)	Mitigating measure
EU support does not sufficiently bolster UN normative approaches.	M	M	Project implementation will be coordinated with parallel political and diplomatic action, including through EU multilateral Delegations, and the EU Delegation in Beijing, in close coordination with Commission services and the EEAS.



Chinese counter-narratives on “true multilateralism” gain traction internationally	M	M	This action will be coordinated with a wider set of EU engagements on renewed multilateralism, designed to address counter-narratives.
<b>Lessons learnt:</b> This action will build upon the EU’s long experience of engaging with Chinese authorities on domestic development issues and in multilateral fora to identify appropriate entry points. The UN and the EU have extensive experience of close cooperation in upholding the fundamental principles of the UN Charter which will be drawn upon.			

### 3.5 The Intervention Logic

### **Component 1 - Reducing plastic waste and marine litter in China** – Supporting a transition to a circular economy

The 14th Five-Year-Plan on the Development of Circular Economy -issued by the National Development and Reform Commission (NDRC, China's planning ministry) in July 2021 as a follow-up to China's overall 14th Five-Year-Plan adopted in March- shows China's focus in this policy area in recent years. The Plan adheres to the principle of "Reduce, Reuse, Recycle" and focuses on the establishment of the green, low-carbon & circular economic system along with enhancing the resource utilization efficiency. According to the plan, by 2025 China will aim to implement a mode of circular production, promote green design and clean production, establish a resource recycling industry system and complete a resource recycling system. The plan emphasises the need to further develop adequate recycling facilities for municipal, rural and industrial waste.

In September 2021, NDRC and MEE also issued the 14th Five-Year Action Plan for Plastics Pollution Control (2021-2025, short as Action Plan). This is the first Five-Year-Plan on plastics pollution control. Most of the objectives are broadly aligned with the EU strategy, with the exception to the significant importance of incineration and a more assertive push for biodegradables alternative under some conditions. China's Action Plan does not address innovation and global action nor does it set specific targets for most objectives, in contrast to the EU strategy. Overall, the Action Plan presents opportunities for further cooperation aimed at achieving global public goods (e.g. marine litter prevention, air pollution).

The theory of change of this component is: the EU's Circular Economy policies will be promoted through enhanced exchanges with policy-makers and stakeholders in China to demonstrate their values and benefits (through trainings, dialogues, pilots etc) to strengthen the skills and knowledge of Chinese stakeholders in adapting the EU best practices and standards to the domestic context. It is assumed that the Chinese stakeholders are convinced by the benefits of the intervention and willing to participate in a constructive way. It is expected that, in the medium-term, the EU's Circular Economy policies could influence China's policy process related to sustainable consumption and production, and further contribute to the tackling of global environmental challenges in the long-term.

### **Component 2 - EU-China cooperation on water and the China Europe Water Platform (CEWP)**

Water policies play a critical role in China due to water scarcity in some areas and abundance in others, regularly leading to natural disasters. Water pollution has been an important concern although pollution of surface water has significantly improved over the last years. Although the Ministry of Water Resources is primarily in charge, the topic is cross-cutting and can also involve other ministries such as the MEE, MNR, NDRC, or Ministry of Agriculture.

China's 14<sup>th</sup> Five-Year Plan on water conservation was released in October 2021. Several measures carry significant challenges for the industry sector, such as controlling the development of water intensive industries, promoting pollutant discharge reduction and water-savings. The plan introduced measures related to developing regulatory systems for water conservation, promoting water efficiency labelling and certification system, and piloting of water resources tax (involving both companies and individuals). In December 2021, China issued the 14<sup>th</sup> Five-Year Plan for Comprehensive Water Environment in Key River Basins. The plan defines that by 2025 a more complete urban water pollution control system should be basically formed and the management and sustainable development of aquatic ecosystems in river basins should be expanded. It also aims to support the implementation of regional strategies and focus on improving governance structures for larger river basins.

The theory of change of this component is: knowledge and experience exchanges between EU/Member States and China at policy, technical and business levels will be strengthened through the implementation of work plans under the China-Europe Water Platform, which will support technical assistance, pilot actions and dialogues on the four focus areas of water management in line with the EU's water policies and interests. The underlying assumption is that Chinese stakeholders are willing to engage and cooperate effectively.

### **Component 3 - EU-China Energy Cooperation Platform**

Energy transition in China is critical for the global decarbonisation efforts due to the significant share of Chinese emissions (33% in 2021) in world's total volume. Although China has set targets of carbon neutrality by 2060 and peaking its emission before 2030, hydrocarbons continue to play a central role in the Chinese energy mix. The production and consumption of coal has been growing every year, since 2016. The current energy mix of the country

is designed to primarily address the issue of security of supply. Therefore, absolute priority has been given and will be given to development and use of domestic resources – coal and renewable energy sources (RES), which make up more than 75% of China's energy consumption. Supply in absolute quantity from these sources is therefore bound to increase in the future. In spite of that, China aims to address CO2 emissions in a holistic manner. The plans released so far tend to confirm a cautious approach that focuses on a safe and orderly transition avoiding to compromise economic growth and energy security. This can be achieved through increased capacity of renewables and their progressive integration in the energy mix, as well as steady reform of the power market, as more transparency and competition will play a crucial role in ensuring energy security in a decarbonized economic environment.

The action will aim to contribute to ensuring continuation of Chinese commitment towards clean energy transition and the Paris Agreement on Climate Change, and an enhanced Chinese willingness to cooperate with international partners and international organisation in the field of energy.

EU companies face substantial barriers when trying to access China's energy related market. Nevertheless, European firms possess the technology that can contribute to China's clean energy transition, and investors from the EU have ample experience in evaluating and financing clean energy projects. This project will facilitate EU businesses to identify opportunities arising from the transition to clean energy and access related market in China thus furthering the interest of both partners.

The theory of change of this component is: the EU is interested in enhancing its exchanges with China on clean energy transition in line with global climate commitments and the EU's strategy for external engagement on energy. Exchanges will be pursued at political and business levels to aim to influence China's energy policies. It is assumed that Chinese stakeholders will be willing to engage and there will be no major barriers for EU companies to access China's energy market.

#### **Component 4 – Effective Multilateralism in China**

The UN system is under pressure from China. The Chinese government, particularly the Ministry of Foreign Affairs, increasingly presents themselves as championing “true multilateralism” in opposition to selective multilateralism by Western governments, including the EU. This action is part of a multi-pronged approach aiming to support effective multilateralism in China. It will be carried out alongside political and diplomatic activities in New York, Geneva and elsewhere.

This component will contribute to a number of EU political priorities and interests. These include:

- **2030 Agenda.** China's outbound finance, in the form of aid, lending and investment, will be crucial in achieving the 2030 Agenda. However, we should aim to ensure this is done in ways that incorporate existing international best practice, including robust sustainability standards, and normative approaches, instead of parallel and selective initiatives (e.g. Global Development Initiative). The Action will directly support the UN in this endeavour.
- **EU-China Strategic Outlook, March 2019.** This guiding document on the EU's multifaceted approach towards China states “There is a real need to partner up and deliver the significant resources needed to achieve the Sustainable Development Goals. Given China's significant investment in partner countries, it should increase its engagement as an Official Development Assistance donor and a partner in multilateral fora. In this respect, we should establish a dialogue, seek synergies and engage further to maintain momentum on the implementation of the Sustainable Development Goals”. We should also partner with third countries to provide best practices on rights-based development approaches and alternative choices.
- **Joint Communication, February 2021. “Strengthening the EU's contribution to rules-based multilateralism”.** This describes the competing visions and agendas which challenge established multilateral rules and commits the EU to “work for a renewed rules-based multilateralism serving global governance and EU and global interests and values”.

In specific terms, the theory of change for this component is the following:

1. Activities designed to raise the level of the EU's and international knowledge and understanding of China's approaches to development cooperation, produced through multilateral channels. This improved understanding will allow the international community to better engage with China, both on a cooperative and competitive basis.
2. Creation of a multilateral platform for dialogue between Chinese and EU and Member States development practitioners, as well as wider international partners. This will provide a forum for regular discussion (which does not currently exist) on international norms, standards, and best practice, exposing Chinese practitioners to rights-based, normative approaches.
3. Capacity-building on international, rights-based development approaches delivered by UN agencies to Chinese institutions involved in aid, lending and investment. These aim to integrate international norms on a technical basis into Chinese approaches with a focus on specific issues e.g., children's rights, gender sensitivity. Chinese development cooperation is expanding rapidly into new areas (such as health), and working-level practitioners have little exposure to international best practice.

The combination of these activities will support the UN development system in China in providing a neutral, evidence-based platform for engagement between Chinese and international development actors. This could contribute to bolstering the effective functioning of important elements of the multilateral system in China.

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
<b>Impact</b>	To promote EU values and interests and engage China to tackle global challenges	1. Number of leaders' summits and high-level dialogues held per year.	3 (2021)	4 per year (2027)	1.Internal monitoring & reporting	<i>Not applicable</i>
<b>Outcome 1</b>	Advance the effectiveness of the international dimension of EU Circular Economy actions related to sustainable consumption and production in China, with a particular focus on plastic and specific value chains.	1.1 Number of processes related to partner country practices in promoting the external dimension of EU Circular Economy policies, which have been influenced.	0 (2021)	TBD in the inception phase	Progress reports for the EU-funded intervention;  Text of strategies and policy documents	We will not face a complete breakdown of the bilateral relationship during the lifetime of the action.
<b>Outcome 2</b>	Promote EU-China water policy dialogue (water diplomacy) in cooperation with EU Member States, by supporting the implementation of China-Europe Water Platform (CEWP).	Number of formal proposals developed and agreed on EU-China water dialogue in longer term.	0 (2021)	TBD in the inception phase	Progress reports for the EU-funded intervention	We will not face a complete breakdown of the bilateral relationship during the lifetime of the action.
<b>Outcome 3</b>	Enhance EU-China energy dialogue and cooperation, through the implementation of the EU-China	Number of processes related to partner country practices in promoting the external dimension of	3 (2021)		Progress reports for the EU-funded intervention	We will not face a complete breakdown of

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
	Joint Statement on Energy Cooperation with support of the EU-China Energy Cooperation Platform (ECECP).	EU energy policies, which have been influenced.		TBD in the inception phase	Text of strategies and policy documents.	the bilateral relationship during the lifetime of the action.
<b>Outcome 4</b>	Promote and defend rules-based multilateralism, including the UN Development System and other multilateral institutions and strengthen the application of international norms, standards and best practice in China's outbound aid, lending and investment.	<p>Number of EU Member States and like-minded embassies in Beijing registering a positive change in UN Development System operations, with a particular focus on the application of international norms and standards.</p> <p>Number of China's aid and lending programmes incorporating international norms and standards.</p>	<p>TBD in the inception phase.</p> <p>TBD in the inception phase.</p>	<p>TBD in the inception phase.</p> <p>TBD in the inception phase.</p>	<p>Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p> <p>Baseline and endline surveys conducted and budgeted by the EU-funded intervention</p>	<p>The EU and UN Development System maintain a shared understanding of rules-based multilateralism.</p> <p>Interest in international norms is maintained on the Chinese side.</p>
<b>Output 1.1</b>	Enhanced exchanges and understanding with key stakeholders in China for relevant EU policy dialogues, e.g. on environment, industry, research, fisheries concerning circular economy and sustainable products production and consumption in several value chains (plastic, textile, electronics, and packaging).	Number of meetings organized with policy makers and key stakeholders with support of the EU-funded intervention	0 (2021)	TBD in the inception phase	Progress reports for the EU-funded intervention	We will not face a complete breakdown of the bilateral relationship during the lifetime of the action.
<b>Output 1.2</b>	Improved efforts in implementing waste hierarchy, extended producer responsibility and deposit return schemes for plastic products and plastic waste and for the reduction of litter from sea-based sources.	Number of technical assistances carried out with support of the EU-funded intervention.	<p>1.2.1 0 (2021)</p> <p>1.2.2 0 (2021)</p>	<p>1.2.1 TBD in the inception phase.</p> <p>1.2.2. TBD in the inception phase.</p>	<p>1.2.1 Progress reports for the EU-funded intervention.</p> <p>1.2.2 Pre- and post-training test reports.</p>	The Chinese authorities will engage constructively in the work.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
		1.2.2 Number of best practices promoted with support of the EU-funded intervention.				
<b>Output 1.3</b>	Improved practices of circular design, sustainable consumption and production of plastic and other value chains and strengthened green procurement policies, processes and cooperation.	<p>1.3.1 Number of workshops organised.</p> <p>1.3.2 Number of stakeholders trained by the EU-funded intervention with increased knowledge and/or skills on sustainable consumption and production of plastic and other value chains, disaggregated by sex</p> <p>1.3.3 Number of new proposals developed to improve policies, processes and cooperation on sustainable consumption and production of plastic and other value chains with support of the EU-funded intervention.</p>	<p>1.3.1 0 (2021)</p> <p>1.3.2 0 (2021)</p> <p>1.3.3 0 (2021)</p>	<p>1.3.1 TBD in the inception phase. 1.3.2 TBD in the inception phase.</p> <p>1.3.3 TBD in the inception phase.</p>	<p>1.3.1 Progress reports for the EU-funded intervention.</p> <p>1.3.2 Database of beneficiaries/participants.</p> <p>1.3.3 Pre-and post-training test reports.</p>	The Chinese authorities will engage constructively in the work.
<b>Output 1.4</b>	Increased awareness of public authorities and consumers about sustainable consumption and production of plastic and impacts on the environment of littering.	Number of policy makers and consumers trained by the EU-funded intervention with increased knowledge and/or skills on sustainable consumption and production of plastic and impacts on the environment of littering, disaggregated by sex	0 (2021)	TBD in the inception phase	<p>Pre-and post-training test reports</p> <p>Database of beneficiaries/participants.</p>	The Chinese authorities will engage constructively in the work.
<b>Output 2.1</b>	Enhanced exchanges of knowledge and experiences at policy, technical and business level.	Number of CEWP work plans implemented with support of the EU-funded intervention.	1 (2021)	1 per year (2025)	Progress reports for the EU-funded intervention	We will not face a complete breakdown of the bilateral relationship during the

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
						lifetime of the action.
<b>Output 2.2</b>	Policy recommendations for the management of water resources developed.	Number of reports delivered with support of the EU-funded intervention.	0 (2021)	1 report approved by the end of the operation	Progress reports for the EU-funded intervention	We will not face a complete breakdown of the bilateral relationship during the lifetime of the action.
<b>Output 2.3</b>	Enhanced cooperation between EU/EU Member States and China in the four focus area of water management, to create enabling conditions for developing a formal EU-China water policy dialogue in longer term.	Number of pilot projects implemented related to the 4 focus area of water management with support of the EU-funded intervention.	0 (2021)	TBD in the inception phase	Progress reports for the EU-funded intervention	The Chinese authorities will engage constructively in the work.
<b>Output 3.1</b>	Increased mutual exchanges and understandings on key energy policy areas identified under the Joint Statement.	3.1.1 Number of meetings held with Chinese authorities at policy level.  3.1.2 Number of external energy experts or opinion makers from either side participating to ECECP activities with support of the EU-funded intervention	3.1.1 1 (2021)  3.1.2 100 (2021)	3.1.1 1 per year (2027)  3.1.1 At least 150 (2027)	3.1.1 Progress reports for the EU-funded intervention  3.1.2 Database of beneficiaries/participants.	We will not face a complete breakdown of the bilateral relationship during the lifetime of the action.
<b>Output 3.2</b>	Increased engagement with EU business under ECECP.	Number of EU companies taking part in ECECP activities with support of the EU-funded intervention.	200 (2021)	At least 300 (2027)	Progress reports for the EU-funded intervention;  Database of beneficiaries/participants.	There are no substantial barriers for the EU companies to be engaged actively in the action.
<b>Output 4.1</b>	Generation of evidence on China's approach to international development, including Chinese aid,	Level of international knowledge and understanding of China's institutions and approaches to international development.	Limited international understanding of China's	Basic elements of China's institutions, approaches and impact understood	Specialised international literature on development cooperation	Data and information is available on



Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
	lending, sectoral and regional investments.		international development (2021)	by the international development community(2025).		Chinese approaches
<b>Output 4.2</b>	Multilateral dialogue mechanism established between Chinese development practitioners and international development cooperation actors.	Extent to which EU-funded intervention contributed to interaction of Chinese and international development practitioners.	Extremely limited interaction between Chinese development practitioners and international development actors (2021).	Established contacts and regular interactions between Chinese development practitioners and international counterparts (2025).	Survey of international development actors (EU Member States & beyond)	Chinese and international partners are willing to engage in dialogue.  For most effectiveness: international travel to and from China becomes possible before Year 2.
<b>Output 4.3</b>	Improved capacity of Chinese institutions and practitioners to incorporate international, rights-based approaches into their outbound aid, lending and investment.	Extent to which EU-funded intervention contributed to understanding and incorporation of international, rights-based approaches in Chinese aid, lending and investment.	Low capacity of Chinese institutions to understand and incorporate international, rights-based approaches into outbound aid, lending and investments (2021).	Key Chinese institutions show evidence of incorporating international, rights-based approaches (2025).	Evaluations of at least 5 Chinese aid/lending projects	Chinese development practitioners are willing to consider international rights-based approaches.

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with Government of the People's Republic of China.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedure, where appropriate, and compliance of the action with EU restrictive measures<sup>10</sup>.

#### 4.3.1 Direct Management (Procurement)

The procurement will contribute to achieving specific objectives 2 and 3 above.  
The global budgetary envelope reserved for procurement is indicated in section 4.5.

#### 4.3.2 Indirect Management with a pillar assessed entity

- 1) A part of this action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria:
  - a) Knowledge of the Chinese context, successful experience in working with departments and key bodies of the Chinese administration, including policy dialogue;
  - b) Expertise in providing advisory services, capacity building and technical assistance to public and private sector;
  - c) Expertise in plastic waste and marine litter in China.

The implementation by this (these) entity(ies) entails the execution of activities under Component 1 ("Reducing plastic waste and marine litter in China – Supporting a transition to a circular economy") in order to achieve specific objective 1 and its related outputs, as described in section 3 above.

A part of this action may be implemented in indirect management with the United Nations Development Programme (UNDP). The implementation by this (these) entity(ies) entails the execution of activities under Component 4 ("Effective Multilateralism in China") in order to achieve specific objective 4 and its related outputs, as described in section 3 above.

The envisaged entity has been selected using the following criteria:

- a) Knowledge of the Chinese context, successful experience in working with departments and key bodies of the Chinese administration, including policy dialogue;

<sup>10</sup> [www.sanctionsmap.eu](http://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.

- b) Expertise in providing advisory services, capacity building and technical assistance to public and private sector;
- c) **Multilateral organisation.** As the component is specifically focused on supporting an effective multilateral system in China, it needs to be implemented by a multilateral institution.
- d) **Positioning and access.** UNDP is the officially designated lead UN agency for the “Partnership” pillar of the China UN Sustainable Development Cooperation Framework (UNSDCF) 2021-2025, which focuses on China’s global development footprint and activities. No other UN agency (or other international organisation) is in this unique position.
- e) **Country specific expertise, experience and established working relationships.** UNDP has worked closely with all relevant Chinese counterparts, including Ministry of Commerce (MOFCOM), Ministry of Foreign Affairs (MFA), China International Development Cooperation Agency (CIDCA), relevant think-tanks (e.g. CAITEC), etc. They have convening power, and the ability to crowd in the expertise of relevant international partners to (further) familiarize Chinese government counterparts with international commitments.
- f) **Specialised technical capacity:** UNDP has solid local capacities to implement the technical assistance component and ability to pull in ad hoc expertise as necessary from its regional network. UNDP will also work closely with specialised UN agencies who are the guardians of specific normative approaches e.g. UNICEF on child rights; UN Women etc.

#### 4.4 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.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realization of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.5 Indicative Budget

<b>Indicative Budget components<sup>11</sup></b>	<b>EU contribution (amount in EUR)</b>
<b>Implementation modalities – cf. section 4.3</b>	
<b>Component 1: “Reducing plastic waste and marine litter in China”</b>	
Indirect management with a pillar assessed entity – cf. section 4.3.2	2 500 000
<b>Component 2: “EU-China cooperation on water and the China Europe Water Platform (CEWP)”</b>	
<b>Component 3: “EU-China Energy Cooperation Platform”</b>	
Procurement – total envelope under section 4.3.1	7 500 000

<sup>11</sup> N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.

<b>Component 4: “Effective Multilateralism in China”</b>	
Indirect management with UNDP – cf. section 4.3.2	1 500 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	will be covered by another Decision
Contingencies	n/a
<b>Totals</b>	<b>11 500 000</b>

## 4.6 Organisational Set-up and Responsibilities

Specific expertise will be mobilised in the specific thematic areas of this programme. The EU Delegation will constantly monitor and ensure the effectiveness and quality of the different policy and technical outputs, monitor the activities of the implementing Organization including in establishing institutional interactions with the Chinese authorities.

Dedicated steering committees may be established to act as advisory and reporting mechanisms in order to provide the strategic and policy guidance needed to ensure smooth project implementation for each of the designated focus of the Programme. The steering committee should meet at least once a year and will define the priority work streams to be addressed. The steering committee will review and endorse annual work plans, monitor project outputs and achievements and provide advice on how to address obstacles and challenges identified during implementation. The Steering Committee(s), whose composition will be further detailed in the legal commitments, will comprise the relevant sections of the Delegation representing DG INTPA and relevant DGs. Participation of EU HQs will be encouraged through virtual platforms. Private Sector organisations and networks, civil society, including women organisations, will be consulted and involved in the implementation of the action, as appropriate. Great efforts will be made to ensure that, where appropriate, Chinese counterparts participate meaningfully to the Steering Committees.

The Steering Committee for Component 4 “Effective multilateralism in China” will be co-chaired by the implementing partner (UNDP) and the EU Delegation. Due to the innovative nature of the programme, SC meetings will take place every six months. EU Member States with an interest in the issues addressed will be invited to join the SC as members. In order to steer the programme effectively in line with EU interests, an internal Programme Board will also be established, involving the EU Delegation in Beijing, INTPA and EEAS HQ, as well as EU Delegations to the UN. Full details of the operation of the Steering Committee and Programme Board will be outlined in programme documents and designed in a “Team Europe” approach.

A coordination mechanism composed of Commission services (DG INTPA, NEAR, FPI) and the EEAS will oversee strategic communication aspects, which will be directly managed by the EU Delegation. The implementing partner or other relevant sections in the EU Delegation will facilitate the organisation of policy dialogue meetings, under the chairmanship of the Head of EU Delegation.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partner 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 (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix, SDGs and GAP III indicators.

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).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partners are responsible for day-to-day monitoring and reporting based on the agreed indicators in the logframe. For baseline and/or endline targets that need to be defined for specific indicators, the implementing partner shall take the responsibility to collect data using appropriate tools including surveys and present the results in the progress report for approval by the contracting authority. Funding for the baseline and endline data collection will be incorporated into the overall budget with the implementing partner. Adjustments to the agreed indicators will be subject to a discussion and approval of the contracting authority. The contracting authority will also be responsible for the approval of annual reports.

Indicators shall be disaggregated at least by sex. Monitoring and evaluation will assess gender equality results and, where applicable, the implementation of the human rights-based approach working principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data). Monitoring and evaluation will be based on indicators that are disaggregated by sex, age and disability when applicable.

## 5.2 Evaluation

Having regard to the nature of the action, a mid-term and a final evaluation may be carried out for this action or its components via independent consultants contracted by the Commission.

A mid-term evaluation may be carried out for problem solving and learning purposes, in particular with respect to scope new activities.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the Programme covers a wide range of issues implemented at a complex partner, towards which the EU pursues a multi-faceted approach.

All evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

The Commission shall inform the implementing partner at least 2 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation(s) may be covered by another measure constituting a Financing Decision.

## 5.3 Audit and Verifications

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 audit or verification assignments for one or several contracts or agreements.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action