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COMMISSION IMPLEMENTING DECISION

of 23.7.2024

**on the financing of the annual action plan in favour of China for 2024, under the
Multiannual Indicative Programme for the Asia-Pacific region**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union (TFEU),

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU and repealing Regulation (EU) 2017/1601 and Council Regulation (EC, Euratom) No 480/2009², and in particular Article 23(1) and (2) thereof,

Whereas:

- (1) In order to ensure the implementation of the annual action plan in favour of China for 2024, under the Multiannual Indicative Programme for the Asia-Pacific region, it is necessary to adopt an annual financing decision, which constitutes the annual work programme, for 2024. Article 110 of Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation') establishes detailed rules on financing decisions.
- (2) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.
- (3) The actions provided for in this Decision (namely those described in Annexes I and V) contribute to climate mainstreaming in line with Commission Communication 'The European Green Deal'⁴ and in the Inter-institutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources⁵.
- (4) The Commission has adopted the Multiannual Indicative Programme for the Asia-Pacific region for the period 2021-2027, which sets out the following priority areas:

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 209, 14.6.2021, p.1.

³ www.sanctionsmap.eu. 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, the OJ prevails.

⁴ COM (2019) 640 final of 11 December 2019.

⁵ OJ L 433I, 22.12.2020, p. 28.

regional integration and cooperation, pursuing EU interests with key partners, and migration, forced displacement and mobility.

- (5) The objectives pursued by the annual action plan to be financed under the Regulation (EU) 2021/947 geographic programme ‘Asia and the Pacific’ is to promote EU values and interests in our bilateral relations and, more specifically, to engage China to tackle global challenges.
- (6) The action entitled ‘Observatory on China’s overseas investments in critical raw materials’ aims to improve the EU’s understanding of China’s overseas investments in critical raw materials (as defined in the Critical Raw Materials Act – CRMA) among European policy-makers to contribute to reducing critical dependencies and strengthening resilience.
- (7) The action entitled ‘Intellectual Property Protection and Enforcement in China: A Key to Sustainable Competitiveness of the EU’ aims to promote a more level playing field for European companies operating in China by contributing to greater transparency and fairer implementation of the IP rights (IPR) protection and enforcement system in China.
- (8) The action entitled ‘European Perspectives on Digital China (EPDC)’ aims to increase understanding of China’s digital and technological trends and transformation (both domestically and internationally) with implications for European economies, societies, and political systems to inform discussions and initiatives by EU and Member States’ policy makers.
- (9) The action entitled ‘EU Support for Health and Safety Analysis in China’ aims to support the EU-China dialogue on Occupational Safety and Health (OSH) standards - with particular focus on highly competitive economic sectors (e.g. green economy, automotive, chemicals, construction and mining) - to contribute to enhancing the level playing field between EU and Chinese companies.
- (10) The action entitled ‘Support to EU-China dialogue and cooperation on ETS-related policies and measures’ aims to support China in advancing and further developing its Emissions Trading System (ETS) towards a cost-effective tool to reduce emissions.
- (11) The action entitled ‘EU-China Policy Support Facility’ aims to strengthen the effectiveness of the high-level exchanges and bilateral dialogues between EU and China with flexible, ad-hoc technical support in view of emerging priorities and relevant policy developments.
- (12) The Commission should authorise the launch of call for tenders by means of a suspensive clause before the adoption of this Decision for Annexes I, V, VI.
- (13) Pursuant to Article 26(1) of Regulation (EU) 2021/947 indirect management is to be used for the implementation of the action described in Annex II.
- (14) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of the Financial Regulation. To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of the Financial Regulation and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) thereof before a contribution agreement can be signed.
- (15) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of the Financial Regulation.

- (16) In order to allow for flexibility in the implementation of the action plan, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation.
- (17) The action plan provided for in this Decision is in accordance with the opinion of the NDICI–Global Europe Committee established under Article 45 of Regulation (EU) 2021/947.

HAS DECIDED AS FOLLOWS:

Article 1
The action plan

The annual financing decision, constituting the annual action plan for the implementation of the annual action plan in favour of China for 2024, under the Multiannual Indicative Programme for the Asia-Pacific region, as set out in the Annexes, is adopted.

The action plan shall include the following actions:

- (a) ‘Observatory on China’s overseas investments in critical raw materials’ set out in Annex I;
- (b) ‘Intellectual Property Protection and Enforcement in China: A Key to Sustainable Competitiveness of the EU’ set out in Annex II;
- (c) ‘European Perspectives on Digital China (EPDC)’ set out in Annex III;
- (d) ‘EU Support for Health and Safety Analysis in China’ set out in Annex IV;
- (e) ‘Support to EU-China dialogue and cooperation on ETS-related policies and measures’, set out in Annex V;
- (f) ‘EU-China Policy Support Facility’ set out in Annex VI.

Article 2
Union contribution

The maximum Union contribution for the implementation of the action plan 2024 for China is set at EUR 22 600 000 and shall be financed from the appropriations entered in the following lines of the general budget of the Union: 14.020131 (South and East Asia).

The appropriations provided for in the first paragraph may also cover interest due for late payment.

Article 3
Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annex II, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 4.3.2 of Annex II.

Article 4
Flexibility clause

Increases or decreases of up to EUR 10 000 000 and not exceeding 20% of the contribution set in the first paragraph of Article 2, or cumulated changes⁶ to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial for the purposes of Article 110(5) of the Financial Regulation (provided that these changes do not significantly affect the nature and objectives of the actions).

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Article 5
Procurement

Launching calls for tenders under a suspensive clause before the adoption of this Decision shall be authorised as of the date set out in point 4.3.1 of the Annexes I, V, VI.

Done at Brussels, 23.7.2024

For the Commission
Jutta URPILAINEN
Member of the Commission

⁶ These changes can come from assigned revenue made available after the adoption of the financing decision.