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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX II

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

Action Document for Intellectual Property Protection and Enforcement in China: A Key to Sustainable Competitiveness of the EU

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 the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Intellectual Property Protection and Enforcement in China: A Key to Sustainable Competitiveness of the EU OPSYS number: ACT-62498 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in the People's Republic of China. Limited activities may take place in other countries in the Asia-Pacific region and in the European Union.
4. Programming document	Regional Multi-Annual Indicative Programme for Asia and the Pacific (2021-2027)
5. Link with relevant MIP(s) objectives / expected results	<p>This Action will support the implementation of the Specific Objective 1 of the China section of the Regional Multi-Annual Indicative Programme for Asia and the Pacific (RMIP, 2021-2027):</p> <ul style="list-style-type: none">• SO 1: Promote European values and interests in the bilateral relations with China, in line with the multi-faceted approach. <p>The Action will contribute, in particular, to the following Expected Results:</p> <ul style="list-style-type: none">• ER 1.3: Improved market access, level playing field and fair and equal treatment for European businesses operating in China and competing with Chinese businesses in partner countries
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority Area 2 – Pursuing EU Interests with Key Partners 331 – Trade Policies and Regulations 321 - Industry

7. Sustainable Development Goals (SDGs)	Main SDG (1 only): Goal 8: (Decent work and economic growth) Other significant SDGs: Goal 4: (Quality education), Goal 5: “Achieve gender equality and empower all women and girls” Goal 7: (Affordable and clean energy) Goal 9: “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” Goal 12: (Responsible consumption and production), Goal 16: (Peace, Justice, and strong institutions).			
8 a) DAC code(s)	32110 - Industrial policy and administrative management 40% 33110 - Trade policy and administrative management 40% 33120 – Trade Facilitation - 20%			
8 b) Main Delivery Channel	Channel 1: 47000 – Other multilateral institutions			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital connectivity energy transport health education and research	YES <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Reduction of Inequalities	<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: 14.020131 Total estimated cost: EUR 4 285 714 Total amount of EU budget contribution EUR: 3 000 000 This action is co-financed in joint co-financing by: European Union Intellectual Property Office (EUIPO) for an amount of EUR 1 285 714			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with European Union Intellectual Property Office (EUIPO)			

1.2 Summary of the Action

This Action aims to improve intellectual property (IP) protection and enforcement in China and contribute to level the playing field for EU companies operating in China. The Action will build upon previous IP projects (current phase ending in 2025, partly funded by the European Commission's service for Foreign Policy Instruments) and critically ensure continued support to evolving EU priorities in the field of IP in a changing IP landscape in China.

Previous IP projects have, for instance, ensured inclusion of EU interests in the legislative process in China through detailed technical exchanges (e.g. Patent Term Extension and protection of performers rights in the latest revision of the Patent and Copyright laws respectively); and have increased the capacity of Chinese enforcement authorities in handling a substantial and increasing number of IP cases through trainings and best practice sharing (e.g. gradual specialization of judges on substantive and procedural matters leading to the creation of specialized IP courts, online enforcement of IP); and have improved the convergence of IP Offices with international standards (e.g. integration of China with EU-led IP tools such as DesignView and TMview) among others.

This new Action will follow the priorities set at the policy level under the Intellectual Property Rights (IPR) Dialogue, in full consistency with the strategic guidance from EU-China Summits and the High-Level Economic and Trade Dialogue (HED). Activities proposed under this Action will aim at further improving China's IP policies, its legal framework, their implementation and ensuring enforcement in line with EU standards and best practices.

1.3 Zone benefitting from the Action

The Action shall be carried out in the People's Republic of China, which is included in the list of ODA recipients.

2 RATIONALE

2.1 Context

The European Council Conclusions of 30th June 2023 on China¹ reaffirmed the validity of the EU's multifaceted policy approach towards China, where it is simultaneously a partner, a competitor and a systemic rival. This approach 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. In recent years, there has been an intensification of the systemic rivalry and competition dimensions in the face of sanctions, economic coercion against Lithuania, heightened tensions across the Taiwan Strait and China's positioning on Russia's war against Ukraine. Continuing to consolidate unity across all aspects of the relationship remains crucial for the EU's capacity to maintain credibility and leverage. At the same time, EU unity should aim at balancing realistic and robust engagement with well-managed systemic rivalry and competition with China in support of core EU interests and values.

Readjusting and recalibrating are necessary in light of the evolving circumstances, including China's own actions and posture. In her 2023 State of the Union speech, President von der Leyen underlined the importance for the EU to keep open lines of communication and dialogue with China on topics where cooperation is needed. At the same time, it is critical to de-risk our relations with China through diplomatic and economic means to reduce vulnerabilities and increase resilience. At the EU-China Summit of 7th December 2023, President von der Leyen stressed the need to make the trade and economic relations between the EU and China more balanced, reciprocal, and mutually beneficial, and to ensure a level playing field for our businesses and economies.

China is a priority country in terms of EU concerns over the protection and enforcement of IP rights. Adequate protection and enforcement of IP in third countries is key for fair/lawful trade. Despite the strengthening of the IP system in China, the EU's industry still reports major problems ranging from the lack of legal certainty, incoherent application, difficulties with the protection and enforcement of trade secrets to the heavy administrative and procedural obligations, and consistently high level of piracy and counterfeiting. These problems impact negatively EU companies doing business or investing in China and competing with Chinese companies in and outside China, due to the risks of their IP being stolen and difficulties to enforce their IP rights.

Piracy and counterfeiting go beyond lost revenues of IP stakeholders, since a significant part of detained articles are products for daily use, presenting potential risks to the health and safety of consumers. The global surge of online counterfeiting and piracy has seen Chinese e-commerce platforms at its forefront.

2.2 Problem Analysis

China is strengthening its IP system but legal certainty is lacking and enforcement of IP rights remains problematic. Access to the Chinese administrative and judicial enforcement system is challenging for EU companies, notably for SMEs. In addition, the EU industry suffers from a long-standing discrepancy between the national and the provincial protection level in China in terms of IP rights enforcement effectiveness and efficiency. The lack of transparency in proceedings before Courts and administration, as well as limited access to reliable information, is a constant issue for EU stakeholders.

¹ <https://data.consilium.europa.eu/doc/document/ST-7-2023-INIT/en/pdf>

The EU encourages trading in open, fair markets worldwide, within a rule-based international framework to be able to foster economic growth. This Action will contribute to promoting the external aspects of EU IP and trade policies and will strive to build technical cooperation with China to discuss market access issues, promote cooperation on regulation and other matters, address trade irritants and other bilateral issues.

The Action will help to ensure that right holders from the EU can benefit from a high level of IP rights' protection and from adequate measures to enforce such rights, especially in view of the fact that the EU has a very strong export performance in China relating to R&D and high-tech sectors.

The Action will provide essential support for implementing activities in areas defined at the EU-China IP Dialogue mechanism at a policy level. Upon need/request, the programme will also be complementary to and provide support for:

- The Customs Framework Agreement and Action Plans with Mainland China and Hong Kong (DG TAXUD).
- The surveillance and influence upon the developments of China's growing use of competition policy in the area of IP rights (DG COMP).
- The cooperation of DG GROW, DG CNECT, and DG SANTE with China in the areas of industrial property, standard setting, copyright, plant variety, and regulatory aspects in the area of pharmaceuticals.

Main stakeholders

To create a more predictable, efficient and non-discriminatory environment for EU companies in China, a number of stakeholders will be involved, such as:

- Chinese public authorities (Ministry of Commerce, Ministry of Agriculture and Rural Affairs, Ministry of Industry and Information Technology, Ministry of Public Security), legislators, IP Offices as well as judicial, administrative and criminal enforcement authorities), educational establishments, national ministries.
- EU and local businesses, EU business associations, chambers of commerce (including the European Union Chamber of Commerce in China), trade associations, legal representatives (lawyers who carry out the registration of IP rights).

The main beneficiaries of this Action will be EU businesses already active in or intending to access the Chinese market.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is to promote greater transparency and fairer implementation of the IP rights (IPR) protection and enforcement in China.

The **Specific Objectives** of this action are to:

1. Increase alignment of **of China with European standards** in IPR legislation, protection, enforcement and best practices;
2. Improve trading and investment environment in China to **EU innovators and right holders, including gender perspective**;
3. Enhance effectiveness of the systems for **transparency and fair implementation** of IPR protection and enforcement, and for discouraging protectionist market access barriers in China.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives are

- 1.1 Enhanced capacity of experts in the areas of IPR legislation, protection, and enforcement
- 1.2 Improved IP registration practices and tools in line with EUIPO and EPO standards.
- 2.1 Enhanced awareness in China on significance of IP protection and enforcement for sustainable economic development.
- 3.1 Enhanced capacity of judicial system actors in international best practices for IP disputes

3.2 Indicative Activities

Activities relating to Output 1.1, 1.2 and 2.1:

1. Regular exchange activities:

- Organize bilateral exchange visits, conferences, seminars, and workshops between EU and Chinese experts in different fields of IPR to share insights on IPR legislation, protection, and enforcement.
- Facilitate ongoing ad-hoc support for EU-China IP Working Groups, including translation services for Chinese draft legislative processes.

2. Improvement of registration practices:

- Facilitate exchanges with Chinese authorities to modernize IP registration practices and tools, aligning them with EUIPO and EPO standards.
- Provide assistance and awareness programs to improve China's information and management tools related to IP registration.

3. Awareness raising:

- Conduct awareness campaigns in China emphasizing the significance of IP protection and enforcement for sustainable economic development.
- Develop and distribute informational material on IP protection practices to relevant stakeholders in China.

Activities relating to Output 3.1 and 3.2:

1. Support to the application of international best practices to IP protection and enforcement

- Problem Identification Studies on legislation and enforcement of IPR: Conduct studies to identify legal and practical challenges faced by stakeholders in IP protection and enforcement in China and organising exchanges on legislation and enforcement practices to have an alignment with EU and international practices;
- Consultations and Exchanges: Facilitate consultations, studies, and exchanges to explore improved practices and IT tools for effective and coordinated enforcement mechanisms. Prepare training materials for enforcers and organize training sessions, both online and in-person, to build capacity and coordination among enforcement agencies.
- Experience Sharing: Encourage exchange of experiences on legal and practical enforcement matters including to promote the use of proven rules and practices in countering IPR infringements.
- Awareness raising on IP protection and enforcement in China as regards the significance of providing IP protection and enforcement for sustainable economic development.

2. Support in the application of international best practices to the judicial system for IP disputes

- Issue Identification Studies: Identify issues in the judicial system related to IP cases, such as evidence handling, calculation of damages, and discriminatory decisions.
- Studies for Solutions: Conduct specific studies to propose solutions, including interpretative measures, amendments to procedural law, and incentives for judges.
- Exchange Programmes: Organize exchanges with European counterparts to share relevant cases, conduct forums, and study visits aimed at improving judicial procedures related to IP.

3. Monitoring the impact of China's IP policy

- Impact Analysis Studies: Conduct studies to analyse the impact on IP of China's policies in different areas (such as cybersecurity, data flows, technology export/import, technology transfer, etc), as well as the use of IP related measures to achieve wider strategic objectives of China, including in some critical areas of interest to the EU, and the impact of such policies on EU's competitiveness
- Impact Analysis Studies on the role of China in international IP standards setting and exporting their IP practices, including through the Silk and Road initiative.
- Seminars and Conferences: Organize seminars and conferences to raise awareness of enacted measures and support stakeholders in devising effective strategies.

- **International Collaboration:** Facilitate exchanges to build the capacity of Chinese and European stakeholders on the application of measures enacted in China.

4. Support to EU-China IP Working Groups and IP Dialogue

- **Working Group Assistance:** Provide logistical support to the EU-China IP Working Group, including preparation of EU positions, research and analysis of specific topics, translation of Chinese draft legislative acts, back-office assistance, and follow-up facilitation.
- **Studies and Briefings:** Implement studies and prepare briefings to give input for and monitor the follow up to the working group discussions.
- **Conferences and Seminars:** Organise conferences and seminars to reinforce the follow-up of actions to the working group meetings.
- **Customs Cooperation:** Coordinate with the Observatory on Intellectual Property Rights Infringements to enhance cooperation between customs authorities, including real-time data exchanges and knowledge sharing.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

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 need for further assessment

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the action will ultimately contribute to mainstream gender equality across all activities, ultimately ensuring they are inclusive and gender-sensitive. Though not targeting gender-specific activities, the action will engage with women (experts, policy makers, etc.) to increase their participation in activities promoted by the action.

Human Rights

Respect for human rights, including women's rights, is a fundamental value of the European Union. China considers human rights to be a country's "internal affairs" rather than a legitimate concern of the international community. Furthermore, China promotes a state-centric and relativist conception of human rights "with Chinese characteristics", according to which stability, harmony, subsistence and economic development take precedence over human rights, especially civil and political rights. This action presents the opportunity to observe and defend the human rights, such as the right to the protection of moral and material interests resulting from any scientific, literary or artistic production of which he is the author.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that the action does not propose any activity concerning any disability, nor contribute to this DAC.

Reduction of inequalities

The attainment of human rights, the rule of law, liberal democracy, peace, conflict prevention, resilience and stability in our partner countries, and even more in China are key objectives. Project' designs are aiming to implementing policies and programmes that meet people's needs, reduce inequalities, and fulfil the central commitment of the 2030 Agenda to leave no one behind.

Democracy

All activities, including policy dialogue with the Chinese Government, will aim to strengthen the inclusiveness of policy dialogues as well as to emphasize 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 will be considered as appropriate.

Disaster Risk Reduction

Building resilience and preventing disaster are primarily relevant in China when it comes to natural disasters. The action will ensure that activities envisaged comply with Article 8.8 of NDICI Regulation which, inter alia, lays that "Programmes and actions under this Regulation shall mainstream [...] where relevant, disaster risk reduction and shall address interlinkages between SDGs, to promote integrated actions that can create co-benefits and meet multiple objectives in a coherent way."

3.4 Risks and Lessons Learnt

Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Requests for ad-hoc activities in support of the EU-China IP Dialogues and Working Groups might not meet the necessary responsiveness, due to different main interests and the disruption of the implementation of the yearly activity plan.	L	M	During the negotiation of the agreement, key elements in terms of rights and obligations will have to be defined. Modalities governing requests for new activities will have to be identified, including the setting of estimated timelines for delivery and the agreement on a reprioritization and possible postponement of planned activities in consultation with DG TRADE (change management).
The successful and timely implementation of activities, notably policy dialogue, largely depends on the support provided by the various administrative and judicial stakeholders on the Chinese side. A risk exists that Chinese engagement may not be constant over time or decrease, leading to dialogue processes on hold without satisfactory results.	M	M	A meticulous preparation of the programme and an early outreach to the Chinese stakeholders will further limit this risk. Appropriate mechanisms should allow for the necessary flexibility to adapt activities and plans to evolving circumstances. Lessons learnt from previous IP-related actions showed a general interest of Chinese stakeholders and policy-makers to engage in this area.

Lessons Learnt:

The proposed action takes into account a series of previous projects that focused on the cooperation between the EU and China on intellectual property, which showed the interest of Chinese stakeholders and policy-makers to engage in discussion in this area, leading, for instance, to the inclusion of EU interests in the legislative process in China (e.g. Patent Term Extension and protection of performers rights in the latest revision of the Patent and Copyright laws), and

which have helped increase the capacity of Chinese enforcement authorities in handling a substantial and increasing number of IP cases and improved the convergence of IP Offices with international standards.

One of the most important lessons learnt from previous phases is that to ensure the impact of the action on China's IP protection and enforcement in the interests of the EU, a continuous engagement of Chinese stakeholders is of paramount importance. As pointed out in the last mid-term evaluation report of the IP Keys, it represents the main channel:

- to influence the design and implementation of intellectual property policies in China;
- to promote mutual understanding between the European Union (and its Member States) and China and to develop links between the respective peer institutions.

This aspect should remain an important element of the programme and create more opportunities for technical exchanges between EU and Chinese institutions/experts where this would support the EU interests. In this regard, it is important to seek further involvement:

- of the EU Delegation not only in the activities' preparatory work but also in following up the relations with the stakeholders that are generated within the project so as to effectively capitalise on their achievements;
- of EU businesses, the China IPR SME Helpdesk and other actors that would enable strengthening the consistency between the project's activities and the interest of EU businesses and
- of academia to enrich the discussions on relevant topics and to identify and foster dialogue upon specific topics and, ultimately, to reinforce the action's capacity to achieve sustainability in the long run.

From the point of view of the organisation of activities, the experience gained suggests that it is necessary to:

- concentrate on a smaller number of activities in order to focus the action on activities and stakeholders/Chinese bodies that can be more valuable and
- increase the follow-up to the implemented activities in order to build an incremental impact on relevant issues throughout the implementation.

The IP Keys' mid-term evaluation specifically pointed out the need to reinforce and clarify reporting and to conduct studies in order to allow *"EU interested parties to learn more about Chinese IP environment"*. Both issues were already addressed in the past action with a slight review of the biweekly reports and the implementation of studies on the main legislative improvement.

3.5 The Intervention Logic

To support EU trade policy vis-à-vis China and underpin the EU-China IP Dialogue, provide effective assistance to IP right holders and ensure an efficient and non-discriminatory IP protection and enforcement that would support the EU's competitiveness, the action will contribute to greater transparency and implementation of IPR protection and enforcement in China. It will also aim to promote progressive convergence of China towards European and international standards in IPR legislation and enforcement.

To achieve this, it will be critical to maintain certain flexibility according to the EU's policy objectives and developments in China. This would include the possibility of adapting the specific activities throughout the execution of the project. Activity clusters will be determined on the basis of EU policy interest, problems identified by stakeholders and, within each cluster, specific topics should be identified in each annual workplan together with the EU actors involved, mainly DG TRADE but also DG AGRI, DG TAXUD, DG GROW, DG CNECT, DG RTD, EPO and CPVO in their respective spheres of competence.

To this end:

- support to the EU-China IP dialogue will be prioritised horizontally throughout the identified clusters and
- the scope and dissemination of the outputs of each activity will have to be defined, in each annual workplan according to the type of activity.
- EU-interest activities in any of the clusters may, when necessary, be kept confidential.

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 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 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
Impact	To promote greater transparency and fairer implementation of the IP rights (IPR) protection and enforcement in China.	1. WIPO indicator to be selected 2. Number of barriers to market access, investment and business development which have been removed	Tbd 1. Zero (2025)	1. Tbd 2. One (Potentially impacted sectors: alignment with The Hague requirements, technology transfers, predictability of court decisions, etc.) (2028)	1. Annual WIPO report ² 2. <u>TRADE market access barriers DB / European Chamber Position Paper and Business Satisfaction Survey</u>	<i>Not applicable</i>
Outcome 1	1. Increased alignment of China with European standards in IPR legislation, protection, enforcement and best practices	1.1 Number of processes related to state-level and sub-state level (bilateral, regional, multi-lateral) partnership strategies and policy dialogues better aligned on EU standards 1.2 Number of regulations and standards relating to trade, investment and businesses in China which have been aligned with EU / international standards	1.1 Zero (2025) 1.2 Zero (2025)	1.1 Two (IP Dialogue, Custom cooperation) (2028) 1.2 Two (Potentially impacted sectors: plant varieties, trade secrets, treatment of judicial disputes in the field of IP, etc.) (2028)	1.1 Reports from negotiation rounds, IP sub committees and dialogues (when accessible) / IP Key project reports /Survey on IPR Protection and Enforcement in 3rd countries 1.2 TRADE enforcement survey 2026 and 2028	The Chinese authorities recognise the importance of adopting non-discriminatory IPR practices for economic development. The Chinese authorities are willing to participate in related political dialogue with the EU.
Outcome 2	2. Improved trading and investment environment in China for EU innovators and right holders, including gender perspective.	2.1 Number of processes related to China's practices on trade, investment and business better aligned with EU/international standards	2.1 Zero (2025)	2.1 Three (alignment of judicial practices, alignment of examination practices, alignment of infringement response practices – e.g. MoUs on online infringements,	2.1 Project Progress Reports /EUIPN website: TMView, DSview, etc./CNIPA and EU websites and official reports	There is continued mutual interest and availability of the different stakeholders (SPC, SPP, CNIPA,

² <https://www.wipo.int/publications/en/details.jsp?id=4678>

				investigation practices) (2028)		SAMR, etc.) to cooperate on IPR issues
Outcome 3	3. Enhance effectiveness of the systems for transparency and fair implementation of IPR protection and enforcement, and for discouraging protectionist market access barriers in China	3.1 Number of processes related to the removal of barriers to market access, investment and business better aligned with EU/international standards 3.2 Number of High-Level Trade and Economic Dialogues (HED) held between the EU and China	3.1 Zero (2025) 3.2 One per year (2023)	3.1 Two (Processes related to pendency rates, backlogs, judicial procedures in target country, etc.) (2028) 3.2 Four (2028)	3.1 Analysis of CNIPA 3.2 Project progress reports	
Output 1.1 relating to Outcome 1	1.1 Enhanced capacity of experts in the areas of IPR legislation, protection, and enforcement	1.1.1 Number of participants to events and exchanges organised with relevant associations and stakeholders 1.1.2 Number of knowledge-based products/training materials developed	1.1.1 Zero (2025) 1.1.2 Zero (2025)	1.1.1 to be determined based on three events (IP dialogue, Plant varieties' examination, treatment of bad faith TMs/design and/or patents applications) (2028) 1.1.2 Two (studies on specific issues on demand of TRADE and stakeholders) (2028)	1.1.1 Project progress reports 1.1.2 Project progress reports 1.1. Project progress reports	There is continued responsiveness and cooperation of local IP authorities and other involved stakeholders Timely support from European stakeholders is ensured The expertise in project management, substance of implementing team is robust and up to the expected standards.
Output 1.2 Relating to Outcome 1	1.2 Improved IP registration practices and tools in line with EUIPO and EPO standards	1.2.1 Number of IP registration tools designed with support of the EU-funded intervention	1.2.1 Zero (2025)	1.2.1 to be determined at the inception of the project	1.2.1 Project progress reports	
Output 2.1 Relating to Outcome 2	2.1 Enhanced awareness of relevant stakeholders in China on significance of IP protection and enforcement for	2.1.1 Number of stakeholders with enhanced awareness of significance of IP protection and enforcement for sustainable economic development with	2.1.1 Zero (2025)	2.1.1 to be determined at the inception of the project	2.1.1 Project Progress reports	Activities are timely planned and activities meet

	sustainable economic development.	support of the EU-funded intervention.				sufficient interest of stakeholders.
Output 3.1 relating to Outcome 3	3.1 Enhanced capacity of judicial system actors in international best practices for IP disputes	<p>3.1.1 Number of participants to events and exchanges organised or supported</p> <p>3.1.2 Number of knowledge-based products and training materials developed</p> <p>3.1.3 Number of external communication activities designed and implemented</p>	<p>3.1.1 Zero (2025)</p> <p>3.1.2 Zero (2025)</p> <p>3.1.3 Zero (2025)</p>	<p>3.1.1 to be determined based on two events(academic cooperation, public awareness on online infringements) per year (2028)</p> <p>3.1.2 One per year (2028)</p> <p>3.1.3 One per year (2028)</p>	<p>3.1.1 Project progress reports</p> <p>3.1.2 Project progress reports</p> <p>3.1.3 Project progress reports</p>	<p>The transparency of entrusted entity is ensured.</p> <p>Contractual Rules are correctly applied.</p> <p>The health situation allows activities implementation.</p>
Output 3.2 relating to Outcome 3	3.2 Strengthened EU-China IP dialogue mechanisms	3.2.1 Number of dialogue mechanisms for EU-China dialogue developed with support of the EU-funded intervention	3.2.1 Zero (2025)	3.2.1 to be determined at the inception of the project	3.2.1 Project progress reports	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with 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 48 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 applicable to Project modality

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures³.

4.3.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with the European Union Intellectual Property Office (EUIPO). This implementation entails the implementation of all activities under this action. The envisaged entity has been selected using the following criteria:

- technical competence, high degree of specialisation and administrative power.

Given the high political relevance for the EU of supporting promotion and enforcement of IP, the Intellectual Property Office of the EU, which is responsible for IP related matters in the EU, is regarded as the most appropriate implementing partner for this Action. In view of its position, EUIPO offers a unique combination of technical expertise and contacts with relevant stakeholders in the field of IP worldwide. The EUIPO has also been mandated to implement the ongoing and past EU Actions on IP for over a decade, in China but also other countries and regions such as ASEAN.

4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case, due to circumstances outside of the Commission's control, it is not possible to implement the action in indirect management with the selected entity as described under section 4.3.1, the alternative implementation modalities will be direct management and all outputs contributing to the outcomes will be achieved through procurement.

4.5. Scope of geographical eligibility for procurement and grants

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

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other

³ 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.

duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	EUIPO contribution, in EUR
Implementation modalities – cf. section 4.3		
“Intellectual Property protection and enforcement in China: A Key to Sustainable Competitiveness of EU”, composed of		
Indirect management with EUIPO - cf. section 4.3.1	3 000 000	1 285 714
Evaluation – cf. section 5.2 Audit – cf. section 5.3	may be covered by another Decision	N.A.
Contingency	N.A.	N.A.
Totals	3 000 000	1 285 714

4.7 Organisational Set-up and Responsibilities

In order to guarantee appropriate participation of the relevant Commission Services and key stakeholders in the governance of the Action, while safeguarding the most efficient implementation of the work programme, the IP Key organisational set-up comprises the following bodies:

- DG INTPA as Contracting Authority (CA)
- Project Management Board consisting of DG TRADE (lead), DG INTPA and EUIPO
- Project Management Team (PMT)

The composition, responsibilities and working methods of the project management bodies are as follows:

The Contracting Authority is the European Union, represented by the European Commission, , which will be:

- Overseeing the implementation of the overall project (CA)
- Approval of AWP and budgets on the basis of a proposal from the PMB
- Approving project reports.

DG INTPA is the competent authority for approving budgetary and narrative reports. DG TRADE will be consulted as well during the approval process of narrative reports.

The Project Management Board (PMB) will consist of representatives of DG INTPA, DG TRADE, EUIPO, Commission services dealing with IP locally and the Project Management Team. Observers may also be invited to participate in an ad-hoc basis. The PMB will:

- Reach consensus on the AWP and budgets proposed by the PMT which are to be submitted to the CA; in case consensus cannot be reached, the proposal is to be referred back to the PMT for amendments or further elaboration
- Overseeing the implementation of the overall project
- Provide input on specific activities related to their specific areas of expertise
- Suggest ‘ad-hoc’ activities not included in the AWP
- Partake in specific activities related to their specific expertise
- Advice on the overall direction of the project
- Identifying potential issues and proposing solutions
- Evaluating the feasibility of certain activities included the AWP
- Evaluating results of the project

The Project Management Team (PMT) comprises the expertise required to successfully implement the Action:

- Project management
- Stakeholder management
- Financial administration of projects
- Expertise in the field of IPR
- Communication and visibility expertise

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 and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

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 (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

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 partner is responsible for day to day monitoring and reporting based on the agreed indicators in the logframe, including entering the logframe and the current values annually in OPSYS. Adjustments to the agreed indicators will be subject to a discussion and approval of the advisory committee. The contracting authority will be responsible for the approval of annual reports.

For the indicators in the logframe that require a survey to collect baseline and endline data, the implementing partner is responsible for implementation, through the project funding sources and within the timeframe to be agreed in the project inception phase. The data collected will take into consideration the gender perspective.

5.2 Evaluation

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

- A mid-term evaluation will be carried out for problem solving and learning purposes.
- A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least two 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 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.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, 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.