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Price: EUR 7

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I

(Legislative acts)

REGULATIONS

REGULATION (EU) No 230/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 11 March 2014
establishing an instrument contributing to stability and peace

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE
EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European
Union, and in particular Articles 209(1) and 212(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national
parliaments,

Acting in accordance with the ordinary legislative procedure ⁽¹⁾,

Whereas:

- (1) This Regulation constitutes one of the instruments providing direct support for the Union's external policies and succeeds Regulation (EC) No 1717/2006 of the European Parliament and of the Council ⁽²⁾, which expired on 31 December 2013.
- (2) Preserving peace, preventing conflicts, strengthening international security and assisting populations, countries and regions confronting natural or man-made disasters are among the prime objectives of the Union's external action as set out in, inter alia, Article 21 of the Treaty on European Union (TEU). Crises and conflicts affecting countries and regions, and other factors such as terrorism, organised crime, gender-based violence, climate change, cyber security challenges and security threats emanating from natural disasters pose a risk to stability and security. In order to address those issues in an effective and timely manner, specific financial resources and financing instruments are required that can work in a manner complementary to humanitarian aid and long-term cooperation instruments.

(3) In its conclusions of 15 and 16 June 2001, the European Council endorsed the Union Programme for the Prevention of Violent Conflicts, underlining the Union's political commitment to pursue conflict prevention as one of the main objectives of the Union's external relations, and acknowledging that development cooperation instruments can contribute to the attainment of that goal. The Council conclusions of 20 June 2011 on conflict prevention restated the validity of that Programme as a valid policy basis for further Union action in the field of conflict prevention. In its conclusions of 17 November 2009, the Council endorsed the 'Concept on Strengthening EU Mediation and Dialogue Capacities'.

(4) The Council conclusions of 19 November 2007 on a EU response to situations of fragility and the conclusions of the Council and the Representatives of the Governments of the Member States meeting within the Council, also dated 19 November 2007, on security and development, emphasised that the nexus between development and security should inform Union strategies and policies in order to contribute to policy coherence for development in accordance with Article 208 of the Treaty on the Functioning of the European Union (TFEU) and to the coherence of Union external action in general. More specifically, the Council concluded that future work on security and development should include the security and development implications of climate change, environmental and natural resource management issues and migration.

(5) The European Council approved the European Security Strategy on 12 December 2003 and the shared analysis of its Implementation Report on 11 December 2008. In its communication entitled 'EU Internal Security Strategy in Action: Five steps towards a more secure Europe', the Commission also noted the importance of cooperation with third countries and regional organisations, in particular for the purposes of combating multiple threats such as trafficking in human beings, drug trafficking and terrorism.

⁽¹⁾ Position of the European Parliament of 11 December 2013 (not yet published in the Official Journal) and decision of the Council of 11 March 2014.

⁽²⁾ Regulation (EC) No 1717/2006 of the European Parliament and of the Council of 15 November 2006 establishing an Instrument for Stability (OJ L 327, 24.11.2006, p. 1).

- (6) In its communication entitled 'Towards an EU response to situations of fragility — engaging in difficult environments for sustainable development, stability and peace', the Commission recognised the essential contribution made by the Union to the promotion of peace and stability by addressing expressions of violence and root causes of insecurity and violent conflict. This Regulation should contribute to the attainment of those goals.
- (7) On 8 December 2008, the Council approved a comprehensive approach to the implementation by the Union of United Nations Security Council Resolutions 1325 (2000) and 1820 (2008) on women, peace and security, recognising the close links between the issues of peace, security, development and gender equality. The Union has consistently called for full implementation of the women, peace and security agenda as set out in relevant United Nations Security Council resolutions, particularly the need to combat violence against women in conflict situations and to promote the participation of women in peacebuilding.
- (8) The EU Strategic Framework and Action Plan on Human Rights and Democracy, adopted by the Council on 25 June 2012, calls for the development of operational guidance to ensure that human rights are taken into consideration in the design and implementation of counter-terrorism assistance measures, and underlines that the eradication of torture and other cruel, inhuman or degrading treatment and respect for due process (including the presumption of innocence, the right to a fair trial and rights of defence) are a Union priority in the implementation of human rights.
- (9) Democracy and human rights have been placed at the forefront of the Union's relations with third countries and should thus be considered as principles under this Regulation.
- (10) The European Council Declaration of 25 March 2004 on Combating Terrorism called for counter-terrorism objectives to be integrated into external assistance programmes. The European Union Counter-Terrorism Strategy, adopted by the Council on 30 November 2005, called for increased counter-terrorism cooperation with third countries and the United Nations. The Council conclusions of 23 May 2011 on enhancing the links between internal and external aspects of counter-terrorism called for the capacity of the competent authorities involved in the fight against terrorism in third countries to be strengthened in the strategic programming of the Instrument for Stability established by Regulation (EC) No 1717/2006.
- (11) Regulation (EC) No 1717/2006 was adopted with the objective of enabling the Union to provide a consistent and integrated response to situations of crisis and emerging crisis, to address specific global and trans-regional security threats and to enhance crisis preparedness. This Regulation aims to introduce a revised instrument, building on the experience of Regulation (EC) No 1717/2006, in order to increase the efficiency and coherence of the Union's actions in the areas of crisis response, conflict prevention, peace-building and crisis preparedness in addressing security threats and challenges.
- (12) Measures adopted pursuant to this Regulation should pursue the objectives of Article 21 TEU and Articles 208 and 212 TFEU. They may be complementary to, and should be consistent with, measures adopted by the Union in pursuit of Common Foreign and Security Policy objectives within the framework of Title V TEU and measures adopted within the framework of Part Five TFEU. The Council and the Commission should cooperate to ensure such consistency, each in accordance with its respective powers.
- (13) This Regulation should be consistent with the provisions concerning the organisation and functioning of the European External Action Service ('EEAS') as established by Council Decision 2010/427/EU ⁽¹⁾. The 2010 Declaration by the High Representative on political accountability confirmed the principles of dialogue with, consultation of, and the provision of information and reporting to the European Parliament.
- (14) The Commission and the EEAS, as appropriate, should hold regular and frequent exchanges of views and information with the European Parliament. In addition, according to the relevant inter-institutional agreements on the matter, the European Parliament is to be given access to documents in order for the right of scrutiny under Regulation (EU) No 182/2011 of the European Parliament and of the Council ⁽²⁾ to be exercised in an informed manner.
- (15) Common rules and procedures for the implementation of the Union's instruments for financing external action are laid down in Regulation (EU) No 231/2014 of the European Parliament and of the Council ⁽³⁾.
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- ⁽¹⁾ Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).
- ⁽²⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).
- ⁽³⁾ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action (see page 11 of this Official Journal).

(16) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission with regard to programming and implementation measures. Those powers should be exercised in accordance with Regulation (EU) No 182/2011.

(17) Given the nature of such implementing acts, in particular their policy orientation nature and budgetary implications, the examination procedure should in principle be used for their adoption, except in the case of measures of a small financial scale.

(18) The Commission should adopt immediately applicable implementing acts where, in duly justified cases relating to the need for a swift response from the Union, imperative grounds of urgency so require.

(19) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between this instrument, other Union instruments for financing external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the instruments for financing external action.

(20) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(21) This Regulation lays down a financial envelope for its period of application which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management⁽¹⁾, for the European Parliament and the Council during the annual budgetary procedure.

(22) It is appropriate to align the period of application of this Regulation with that of Council Regulation (EU, Euratom) No 1311/2013⁽²⁾. Therefore, this Regulation should apply from 1 January 2014 until 31 December 2020,

HAVE ADOPTED THIS REGULATION:

TITLE I

GENERAL PROVISIONS

Article 1

Subject-matter and objectives

1. This Regulation establishes an instrument (the 'Instrument contributing to Stability and Peace') which provides, for the period from 2014 to 2020, direct support for the Union's external policies by increasing the efficiency and coherence of the Union's actions in the areas of crisis response, conflict prevention, peace-building and crisis preparedness, and in addressing global and trans-regional threats.

2. The Union shall undertake development cooperation measures, as well as financial, economic and technical cooperation measures, with third countries, regional and international organisations and other State and civil society actors under the conditions laid down in this Regulation.

3. For the purposes of this Regulation, the term 'civil society actors' includes non-governmental organisations, organisations representing indigenous peoples, local citizens' groups and traders' associations, cooperatives, trade unions, organisations representing economic and social interests, local organisations (including networks) involved in decentralised regional cooperation and integration, consumer organisations, women's and youth organisations, teaching, cultural, research and scientific organisations, universities, churches and religious associations and communities, the media and any non-governmental associations and private and public foundations likely to contribute to the development or to the external dimension of internal policies. Other bodies or actors not listed in this paragraph may be financed when necessary in order to achieve the objectives of this Regulation.

4. The specific objectives of this Regulation shall be:

(a) in a situation of crisis or emerging crisis, to contribute swiftly to stability by providing an effective response designed to help preserve, establish or re-establish the conditions essential to the proper implementation of the Union's external policies and actions in accordance with Article 21 TEU;

(b) to contribute to the prevention of conflicts and to ensuring capacity and preparedness to address pre- and post-crisis situations and build peace; and

(c) to address specific global and trans-regional threats to peace, international security and stability.

⁽¹⁾ OJ C 373, 20.12.2013, p. 1.

⁽²⁾ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

Article 2

TITLE II

Consistency and complementarity of Union assistance

1. The Commission shall ensure that measures adopted pursuant to this Regulation are consistent with the Union's overall strategic policy framework for the partner countries, and in particular with the objectives of the measures referred to in paragraph 2, as well as with other relevant Union measures.

2. Measures adopted pursuant to this Regulation may be complementary to, and shall be consistent with, measures adopted under Title V TEU and Part Five TFEU. Measures adopted pursuant to this Regulation shall duly take into consideration the views of the European Parliament.

3. Union assistance under this Regulation shall be complementary to that provided for under Union instruments for external assistance, shall be provided only to the extent that an adequate and effective response cannot be provided under those instruments, and shall be planned and implemented in such a way as to achieve continuity of actions under those instruments, where applicable.

4. The following cross-cutting issues shall be included, where possible, including in programming:

- (a) promotion of democracy and good governance;
- (b) human rights and humanitarian law, including children's rights and the rights of indigenous peoples;
- (c) non-discrimination;
- (d) gender equality and the empowerment of women;
- (e) conflict prevention; and
- (f) climate change.

5. Activities falling within the scope of Council Regulation (EC) No 1257/96 ⁽¹⁾ and Decision No 1313/2013/EU of the European Parliament and of the Council ⁽²⁾ which are eligible for funding under those acts shall not be funded under this Regulation.

6. In order to enhance the effectiveness and complementarity of Union and national assistance measures and to prevent double funding, the Commission shall promote close coordination among Union activities and with those of the Member States, both at decision-making level and on the ground. To that end, the Member States and the Commission shall operate a system for exchanging information. The Commission may take initiatives to promote such coordination. In addition, the Commission shall ensure coordination and cooperation with multilateral, regional and sub-regional organisations and other donors.

⁽¹⁾ Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p. 1).

⁽²⁾ Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924).

TYPES OF UNION ASSISTANCE

Article 3

Assistance in response to situations of crisis or emerging crisis to prevent conflicts

1. The Union shall provide technical and financial assistance in pursuit of the specific objectives set out in point (a) of Article 1(4) in response to the following exceptional and unforeseen situations:

- (a) a situation of urgency, crisis or emerging crisis;
- (b) a situation posing a threat to democracy, law and order, the protection of human rights and fundamental freedoms, or the security and safety of individuals, in particular those exposed to gender-based violence in situations of instability; or
- (c) a situation threatening to escalate into armed conflict or to severely destabilise the third country or countries concerned.

Such assistance may also address situations where the Union has invoked the essential elements clauses of international agreements in order to suspend, partially or totally, cooperation with third countries.

2. The technical and financial assistance referred to in paragraph 1 may cover the following:

- (a) support, through the provision of technical and logistical assistance, for the efforts undertaken by international and regional organisations and by State and civil society actors in promoting confidence-building, mediation, dialogue and reconciliation;
- (b) support for the implementation of the United Nations Security Council resolutions on women, peace and security, in particular in fragile, conflict and post-conflict countries;
- (c) support for the establishment and functioning of interim administrations mandated in accordance with international law;
- (d) support for the development of democratic, pluralistic State institutions, including measures to enhance the role of women in such institutions, effective civilian administration and civilian oversight over the security system, as well as measures to strengthen the capacity of law-enforcement and judicial authorities involved in the fight against terrorism, organised crime and all forms of illicit trafficking;

- (e) support for international criminal tribunals and ad hoc national tribunals, truth and reconciliation commissions, and mechanisms for the legal settlement of human rights claims and the assertion and adjudication of property rights, established in accordance with international standards in the fields of human rights and the rule of law;
 - (f) support for measures necessary to start the rehabilitation and reconstruction of key infrastructure, housing, public buildings and economic assets, and essential productive capacity, as well as other measures for the re-starting of economic activity, the generation of employment and the establishment of the minimum conditions necessary for sustainable social development;
 - (g) support for civilian measures related to the demobilisation and reintegration of former combatants and their families into civil society, and where appropriate their repatriation, as well as measures to address the situation of child soldiers and female combatants;
 - (h) support for measures to mitigate the social effects of restructuring the armed forces;
 - (i) support for measures to address, within the framework of Union cooperation policies and their objectives, the socio-economic impact on the civilian population of anti-personnel landmines, unexploded ordnance or explosive remnants of war. Activities financed under this Regulation may cover, inter alia, risk education, mine detection and clearance and, in conjunction therewith, stockpile destruction;
 - (j) support for measures to combat, within the framework of Union cooperation policies and their objectives, the illicit use of and access to firearms, small arms and light weapons;
 - (k) support for measures to ensure that the specific needs of women and children in crisis and conflict situations, including their exposure to gender-based violence, are adequately met;
 - (l) support for the rehabilitation and reintegration of the victims of armed conflict, including measures to address the specific needs of women and children;
 - (m) support for measures to promote and defend respect for human rights and fundamental freedoms, democracy and the rule of law, and the related international instruments;
 - (n) support for socio-economic measures to promote equitable access to, and transparent management of, natural resources in a situation of crisis or emerging crisis, including peace-building;
 - (o) support for measures to address the potential impact of sudden population movements with relevance to the political and security situation, including measures addressing the needs of host communities in a situation of crisis or emerging crisis, including peace-building;
 - (p) support for measures to promote the development and organisation of civil society and its participation in the political process, including measures to enhance the role of women in such processes and measures to promote independent, pluralist and professional media;
 - (q) support for measures in response to natural or man-made disasters which pose a threat to stability, and to threats to public health linked to pandemics, in the absence of, or by way of complement to, Union humanitarian and civil protection assistance.
3. In the situations referred to in paragraph 1 of this Article, the Union may also provide technical and financial assistance not expressly covered by paragraph 2 of this Article. Such assistance shall be limited to exceptional assistance measures as referred to in Article 7(2) which fulfil all of the following conditions:
- (a) they fall within both the general scope of this Regulation and the specific objectives set out in point (a) of Article 1(4);
 - (b) they are limited in duration to the period laid down in Article 7(2);
 - (c) they would normally be eligible under other Union instruments for external assistance or the other components of this Regulation but, because of the need to respond rapidly to the situation, they should be addressed through crisis or emerging crisis measures.

Article 4

Assistance for conflict prevention, peace-building and crisis preparedness

1. The Union shall provide technical and financial assistance in pursuit of the specific objectives set out in point (b) of Article 1(4). Such assistance shall cover support for measures aimed at building and strengthening the capacity of the Union and its partners to prevent conflict, build peace and address pre- and post-crisis needs in close coordination with the United Nations and other international, regional and sub-regional organisations, and State and civil society actors, in relation to their efforts in:

- (a) promoting early warning and conflict-sensitive risk analysis in the policy-making and the implementation of policy;
- (b) facilitating and building capacity in confidence-building, mediation, dialogue and reconciliation, with particular regard to emerging inter-community tensions;

- (c) strengthening capacities for participation and deployment in civilian stabilisation missions;
- (d) improving post-conflict recovery as well as post-disaster recovery with relevance to the political and security situation;
- (e) curbing the use of natural resources to finance conflicts, and supporting compliance by stakeholders with initiatives such as the Kimberley Process Certification Scheme, especially as regards the implementation of efficient domestic controls over the production of, and trade in, natural resources.

2. Measures under this Article:

- (a) shall include know-how transfer, the exchange of information and best practices, risk or threat assessment, research and analysis, early warning systems, training and service delivery;
- (b) shall contribute to the further development of a structural dialogue on peace-building issues;
- (c) may include technical and financial assistance for the implementation of peace-building and State-building support actions.

Article 5

Assistance in addressing global and trans-regional threats and emerging threats

1. The Union shall provide technical and financial assistance in pursuit of the specific objectives set out in point (c) of Article 1(4) in the following areas:

- (a) threats to law and order, to the security and safety of individuals, to critical infrastructure and to public health;
- (b) mitigation of and preparedness against risks, whether of an intentional, accidental or natural origin, related to chemical, biological, radiological and nuclear materials or agents.

2. Assistance in the areas referred to in point (a) of paragraph 1 shall cover support for measures aimed at:

- (a) strengthening the capacity of law enforcement and judicial and civil authorities involved in the fight against terrorism, organised crime, including cyber-crime, and all forms of illicit trafficking and in the effective control of illegal trade and transit;
- (b) addressing threats to critical infrastructure, which may include international transport, including passenger and freight traffic, energy operations and energy distribution, and electronic information and communication networks. Such measures shall place particular emphasis on trans-regional cooperation and the implementation of international standards in the fields of risk awareness, vulnerability analysis, emergency preparedness, alert and consequence management;

- (c) ensuring an adequate response to major threats to public health, including sudden epidemics with a potential trans-national impact;
- (d) addressing global and trans-regional effects of climate change having a potentially destabilising impact on peace and security.

3. As regards the measures referred to in point (a) of paragraph 2:

- (a) priority shall be given to trans-regional cooperation involving two or more third countries which have demonstrated a clear political will to address the problems arising. Cooperation in the fight against terrorism may also be conducted with individual countries, regions or international, regional and sub-regional organisations;
- (b) they shall place particular emphasis on good governance and shall be in accordance with international law;
- (c) with regard to assistance to authorities involved in the fight against terrorism, priority shall be given to supporting measures concerning the development and strengthening of counter-terrorism legislation, the implementation and practice of financial law, of customs law and of immigration law, the development of law-enforcement procedures which are aligned with the highest international standards and which comply with international law, the strengthening of democratic control and institutional oversight mechanisms, and the prevention of violent radicalism;

- (d) with regard to assistance relating to the problem of drugs, due attention shall be given to international cooperation aimed at promoting best practices relating to the reduction of demand, production and harm.

4. Assistance in the areas referred to in point (b) of paragraph 1 shall cover support for measures aimed at:

- (a) promoting civilian research activities as an alternative to defence-related research;
- (b) enhancing safety practices related to civilian facilities where sensitive chemical, biological, radiological and nuclear materials or agents are stored or are handled in the context of civilian research programmes;
- (c) supporting, within the framework of Union cooperation policies and their objectives, the establishment of civil infrastructure and relevant civilian studies necessary for the dismantlement, remediation or conversion of weapons-related facilities and sites where these are declared to be no longer part of a defence programme;
- (d) strengthening the capacity of the competent civilian authorities involved in the development and enforcement of effective control of illicit trafficking in chemical, biological, radiological and nuclear materials or agents (including the equipment for their production or delivery);

- (e) developing the legal framework and institutional capacities for the establishment and enforcement of effective export controls on dual-use goods, including regional cooperation measures;
- (f) developing effective civilian disaster-preparedness, emergency planning, crisis response, and capabilities for clean-up measures.

TITLE III

PROGRAMMING AND IMPLEMENTATION*Article 6***General framework**

Union assistance shall be implemented, in accordance with Regulation (EU) No 236/2014, through:

- (a) exceptional assistance measures and interim response programmes as referred to in Article 7;
- (b) thematic strategy papers and multiannual indicative programmes as referred to in Article 8;
- (c) annual action programmes, individual measures and special measures;
- (d) support measures.

*Article 7***Exceptional assistance measures and interim response programmes**

1. Union assistance under Article 3 shall be provided through exceptional assistance measures and interim response programmes.

2. In situations as referred to in Article 3(1), the Commission may adopt exceptional assistance measures which fulfil the conditions laid down in Article 3(3). Such an exceptional assistance measure may have a duration of up to 18 months, which may be extended twice by a further period of up to six months, up to a total maximum duration of 30 months, in the event of objective and unforeseen obstacles to its implementation, provided that there is no increase in the financial amount of the measure.

In cases of protracted crisis and conflict, the Commission may adopt a second exceptional assistance measure of a duration of up to 18 months.

The duration of the exceptional assistance measure referred to in the first subparagraph combined with the duration of that referred to in the second subparagraph shall not exceed 36 months.

3. Where an exceptional assistance measure costs more than EUR 20 000 000, it shall be adopted in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014.

4. Before adopting or extending an exceptional assistance measure costing up to EUR 20 000 000, the Commission shall inform the Council of its nature and objectives and of the financial amounts envisaged. The Commission shall likewise inform the Council before making significant substantive changes to exceptional assistance measures already adopted. The Commission shall take account of the relevant policy approach of the Council both in its planning and in its subsequent implementation of such measures, in the interests of consistency of the Union's external action.

5. As soon as possible following the adoption of an exceptional assistance measure, and in any case within three months thereof, the Commission shall report to the European Parliament and to the Council, giving an overview of the nature, context and rationale of the measure adopted, including the complementarity of that measure with the ongoing and planned Union response.

6. The Commission may adopt interim response programmes in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014 with a view to establishing or re-establishing the essential conditions necessary for the effective implementation of the Union's external cooperation policies.

Interim response programmes shall build on exceptional assistance measures.

7. The Commission shall keep the European Parliament duly informed, in a timely manner, about its planning and the implementation of Union assistance pursuant to Article 3, including the financial amounts envisaged, and shall also inform the European Parliament when making substantial changes or extensions to that assistance.

*Article 8***Thematic strategy papers and multiannual indicative programmes**

1. Thematic strategy papers shall constitute the general basis for the implementation of assistance under Articles 4 and 5. Thematic strategy papers shall provide a framework for cooperation between the Union and the partner countries or regions concerned.

2. The preparation and implementation of thematic strategy papers shall comply with the principles of aid effectiveness, such as partnership, coordination and, where applicable, harmonisation. To that end, thematic strategy papers shall be consistent with, and avoid duplication of, programming documents approved or adopted under other Union instruments for external assistance.

Thematic strategy papers shall, in principle, be based on a dialogue of the Union or, where appropriate, the relevant Member States with the partner countries or regions concerned involving civil society and regional and local authorities, so as to ensure that the countries or regions concerned acquire sufficient ownership of the programming process.

The Union and the Member States shall consult each other at an early stage of the programming process in order to promote consistency and complementarity among their cooperation activities.

3. Each thematic strategy paper shall be accompanied by a multiannual indicative programme summarising the priority areas selected for Union financing, the specific objectives, the expected results, the performance indicators and the time frame of Union assistance.

The multiannual indicative programme shall determine the indicative financial allocations for each programme therein, taking into account the needs and the particular difficulties of the partner countries or regions concerned. The financial allocations may be given in the form of a range where necessary.

4. Thematic strategy papers shall be approved and multiannual indicative programmes shall be adopted by the Commission in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014. That procedure shall also apply to substantial reviews which have the effect of significantly modifying thematic strategy papers or multiannual indicative programmes.

5. The examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014 shall not apply to non-substantial modifications or technical adjustments to thematic strategy papers and multiannual indicative programmes pursuant to which funds are reassigned within the indicative financial allocations per priority area, or the size of the initial indicative financial allocation is increased or decreased by not more than 20 % but by an amount not exceeding EUR 10 000 000, provided that such modifications or technical adjustments do not affect the priority areas and objectives set out in those documents.

In such cases, modifications or technical adjustments shall be communicated without delay to the European Parliament and to the representatives of the Member States in the committee referred to in Article 11.

6. On duly justified imperative grounds of urgency relating to the need for a swift response from the Union, the Commission may modify thematic strategy papers and multiannual indicative programmes in accordance with the procedure referred in Article 16(4) of Regulation (EU) No 236/2014.

7. Any programming or review of programmes taking place after the publication of the mid-term review report referred to in Article 17 of Regulation (EU) No 236/2014 shall take into account the results, findings and conclusions of that report.

Article 9

Civil society

The preparation, programming, implementation and monitoring measures under this Regulation shall be carried out, where possible and where appropriate, in consultation with civil society.

Article 10

Human rights

1. The Commission shall ensure that measures adopted under this Regulation in relation to the fight against terrorism and organised crime are implemented in accordance with international law, including international humanitarian law.

2. In accordance with the EU Strategic Framework and Action Plan on Human Rights and Democracy, the Commission shall develop operational guidance to ensure that human rights are taken into consideration in the design and implementation of the measures referred to in paragraph 1, in particular as regards the prevention of torture and other cruel, inhuman or degrading treatment and respect for due process, including the presumption of innocence, the right to a fair trial and rights of defence. A clear human rights perspective shall also be present in measures addressing cyber-security and the fight against cybercrime.

3. The Commission shall carefully monitor the implementation of the measures referred to in paragraph 1 in order to ensure compliance with human rights obligations. The Commission shall include information in this respect in its regular reporting.

TITLE IV

FINAL PROVISIONS

Article 11

Committee

The Commission shall be assisted by a committee (the 'Stability and Peace Instrument Committee'). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Article 12

European External Action Service

This Regulation shall apply in accordance with Decision 2010/427/EU, in particular Article 9 thereof.

Article 13

Financial envelope

1. The financial envelope for the implementation of this Regulation for the period from 2014 to 2020 shall be EUR 2 338 719 000.

2. The annual appropriations shall be authorised by the European Parliament and by the Council within the limits of the multiannual financial framework.

3. In the period from 2014 to 2020:

- (a) at least 70 percentage points of the financial envelope shall be allocated to measures falling under Article 3; and
- (b) nine percentage points of the financial envelope shall be allocated to measures falling under Article 4.

Article 14

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014 until 31 December 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 11 March 2014.

For the European Parliament

The President

M. SCHULZ

For the Council

The President

D. KOURKOULAS

Declaration by the European Commission on the strategic dialogue with the European Parliament ⁽¹⁾

On the basis of Article 14 TEU, the European Commission will conduct a strategic dialogue with the European Parliament prior to the programming of the Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace and after initial consultation of its relevant beneficiaries, where appropriate. The European Commission will present to the European Parliament the relevant available documents on programming with indicative allocations foreseen per country/region, and, within a country/region, priorities, possible results and indicative allocations foreseen per priority for geographic programmes, as well as the choice of assistance modalities (*). The European Commission will present to the European Parliament the relevant available documents on programming with thematic priorities, possible results, choice of assistance modalities (*), and financial allocations for such priorities foreseen in thematic programmes. The European Commission will take into account the position expressed by the European Parliament on the matter.

The European Commission will conduct a strategic dialogue with the European Parliament in preparing the mid-term review and before any substantial revision of the programming documents during the period of validity of this Regulation.

The European Commission, if invited by the European Parliament, will explain where the European Parliament's observations have been taken into consideration in the programming documents and any other follow-up given to the strategic dialogue.

⁽¹⁾ The European Commission will be represented at the responsible Commissioner level

(*) Where applicable.

REGULATION (EU) No 231/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 11 March 2014
establishing an Instrument for Pre-accession Assistance (IPA II)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 212(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the ordinary legislative procedure ⁽³⁾,

Whereas:

- (1) In its Communication of 29 June 2011 entitled 'A Budget for Europe 2020', the Commission set the framework for the Union's instruments for financing external action, including the Instrument for Pre-accession Assistance (IPA II).
- (2) As Council Regulation (EC) No 1085/2006 ⁽⁴⁾ expired on 31 December 2013, and in order to make the external action of the Union more effective, a framework for planning and delivering external assistance should be maintained for the period from 2014 to 2020. The enlargement policy of the Union should continue to be supported by a specific instrument for financing external action. IPA II should therefore be established.
- (3) Article 49 of the Treaty on European Union (TEU) provides that any European State which endorses the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities, may apply to become a member of the Union. A European State which has applied to join the Union can become a member only when it has been confirmed that

it meets the membership criteria established at the Copenhagen European Council in June 1993 (the 'Copenhagen criteria') and provided that the accession does not overstretch the capacity of the Union to integrate the new member. Those criteria relate to the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union, and the ability to assume not only the rights but also the obligations under the Treaties, including adherence to the aims of political, economic and monetary union.

- (4) The enlargement strategy based on consolidation, conditionality and communication, combined with the Union's capacity to integrate new members, continues to form the basis for a renewed consensus on enlargement. The accession process is based on objective criteria and on the application of the principle of equal treatment of all applicants, with each one being assessed on its own merits. Progression towards accession depends on each applicant's respect for the Union's values and its capacity to undertake the necessary reforms to align its political, institutional, legal, administrative and economic systems with the rules, standards, policies and practices in the Union.
- (5) The enlargement process reinforces peace, democracy and stability in Europe and allows the Union to be better positioned to address global challenges. The transformative power of the enlargement process generates far-reaching political and economic reform in the enlargement countries which also benefits the Union as a whole.
- (6) The European Council has granted the status of candidate country to Iceland, Montenegro, the former Yugoslav Republic of Macedonia, Turkey and Serbia. It has confirmed the European perspective of the Western Balkans. Without prejudice to positions on status or to any future decisions to be taken by the European Council or by the Council, those benefiting from such a European perspective which have not been granted candidate country status may be considered as potential candidates for the sole purpose of this Regulation. Financial assistance under this Regulation should be granted to all beneficiaries listed in Annex I.
- (7) Assistance under this Regulation should be provided in accordance with the enlargement policy framework defined by the European Council and the Council and taking due account of the Communication on the Enlargement Strategy and the Progress Reports comprised in

⁽¹⁾ OJ C 11, 15.1.2013, p. 77.

⁽²⁾ OJ C 391, 18.12.2012, p. 110.

⁽³⁾ Position of the European Parliament of 11 December 2013 (not yet published in the Official Journal) and decision of the Council of 11 March 2014.

⁽⁴⁾ Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) (OJ L 210, 31.7.2006, p. 82).

the annual enlargement package of the Commission, as well as of the relevant resolutions of the European Parliament. Assistance should also be provided in compliance with the agreements concluded by the Union with the beneficiaries listed in Annex I, and in accordance with the European and Accession Partnerships. Assistance should mainly focus on a selected number of policy areas that will help the beneficiaries listed in Annex I to strengthen democratic institutions and the rule of law, reform the judiciary and public administration, respect fundamental rights and promote gender equality, tolerance, social inclusion and non-discrimination. Assistance should continue to support their efforts to advance regional, macro-regional and cross-border cooperation as well as territorial development, including through implementation of Union macro-regional strategies. It should also enhance their economic and social development, underpinning a smart, sustainable and inclusive growth agenda with a particular focus on small and medium-sized enterprises, with a view to attainment of the targets of the Europe 2020 strategy for smart, sustainable and inclusive growth (the 'Europe 2020 Strategy') and progressive alignment with the Copenhagen criteria. The coherence between the financial assistance and the overall progress made in the implementation of the pre-accession strategy should be strengthened.

- (8) In order to take account of changes in the enlargement policy framework or of significant developments in the beneficiaries listed in Annex I, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of adapting and updating the thematic priorities for assistance listed in Annex II. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (9) Strengthening the rule of law, including the fight against corruption and organised crime, and good governance, including public administration reform, remain key challenges in most of the beneficiaries listed in Annex I and are essential in order for those beneficiaries to come closer to the Union and later to fully assume the obligations of Union membership. In view of the longer-term nature of the reforms pursued in those areas and the need to build up track records, financial assistance under this Regulation should address the requirements placed on the beneficiaries listed in Annex I as early as possible.
- (10) The beneficiaries listed in Annex I need to be better prepared to address global challenges, such as sustainable development and climate change, and align with the

Union's efforts to address those issues. Union assistance under this Regulation should also contribute to the attainment of the goal of raising the climate-related proportion of the Union budget to at least 20 %.

- (11) The Union should also provide support to the transition towards accession for the benefit of all the beneficiaries listed in Annex I, based on the experience of its Member States. This cooperation should focus in particular on the sharing of experience acquired by the Member States in the reform process.
- (12) The Commission and the Member States should ensure compliance, coherence, and complementarity of their assistance, in particular through regular consultations and frequent exchanges of information during the different phases of the assistance cycle. The necessary steps should also be taken to ensure better coordination and complementarity, including through regular consultations, with other donors. The role of civil society should be enhanced both in programmes implemented through government bodies and as a direct beneficiary of Union assistance.
- (13) The priorities for action towards meeting objectives in the relevant policy areas which will be supported under this Regulation should be defined in indicative strategy papers established by the Commission for the duration of the Union's multiannual financial framework for the period from 2014 to 2020 in partnership with the beneficiaries listed in Annex I, based on their specific needs and the enlargement agenda, in line with the general and specific objectives defined by this Regulation and taking relevant national strategies into due account. The strategy papers should also identify the policy areas to be supported through assistance and, without prejudice to the prerogatives of the European Parliament and of the Council, should lay down the indicative allocations of Union funds per policy area, broken down per year, including an estimate of climate-related expenditure. Sufficient flexibility should be built in to cater for emerging needs and to give incentives to improve performance. The strategy papers should ensure coherence and consistency with the efforts of the beneficiaries listed in Annex I, as reflected in their national budgets, and should take into account the support provided by other donors. In order to take into account internal and external developments, the strategy papers should be reviewed and revised as appropriate.
- (14) It is in the Union's interest to assist the beneficiaries listed in Annex I in their efforts to reform with a view to Union membership. Assistance should be managed with a strong focus on results and with incentives for those who demonstrate their commitment to reform through efficient implementation of pre-accession assistance and progress towards meeting the membership criteria.

- (15) Assistance should continue to make use of the structures and instruments that have proved their worth in the pre-accession process. The transition from direct management of pre-accession funds by the Commission to indirect management by the beneficiaries listed in Annex I should be progressive and in line with the respective capacities of those beneficiaries. In accordance with the principle of participatory democracy, parliamentary oversight in each beneficiary listed in Annex I of the assistance provided to that beneficiary should be encouraged by the Commission.
- (16) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers relate to the strategy papers, programming documents and the specific rules establishing such uniform conditions and should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council ⁽¹⁾. Given the nature of those implementing acts, in particular their policy orientation nature or their financial implications, the examination procedure should in principle be used for their adoption, except in the case of measures of a small financial scale. When establishing the uniform conditions for implementing this Regulation, the lessons learnt from the management and implementation of past pre-accession assistance should be taken into account. Those uniform conditions should be amended if developments so require.
- (17) The committee established under this Regulation should be competent also for legal acts and commitments under Regulation (EC) No 1085/2006, as well as for the implementation of Article 3 of Council Regulation (EC) No 389/2006 ⁽²⁾.
- (18) This Regulation lays down a financial envelope for its period of application which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation on budgetary matters and on sound financial management ⁽³⁾, for the European Parliament and the Council during the annual budgetary procedure.
- (19) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between IPA II, other Union instruments for financing

external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the instruments for financing external action.

- (20) Common rules and procedures for the implementation of the Union's instruments for financing external action are laid down in Regulation (EU) No 236/2014 of the European Parliament and of the Council ⁽⁴⁾.
- (21) Since the objective of this Regulation cannot be sufficiently achieved by the Member States but can rather be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (22) It is appropriate to ensure a smooth transition without interruption between the Instrument for Pre-accession Assistance ('IPA') established under Regulation (EC) No 1085/2006, and IPA II and to align the period of application of this Regulation with that of Council Regulation (EU, Euratom) No 1311/2013 ⁽⁵⁾. Therefore, this Regulation should apply from 1 January 2014 until 31 December 2020,

HAVE ADOPTED THIS REGULATION:

TITLE I

GENERAL PROVISIONS

Article 1

General objective

The Instrument for Pre-accession Assistance for the period from 2014 to 2020 ('IPA II') shall support the beneficiaries listed in Annex I in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries in order to comply with the Union's values and to progressively align to the Union's rules, standards, policies and practices, with a view to Union membership.

⁽¹⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

⁽²⁾ Council Regulation (EC) No 389/2006 of 27 February 2006 establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community and amending Regulation (EC) No 2667/2000 on the European Agency for Reconstruction (OJ L 65, 7.3.2006, p. 5).

⁽³⁾ OJ C 373, 20.12.2013, p. 1.

⁽⁴⁾ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action (see page 95 of this Official Journal).

⁽⁵⁾ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

Through such support, IPA II shall contribute to stability, security and prosperity in the beneficiaries listed in Annex I.

Article 2

Specific objectives

1. Assistance under this Regulation shall pursue the achievement of the following specific objectives according to the needs of each of the beneficiaries listed in Annex I, as well as their individual enlargement agenda:

- (a) support for political reforms, inter alia through:
 - (i) strengthening of democracy and its institutions, including an independent and efficient judiciary, and of the rule of law, including its implementation;
 - (ii) promotion and protection of human rights and fundamental freedoms, enhanced respect for the rights of persons belonging to minorities, including lesbian, gay, bisexual, transgender and intersex persons, promotion of gender equality, non-discrimination and tolerance, as well as freedom of the media and respect for cultural diversity;
 - (iii) regional cooperation and good neighbourly relations;
 - (iv) promotion of reconciliation, peace-building and confidence-building measures;
 - (v) the fight against corruption and organised crime;
 - (vi) strengthening of public administration and good governance at all levels;
 - (vii) capacity-building measures for improving law enforcement, border management and implementation of migration policy, including the management of migration flows;
 - (viii) development of civil society;
 - (ix) improvement of social dialogue and strengthening of the capacities of social partners;
- (b) support for economic, social and territorial development, with a view to smart, sustainable and inclusive growth, inter alia through:
 - (i) the achievement of Union standards in the economy, including a functioning market economy, as well as fiscal and economic governance;
 - (ii) economic reforms necessary to cope with competitive pressure and market forces in the Union, while contributing to the achievement of social and environmental goals;

- (iii) fostering of employment and labour mobility, promotion of quality job creation and development of human capital;
 - (iv) promotion of social and economic inclusion, in particular of minorities and vulnerable groups, including persons with disabilities, refugees and displaced persons;
 - (v) fostering of an inclusive and integrated education system and preservation and restoration of cultural heritage;
 - (vi) development of physical capital, including improvement of infrastructure, and connections with Union and regional networks;
 - (vii) strengthening of research, technological development and innovation capacity;
- (c) strengthening of the ability of the beneficiaries listed in Annex I at all levels to fulfil the obligations stemming from Union membership by supporting progressive alignment with, and adoption, implementation and enforcement of, the Union *acquis*, including preparation for management of Union Structural Funds, the Cohesion Fund and the European Agricultural Fund for Rural Development;
- (d) strengthening regional integration and territorial cooperation involving the beneficiaries listed in Annex I, Member States and, where appropriate, third countries within the scope of Regulation (EU) No 232/2014 of the European Parliament and of the Council ⁽¹⁾.
2. Progress towards achievement of the specific objectives set out in paragraph 1 shall be monitored and assessed on the basis of pre-defined, clear, transparent and, where appropriate, country-specific and measurable indicators that cover inter alia:
- (a) progress in the areas of strengthening democracy, the rule of law and an independent and efficient justice system, respect for human rights, including the rights of persons belonging to minorities and vulnerable groups, fundamental freedoms, gender equality and women's rights, the fight against corruption and organised crime, reconciliation, good neighbourly relations and refugee return, and in particular, the establishment of track records in those areas;
 - (b) progress in socio-economic and fiscal reforms, addressing structural and macro-economic imbalances; the soundness and effectiveness of social and economic development strategies; progress towards smart, sustainable and inclusive growth and the creation of an inclusive and integrated education, quality training and employment, including through public investment supported by IPA II; progress towards creating a favourable business environment;

⁽¹⁾ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (see page 27 of this Official Journal).

- (c) progress in aligning the body of legislation with the Union *acquis*, including a track record of its implementation; progress in Union-related institutional reform, including transition to indirect management of the assistance provided under this Regulation;
- (d) progress in building up and strengthening good governance and the administrative, institutional and absorption capacities at all levels, including adequate human resources, needed to adopt and enforce the *acquis*-related legislation;
- (e) regional and territorial cooperation initiatives and the evolution of trade flows.

3. The indicators referred to in paragraph 2 shall be used in order to monitor, assess and review performance, as appropriate. The Commission's annual reports referred to in Article 4 shall be taken as a point of reference in the assessment of the results of IPA II assistance. The relevant performance indicators shall be defined and included in the strategy papers and programmes referred to in Articles 6 and 7 and shall be established in such a way as to enable progress to be assessed objectively over time and, where appropriate, across programmes.

Article 3

Policy areas

1. Assistance under this Regulation shall mainly address the following policy areas:
- (a) reforms in preparation for Union membership and related institution- and capacity-building;
 - (b) socio-economic and regional development;
 - (c) employment, social policies, education, promotion of gender equality, and human resources development;
 - (d) agriculture and rural development;
 - (e) regional and territorial cooperation.

2. Assistance under all policy areas referred to in paragraph 1 of this Article shall support the beneficiaries listed in Annex I in attaining the general and specific objectives set out in Articles 1 and 2, in particular through policy reforms, approximation of laws, capacity-building and investment.

Where appropriate, particular attention shall be paid to good governance, the rule of law and the fight against corruption and organised crime.

3. Assistance under the policy areas referred to in points (b) to (e) of paragraph 1 may include financing of the type of

actions provided for under Regulation (EU) No 1301/2013 of the European Parliament and of the Council ⁽¹⁾, Regulation (EU) No 1300/2013 of the European Parliament and of the Council ⁽²⁾, Regulation (EU) No 1304/2013 of the European Parliament and of the Council ⁽³⁾, Regulation (EU) No 1299/2013 of the European Parliament and of the Council ⁽⁴⁾ and Regulation (EU) No 1305/2013 of the European Parliament and of the Council ⁽⁵⁾.

4. Assistance under the policy area referred to in point (e) of paragraph 1, may, in particular, finance multi-country or horizontal actions as well as cross-border, transnational and inter-regional cooperation actions.

Article 4

Framework for assistance

1. Assistance under this Regulation shall be provided in accordance with the enlargement policy framework defined by the European Council and the Council and shall take due account of the Communication on the Enlargement Strategy and the Progress Reports comprised in the annual enlargement package of the Commission, as well as of the relevant resolutions of the European Parliament. The Commission shall ensure coherence between the assistance and the enlargement policy framework.

2. Assistance shall be targeted and adjusted to the specific situation of the beneficiaries listed in Annex I, taking into account further efforts needed to meet the membership criteria as well as the capacities of those beneficiaries. Assistance shall be differentiated in scope and intensity according to needs, commitment to reforms and progress in implementing those reforms. It shall mainly be directed towards helping the beneficiaries listed in Annex I to design and implement sector reforms. Sector policies and strategies shall be comprehensive and shall contribute to the attainment of the specific objectives set out in Article 2(1).

⁽¹⁾ Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (OJ L 347, 20.12.2013, p. 289).

⁽²⁾ Regulation (EU) No 1300/2013 of the European Parliament and of the Council of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006 (OJ L 347, 20.12.2013, p. 281).

⁽³⁾ Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 (OJ L 347, 20.12.2013, p. 470).

⁽⁴⁾ Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal (OJ L 347, 20.12.2013, p. 259).

⁽⁵⁾ Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487).

3. In accordance with the specific objectives set out in Article 2(1), the thematic priorities for providing assistance according to the needs and capacities of the beneficiaries listed in Annex I are set out in Annex II. Each of those thematic priorities may contribute to the attainment of more than one specific objective.

4. In accordance with the specific objective set out in point (d) of Article 2(1), assistance shall support cross-border cooperation, both between the beneficiaries listed in Annex I and between them and Member States or countries under the European Neighbourhood Instrument (the 'ENI') established by Regulation (EU) No 232/2014, with a view to promoting good neighbourly relations, fostering Union integration and promoting socio-economic development. The thematic priorities for assistance for territorial cooperation are set out in Annex III.

Article 5

Compliance, coherence and complementarity

1. Financial assistance under this Regulation shall be consistent with Union policies. It shall comply with the agreements concluded by the Union with the beneficiaries listed in Annex I and shall respect commitments under multilateral agreements to which the Union is a party.

2. The Commission, in liaison with Member States, shall contribute to the implementation of Union commitments towards increased transparency and accountability in the delivery of assistance, including by publicly disclosing information on assistance volume and allocation, ensuring that data is internationally comparable and can be easily accessed, shared and published.

3. The Commission, the Member States and the European Investment Bank (EIB) shall cooperate in ensuring coherence and shall strive to avoid duplication between assistance provided under this Regulation and other assistance provided by the Union, the Member States and the EIB, including through regular and inclusive meetings aimed at coordinating the assistance.

4. The Commission, the Member States and the EIB shall ensure coordination of their respective assistance programmes to increase effectiveness and efficiency in the delivery of assistance and to prevent double funding, in line with the established principles for strengthening operational coordination in the field of external assistance, and for the harmonisation of policies and procedures, in particular the international principles on aid effectiveness. Coordination shall involve regular consultations and frequent exchanges of information during the different phases of the assistance cycle, in particular at field level, and shall constitute a key step in the programming processes of the Member States and the Union.

5. In order to increase effectiveness and efficiency in the delivery of assistance and to prevent double funding, the Commission, in liaison with the Member States, shall take the

necessary steps to ensure better coordination and complementarity with multilateral and regional organisations and entities, such as international financial institutions, United Nations agencies, funds and programmes, and non-Union donors.

6. When preparing, implementing and monitoring assistance under this Regulation, the Commission shall in principle act in partnership with the beneficiaries listed in Annex I. The partnership shall include, as appropriate, competent national and local authorities, as well as civil society organisations. Coordination among the relevant stakeholders shall be encouraged by the Commission.

The capacities of civil society organisations shall be strengthened, including, as appropriate, as direct beneficiaries of assistance.

TITLE II

STRATEGIC PLANNING

Article 6

Strategy papers

1. Assistance under this Regulation shall be provided on the basis of country or multi-country indicative strategy papers (the 'strategy papers'), established for the duration of the Union's multiannual financial framework for the period from 2014 to 2020, by the Commission in partnership with the beneficiaries listed in Annex I.

2. The strategy papers shall define the priorities for action towards meeting the objectives in the relevant policy areas referred to in Article 3, which shall be supported under this Regulation in line with the general and specific objectives referred to in Articles 1 and 2 respectively. The strategy papers shall be adopted in accordance with the framework for assistance set out in Article 4 and shall take relevant national strategies into due account.

3. The strategy papers shall include the indicative allocation of Union funds per policy area, as applicable, broken down per year, and shall allow for addressing emerging needs, without prejudice to the possibility of combining assistance in different policy areas. The strategy papers shall include the indicators for assessing progress with regard to attainment of the targets set therein.

4. The Commission shall make an annual assessment of the implementation of the strategy papers and their continued relevance in the light of the evolution of the policy framework referred to in Article 4. The Commission shall inform the committee referred to in Article 13(1) of the results of that assessment and may propose revisions of the strategy papers referred to in this Article and/or of the programmes and measures referred to in Article 7(1), as appropriate. Those strategy papers shall also be reviewed at mid-term and revised as appropriate.

5. The Commission shall adopt the strategy papers referred to in this Article and any revision thereof in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014.

TITLE III

IMPLEMENTATION

Article 7

Programming

1. Union assistance under this Regulation shall be implemented directly, indirectly or in shared management through programmes and measures as referred to in Articles 2 and 3 of Regulation (EU) No 236/2014 and in accordance with specific rules establishing uniform conditions for implementing this Regulation, in particular as regards management structures and procedures, which the Commission shall adopt in accordance with Article 13 of this Regulation. Implementation shall, as a rule, take the form of annual or multiannual, country-specific or multi-country programmes, as well as cross-border cooperation programmes, established in accordance with the strategy papers referred to in Article 6 and drawn up by the respective beneficiaries listed in Annex I to this Regulation and/or the Commission, as appropriate.

2. Any programming or reviews of programmes taking place after the publication of the mid-term review report referred to in Article 17 of Regulation (EU) No 236/2014 (the 'mid-term review report') shall take into account the results, findings and conclusions of that report.

Article 8

Framework and subsidiary agreements

1. The Commission and the respective beneficiaries listed in Annex I shall conclude framework agreements on the implementation of assistance.

2. Subsidiary agreements concerning the implementation of assistance may be concluded between the Commission and the respective beneficiaries listed in Annex I or their implementing authorities, as required.

Article 9

Cross-instrument provisions

1. In duly justified circumstances and in order to ensure the coherence and effectiveness of Union financing or to foster regional cooperation, the Commission may decide to extend the eligibility of programmes and measures referred to in Article 7(1) to countries, territories and regions which would not otherwise be eligible for financing pursuant to Article 1, where the programme or measure to be implemented is of a global, regional or cross-border nature.

2. The European Regional Development Fund (ERDF) shall contribute to programmes or measures established under this Regulation for cross-border cooperation between the beneficiaries listed in Annex I and Member States. The amount of the contribution from the ERDF shall be determined pursuant to Article 4 of Regulation (EU) No 1299/2013. This Regulation shall apply to the use of that contribution.

3. Where appropriate, IPA II may contribute to transnational and interregional cooperation programmes or measures that are established and implemented under Regulation (EU) No 1299/2013 and in which the beneficiaries listed in Annex I to this Regulation participate.

4. Where appropriate, IPA II may contribute to cross-border cooperation programmes or measures that are established and implemented under Regulation (EU) No 232/2014 and in which the beneficiaries listed in Annex I to this Regulation participate.

5. Where appropriate, IPA II may contribute to programmes or measures which are introduced as part of a macro-regional strategy, and in which the beneficiaries listed in Annex I are involved.

TITLE IV

FINAL PROVISIONS

Article 10

Delegation of power

The Commission shall be empowered to adopt delegated acts in accordance with Article 11 to amend Annex II to this Regulation. In particular, following the publication of the mid-term review report, and based upon the recommendations contained therein, the Commission shall adopt a delegated act amending Annex II to this Regulation by 31 March 2018.

Article 11

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts as referred to in Article 10 shall be conferred on the Commission until 31 December 2020.

3. The delegation of power referred to in Article 10 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation

of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 10 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 12

Adoption of further implementing rules

In addition to the rules laid down in Regulation (EU) No 236/2014, specific rules establishing uniform conditions for implementing this Regulation shall be adopted in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014.

Article 13

Committee

1. An Instrument for Pre-accession Assistance committee (the 'IPA II Committee') shall be established and shall be composed of representatives of the Member States and chaired by a representative of the Commission. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. The IPA II Committee shall assist the Commission with regard to all policy areas referred to in Article 3. The IPA II Committee shall be competent also for legal acts and commitments under Regulation (EC) No 1085/2006 and the implementation of Article 3 of Regulation (EC) No 389/2006.

Article 14

Performance reward

1. The strategy papers referred to in Article 6 shall provide for an appropriate amount of assistance to remain available to reward an individual beneficiary listed in Annex I for:

- (a) particular progress made towards meeting the membership criteria; and/or
- (b) efficient implementation of pre-accession assistance whereby particularly good results are achieved with respect to the specific targets set in the relevant strategy paper.

2. Where the progress made and/or the results achieved by a beneficiary listed in Annex I remain significantly below the agreed levels set out in the strategy papers, the Commission shall adjust the allocations proportionately, in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014.

3. An appropriate amount shall be set aside for the rewards referred to in paragraph 1 of this Article and shall be allocated on the basis of an assessment of performance and progress over a period of several years but not later than in 2017 and 2020 respectively. The performance indicators as referred to in Article 2(2), as specified in the strategy papers, shall be taken into account.

4. The indicative allocation of Union funds in the strategy papers referred to in Article 6 shall take into account the possibility of allocating the additional funds concerned on the basis of performance and/or progress.

Article 15

Financial envelope

1. The financial envelope for the implementation of this Regulation for the period from 2014 to 2020 shall be set at EUR 11 698 668 000 at current prices. Up to 4 % of the financial envelope shall be allocated to cross-border cooperation programmes between the beneficiaries listed in Annex I and the Member States, in line with their needs and priorities.

2. The annual appropriations shall be authorised by the European Parliament and by the Council within the limits of the multiannual financial framework for the period from 2014 to 2020.

3. In accordance with Article 18(4) of Regulation (EU) No 1288/2013 of the European Parliament and of the Council ⁽¹⁾, an indicative amount of EUR 1 680 000 000 from the different instruments for financing external action, namely the Development Cooperation Instrument established by Regulation (EU) No 233/2014 of the European Parliament and of the Council ⁽²⁾, the ENI, the IPA II and the Partnership Instrument established by Regulation (EU) No 234/2014 of the European Parliament and of the Council ⁽³⁾, shall be allocated to actions in respect of learning mobility to or from partner countries within the meaning of Regulation (EU) No 1288/2013 and to cooperation and policy dialogue with authorities, institutions and organisations from those countries. Regulation (EU) No 1288/2013 shall apply to the use of those funds.

⁽¹⁾ Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+: the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, 1720/2006/EC and 1298/2008/EC (OJ L 347, 20.12.2013, p. 50).

⁽²⁾ Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (see page 44 of this Official Journal).

⁽³⁾ Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (see page 77 of this Official Journal).

The funding shall be made available through two multiannual allocations covering the first four years and the remaining three years respectively. The allocation of that funding shall be reflected in the programming provided for in this Regulation, in line with the identified needs and priorities of the countries concerned. The allocations may be revised in the event of major unforeseen circumstances or important political changes in line with the priorities of the Union's external action.

Article 16

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014 until 31 December 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 11 March 2014.

For the European Parliament

The President

M. SCHULZ

For the Council

The President

D. KOURKOULAS

ANNEX I

- Albania
- Bosnia and Herzegovina
- Iceland
- Kosovo (*)
- Montenegro
- Serbia
- Turkey
- The former Yugoslav Republic of Macedonia

(*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

ANNEX II

Thematic priorities for assistance

Assistance may, as appropriate, address the following thematic priorities:

- (a) Compliance with the principle of good public administration and economic governance. Interventions in this area shall aim at: strengthening public administration, including professionalisation and de-politicisation of the civil service, embedding meritocratic principles and ensuring adequate administrative procedures; enhancing the capacity to strengthen macroeconomic stability and supporting progress towards becoming both a functioning market economy and a more competitive economy; supporting participation in the multilateral fiscal surveillance mechanism of the Union and systematic cooperation with international financial institutions on fundamentals of economic policy, as well as strengthening public financial management.
- (b) Establishing and promoting from an early stage the proper functioning of the institutions necessary in order to secure the rule of law. Interventions in this area shall aim at: establishing independent, accountable and efficient judicial systems, including transparent and merit-based recruitment, evaluation and promotion systems and effective disciplinary procedures in cases of wrongdoing; ensuring the establishment of robust systems to protect the borders, manage migration flows and provide asylum to those in need; developing effective tools to prevent and fight organised crime and corruption; promoting and protecting human rights, rights of persons belonging to minorities — including Roma as well as lesbian, gay, bisexual, transgender and intersex persons — and fundamental freedoms, including freedom of the media.
- (c) Strengthening the capacities of civil society organisations and social partners' organisations, including professional associations, in beneficiaries listed in Annex I and encouraging networking at all levels among Union-based organisations and those of beneficiaries listed in Annex I, enabling them to engage in an effective dialogue with public and private actors.
- (d) Investment in education, skills and lifelong learning. Interventions in this area shall aim at: promoting equal access to quality early-childhood, primary and secondary education; reducing early school-leaving; adapting vocational education and training (VET) systems to labour market demands; improving the quality and relevance of higher education; enhancing access to lifelong learning and supporting investment in education and training infrastructure; particularly with a view to reducing territorial disparities and fostering non-segregated education.
- (e) Fostering employment and supporting labour mobility. Interventions in this area shall aim at: sustainable integration of young people not in employment, education or training (NEET) into the labour market, including through measures stimulating investment in quality job creation; supporting integration of the unemployed; and encouraging higher participation in the labour market of all under-represented groups. Other key areas of intervention shall be to support gender equality, the adaptation of workers and enterprises to change, the establishment of a sustainable social dialogue and the modernisation and strengthening of labour market institutions.
- (f) Promoting social inclusion and combating poverty. Interventions in this area shall aim at: integrating marginalised communities such as the Roma; combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation; and enhancing access to affordable, sustainable and high quality services, such as health care and social services of general interest, including through the modernisation of social protection systems.
- (g) Promoting sustainable transport and removing bottlenecks in key network infrastructures, in particular by investing in projects with high European added value. The identified investments should be prioritised according to their contribution to mobility, sustainability, reduced greenhouse gas emissions, relevance to connections with Member States, and coherence with the Single European Transport Area.
- (h) Improving the private-sector environment and competitiveness of enterprises, including smart specialisation, as key drivers of growth, job creation and cohesion. Priority shall be given to projects which improve the business environment.
- (i) Strengthening research, technological development and innovation, in particular through improving the research infrastructure, an enabling environment and promotion of networking and collaboration.
- (j) Contributing to the security and safety of food supply and the maintenance of diversified and viable farming systems in vibrant rural communities and the countryside.
- (k) Increasing the ability of the agri-food sector to cope with competitive pressure and market forces as well as to progressively align with the Union rules and standards, while pursuing economic, social and environmental goals in balanced territorial development of rural areas.

- (l) Protecting and improving the quality of the environment, contributing to the reduction of greenhouse gas emissions, increasing resilience to climate change and promoting climate action governance and information. IPA II funding shall promote policies to support the shift towards a resource-efficient, safe and sustainable low-carbon economy.
 - (m) Promoting reconciliation, peace-building and confidence-building measures.
-

ANNEX III

Thematic priorities for assistance for territorial cooperation

Assistance for cross-border cooperation may, as appropriate, address the following thematic priorities:

- (a) promoting employment, labour mobility and social and cultural inclusion across borders through, inter alia: integrating cross-border labour markets, including cross-border mobility; joint local employment initiatives; information and advisory services and joint training; gender equality; equal opportunities; integration of immigrants' communities and vulnerable groups; investment in public employment services; and supporting investment in public health and social services;
- (b) protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness;
- (c) promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities;
- (d) encouraging tourism and cultural and natural heritage;
- (e) investing in youth, education and skills through, inter alia, developing and implementing joint education, vocational training, training schemes and infrastructure supporting joint youth activities;
- (f) promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities;
- (g) enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation;
- (h) strengthening research, technological development, innovation and information and communication technologies through, inter alia, promoting the sharing of human resources and facilities for research and technology development.

IPA II funding may also finance, as appropriate, the participation of beneficiaries listed in Annex I in transnational and interregional cooperation programmes under the ERDF support to the European Territorial Cooperation goal and in cross-border cooperation programmes under the ENI. In those cases, the scope of the assistance shall be established in accordance with the regulatory framework of the relevant instrument (being either the ERDF or the ENI).

Declaration by the European Commission on the strategic dialogue with the European Parliament ⁽¹⁾

On the basis of Article 14 TEU, the European Commission will conduct a strategic dialogue with the European Parliament prior to the programming of the Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) and after initial consultation of its relevant beneficiaries, where appropriate. The European Commission will present to the European Parliament the relevant available documents on programming with indicative allocations foreseen per country/region, and, within a country/region, priorities, possible results and indicative allocations foreseen per priority for geographic programmes, as well as the choice of assistance modalities (*). The European Commission will present to the European Parliament the relevant available documents on programming with thematic priorities, possible results, choice of assistance modalities (*), and financial allocations for such priorities foreseen in thematic programmes. The European Commission will take into account the position expressed by the European Parliament on the matter.

The European Commission will conduct a strategic dialogue with the European Parliament in preparing the mid-term review and before any substantial revision of the programming documents during the period of validity of this Regulation.

The European Commission, if invited by the European Parliament, will explain where the European Parliament's observations have been taken into consideration in the programming documents and any other follow-up given to the strategic dialogue.

⁽¹⁾ The European Commission will be represented at the responsible Commissioner level

(*) Where applicable.

Joint Declaration by the European Parliament, the Council of the European Union and the European Commission concerning the funding of horizontal programmes for minorities

The European Parliament, the Council of the European Union and the European Commission agree that point (ii) of point (a) of Article 2(1) of Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II) is to be interpreted as allowing the funding of programmes aimed at enhancing respect for and protection of minorities in line with the Copenhagen criteria, as it was the case under Regulation (EC) No 1085/2006 of the Council of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA).

Declaration of the European Commission on the use of implementing acts for laying down provisions for the implementation of certain rules in Regulation No. 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument and in Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II)

The European Commission considers that the rules for implementing cross-border cooperation programmes as set out in Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action and other specific, more detailed implementing rules in Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument and in Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II), aim at supplementing the basic act and should therefore be delegated acts to be adopted on the basis of Article 290 TFEU. The European Commission will not oppose the adoption of the text as agreed by the co-legislators. Nevertheless, the European Commission recalls that the question of delimitation between Articles 290 and 291 TFEU is currently under examination by the Court of Justice of the European Union in the 'biocides' case.

Statement by the European Parliament on the suspension of assistance granted under the financial instruments

The European Parliament notes that Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020, Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries and Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) do not contain any explicit reference to the possibility of suspending assistance in cases where a beneficiary country fails to observe the basic principles enunciated in the respective instrument and notably the principles of democracy, rule of law and the respect for human rights.

The European Parliament considers that any suspension of assistance under these instruments would modify the overall financial scheme agreed under the ordinary legislative procedure. As a co-legislator and co-branch of the budgetary authority, the European Parliament is therefore entitled to fully exercise its prerogatives in that regard, if such a decision is to be taken.

Statement by the European Parliament on the Beneficiaries listed in Annex I of the Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)

The European Parliament notes that the Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) uses the term 'the beneficiaries listed in Annex I' throughout the text. The European Parliament considers that this term applies to countries.

REGULATION (EU) No 232/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 11 March 2014
establishing a European Neighbourhood Instrument

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 209(1) and 212(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the ordinary legislative procedure ⁽³⁾,

Whereas:

(1) This Regulation establishes the European Neighbourhood Instrument (ENI) as one of the instruments providing direct support for the European Union's external policies. It replaces Regulation (EC) No 1638/2006 of the European Parliament and of the Council ⁽⁴⁾, which expired on 31 December 2013.

(2) Article 8 of the Treaty on European Union (TEU) provides that the Union is to develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation.

(3) Under the European Neighbourhood Policy (ENP), the Union offers European Neighbourhood countries a privileged relationship, building upon a mutual commitment to, and promotion of, the values of democracy and human rights, the rule of law, good governance and the principles of a market economy and sustainable and inclusive development. It further provides, where

appropriate, a framework for enhanced mobility and people-to-people contacts, particularly through visa facilitation and readmission agreements, and, on a case-by-case basis, through visa liberalisation.

(4) Since it was launched, the ENP has strengthened relations with partner countries and brought tangible benefits to both the Union and its partners, including the launch of regional initiatives and support to democratisation in the European Neighbourhood. A number of major developments in the European Neighbourhood prompted a comprehensive strategic review of the ENP in 2011. The review provides, inter alia, for greater support to partners committed to building democratic societies and undertaking reforms in line with the incentive-based approach ('more for more') and the principle of 'mutual accountability', partnership with societies and a more differentiated and tailor-made approach towards the individual partner countries. This Regulation should establish clear links between the ENP framework and the support to be provided under this Regulation.

(5) This Regulation should support the implementation of political initiatives that have shaped the ENP: the Eastern Partnership between the Union and its eastern neighbours, the Partnership for Democracy and Shared Prosperity and the Union for the Mediterranean in the southern neighbourhood. Those initiatives are all strategically important and offer equally meaningful political frameworks for deepening relations with and among partner countries, based on the principles of mutual accountability, shared ownership and responsibility. This Regulation should also support the implementation of regional cooperation throughout the European Neighbourhood, inter alia in the framework of the Northern Dimension policy or the Black Sea Synergy, as well as, primarily in the case of cross-border cooperation, the external aspects of relevant macro-regional strategies.

(6) The objectives of this Regulation should be pursued with the appropriate involvement of external action partners, including civil society organisations and local authorities, in preparing, implementing and monitoring Union support, given the importance of their roles. This Regulation should also support the strengthening of the capacity of civil society organisations to guarantee effective domestic accountability and local ownership, and to play a full role in the democratisation process.

(7) This Regulation acknowledges the specific status of the Russian Federation as both a Union neighbour and a strategic partner in the region.

⁽¹⁾ OJ C 11, 15.1.2013, p. 77.

⁽²⁾ OJ C 391, 18.12.2012, p. 110.

⁽³⁾ Position of the European Parliament of 11 December 2013 (not yet published in the Official Journal) and decision of the Council of 11 March 2014.

⁽⁴⁾ Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (OJ L 310, 9.11.2006, p. 1).

- (8) Support under both this Regulation and the European Regional Development Fund (ERDF) should be provided for the cross-border cooperation programmes between, on the one hand, Member States and, on the other hand, partner countries and/or the Russian Federation ('other cross-border cooperation participating countries') along the external borders of the Union, in order to promote integrated and sustainable regional development and cooperation between neighbouring border areas and harmonious territorial integration across the Union and with neighbouring countries. To secure efficient implementation of cross-border cooperation, it is important to harmonise procedures with those within the context of European territorial cooperation, where applicable.
- (9) Furthermore, it is important to foster and facilitate cooperation between the Union and its partners and other participating countries for their common benefit, in particular through the best and most effective coordination of resources provided and the pooling of contributions from internal and external instruments of the Union budget, in particular for the benefit of cross-border cooperation and regional cooperation projects, infrastructure projects of Union interest involving neighbouring countries, and other areas of cooperation.
- (10) Territorial units along the borders that belong to countries of the European Economic Area (EEA) and the relevant territorial units in the beneficiaries listed in Annex I to Regulation (EU) No 231/2014 of the European Parliament and of the Council⁽¹⁾ should also be able to participate in cross-border cooperation. Participation of the EEA countries in the cross-border cooperation programmes should continue to be based on their own resources.
- (11) It is expected that the Member States, partner countries and other participating countries taking part in cross-border cooperation and in regional cooperation will provide co-financing. This will strengthen country ownership, increase the financial resources at the disposal of the programmes and facilitate the participation of local stakeholders.
- (12) For the purpose of harmonising the terminology used in this Regulation with that of the European territorial cooperation, the implementation documents for cross-border cooperation programmes should be called joint operational programmes.
- (13) Support to be provided to neighbouring countries within the framework established by the ENP should be coherent with the objectives and principles of the Union's external policies and, in particular, its development policy and the common foreign and security policy. Coherence with the external dimensions of the Union's internal policies and instruments should also be ensured.
- (14) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between the ENI, other Union instruments for financing external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the instruments for financing external action.
- (15) The Joint EU–Africa Strategy is of relevance for relations with the Mediterranean neighbours from North Africa.
- (16) The Union and its Member States should improve the coherence, effectiveness and complementarity of their respective policies on cooperation with neighbouring countries. To ensure that the Union's cooperation and that of the Member States complement and reinforce each other, it is appropriate to provide for joint programming, which should be implemented whenever possible and relevant. Proper cooperation and coordination with other non-Union donors should also be ensured.
- (17) Union support under this Regulation should in principle be aligned to corresponding national or local strategies and measures of partner countries and, where relevant, also to those of the Russian Federation.
- (18) The Commission should seek the most efficient use of available resources by using financial instruments with leverage effect. Such effect could be increased by enabling funds invested and generated by financial instruments to be used and re-used.
- (19) Fighting climate change is one of the great challenges which the Union faces and urgent international action is needed. In accordance with the intent stated in the Commission Communication of 29 June 2011 entitled 'A budget for Europe 2020' of increasing the climate-related proportion of the Union budget to at least 20 %, this Regulation should contribute to the attainment of that goal.

⁽¹⁾ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) (See page 11 of this Official Journal).

- (20) A stable framework of cooperation with neighbouring countries in the area of energy and resources, consistent with the Union's internal market rules, contributes to enhancing the Union's security in that area.
- (21) Gender equality, the rights of persons belonging to minorities and the fight against discrimination and inequalities are cross-cutting objectives in all actions undertaken under this Regulation.
- (22) In relations with its partners worldwide, the Union is committed to promoting decent work and social justice, and ratifying and effectively implementing internationally recognised labour standards, including the eradication of child labour, and multilateral environmental agreements.
- (23) This Regulation lays down a financial envelope for its period of application which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management ⁽¹⁾, for the European Parliament and the Council during the annual budgetary procedure.
- (24) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of penalties. Those measures should be carried out in accordance with the applicable agreements concluded with international organisations and third countries.
- (25) In order to adapt Union support under this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amending the list of priorities for Union support under this Regulation and financial allocations per type of programme. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (26) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.
- (27) The implementing powers relating to multi-annual single support frameworks, other programming documents and implementing rules laying down specific provisions for the implementation of cross-border cooperation should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council ⁽²⁾.
- (28) The examination procedure should in principle be used for the adoption of such implementing acts, given the nature of those implementing acts, in particular their policy orientation or their financial implications, except in the case of measures of a small financial scale.
- (29) Common rules and procedures for the implementation of the Union's instruments for financing external action are laid down in Regulation (EU) No 236/2014 of the European Parliament and of the Council ⁽³⁾.
- (30) The organisation and functioning of the European External Action Service (EEAS) are established in Council Decision 2010/427/EU ⁽⁴⁾.
- (31) In European Neighbourhood countries, where alignment to Union rules and standards is one of the key policy objectives, the Union is best placed to deliver its support under this Regulation. Certain specific support can only be provided at Union level. Member States' transition experience can also contribute to the success of reforms in European Neighbourhood countries and to promoting universal values in the European Neighbourhood.
- (32) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

⁽²⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

⁽³⁾ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action (See page 95 of this Official Journal).

⁽⁴⁾ Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

⁽¹⁾ OJ C 373, 20.12.2013, p. 1.

- (33) It is appropriate to align the period of application of this Regulation with that of Council Regulation (EU, Euratom) No 1311/2013⁽¹⁾. Therefore, this Regulation should apply from 1 January 2014 until 31 December 2020,

Article 2

Specific objectives of Union support

HAVE ADOPTED THIS REGULATION:

TITLE I

OBJECTIVES AND PRINCIPLES

Article 1

General objective and scope

1. This Regulation establishes a European Neighbourhood Instrument (ENI) with a view to advancing further towards an area of shared prosperity and good neighbourliness involving the Union and the countries and territories listed in Annex I ('the partner countries') by developing a special relationship founded on cooperation, peace and security, mutual accountability and a shared commitment to the universal values of democracy, the rule of law and respect for human rights in accordance with the TEU.

2. Union support under this Regulation shall be used for the benefit of partner countries and the areas involved in cross-border cooperation. It can also be used for the common benefit of the Union and partner countries.

3. Union support under this Regulation may also be used for the purpose of enabling the Russian Federation to participate in cross-border cooperation, in regional cooperation with Union participation and in relevant multi-country programmes, including in cooperation on education, in particular student exchanges.

4. The Union promotes, develops and consolidates the values of liberty, democracy, the universality and indivisibility of, and respect for, human rights and fundamental freedoms, and the principles of equality and the rule of law, on which it is founded, through dialogue and cooperation with third countries and in compliance with principles of international law. Accordingly, funding under this Regulation shall comply with those values and principles, as well as with the Union's commitments under international law, taking into account relevant Union policies and positions.

⁽¹⁾ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

1. Union support under this Regulation shall focus on promoting enhanced political cooperation, deep and sustainable democracy, progressive economic integration and a strengthened partnership with societies between the Union and the partner countries and, in particular, the implementation of partnership and cooperation agreements, association agreements or other existing and future agreements, and jointly agreed action plans or equivalent documents.

2. Union support under this Regulation shall target in particular:

- (a) promoting human rights and fundamental freedoms, the rule of law, principles of equality and the fight against discrimination in all its forms, establishing deep and sustainable democracy, promoting good governance, fighting corruption, strengthening institutional capacity at all levels and developing a thriving civil society including social partners;
- (b) achieving progressive integration into the Union internal market and enhanced sectoral and cross-sectoral cooperation, including through legislative approximation and regulatory convergence towards Union and other relevant international standards, and improved market access including through deep and comprehensive free trade areas, related institution-building and investment, particularly in interconnections;
- (c) creating conditions for the better organisation of legal migration and the fostering of well-managed mobility of people, for the implementation of existing or future agreements concluded in line with the Global Approach to Migration and Mobility, and for the promotion of people-to-people contacts, in particular in relation to cultural, educational, professional and sporting activities;
- (d) supporting smart, sustainable and inclusive development in all aspects; reducing poverty, including through private-sector development, and reducing social exclusion; promoting capacity-building in science, education and in particular higher education, technology, research and innovation; promoting internal economic, social and territorial cohesion; fostering rural development; promoting public health; and supporting environmental protection, climate action and disaster resilience;
- (e) promoting confidence-building, good neighbourly relations and other measures contributing to security in all its forms and the prevention and settlement of conflicts, including protracted conflicts;
- (f) enhancing sub-regional, regional and European Neighbourhood-wide collaboration as well as cross-border cooperation.

3. The achievement of the specific objectives set out in paragraphs 1 and 2 shall be measured using, in particular, the relevant Union periodic reports on the implementation of the ENP; for points (a), (d) and (e) of paragraph 2, the relevant indicators established by international organisations and other relevant bodies; for points (b), (c) and (d) of paragraph 2, the extent of the uptake of the Union regulatory framework by the partner countries as appropriate; and for points (c) and (f) of paragraph 2, the number of relevant agreements and cooperation actions.

The indicators used to measure the achievement of the specific objectives shall be predefined, clear, transparent and, where appropriate, country-specific and measurable, and shall include, inter alia, adequately monitored democratic elections, respect for human rights and fundamental freedoms, an independent judiciary, cooperation on issues of justice, freedom and security, the level of corruption, trade flows, gender equality and indicators enabling internal economic disparities, including employment levels, to be measured.

4. Union support under this Regulation may also be used in other relevant areas when this is consistent with the overall objectives of the ENP.

Article 3

Policy framework

1. The partnership and cooperation agreements, the association agreements and other existing or future agreements that establish a relationship with partner countries, corresponding Commission communications, European Council conclusions, and Council conclusions, as well as relevant summit declarations or conclusions of ministerial meetings with the partner countries of the ENP, including in the context of the Eastern Partnership and the Union for the Mediterranean, and also relevant European Parliament resolutions, shall, while respecting the principle of ownership, constitute the overall policy framework of this Regulation for programming and implementing Union support under this Regulation.

2. The key points of reference for setting the priorities for Union support under this Regulation and for the assessment of progress as outlined in Article 2(3) shall be: action plans or other equivalent jointly agreed documents such as the association agendas between the partner countries and the Union in bilateral and multilateral formats, including, as relevant, within the Eastern Partnership and the southern dimension of the ENP.

3. Where no agreements, as set out in paragraph 1, between the Union and partner countries exist, Union support under this Regulation may be provided when it proves useful in order to pursue Union policy objectives, and shall be programmed on the basis of such objectives, taking into account the needs of the country concerned.

Article 4

Differentiation, partnership and co-financing

1. Union support under this Regulation provided to each partner country in accordance with point (a) of Article 6(1) shall be incentive-based and differentiated in form and amounts, taking into account all the elements listed below, reflecting the partner country's:

- (a) needs, using indicators such as population and level of development;
- (b) commitment to and progress in implementing mutually agreed political, economic and social reform objectives;
- (c) commitment to and progress in building deep and sustainable democracy;
- (d) partnership with the Union, including the level of ambition for that partnership;
- (e) absorption capacity and the potential impact of Union support under this Regulation.

Such support shall be reflected in the multi-annual programming documents referred to in Article 7.

2. Following the adoption of the programming documents specified in Article 7, and without prejudice to the other elements outlined in paragraph 1 of this Article, the share of available resources offered to partner countries shall be adapted primarily according to their progress in building and consolidating deep and sustainable democracy and in implementing agreed political, economic and social reform objectives, in line with the incentive-based approach.

For multi-country umbrella programmes, that share shall be determined according to the progress made by partner countries in building deep and sustainable democracy, also taking into account their progress in implementing agreed reform objectives contributing to the attainment of that goal.

The progress of partner countries shall be regularly assessed, in particular by means of ENP progress reports which include trends as compared to previous years.

Support may be reconsidered in the event of serious or persistent regression.

3. The incentive-based approach shall not apply to support to civil society, people-to-people contacts, including cooperation between local authorities, support for the improvement of human rights, or crisis-related support measures. In the event of serious or persistent regression, such support may be increased.

4. The incentive-based approach under this Regulation shall be the subject of a regular exchange of views in the European Parliament and in the Council.

5. Union support under this Regulation shall, in principle, be established in partnership with the beneficiaries. That partnership shall involve, as appropriate, the following stakeholders in the preparation, implementation and monitoring Union support:

- (a) national and local authorities; and
- (b) civil society organisations,

including through consultation and timely access to relevant information allowing them to play a meaningful role in that process.

6. Union support under this Regulation shall, in principle, be co-financed by the partner countries and other participating countries through public funds, contributions from the beneficiaries or other sources. Co-financing requirements may be waived in duly justified cases and where necessary in order to support the development of civil society and non-state actors, especially small-scale civil society organisations, without prejudice to compliance with the other conditions set out in Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽¹⁾.

Article 5

Coherence and donor coordination

1. In the implementation of this Regulation, coherence shall be ensured with all areas of the Union's external action as well as other relevant Union policies. To that end, measures financed under this Regulation, including those managed by the European Investment Bank (EIB), shall be based on the cooperation policy documents referred to in Article 3(1) and (2) as well as on the Union's specific interests, policy priorities and strategies. Such measures shall respect the commitments under multilateral agreements and international conventions to which the Union and partner countries are parties.

2. The Union, the Member States and the EIB shall ensure coherence between support provided under this Regulation and other support provided by the Union, the Member States and European financial institutions.

3. The Union and the Member States shall coordinate their respective support programmes with the aim of increasing effectiveness and efficiency in the delivery of support and policy dialogue and preventing overlapping of funding, in line with the established principles for strengthening operational coordination in the field of external support and for harmonising policies and procedures. Coordination shall involve regular consultations and frequent exchanges of relevant information during the different

phases of the support cycle, in particular at field level. Joint programming shall be implemented whenever possible and relevant. When this cannot be achieved, other arrangements, such as delegated cooperation and transfer arrangements, shall be considered with a view to ensuring the highest degree of coordination.

The Commission shall report on joint programming with Member States within the report referred to in Article 17 of Regulation (EU) No 236/2014, and shall include recommendations in cases where joint programming was not fully achieved.

4. The Union, in liaison with the Member States, shall take the necessary steps, including consultations at an early stage of the programming process, to ensure complementarity, proper coordination and cooperation with multilateral and regional organisations and entities, including European financial institutions, international financial institutions, United Nations agencies, funds and programmes, private and political foundations and non-Union donors.

5. The documents referred to in Article 7(2) and (3) shall also, to the extent possible, refer to the activities of other Union donors.

TITLE II

INDICATIVE PROGRAMMING AND ALLOCATION OF FUNDS

Article 6

Types of programmes

1. Union support under this Regulation shall be programmed through:

- (a) bilateral programmes covering Union support to one partner country;
- (b) multi-country programmes which address challenges common to all or a number of partner countries, based on priorities of the Eastern Partnership and the southern dimension of the ENP and taking into account the work carried out in the context of the Union for the Mediterranean, and regional and sub-regional cooperation, primarily between two or more partner countries, including also within the framework of the Northern Dimension and Black Sea Synergy. This may involve the Russian Federation in accordance with Article 1(3);
- (c) cross-border cooperation programmes addressing cooperation between one or more Member States, on the one hand, and one or more partner countries and/or the Russian Federation ('other cross-border cooperation participating countries'), on the other hand, taking place along their shared part of the external border of the Union.

⁽¹⁾ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

2. The priorities for Union support under this Regulation are set out in Annex II.

3. Union support under this Regulation shall be implemented in accordance with Regulation (EU) No 236/2014 and, for the programmes referred to in point (c) of Article 6(1) of this Regulation, also in accordance with the implementing rules laying down specific provisions for the implementation of cross-border cooperation as referred to in Article 12 of this Regulation.

Article 7

Programming and indicative allocation of funds for country and multi-country indicative programmes

1. Indicative financial allocations for country programmes shall be determined on the basis of the criteria set out in Article 4(1).

2. For countries for which documents referred to in Article 3(2) of this Regulation exist, a comprehensive multi-annual single support framework shall be adopted in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014. That framework shall:

- (a) review the progress made in relation to the policy framework and the achievement of previously agreed objectives and take stock of the state of play as regards relations between the Union and the partner country, including the level of ambition for the partner country's partnership with the Union;
- (b) set out the objectives and priorities for Union support, mainly selected from those included in the documents referred to in Article 3(2) of this Regulation and in the partner countries' strategies or plans, where those strategies or plans are consistent with the overall policy framework, and for which the Union's regular assessment has shown the need for support;
- (c) indicate expected results; and
- (d) set out the indicative level of funding, broken down by priority.

Indicative financial allocations for each single support framework shall be given in the form of a range of not more than 20 % of those allocations.

The duration of a single support framework shall in principle correspond to the duration of the relevant document referred to in Article 3(2) of this Regulation.

3. For countries for which documents referred to in Article 3(2) of this Regulation do not exist, a comprehensive programming document including a strategy and multi-annual indicative programme shall be adopted in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014. The document shall:

- (a) define a Union response strategy on the basis of an analysis of the situation of the country concerned, of its relations with the Union, and of the partner countries' strategies or plans where those strategies or plans are consistent with the overall policy framework;

- (b) set out the objectives and priorities for Union support;

- (c) indicate expected results; and

- (d) set out the indicative level of funding, broken down by priority.

Accompanying indicative financial allocations shall be given in the form of a range of not more than 20 % of those allocations. The programming document shall have an appropriate multi-annual duration.

4. For multi-country programmes, a comprehensive programming document including a strategy and a multi-annual indicative programme shall be adopted in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014. It shall:

- (a) set out the objectives and priorities for Union support towards the region or the sub-region, reflecting where applicable the priorities decided upon within the framework of the Eastern Partnership or the Union for the Mediterranean;
- (b) indicate expected results; and
- (c) set out the indicative level of funding, broken down by priority.

Indicative financial allocations for multi-country programmes shall be determined on the basis of transparent and objective criteria.

The programming document shall have an appropriate multi-annual duration.

5. The single support framework documents shall be reviewed when necessary, including in the light of the relevant Union periodic reports and taking account of the work of the joint bodies established under the agreements with partner countries, and may be revised in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014. The programming documents referred to in paragraphs 3 and 4 of this Article shall be reviewed at their mid-term or whenever necessary, and may be revised in accordance with the same procedure.

6. To facilitate the implementation of the incentive-based approach referred to in Article 4(2), an amount in the range of 10 % of the financial envelope set out in Article 17(1) shall be allocated to multi-country umbrella programmes that will supplement the country financial allocations referred to in Article 7(2) and (3). The relevant Commission decisions establishing those umbrella programmes shall specify the countries that may receive allocations, with the actual allocations to be decided on the basis of progress towards deep and sustainable democracy and implementation of agreed reform objectives contributing to the attainment of that goal.

7. When it is necessary to implement more effectively measures for the common benefit of the Union and partner countries, in areas such as transnational cooperation and inter-connections, funding under this Regulation can be pooled together with funding under other relevant Union regulations. In that event, the Commission shall decide which single set of rules is to apply to implementation.

8. Member States shall be involved in the programming process, in accordance with Article 16(3) of Regulation (EU) No 236/2014. Those Member States and other donors that have committed to jointly programme their support with the Union shall be particularly closely involved. The programming documents may also cover their contribution as appropriate.

9. Where Member States and other donors have committed to jointly programme their support, a joint multi-annual programming document may replace the single support framework and the programming documents referred to in paragraphs 3 and 4, on condition that it meets the requirements set out in those paragraphs.

10. In the event of crises or threats to democracy, the rule of law or human rights and fundamental freedoms, or of natural or man-made disasters, an ad hoc review of the programming documents may be conducted. Such emergency review shall ensure that coherence between Union policies, Union support provided under this Regulation and support provided under other Union instruments for financing external action is maintained. An emergency review may lead to the adoption of revised programming documents. In that event, the Commission shall send the revised programming documents to the European Parliament and to the Council for information within one month of their adoption.

11. Any programming or reviews of programmes taking place after the publication of the mid-term review report referred to in Article 17 of Regulation (EU) No 236/2014 shall take into account the results, findings and conclusions of that report.

TITLE III

CROSS-BORDER COOPERATION

Article 8

Geographical eligibility

1. The cross-border cooperation programmes referred to in point (c) of Article 6(1) can be established:

(a) for land borders covering the territorial units corresponding to Nomenclature of territorial units for statistics (NUTS) level 3 or equivalent along the land borders between Member States and the other cross-border cooperation participating countries, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation action, and in accordance with Article 9(4);

(b) for maritime borders covering the territorial units corresponding to NUTS level 3 or equivalent along maritime borders between Member States and the other cross-border cooperation participating countries, separated by a maximum of 150 km, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation action;

(c) around a sea basin covering the coastal territorial units corresponding to NUTS level 2 or equivalent facing a sea basin common to Member States and the other cross-border cooperation participating countries.

2. In order to ensure the continuation of existing cooperation schemes and in other justified cases, and with a view to contributing to the programme's objectives, territorial units adjoining those referred to in paragraph 1 may be allowed to participate in cross-border cooperation. The conditions under which adjoining territorial units may participate in cooperation shall be laid down in the joint operational programmes.

3. In duly justified cases, major social, economic or cultural centres in the Member States or in other cross-border cooperation participating countries that do not adjoin eligible territorial units may be included on condition that such participation contributes to the objectives laid down in the programming document. The conditions under which such centres may participate in cooperation shall be laid down in the joint operational programmes.

4. When programmes are established pursuant to point (b) of paragraph 1, the Commission may, in agreement with the participants, propose that the geographical eligibility be extended to the whole NUTS level 2 territorial unit in the area of which the NUTS level 3 territorial unit is located.

5. Cross-border cooperation shall aim to be coherent with the objectives of existing and future macro-regional strategies.

Article 9

Programming and allocation of funds for cross-border cooperation

1. A programming document shall be prepared for the purpose of defining the following:

(a) the strategic objectives to be pursued by cross-border cooperation, and the priorities and expected results of that cooperation;

(b) the list of joint operational programmes to be established;

- (c) the indicative breakdown of resources between land and maritime border programmes referred to in points (a) and (b) of Article 8(1) and sea basin programmes referred to in point (c) of Article 8(1);
- (d) the indicative multi-annual allocations to each joint operational programme;
- (e) the territorial units eligible to participate in each joint operational programme, and the territorial units and centres indicated in Article 8(2), (3) and (4);
- (f) the indicative allocation to support, as appropriate, horizontal capacity-building actions, networking and exchange of experiences among programmes;
- (g) the contributions to the transnational programmes established under Regulation (EU) No 1299/2013 of the European Parliament and the Council⁽¹⁾ in which partner countries and/or the Russian Federation participate.

The programming document shall cover a period of seven years and shall be adopted by the Commission in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014. It shall be reviewed at mid-term or whenever necessary and may be revised in accordance with that procedure.

2. Joint operational programmes shall be co-financed by the ERDF. The overall amount of the contribution from the ERDF shall be determined pursuant to Article 4(4) of Regulation (EU) No 1299/2013. This Regulation shall apply to the use of that contribution.

3. The Instrument for Pre-Accession (IPA II), as established by Regulation (EU) No 236/2014, may be used to co-finance joint operational programmes in which beneficiaries listed in Annex I to that Regulation participate. This Regulation shall apply to the use of that co-financing.

4. The indicative allocations of funds to joint operational programmes shall be based on objective criteria, in particular the population of the eligible territorial units as defined in points (a), (b) and (c) of Article 8(1). In the determination of the indicative allocations, adjustments may be made to reflect the need for a balance between the contributions from the ERDF and the contributions provided under this Regulation, as well as other factors affecting the intensity of cooperation, such as the specific characteristics of border areas and their capacity to manage and absorb Union support.

Article 10

Joint operational programmes

1. Cross-border cooperation shall be implemented through multi-annual joint operational programmes covering coopera-

tion for a border or a group of borders and comprising multi-annual measures that pursue a consistent set of priorities and that may be implemented with Union support. Joint operational programmes shall be based on the programming document referred to in Article 9(1). They shall include a summary description of the management and control systems covering the elements referred to in Article 11(2) and in Article 12(2).

2. Joint operational programmes for land and maritime borders shall be established for each border at the appropriate territorial level and shall include eligible territorial units belonging to one or more Member States and to one or more other cross-border cooperation participating countries.

3. Joint operational programmes around sea basins shall be multilateral, established at the appropriate territorial level, and shall include eligible territorial units facing a common sea basin belonging to several participating countries, including at least one Member State and one other cross-border cooperation participating country. They may include bilateral activities supporting cooperation between one Member State and one other cross-border cooperation participating country.

4. Within one year of approval of the programming document referred to in Article 9(1), and after the adoption of the implementing rules laying down specific provisions for the implementation of cross-border cooperation, the participating countries shall jointly submit proposals for joint operational programmes to the Commission. The Commission shall, within a deadline set in the implementing rules, adopt each joint operational programme after assessing its consistency with this Regulation, with the programming document and with the implementing rules. The Commission shall present joint operational programmes to the European Parliament and the Member States for information within one month of the adoption of those programmes.

5. Areas in countries other than Member States or other cross-border cooperation participating countries which adjoin eligible areas as defined in points (a) and (b) of Article 8(1) or which face a common sea basin where a joint operational programme is being established may be covered by a joint operational programme and may benefit from Union support under this Regulation in accordance with the conditions set out in the programming document referred to in Article 9(1).

6. The Commission and the participating countries shall take the appropriate measures to ensure that cross-border cooperation programmes, in particular for sea basins, established under this Regulation and transnational co-operation programmes established under Regulation (EU) No 1299/2013 that have a partially overlapping geographical coverage will be fully complementary and mutually re-enforcing.

⁽¹⁾ Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal (OJ L 347, 20.12.2013, p. 259).

7. Joint operational programmes may be revised at the initiative of the participating countries or the Commission for reasons such as:

- (a) changes in cooperation priorities or socio-economic developments;
- (b) results of implementing the measures concerned and those produced by the monitoring and evaluation process;
- (c) the need to adjust the amounts of available funds and to reallocate resources.

8. By the end of the calendar year following the year of adoption of joint operational programmes, the Commission shall conclude a financing agreement with the other cross-border cooperation participating countries. That financing agreement shall include the legal provisions necessary in order to implement a joint operational programme and may be co-signed by the other participating countries and by the managing authority referred to in point (c) of Article 12(2) or by the country hosting the managing authority.

Where necessary, an agreement, for example in the form of a memorandum of understanding, shall be concluded between the participating countries and the managing authority to set out the specific financial responsibilities and programme implementation modalities of the countries concerned, including their management and administrative tasks and responsibilities.

9. A joint operational programme involving more than one other cross-border cooperation participating country is established if at least one other cross-border cooperation participating country signs the financing agreement. Other cross-border cooperation participating countries covered by an established programme can join the programme at any time by signing the financing agreement.

10. If a participating country undertakes to co-finance a joint operational programme, that programme shall clarify the arrangements and necessary safeguards for auditing, providing, using and monitoring the co-financing. The related financing agreement shall be signed by all participating countries and the joint operational programme's managing authority or by the country hosting the managing authority.

11. Joint operational programmes may also provide for a financial contribution from and to financial instruments with which grants could be combined, subject to the rules of those instruments, provided that this contributes to achieving those programmes' priorities.

12. Following the principle of partnership, participating countries and their local authorities, where applicable, shall jointly select actions for Union support that are consistent with the priorities and measures of a joint operational programme.

13. In specific and duly justified cases, where:

- (a) a joint operational programme cannot be submitted owing to problems arising in relations between participating countries or between the Union and another cross-border cooperation participating country;
- (b) a joint operational programme cannot be implemented owing to problems arising in relations between participating countries;
- (c) the participating countries have not submitted to the Commission a joint operational programme by 30 June 2017; or
- (d) none of the other cross-border cooperation participating countries in the programme has signed the relevant financing agreement by the end of the year following the adoption of the programme,

the Commission shall take the necessary steps, following consultations with the Member State(s) concerned, to allow the Member State(s) concerned to use the contribution from the ERDF to the joint operational programme pursuant to Article 4(7) and (8) of Regulation (EU) No 1299/2013.

14. Budget commitments for cross-border cooperation actions or programmes extending over more than one financial year may be broken down over several years into annual instalments.

Article 11

Management of joint operational programmes

1. Joint operational programmes shall usually be implemented in shared management with Member States. However, participating countries may propose implementation in indirect management, by an entity listed in Regulation (EU, Euratom) No 966/2012 and in accordance with the implementing rules referred to in Article 12(2) of this Regulation.

2. The Commission shall satisfy itself on the basis of available information that the Member State in the case of shared management, or the other cross-border cooperation participating country or the international organisation in the case of indirect management, has set up, and operates, management and control systems that comply with Regulation (EU, Euratom) No 966/2012, with this Regulation and with its implementing rules referred to in Article 12(2) of this Regulation.

Member States, other cross-border cooperation participating countries and international organisations concerned shall ensure the effective functioning of their management and control system, the legality and regularity of the underlying transactions and compliance with the principle of sound financial management. They shall be responsible for the management and control of the programmes.

The Commission may require the Member State or the other cross-border cooperation participating country or the international organisation concerned to examine a complaint submitted to the Commission concerning the selection or implementation of operations supported under this Title or the functioning of the management and control system.

3. In order to allow joint operational programmes to prepare adequately for implementation, expenditure incurred after the submission of a joint operational programme to the Commission shall be eligible from 1 January 2014.

4. Where eligibility is restricted in accordance with Article 8(7) of Regulation (EU) No 236/2014, the entity referred to in paragraph 1 of this Article, which may launch calls for proposals and tenders, shall be entitled to accept as eligible tenderers, applicants and candidates from non-eligible countries, or goods from a non-eligible origin, in accordance with Article 8(2) and Article 9(3) of Regulation (EU) No 236/2014.

Article 12

Implementing rules for cross-border cooperation

1. Implementing rules laying down specific provisions for the implementation of this Title shall be adopted in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014.

2. Matters covered by the implementing rules shall include detailed provisions on, inter alia:

- (a) the rate and methods of co-financing;
- (b) the content, preparation, modification and closure of joint operational programmes;
- (c) the role and function of the programme structures, e.g. the joint monitoring committee, the managing authority and its joint technical secretariat, including their standing, effective identification, accountability and responsibility, a description of the management and control systems, and conditions governing the technical and financial management of Union support, including eligibility of expenditure;
- (d) recovery procedures in all participating countries;
- (e) monitoring and evaluation;
- (f) visibility and information activities;
- (g) shared and indirect management referred to in Article 6(2) of Regulation (EU) No 236/2014.

TITLE IV

FINAL PROVISIONS

Article 13

Delegation of power

The Commission shall be empowered to adopt delegated acts in accordance with Article 14 to amend Annex II. In particular, following the publication of the mid-term review report, and based upon the recommendations contained in that report, the Commission shall adopt a delegated act amending Annex II by 31 March 2018.

Article 14

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 13 shall be conferred on the Commission until 31 December 2020.
3. The delegation of power referred to in Article 13 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Article 13 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 15

Committee

The Commission shall be assisted by the European Neighbourhood Instrument Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Article 16

Participation by a third country not covered by Article 1

1. In duly justified circumstances and in order to ensure the coherence and effectiveness of Union financing or to foster regional or trans-regional cooperation, the Commission may decide, on a case-by-case basis, to extend the eligibility of specific actions in accordance with Article 2 of Regulation (EU) No 236/2014 to countries, territories and areas which would not otherwise be eligible for financing.

Notwithstanding Article 8(1) of Regulation (EU) No 236/2014, natural and legal persons from countries, territories and areas concerned may participate in the procedures implementing such actions.

2. Provision may be made in the programming documents referred to in Article 7 for the possibilities referred to in paragraph 1 of this Article.

Article 17

Financial envelope

1. The financial envelope for the implementation of this Regulation for the period from 2014 to 2020 shall be EUR 15 432 634 000 at current prices. Up to 5 % of the financial envelope shall be allocated to the cross-border cooperation programmes referred to in point (c) of Article 6(1).

2. The annual appropriations shall be authorised by the European Parliament and by the Council within the limits of the multiannual financial framework.

3. In accordance with Article 18(4) of Regulation (EU) No 1288/2013 of the European Parliament and of the Council ⁽¹⁾, an indicative amount of EUR 1 680 000 000 from the different instruments for financing external action, namely the Development Cooperation Instrument established by Regulation (EU) No 233/2014 of the European Parliament and of the Council ⁽²⁾, the ENI, the Instrument for Pre-accession Assistance (IPA II) established by Regulation (EU) No 231/2014, and the Partnership Instrument established by Regulation (EU) No 234/2014 of the European Parliament and of the Council ⁽³⁾, shall be allocated to actions in respect of learning

mobility to or from partner countries within the meaning of Regulation (EU) No 1288/2013 and to cooperation and policy dialogue with authorities, institutions and organisations from those countries. Regulation (EU) No 1288/2013 shall apply to the use of those funds.

The funding shall be made available through two multiannual allocations only, covering the first four years and the remaining three years respectively. The allocation of that funding shall be reflected in the multiannual indicative programming provided for in this Regulation, in line with the identified needs and priorities of the countries concerned. The allocations may be revised in the event of major unforeseen circumstances or important political changes in line with the priorities of the Union's external action.

Article 18

European External Action Service

This Regulation shall apply in accordance with Decision 2010/427/EU.

Article 19

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014 until 31 December 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 11 March 2014.

For the European Parliament

The President

M. SCHULZ

For the Council

The President

D. KOURKOULAS

⁽¹⁾ Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+' the Union programme for education, training, youth and sport and repealing Decisions Nos 1719/2006/EC, 1720/2006/EC and 1298/2008/EC (OJ L 347, 20.12.2013, p. 50).

⁽²⁾ Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (See page 44 of this Official Journal).

⁽³⁾ Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (See page 77 of this Official Journal).

ANNEX I

The partner countries referred to in Article 1 are:

Algeria
Armenia
Azerbaijan
Belarus
Egypt
Georgia
Israel
Jordan
Lebanon
Libya
The Republic of Moldova
Morocco
occupied Palestinian territory (oPt)
Syria
Tunisia
Ukraine

ANNEX II

Priorities for Union support under this Regulation

To support the achievement of the specific objectives provided for in Article 2, also taking into account jointly agreed documents as set out in Article 3(2), Union funding may address the priorities set out in points 1, 2 and 3 of this Annex.

Some of those priorities may be relevant for more than one type of programme. Possible amendments to this indicative list of priorities shall respect the principle of shared ownership.

Cross-cutting issues, including deep and sustainable democracy, human rights, gender equality, the fight against corruption and the environment, shall be addressed within those priorities.

1. Union support at bilateral level shall, as appropriate, address, inter alia, the following priorities:

- human rights, good governance and the rule of law, including reform of justice, of the public administration and of the security sector;
- institutional cooperation and capacity development, including for the implementation of Union agreements;
- support to civil society actors and to their role in reform processes and democratic transitions;
- sustainable and inclusive economic development, including at regional and local level, and territorial cohesion;
- development of the social sectors, in particular for the youth, with a focus on social justice and cohesion and employment;
- trade and private-sector development, including support to small and medium-sized enterprises, employment and implementation of deep and comprehensive free trade areas;
- agriculture and rural development, including food security;
- sustainable management of natural resources;
- the energy sector, with a focus on energy efficiency and renewable energy;
- transport and infrastructure;
- education and skills development, including vocational education and training;
- mobility and migration management, including the protection of migrants;
- confidence-building and other measures contributing to the prevention and settlement of conflicts, including support to affected populations and reconstruction.

The priorities set out in this point may contribute to more than one objective of this Regulation.

2. Union support at multi-country level shall, as appropriate, address, inter alia, the following priorities:

- human rights, good governance and the rule of law;
- institutional cooperation and capacity development;
- regional cooperation, in particular in the framework of the Eastern Partnership, the Union for the Mediterranean and the Partnership for Democracy and Shared Prosperity;
- higher education and skills development, students and staff mobility, youth and culture;
- sustainable economic development, trade and private sector development and support to small and medium-sized enterprises;
- the energy sector, including energy networks;
- transport and infrastructure interconnections;
- sustainable management of natural resources, including water, green growth, the environment and climate change adaptation and mitigation;
- support to civil society;
- mobility and migration management;
- confidence-building and other measures contributing to the prevention and settlement of conflicts.

The priorities set out in this point may contribute to more than one objective of this Regulation.

3. Union support through cross-border cooperation programmes shall, as appropriate, address the following priorities:

- economic and social development;
- the environment, public health, safety and security;
- the mobility of persons, goods and capital.

The priorities set out in this point reflect common challenges. They constitute the framework for the identification of specific priorities with the cross-border cooperation participating countries. Civil society organisations will be involved in the development of the programmes and will be, together with local and regional authorities, their main beneficiaries.

Financial allocations per type of programme

Bilateral programmes: up to 80 %

Multi-country programmes: up to 35 %

Cross-border cooperation: up to 5 %

Declaration by the European Commission on the strategic dialogue with the European Parliament ⁽¹⁾

On the basis of Article 14 TEU, the European Commission will conduct a strategic dialogue with the European Parliament prior to the programming of the Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument and after initial consultation of its relevant beneficiaries, where appropriate. The European Commission will present to the European Parliament the relevant available documents on programming with indicative allocations foreseen per country/region, and, within a country/region, priorities, possible results and indicative allocations foreseen per priority for geographic programmes, as well as the choice of assistance modalities (*). The European Commission will present to the European Parliament the relevant available documents on programming with thematic priorities, possible results, choice of assistance modalities (*), and financial allocations for such priorities foreseen in thematic programmes. The European Commission will take into account the position expressed by the European Parliament on the matter.

The European Commission will conduct a strategic dialogue with the European Parliament in preparing the mid-term review and before any substantial revision of the programming documents during the period of validity of this Regulation.

The European Commission, if invited by the European Parliament, will explain where the European Parliament's observations have been taken into consideration in the programming documents and any other follow-up given to the strategic dialogue.

⁽¹⁾ The European Commission will be represented at the responsible Commissioner level

(*) Where applicable.

Declaration of the European Commission on the use of implementing acts for laying down provisions for the implementation of certain rules in Regulation No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument and in Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II)

The European Commission considers that the rules for implementing cross-border cooperation programmes as set out in Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action and other specific, more detailed implementing rules in Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument and in Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II), aim at supplementing the basic act and should therefore be delegated acts to be adopted on the basis of Article 290 TFEU. The European Commission will not oppose the adoption of the text as agreed by the co-legislators. Nevertheless, the European Commission recalls that the question of delimitation between Articles 290 and 291 TFEU is currently under examination by the Court of Justice of the European Union in the 'biocides' case.

Statement by the European Parliament on the suspension of assistance granted under the financial instruments

The European Parliament notes that Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020, Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries and Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) do not contain any explicit reference to the possibility of suspending assistance in cases where a beneficiary country fails to observe the basic principles enunciated in the respective instrument and notably the principles of democracy, rule of law and the respect for human rights.

The European Parliament considers that any suspension of assistance under these instruments would modify the overall financial scheme agreed under the ordinary legislative procedure. As a co-legislator and co-branch of the budgetary authority, the European Parliament is therefore entitled to fully exercise its prerogatives in that regard, if such a decision is to be taken.

REGULATION (EU) No 233/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 11 March 2014
establishing a financing instrument for development cooperation for the period 2014-2020

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 209(1) and 212(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the Committee of the Regions ⁽¹⁾,

Acting in accordance with the ordinary legislative procedure ⁽²⁾,

Whereas:

(1) This Regulation forms part of the Union's development cooperation policy and constitutes one of the instruments providing support for the Union's external policies. It replaces Regulation (EC) No 1905/2006 of the European Parliament and of the Council ⁽³⁾, which expired on 31 December 2013.

(2) The fight against poverty remains the primary objective of the development policy of the Union, as laid down in Title V, Chapter 1 of the Treaty on European Union (TEU) and Title III, Chapter 1 of Part Five of the Treaty on the Functioning of the European Union (TFEU), in line with the Millennium Development Goals (MDGs) and other internationally agreed development commitments and objectives approved by the Union and by the Member States in the context of the United Nations (UN) and other competent international fora.

(3) The joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus' ⁽⁴⁾ (the 'European Consensus'), and agreed modifications thereto, provides the general policy framework, the orientations and the focus to guide the implementation of this Regulation.

(4) Over time, Union assistance should contribute to reducing aid dependence.

(5) The Union's action on the international scene is to be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world, namely democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity and respect for the principles of the United Nations Charter and international law. The Union is to seek to develop and consolidate commitment to those principles in partner countries, territories and regions through dialogue and cooperation. In pursuing those principles, the Union proves its added value as an actor in development policies.

(6) In implementing this Regulation, and in particular during the programming process, the Union should have due regard to the priorities, objectives and benchmarks in human rights and democracy established by the Union for partner countries, in particular its human rights country strategies.

(7) Respect for human rights, fundamental freedoms, the promotion of the rule of law, democratic principles, transparency, good governance, peace and stability and gender equality are essential for the development of partner countries, and those issues should be mainstreamed in the Union's development policy, particularly in programming and in agreements with partner countries.

(8) Aid effectiveness, greater transparency, cooperation and complementarity and better harmonisation, alignment with partner countries, as well as coordination of procedures, both between the Union and the Member States and in relations with other donors and development actors, are essential for ensuring the consistency and relevance of aid whilst at the same time reducing the costs borne by partner countries. Through its development policy, the Union is committed to implementing the conclusions of the Declaration on Aid Effectiveness adopted by the High Level Forum on Aid Effectiveness, held in Paris on 2 March 2005, the Accra Agenda for Action adopted on 4 September 2008 and their follow-up Declaration adopted in Busan on 1 December 2011. Those commitments have led to a number of conclusions of the Council and of the Representatives of the Governments of the Member States meeting within the Council,

⁽¹⁾ OJ C 391, 18.12.2012, p. 110.

⁽²⁾ Position of the European Parliament of 11 December 2013 (not yet published in the Official Journal) and decision of the Council of 11 March 2014.

⁽³⁾ Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (OJ L 378, 27.12.2006, p. 41).

⁽⁴⁾ OJ C 46, 24.2.2006, p. 1.

such as the EU Code of Conduct on Complementarity and Division of Labour in Development Policy and the Operational Framework on Aid Effectiveness. Efforts and procedures for achieving joint programming should be reinforced.

- (9) Union assistance should support the Joint Africa-EU Strategy, adopted at the EU-Africa Summit on 8-9 December 2007 in Lisbon and subsequent modifications and additions thereto, based on the shared vision, principles and objectives underpinning the Africa-EU Strategic Partnership.
- (10) The Union and the Member States should improve the consistency, coordination and complementarity of their respective policies on development cooperation, in particular by responding to partner countries' and regions' priorities at country and at regional level. To ensure that the Union's development cooperation policy and that of the Member States complement and reinforce each other, and to ensure cost-effective aid delivery while avoiding overlaps and gaps, it is both urgent and appropriate to provide for joint programming procedures which should be implemented whenever possible and relevant.
- (11) The Union's policy and international action for development cooperation are guided by the MDGs such as the eradication of extreme poverty and hunger, including any subsequent modifications thereto, and by the development objectives, principles and commitments approved by the Union and the Member States, including in the context of their cooperation within the UN and other competent international fora in the field of development cooperation. The Union's policy and international action are also guided by its commitments and obligations concerning human rights and development, including the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of All Forms of Discrimination against Women, the UN Convention on the Rights of the Child, and the UN Declaration on the Right to Development.
- (12) The Union is strongly committed to gender equality as a human right, a question of social justice and a core value of the Union's development policy. Gender equality is central to the achievement of all MDGs. On 14 June 2010, the Council endorsed the EU Plan of Action 2010-2015 on Gender Equality and Women's Empowerment in Development.
- (13) The Union should, as a matter of high priority, promote a comprehensive approach in response to crisis and disaster and to conflict-affected and fragile situations, including those of transition and post-crisis. This should, in particular, build on the Council conclusions of 19 November 2007 on an EU response to situations of fragility and the conclusions of the Council and the Representatives of the Governments of the Member States meeting within the Council, also dated 19 November 2007, on security and development, as well as build on the Council conclusions of 20 June 2011 on conflict prevention, as well as any relevant subsequent conclusions.
- (14) Particularly in those situations where needs are most urgent and poverty both most widespread and deepest, Union support should be geared at strengthening the resilience of countries and their populations to adverse events. That should be done through the appropriate mix of approaches, responses and instruments, in particular by ensuring that the security-oriented, humanitarian and development approaches are balanced, consistent and effectively coordinated, thereby linking relief, rehabilitation and development.
- (15) Union assistance should focus on where it has more impact, having regard to its capacity to act on a global scale and to respond to global challenges such as poverty eradication, sustainable and inclusive development and worldwide promotion of democracy, good governance, human rights and the rule of law, its long-term and predictable commitment to development assistance and its role in coordinating with the Member States. To ensure such impact, the principle of differentiation should be applied, not only at the level of fund allocation, but also at the level of programming, to ensure that bilateral development cooperation targets partner countries most in need, including fragile States and States with high vulnerability, and with limited capacity to access other sources of financing to support their own development. The Union should engage in new partnerships with countries that graduate from bilateral aid programmes, notably on the basis of regional and thematic programmes under this instrument and other thematic Union instruments for financing external action, in particular the Partnership Instrument for cooperation with third countries as established by Regulation (EU) No 234/2014 of the European Parliament and of the Council ⁽¹⁾ (the 'Partnership Instrument').

⁽¹⁾ Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (see page 77 of this Official Journal).

- (16) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through a comprehensive approach for each country based on coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between this instrument, other Union instruments for financing external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the instruments for financing external action. While striving for overall consistency of the Union's external action in accordance with Article 21 TEU, the Union is to ensure policy coherence for development as required by Article 208 TFEU.
- (17) While respecting the principle of policy coherence for development, this Regulation should allow for enhanced consistency between Union policies. It should also enable full alignment with partner countries and regions by using, where possible, as the basis for the programming of the Union's action, national development plans or similar comprehensive development documents, adopted with the involvement of national and regional bodies concerned. It should furthermore pursue better coordination amongst donors, in particular between the Union and the Member States, through joint programming.
- (18) In a globalised world, different internal Union policies such as environment, climate change, promotion of renewable energies, employment (including decent work for all), gender equality, energy, water, transport, health, education, justice and security, culture, research and innovation, information society, migration and agriculture and fisheries are increasingly becoming part of the Union's external action.
- (19) A strategy for smart, sustainable and inclusive growth, i.e. involving growth patterns that enhance social, economic and territorial cohesion and enable the poor to increase their contribution to, and benefit from, national wealth, underlines the commitment of the Union to promote, in its internal and external policies, smart, inclusive and sustainable growth bringing together three pillars: economic, social and environmental.
- (20) Fighting climate change and protecting the environment are among the great challenges which the Union and developing countries are facing, and where the need for national and international action is urgent. This Regulation should therefore contribute to the objective of addressing at least 20 % of the Union budget to a low carbon and climate resilient society, and the 'Global Public Goods and Challenges' programme provided for in this Regulation should use at least 25 % of its funds to cover climate change and environment. Actions in those areas should, wherever possible, be mutually supportive in order to reinforce their impact.
- (21) This Regulation should enable the Union to contribute to fulfilling the joint Union commitment of providing continued support for human development to improve peoples' lives. To contribute to that end, at least 25 % of the 'Global Public Goods and Challenges' programme should support that area of development.
- (22) At least 20 % of the assistance under this Regulation should be allocated to basic social services, with a focus on health and education, as well as to secondary education, recognising that a degree of flexibility must be the norm such as in cases where exceptional assistance is involved. Data concerning compliance with that requirement should be included in the annual report referred to in Regulation (EU) No 236/2014 of the European Parliament and of the Council ⁽¹⁾.
- (23) In the UN Istanbul Programme of Action for the Least Developed Countries for the Decade 2011–2020, least developed countries committed to integrate trade and trade capacity-building policies into their national development strategies. Furthermore, at the World Trade Organisation 8th Ministerial Conference held in Geneva on 15-17 December 2011, ministers agreed to maintain, beyond 2011, Aid for Trade levels that at least reflect the average of the period 2006-2008. Better and more targeted Aid for Trade and trade facilitation must accompany those efforts.
- (24) While thematic programmes should primarily support developing countries, some beneficiary countries as well as the overseas countries and territories (OCTs) the characteristics of which do not satisfy the requirements allowing them to be defined as Official Development Assistance ('ODA') recipients by the Development Assistance Committee of the Organisation for Economic Cooperation and Development ('OECD/DAC') but which are covered by point (b) of Article 1(1) should also be eligible for thematic programmes subject to the conditions laid down in this Regulation.

⁽¹⁾ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action (see page 95 of this Official Journal).

(25) The details of areas of cooperation and adjustments of financial allocations per geographic area and area of cooperation constitute non-essential elements of this Regulation. Consequently, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission for updating the elements of the Annexes to this Regulation which set out the details of the areas of cooperation under geographic and thematic programmes and the indicative financial allocations per geographic area and area of cooperation. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

(26) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission with regard to the strategy papers and multiannual indicative programmes referred to in this Regulation. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council ⁽¹⁾.

(27) Given the nature of such implementing acts, in particular their policy orientation nature and their budgetary implications, the examination procedure should in principle be used for their adoption, except in the case of measures of a small financial scale.

(28) The Commission should adopt immediately applicable implementing acts where, in duly justified cases relating to the need for a swift response from the Union, imperative grounds of urgency so require.

(29) Common rules and procedures for the implementation of the Union's instruments for financing external action are laid down in Regulation (EU) No 236/2014.

(30) The organisation and functioning of the European External Action Service are established in Council Decision 2010/427/EU ⁽²⁾.

(31) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, by reason of the scale of the action, be better achieved at

Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(32) This Regulation lays down a financial envelope for its period of application which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management ⁽³⁾, for the European Parliament and the Council during the annual budgetary procedure.

(33) It is appropriate to align the period of application of this Regulation with that of Council Regulation (EU, Euratom) No 1311/2013 ⁽⁴⁾. Therefore, this Regulation should apply from 1 January 2014 until 31 December 2020,

HAVE ADOPTED THIS REGULATION:

TITLE I

GENERAL PROVISIONS

Article 1

Subject-matter and scope

1. This Regulation establishes an instrument (the 'Development Cooperation Instrument' or 'DCI') under which the Union may finance:

(a) geographic programmes aimed at supporting development cooperation with developing countries that are included in the list of recipients of ODA established by the OECD/DAC, except for:

(i) countries that are signatories to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ⁽⁵⁾, excluding South Africa;

(ii) countries eligible for the European Development Fund;

⁽¹⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

⁽²⁾ Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

⁽³⁾ OJ C 373, 20.12.2013, p. 1.

⁽⁴⁾ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

⁽⁵⁾ OJ L 317, 15.12.2000, p. 3.

- (iii) countries eligible for Union funding under the European Neighbourhood Instrument established by Regulation (EU) No 232/2014 of the European Parliament and of the Council ⁽¹⁾ (the 'European Neighbourhood Instrument');
 - (iv) beneficiaries eligible for Union funding under the Instrument for Pre-accession Assistance established by Regulation (EU) No 231/2014 of the European Parliament and of the Council ⁽²⁾ (the 'Instrument for Pre-accession Assistance').
- (b) thematic programmes to address development-related global public goods and challenges and support civil society organisations and local authorities in partner countries pursuant to point (a) of this paragraph, countries eligible for Union financing under the instruments referred to in points (i) to (iii) of point (a) of this paragraph, and countries and territories falling within the scope of Council Decision 2013/755/EU ⁽³⁾;
- (c) a Pan-African programme to support the strategic partnership between Africa and the Union and subsequent modifications and additions thereto, to cover activities of a trans-regional, continental or global nature in and with Africa.

2. For the purposes of this Regulation, a region is a geographical entity comprising more than one developing country.

3. The countries and territories referred to in paragraph 1 are referred to in this Regulation as 'partner countries' or 'partner regions' as the case may be under the relevant geographic, thematic or Pan-African programme.

Article 2

Objectives and eligibility criteria

1. Within the framework of the principles and objectives of the Union's external action and of the European Consensus and agreed modifications thereto:

- (a) the primary objective of cooperation under this Regulation shall be the reduction and, in the long term, the eradication of poverty;
- (b) consistently with the primary objective referred to in point (a), cooperation under this Regulation shall contribute to:

⁽¹⁾ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (see page 27 of this Official Journal).

⁽²⁾ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) (see page 11 of this Official Journal).

⁽³⁾ Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') (OJ L 344, 19.12.2013, p. 1).

- (i) fostering sustainable economic, social and environmental development, and

- (ii) consolidating and supporting democracy, the rule of law, good governance, human rights and the relevant principles of international law.

The achievement of the objectives referred to in the first subparagraph shall be measured using relevant indicators, including human development indicators, in particular MDG 1 for point (a) and MDGs 1 to 8 for point (b) and, after 2015, other indicators agreed at international level by the Union and the Member States.

2. Cooperation under this Regulation shall contribute to the achievement of the international commitments and objectives in the field of development that the Union has agreed to, in particular the MDGs, and post-2015 new development targets.

3. Actions under geographic programmes shall be designed so as to fulfil the criteria for ODA established by the OECD/DAC.

Actions under the thematic programmes and the Pan-African programme shall be designed so as to fulfil the criteria for ODA established by the OECD/DAC, unless:

- (a) the action applies to a beneficiary country or territory that does not qualify as an ODA recipient country or territory according to the OECD/DAC; or
- (b) the action implements a global initiative, a Union policy priority or an international obligation or commitment of the Union, as referred to in points (b) and (e) of Article 6(2), and the action does not have the characteristics to fulfil the criteria for ODA.

4. Without prejudice to point (a) of paragraph 3, at least 95 % of the expenditure foreseen under the thematic programmes and at least 90 % of the expenditure foreseen under the Pan-African programme shall fulfil the criteria for ODA established by the OECD/DAC.

5. Actions covered by Council Regulation (EC) No 1257/96 ⁽⁴⁾ and eligible for funding under that Regulation shall not be funded under this Regulation, except where there is a need to ensure continuity of cooperation from crisis to stable conditions for development. In such cases, special consideration shall be given to ensuring that humanitarian relief, rehabilitation and development assistance are effectively linked.

⁽⁴⁾ Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p. 1).

Article 3

General principles

1. The Union shall seek to promote, develop and consolidate the principles of democracy, the rule of law and respect for human rights and fundamental freedoms on which it is founded, through dialogue and cooperation with partner countries and regions.

2. In the implementation of this Regulation, a differentiated approach amongst partner countries shall be pursued, in order to ensure that they are provided with specific, tailor-made cooperation based on:

- (a) their needs, based on criteria such as population, income per capita, the extent of poverty, income distribution and the level of human development;
- (b) their capacities to generate and access financial resources and on their absorption capacities;
- (c) their commitments and performance, based on criteria and indicators, such as political, economic and social progress, gender equality, progress in good governance and human rights, and the effective use of aid, in particular the way a country uses scarce resources for development, beginning with its own resources; and
- (d) the potential impact of Union assistance in partner countries.

The countries most in need, in particular the least developed countries, low income countries and countries in crisis, post-crisis, fragile and vulnerable situations, shall be given priority in the resource allocation process.

Criteria such as the Human Development Index, the Economic Vulnerability Index and other relevant indexes, including for measuring in-country poverty and inequality, shall be taken into account in order to underpin the analysis and identification of the countries most in need.

3. Throughout all programmes, cross-cutting issues as defined in the European Consensus shall be mainstreamed. In addition, conflict prevention, decent work and climate change shall be mainstreamed, where relevant.

The cross-cutting issues referred to in the first subparagraph shall be understood to encompass the following dimensions, to which specific attention shall be given where circumstances so require: non-discrimination, the rights of persons belonging to

minorities, the rights of persons with disabilities, the rights of persons with life-threatening diseases and of other vulnerable groups, core labour rights and social inclusion, the empowerment of women, the rule of law, capacity building for parliaments and civil society, and the promotion of dialogue, participation and reconciliation, as well as institution building, including at local and regional level.

4. In implementing this Regulation, policy coherence for development and consistency with other areas of Union external action and with other relevant Union policies shall be ensured, in accordance with Article 208 TFEU.

In this regard, measures financed under this Regulation, including those managed by the European Investment Bank (EIB), shall be based on the development cooperation policies set out in instruments such as agreements, declarations and action plans between the Union and the partner countries and regions concerned, and on the relevant Union decisions, specific interests, policy priorities and strategies.

5. The Union and the Member States shall seek regular and frequent exchanges of information, including with other donors, and shall promote better donor coordination and complementarity by working towards joint multiannual programming based on partner countries' poverty reduction or equivalent development strategies. They may undertake joint action, including joint analysis of and joint response to those strategies identifying priority sectors of intervention and in-country division of labour, by means of joint donor-wide missions and by the use of co-financing and delegated cooperation arrangements.

6. The Union shall promote a multilateral approach to global challenges and shall cooperate with Member States in that respect. Where appropriate, it shall foster cooperation with international organisations and bodies and other bilateral donors.

7. Relations between the Union and the Member States, on the one hand, and partner countries, on the other hand, shall be based on and shall promote the shared values of human rights, democracy and the rule of law as well as the principles of ownership and mutual accountability.

Furthermore, relations with partner countries shall take into account their commitment and track record in implementing international agreements and contractual relations with the Union.

8. The Union shall promote effective cooperation with partner countries and regions in line with international best practice. It shall align its support with their national or regional development strategies, reform policies and procedures wherever possible, and support democratic ownership, as well as domestic and mutual accountability. To that end, it shall promote:

- (a) a development process that is transparent and partner country- or region-led and owned, including the promotion of local expertise;
- (b) a rights-based approach encompassing all human rights, whether civil and political or economic, social and cultural, in order to integrate human rights principles in the implementation of this Regulation, to assist partner countries in implementing their international human rights obligations and to support the right holders, with a focus on poor and vulnerable groups, in claiming their rights;
- (c) the empowerment of the population of partner countries, inclusive and participatory approaches to development and a broad involvement of all segments of society in the development process and in national and regional dialogue, including political dialogue. Particular attention shall be given to the respective roles of parliaments, local authorities and civil society, inter alia regarding participation, oversight and accountability;
- (d) effective cooperation modalities and instruments as set out in Article 4 of Regulation (EU) No 236/2014, in line with OECD/DAC best practices, including the use of innovative instruments such as blending grants and loans and other risk-sharing mechanisms in selected sectors and countries and private-sector engagement, with due regard to the issues of debt sustainability, the number of such mechanisms, and the requirement for systematic assessment of the impact in accordance with the objectives of this Regulation, in particular poverty reduction.

All programmes, interventions and cooperation modalities and instruments shall be adapted to the particular circumstances of each partner country or region, with a focus on programme-based approaches, on the delivery of predictable aid funding, on the mobilisation of private resources, including from the local private sector, on universal and non-discriminatory access to basic services, and on the development and use of country systems;

- (e) mobilisation of domestic revenue through the reinforcement of partner countries' fiscal policy with the purpose of reducing poverty and aid dependence;
- (f) an improved impact of policies and programming through coordination, consistency and harmonisation between

donors to create synergies and avoid overlap and duplication, to improve complementarity and to support donor-wide initiatives;

- (g) coordination in partner countries and regions using agreed guidelines and best practice principles on coordination and aid effectiveness;
- (h) results-based approaches to development, including through the use of transparent country-level results frameworks, based on, where appropriate, internationally agreed targets and indicators such as those of the MDGs, to assess and communicate the results, including the outputs, outcomes and impact of development aid.

9. The Union shall support, as appropriate, the implementation of bilateral, regional and multilateral cooperation and dialogue, the development dimension of partnership agreements, and triangular cooperation. The Union shall also promote South-South cooperation.

10. The Commission shall inform and have regular exchanges of views with the European Parliament.

11. The Commission shall have regular exchanges of information with civil society and local authorities.

12. In its development cooperation activities the Union shall, as appropriate, draw from and share the reform and transition experiences of Member States and the lessons learned.

13. Union assistance under this Regulation shall not be used to finance the procurement of arms or ammunition, or operations having military or defence purposes.

TITLE II

PROGRAMMES

Article 4

Implementation of Union Assistance

Union assistance shall be implemented, in accordance with Regulation (EU) No 236/2014, through:

- (a) geographic programmes;
- (b) thematic programmes, composed of:
 - (i) a 'Global Public Goods and Challenges' programme, and
 - (ii) a 'Civil Society Organisations and Local Authorities' programme, and
- (c) a Pan-African programme.

*Article 5***Geographic programmes**

1. Union cooperation activities under this Article shall be implemented for activities of a national, regional, trans-regional and continental nature.

2. A geographic programme shall encompass cooperation in appropriate areas of activity:

(a) regionally with partner countries referred to in point (a) of Article 1(1), in particular with a view to easing the impact of graduation in partner countries showing high and growing inequalities; or

(b) bilaterally:

(i) with partner countries that are not upper middle income countries on the OECD/DAC list of developing countries, or do not have a gross domestic product greater than one per cent of global gross domestic product;

(ii) in exceptional cases, including with a view to phasing out development grant aid, bilateral cooperation may also be undertaken with a limited number of partner countries when duly justified in accordance with Article 3(2). Phasing-out shall take place in close coordination with other donors. Ending that type of cooperation shall, where appropriate, be accompanied by a policy dialogue with the countries concerned, focusing on the needs of the poorest and most vulnerable groups.

3. In order to attain the objectives laid down in Article 2, geographic programmes shall be drawn from the areas of cooperation contained in the European Consensus and subsequent agreed modifications thereto as well as from the following areas of cooperation:

(a) human rights, democracy and good governance:

(i) human rights, democracy and the rule of law;

(ii) gender equality, empowerment of and equal opportunities for women;

(iii) public sector management at central and local level;

(iv) tax policy and administration;

(v) fight against corruption;

(vi) civil society and local authorities;

(vii) the promotion and protection of the rights of children;

(b) inclusive and sustainable growth for human development:

(i) health, education, social protection, employment and culture;

(ii) business environment, regional integration and world markets;

(iii) sustainable agriculture; food and nutrition security;

(iv) sustainable energy;

(v) natural resources management, including land, forestry and water;

(vi) climate change and environment;

(c) other areas of significance for development:

(i) migration and asylum;

(ii) linking humanitarian relief and development cooperation;

(iii) resilience and disaster risk reduction;

(iv) development and security, including conflict prevention.

4. Further details of the areas of cooperation referred to in paragraph 3 are set out in Annex I.

5. Within each bilateral programme, the Union shall, in principle, concentrate its assistance on a maximum of three sectors, to be agreed with the partner country concerned where possible.

*Article 6***Thematic programmes**

1. Actions undertaken through thematic programmes shall add value to, and be complementary to and coherent with, actions funded under geographic programmes.

2. At least one of the following conditions shall apply to the programming of thematic actions:

(a) Union policy objectives under this Regulation cannot be achieved in an appropriate or effective manner through geographic programmes, including, where appropriate, where there is no geographic programme or where it has been suspended or where there is no agreement on the action with the partner country concerned;

(b) the actions address global initiatives supporting internationally agreed development goals or global public goods and challenges;

- (c) the actions have a multi-regional, multi-country and/or cross-cutting nature;
- (d) the actions implement innovative policies or initiatives with the objective of informing future actions;
- (e) the actions reflect a Union policy priority or an international obligation or commitment of the Union relevant to development cooperation.

3. Unless otherwise provided for in this Regulation, thematic actions shall directly benefit countries or territories specified in point (b) of Article 1(1) and shall be carried out in those countries or territories. Such actions may be carried out outside those countries or territories when it is the most effective way of achieving the objectives of the programme concerned.

Article 7

Global Public Goods and Challenges

1. The objective of Union assistance under the 'Global Public Goods and Challenges' programme shall be to support actions in areas to be drawn from:

- (a) environment and climate change;
- (b) sustainable energy;
- (c) human development, including decent work, social justice and culture;
- (d) food and nutrition security and sustainable agriculture; and
- (e) migration and asylum.

2. Further details of the areas of cooperation referred to in paragraph 1 are set out in Part A of Annex II.

Article 8

Civil Society Organisations and Local Authorities

1. The objective of Union assistance under the 'Civil Society Organisations and Local Authorities' programme shall be to strengthen civil society organisations and local authorities in partner countries and, where provided for in this Regulation, in the Union and in the beneficiaries eligible under Regulation (EU) No 231/2014.

The actions to be financed shall be primarily carried out by civil society organisations and local authorities. Where appropriate, in order to ensure their effectiveness, actions may be carried out by other actors for the benefit of the civil society organisations and the local authorities concerned.

2. Further details of the areas of cooperation under this Article are set out in Part B of Annex II.

Article 9

Pan-African Programme

1. The objective of Union assistance under the Pan-African programme shall be to support the strategic partnership between Africa and the Union, and subsequent modifications and additions thereto, to cover activities of a trans-regional, continental or global nature in and with Africa.

2. The Pan-African programme shall be complementary to and consistent with other programmes under this Regulation, as well as other Union's instruments for financing external action, in particular the European Development Fund and the European Neighbourhood Instrument.

3. Further details of the areas of cooperation under this Article are set out in Annex III.

TITLE III

PROGRAMMING AND ALLOCATION OF FUNDS

Article 10

General framework

1. For geographic programmes, multiannual indicative programmes for partner countries and regions shall be drawn up on the basis of a strategy document as provided for in Article 11.

For thematic programmes, multiannual indicative programmes shall be drawn up as provided for in Article 13.

The Pan-African multiannual indicative programme shall be drawn up as provided for in Article 14.

2. The Commission shall adopt the implementing measures referred to in Article 2 of Regulation (EU) No 236/2014 on the basis of the programming documents referred to in Articles 11, 13 and 14 of this Regulation.

3. Union support may also take the form of measures not covered in the programming documents referred to in Articles 11, 13 and 14 of this Regulation, as provided for in Article 2 of Regulation (EU) No 236/2014.

4. The Union and the Member States shall consult each other at an early stage of and throughout the programming process in order to promote coherence, complementarity and consistency among their cooperation activities. Such consultation may lead to joint programming between the Union and the Member States. The Union shall also consult other donors and development actors, including representatives of civil society, local authorities and other implementing bodies. The European Parliament shall be informed.

5. Programming under this Regulation shall have due regard to human rights and democracy in partner countries.

6. Funds provided for by this Regulation may be left unallocated in order to ensure an appropriate response of the Union in the event of unforeseen circumstances, in particular in fragile, crisis and post-crisis situations, as well as to allow for the synchronisation with partner countries' strategy cycles and the modification of indicative financial allocations as a result of the reviews carried out pursuant to Article 11(5), Article 13(2) and Article 14(3). Subject to their subsequent allocation or re-allocation in accordance with the procedures provided for in Article 15, the use of those funds shall be decided at a later date in accordance with Regulation (EU) No 236/2014.

The part of funds left unallocated at the level of each type of programme shall not exceed 5 %, except for the purpose of synchronisation and for countries referred to in Article 12(1).

7. Without prejudice to Article 2(3), the Commission may include a specific financial allocation to assist partner countries and regions in strengthening their cooperation with neighbouring Union outermost regions.

8. Any programming or review of programmes taking place after the publication of the mid-term review report referred to in Article 17 of Regulation (EU) No 236/2014 shall take into account the results, findings and conclusions of that report.

Article 11

Programming documents for geographic programmes

1. The preparation, implementation and review of all programming documents under this Article shall comply with the principles of policy coherence for development and those of aid effectiveness, namely democratic ownership, partnership, coordination, harmonisation, alignment with partner country or regional systems, transparency, mutual accountability and results orientation as laid down in Article 3(4) to (8). Where possible, the programming period shall be synchronised with partner country strategy cycles.

Programming documents for geographic programmes, including joint programming documents, shall be based, to the extent possible, on a dialogue between the Union, the Member States and the partner country or region concerned, including national and regional parliaments, and shall involve civil society and

local authorities and other parties so as to enhance ownership of the process and to encourage support for national development strategies, particularly for those aimed at reducing poverty.

2. Strategy papers shall be drawn up by the Union for the partner country or region concerned to provide a coherent framework for development cooperation between the Union and that partner country or region, consistent with the overall purpose and scope, objectives, principles and policy provisions set out in this Regulation.

3. No strategy paper shall be required for:

- (a) countries having a national development strategy in the form of a national development plan or a similar development document accepted by the Commission as a basis for the corresponding multiannual indicative programme, at the time of adoption of the latter document;
- (b) countries or regions for which a joint framework document laying down a comprehensive Union strategy, including a specific chapter on development policy, has been drawn up;
- (c) countries or regions for which a joint multiannual programming document between the Union and Member States has been agreed;
- (d) regions having a jointly agreed strategy with the Union;
- (e) countries where the Union intends to synchronise its strategy with a new national cycle starting before 1 January 2017; in such cases the multiannual indicative programme for the interim period between 1 January 2014 and the beginning of the new national cycle shall contain the Union's response for that country;
- (f) countries or regions receiving an allocation of Union funds under this Regulation not exceeding EUR 50 000 000 for the 2014-2020 period.

In the cases referred to in points (b) and (f) of the first subparagraph, the multiannual indicative programme for the country or region concerned shall contain the Union's development strategy for that country or region.

4. Strategy papers shall be reviewed at their mid-term or on an ad hoc basis as necessary, in accordance, as appropriate, with the principles and procedures laid down in the partnership and cooperation agreements concluded with the partner country or region concerned.

5. Multiannual indicative programmes for geographic programmes shall be drawn up for each of the countries or regions receiving an indicative financial allocation of Union funds under this Regulation. Except for countries or regions referred to in points (e) and (f) of the first subparagraph of paragraph 3, those documents shall be drawn up on the basis of the strategy papers or equivalent documents as referred to in paragraph 3.

For the purpose of this Regulation, the joint multiannual programming document referred to in point (c) of the first subparagraph of paragraph 3 of this Article may be considered as the multiannual indicative programme, provided that it complies with the principles and conditions established in this paragraph, including an indicative allocation of funds, and with the procedures provided for in Article 15.

Multiannual indicative programmes for geographic programmes shall set out the priority areas selected for Union financing, the specific objectives, the expected results, clear, specific and transparent performance indicators, the indicative financial allocations, both overall and per priority area and, where applicable, aid modalities.

The Commission shall adopt the multiannual indicative financial allocations within each geographic programme in accordance with the general principles of this Regulation, based on the criteria laid down in Article 3(2), and taking into account, alongside the specificity of the different programmes, the particular difficulties faced by countries or regions that are in crisis, are vulnerable, fragile, in conflict or are disaster prone.

Where appropriate, the financial allocations may be given in the form of a range and/or some funds may be left unallocated. No indicative financial allocations may be foreseen beyond the period 2014-2020, unless they are specifically subject to the availability of resources beyond that period.

The multiannual indicative programmes for geographic programmes may be reviewed where necessary, including for effective implementation, taking into account mid-term or ad hoc reviews of the strategy document on which they are based.

Indicative financial allocations, priorities, specific objectives, expected results, performance indicators and, where applicable, aid modalities may also be adapted as a result of reviews, in particular following a crisis or post-crisis situation.

Such reviews should cover needs as well as the commitment and progress with regard to agreed objectives for development, including those referring to human rights, democracy, the rule of law and good governance.

6. The Commission shall report on joint programming with Member States in the mid-term review report referred to in Article 17 of Regulation (EU) No 236/2014 and shall include recommendations in cases where joint programming was not fully achieved.

Article 12

Programming for countries and regions in crisis, post-crisis or situations of fragility

1. When drawing up the programming documents for countries and regions in crisis, post-crisis or situations of fragility or prone to natural disasters, due account shall be taken of the vulnerability, special needs and circumstances of the countries or regions concerned.

Proper attention should be given to conflict prevention, State and peace building, post-conflict reconciliation and reconstruction measures, as well as to the role of women and the rights of children in those processes.

Where partner countries or regions are directly involved in, or affected by, a crisis, post-crisis or situation of fragility, special emphasis shall be placed on stepping up coordination between relief, rehabilitation and development amongst all relevant actors to help the transition from an emergency situation to the development phase.

Programming documents for countries and regions in a situation of fragility or prone to natural disasters shall provide for disaster preparedness and prevention and for managing the consequences of such disasters and shall address vulnerability to shocks and strengthen resilience.

2. On duly justified imperative grounds of urgency, such as crises or immediate threats to democracy, the rule of law, human rights or fundamental freedoms, the Commission may adopt immediately applicable implementing acts in accordance with the procedure referred to in Article 16(4) of Regulation (EU) No 236/2014 in order to modify strategy papers and multiannual indicative programmes referred to in Article 11 of this Regulation.

Such reviews may entail a specific and adapted strategy to ensure the transition to long-term cooperation and development, promoting a better coordination and transition between the humanitarian and development policy instruments.

Article 13

Programming documents for thematic programmes

1. Multiannual indicative programmes for thematic programmes shall set out the Union's strategy for the theme concerned and, with regard to the 'Global Public Goods and Challenges' programme, for each area of cooperation, the priorities selected for financing by the Union, the specific objectives, the expected results, clear, specific and transparent performance indicators, the international situation and the activities of the main partners and, where applicable, aid modalities.

Where applicable, resources and intervention priorities shall be laid down for participation in global initiatives.

Multiannual indicative programmes for thematic programmes shall be complementary to geographic programmes and shall be consistent with the strategy papers referred to in Article 11(2).

2. The multiannual indicative programmes for thematic programmes shall give the indicative financial allocation, overall, by area of cooperation and by priority. Where appropriate, the indicative financial allocation may be given in the form of a range and/or some funds may be left unallocated.

Multiannual indicative programmes for thematic programmes shall be reviewed where necessary for effective implementation, taking into account mid-term or ad hoc reviews.

Indicative financial allocations, priorities, specific objectives, expected results, performance indicators and, where applicable, aid modalities may also be adapted as a result of reviews.

Article 14

Programming documents for the Pan-African programme

1. The preparation, implementation and review of the programming documents for the Pan-African programme shall comply with the principles of aid effectiveness as laid down in Article 3(4) to (8).

Programming documents for the Pan-African programme shall be based on a dialogue involving all relevant stakeholders, such as the Pan-African Parliament.

2. The multiannual indicative programme for the Pan-African programme shall set out the priorities selected for financing, the specific objectives, the expected results, clear, specific and transparent performance indicators and, where applicable, aid modalities.

The multiannual indicative programme for the Pan-African programme shall be coherent with geographic and thematic programmes.

3. The multiannual indicative programme for the Pan-African programme shall give the indicative financial allocations, overall, by area of activity and by priority. Where appropriate, the indicative financial allocation may be given in the form of a range.

The multiannual indicative programme for the Pan-African programme may be reviewed where necessary, to respond to unforeseen challenges or implementation problems, and to take into account any review of the strategic partnership.

Article 15

Approval of strategy papers and adoption of multiannual indicative programmes

1. The Commission shall approve strategy papers referred to in Article 11 and shall adopt multiannual indicative programmes referred to in Articles 11, 13 and 14 by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014. That procedure shall also apply to reviews which have the effect of significantly modifying the strategy or its programming.

2. On duly justified imperative grounds of urgency, such as crises or immediate threats to democracy, the rule of law, human rights or fundamental freedoms, the Commission may review strategy papers referred to in Article 11 of this Regulation and multiannual indicative programmes referred to in Articles 11, 13 and 14 of this Regulation in accordance with the procedure referred in Article 16(4) of Regulation (EU) No 236/2014.

TITLE IV

FINAL PROVISIONS

Article 16

Participation by a third country not eligible under this Regulation

In exceptional and duly justified circumstances, and without prejudice to Article 2(3) of this Regulation, in order to ensure the coherence and effectiveness of Union financing or to foster regional or trans-regional cooperation, the Commission may decide, within the multiannual indicative programmes in accordance with Article 15 of this Regulation or the relevant implementing measures in accordance with Article 2 of Regulation (EU) No 236/2014, to extend the eligibility of actions to countries and territories which otherwise would not be eligible for financing pursuant to Article 1 of this Regulation, where the action to be implemented is of a global, regional, trans-regional or cross-border nature.

Article 17

Delegation of power to the Commission

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 18 to amend:

(a) the details of areas of cooperation referred to in:

(i) Article 5(3) as set out in Part A and Part B of Annex I;

(ii) Article 7(2) as set out in Part A of Annex II;

(iii) Article 8(2) as set out in Part B of Annex II;

(iv) Article 9(3) as set out in Annex III, in particular in follow-up to Africa-EU Summits;

(b) indicative financial allocations under the geographic programmes and under the thematic programme 'Global Public Goods and Challenges', as set out in Annex IV. The amendments shall not have the effect of decreasing the initial amount by more than 5 %, except for allocations under point (b) of Annex IV(1).

2. In particular, following the publication of the mid-term review report referred to in Article 17 of Regulation (EU) No 236/2014, and based on the recommendations contained in that report, the Commission shall adopt the delegated acts referred to in paragraph 1 of this Article by 31 March 2018.

Article 18

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 17 shall be conferred on the Commission for the period of validity of this Regulation.

3. The delegation of power referred to in Article 17 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 17 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 19

Committee

1. The Commission shall be assisted by a committee (the 'DCI committee'). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. An observer from the EIB shall take part in the DCI committee's proceedings with regard to questions concerning the EIB.

Article 20

Financial envelope

1. The financial envelope for the implementation of this Regulation for the period 2014-2020 shall be EUR 19 661 639 000.

The annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.

2. The indicative amounts allocated to each programme referred to in Articles 5 to 9 for the period 2014-2020 are laid down in Annex IV.

3. In accordance with Article 18(4) of Regulation (EU) No 1288/2013 of the European Parliament and of the Council ⁽¹⁾, an indicative amount of EUR 1 680 000 000 from the different instruments for financing external action (Development Cooperation Instrument, European Neighbourhood Instrument, Partnership Instrument and Instrument for Pre-accession Assistance) shall be allocated to actions in respect of learning mobility to or from partner countries within the meaning of Regulation (EU) No 1288/2013, and to cooperation and policy dialogue with authorities, institutions and organisations from those countries.

Regulation (EU) No 1288/2013 shall apply to the use of those funds.

⁽¹⁾ Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+'; the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC (OJ L 347, 20.12.2013, p. 50).

The funding shall be made available through two multiannual allocations covering the first four years and the remaining three years respectively. The allocation of that funding shall be reflected in the multiannual indicative programming provided for in this Regulation, in line with the identified needs and priorities of the countries concerned. The allocations may be revised in the event of major unforeseen circumstances or important political changes in line with the priorities of the Union's external action.

4. The funding under this Regulation for actions referred to in paragraph 3 shall not exceed EUR 707 000 000. The funds shall be drawn from the financial allocations for geographic programmes, and the expected regional distribution and the types of actions shall be specified. Funding pursuant to this Regulation aimed at financing actions covered by Regulation (EU) No 1288/2013 shall be used for actions for the benefit of the partner countries which are covered by this Regulation, with particular attention paid to the poorest countries. The student and staff mobility actions funded through the allocation from this Regulation shall focus on areas that are relevant to the inclusive and sustainable development of developing countries.

5. The Commission shall include in its annual report on the implementation of this Regulation, as provided for in Article 13 of Regulation (EU) No 236/2014, a list of all actions referred to in paragraph 3 of this Article the funding of which is derived from this Regulation, including their compliance with the objectives and principles set out in Articles 2 and 3 of this Regulation.

Article 21

European External Action Service

This Regulation shall apply in accordance with Decision 2010/427/EU.

Article 22

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014 until 31 December 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 11 March 2014.

For the European Parliament

The President

M. SCHULZ

For the Council

The President

D. KOURKOULAS

ANNEX I

AREAS OF COOPERATION UNDER GEOGRAPHIC PROGRAMMES**A. COMMON AREAS OF COOPERATION UNDER GEOGRAPHIC PROGRAMMES**

Geographic programmes shall be drawn from the areas of cooperation set out below, which should not be read to equate with sectors. Priorities will be established in accordance with international commitments in the area of development policy that the Union has entered into, in particular the MDGs and post-2015 internationally-agreed new development targets which modify or replace the MDGs, and on the basis of a policy dialogue with each eligible partner country or region.

I. Human rights, democracy and good governance**(a) Human rights, democracy and the rule of law**

- (i) supporting democratisation and strengthening democratic institutions, including the role of parliaments;
- (ii) strengthening the rule of law and the independence of judicial and protection systems and ensuring unhindered and equal access to justice for all;
- (iii) supporting the transparent and accountable functioning of institutions and decentralisation; promoting a participatory in-country social dialogue and other dialogues on governance and human rights;
- (iv) promoting media freedom, including for modern means of communication;
- (v) promoting political pluralism, protection of civil, cultural, economic, political and social rights and protection of persons belonging to minorities and to most vulnerable groups;
- (vi) supporting the fight against discrimination and discriminatory practices on any ground, inter alia, on the basis of racial or ethnic origin, caste, religion or belief, sex, gender identity or sexual orientation, social affiliation, disability, health status or age;
- (vii) promoting civil registration, especially birth and death registration.

(b) Gender equality, empowerment of and equal opportunities for women

- (i) promoting gender equality and equity;
- (ii) protecting the rights of women and girls, including through actions against child marriage and other harmful traditional practices such as female genital mutilation and any form of violence against women and girls and support for the victims of gender-based violence;
- (iii) promoting the empowerment of women, including in their roles as development actors and peace-builders.

(c) Public sector management at central and local level

- (i) supporting the development of the public sector with the purpose of enhancing universal and non-discriminatory access to basic services, especially health and education;
- (ii) supporting programmes to improve policy formulation, public financial management, including the setting-up and reinforcement of audit, control and anti-fraud bodies and measures, and institutional development, including human resource management;
- (iii) strengthening the technical expertise of parliaments, enabling them to assess and contribute to the formulation and oversight of national budgets, including as regards domestic revenues from resource extraction and tax matters.

(d) Tax policy and administration

- (i) supporting the building-up or strengthening of fair, transparent, effective, progressive and sustainable domestic tax systems;
- (ii) strengthening monitoring capacities in developing countries in the fight against tax evasion and illicit financial flows;
- (iii) supporting the production and dissemination of work on tax fraud and its impact, in particular by oversight bodies, parliaments and civil society organisations;

- (iv) supporting multilateral and regional initiatives on tax administration and tax reforms;
 - (v) supporting developing countries to participate more effectively in international tax cooperation structures and processes;
 - (vi) supporting the inclusion of country-by-country and project-by-project reporting in the legislation of partner countries to enhance financial transparency.
- (e) Fight against corruption
 - (i) assisting partner countries in tackling all forms of corruption, including through advocacy, awareness-raising and reporting;
 - (ii) increasing the capacity of control and oversight bodies and of the judiciary.
- (f) Civil society and local authorities
 - (i) supporting capacity building of civil society organisations, in order to strengthen their voice and active participation in the development process and to advance political, social and economic dialogue;
 - (ii) supporting capacity building of local authorities and mobilising their expertise to promote a territorial approach to development, including decentralisation processes;
 - (iii) promoting an enabling environment for citizen participation and civil society action.
- (g) Promotion and protection of the rights of children
 - (i) promoting the granting of legal documents;
 - (ii) supporting an adequate and healthy standard of life and healthy growth to adulthood;
 - (iii) ensuring the provision of basic education to all.

II. Inclusive and sustainable growth for human development

- (a) Health, education, social protection, employment and culture
 - (i) supporting sectoral reforms that increase access to basic social services, in particular quality health and education services, with a focus on the related MDGs and on access to such services by the poor and by marginalised and vulnerable groups;
 - (ii) strengthening local capacities to respond to global, regional and local challenges, including through using sectoral budget support with intensified policy dialogue;
 - (iii) strengthening health systems, inter alia by addressing the lack of qualified health providers, fair financing for health and making medicines and vaccines more affordable for the poor;
 - (iv) promoting the full and effective implementation of the Beijing Platform for Action and the Programme of Action of the International Conference on Population and Development and the outcomes of their review conferences and in this context sexual and reproductive health and rights;
 - (v) ensuring an adequate supply of affordable good quality drinking water, adequate sanitation and hygiene;
 - (vi) enhancing support for and equal access to quality education;
 - (vii) supporting vocational training for employability and capacity to carry out and use the results of research in favour of sustainable development;
 - (viii) supporting national social protection schemes and floors, including social insurance systems for health and pension schemes, with a focus on reducing inequality;
 - (ix) supporting the decent work agenda, and promoting social dialogue;
 - (x) promoting inter-cultural dialogue, cultural diversity and respect for the equal dignity of all cultures;
 - (xi) promoting international cooperation to stimulate the contribution of cultural industries to economic growth in developing countries to fully exploit its potential to fight poverty, including addressing issues such as market access and intellectual property rights.

- (b) Business environment, regional integration and world markets
 - (i) supporting the development of a competitive local private sector, including by building local institutional and business capacity;
 - (ii) supporting the development of local production systems and of local enterprises, including green enterprises;
 - (iii) promoting small and medium-sized enterprises (SMEs), microenterprises and cooperatives and fair trade;
 - (iv) promoting the development of local, domestic and regional markets, including markets for environmental goods and services;
 - (v) supporting legislative and regulatory framework reforms and their enforcement;
 - (vi) facilitating access to business and financial services such as micro-credit and savings, micro-insurance and payment transfer;
 - (vii) supporting the enforcement of internationally agreed labour rights;
 - (viii) establishing and improving laws and land registries to protect land and intellectual property rights;
 - (ix) promoting research and innovation policies which contribute to sustainable and inclusive development;
 - (x) promoting investments that generate sustainable employment, including through blending mechanisms, with a focus on financing for domestic companies and leveraging domestic capitals, in particular at SME level, and supporting human resources development;
 - (xi) improving infrastructure with full respect for social and environmental standards;
 - (xii) promoting sectoral approaches to sustainable transport, meeting partner countries' needs, ensuring transport safety, affordability and efficiency, and minimising negative effects on the environment;
 - (xiii) engaging with the private sector to enhance socially responsible and sustainable development, promoting corporate social and environmental responsibility and accountability and social dialogue;
 - (xiv) assisting developing countries in trade and regional and continental integration efforts, and providing assistance for their smooth and gradual integration into the world economy;
 - (xv) supporting more generalised access to information and communication technologies to bridge the digital divide.
- (c) Sustainable agriculture, food and nutrition security
 - (i) helping build developing countries' resilience to shocks (such as scarcity of resources and supply, price volatility) and tackling inequalities, by giving poor people better access to land, food, water, energy and finance without harming the environment;
 - (ii) supporting sustainable agricultural practices and relevant agricultural research, and focusing on smallholder agriculture and rural livelihoods;
 - (iii) supporting women in agriculture;
 - (iv) encouraging government efforts to facilitate socially and ecologically responsible private investment;
 - (v) supporting strategic approaches to food security, with a focus on food availability, access, infrastructure, storage and nutrition;
 - (vi) addressing food insecurity and malnutrition through basic interventions in situations of transition and fragility;
 - (vii) supporting country-led, participatory, decentralised and environmentally sustainable territorial development.
- (d) Sustainable energy
 - (i) improving access to modern, affordable, sustainable, efficient, clean and renewable energy services;
 - (ii) promoting local and regional sustainable energy solutions and decentralised energy production.

- (e) Natural resources management, including land, forestry and water, in particular:
 - (i) supporting oversight processes and bodies and backing governance reforms that promote the sustainable and transparent management and preservation of natural resources;
 - (ii) promoting equitable access to water, as well as integrated water resources management and river basin management;
 - (iii) promoting the protection and sustainable use of biodiversity and ecosystem services;
 - (iv) promoting sustainable patterns of production and consumption and the safe and sustainable management of chemicals and waste, taking into account their impacts on health.
- (f) Climate change and environment
 - (i) promoting the use of cleaner technologies, sustainable energy and resource efficiency with a view to achieving low-carbon development while reinforcing environmental standards;
 - (ii) improving the resilience of developing countries to the consequences of climate change by supporting ecosystem-based climate change adaptation and mitigation and disaster risk reduction measures;
 - (iii) supporting the implementation of relevant multilateral environmental agreements, in particular the strengthening of the environmental dimension of the institutional framework for sustainable development and the promotion of the protection of biodiversity;
 - (iv) helping partner countries in coping with the challenge of displacement and migration induced by the effects of climate change, and rebuilding climate refugees' livelihoods.

III. Other areas of significance for development

- (a) Migration and asylum
 - (i) supporting targeted efforts to fully exploit the interrelationship between migration, mobility, employment and poverty reduction, so as to make migration a positive force for development and reducing 'brain drain';
 - (ii) supporting developing countries in adopting long-term policies for managing migratory flows which respect the human rights of migrants and their families and enhance their social protection.
- (b) Linking humanitarian relief and development cooperation
 - (i) reconstructing and rehabilitating, in the medium- and long-term, regions and countries affected by conflict as well as by man-made and natural disasters;
 - (ii) carrying out medium- and long-term activities aimed at the self-sufficiency and integration or reintegration of uprooted people, linking relief, rehabilitation and development.
- (c) Resilience and disaster risk reduction
 - (i) in situations of fragility, supporting the delivery of basic services and building legitimate, effective and resilient State institutions and an active and organised civil society, in partnership with the country concerned;
 - (ii) contributing to a prevention approach to State fragility, conflict, natural disasters and other types of crises by assisting partner countries' and regional organisations' efforts to strengthen early warning systems and democratic governance and institutional capacity building;
 - (iii) supporting disaster risk reduction, preparedness and prevention and the management of the consequences of such disasters.
- (d) Development and security, including conflict prevention
 - (i) addressing the root causes of conflict, including poverty, degradation, exploitation and unequal distribution and access to land and natural resources, weak governance, human rights abuses and gender inequality as a means of supporting conflict prevention and resolution and peace building;
 - (ii) promoting dialogue, participation and reconciliation with a view to promoting peace and preventing outbreaks of violence, in accordance with international best practice;
 - (iii) fostering cooperation and policy reform in the fields of security and justice, the fight against drugs and other trafficking, including trafficking in human beings, corruption and money laundering.

B. SPECIFIC AREAS OF COOPERATION PER REGION

Union assistance shall support actions and sectoral dialogues consistent with Article 5 and Part A of this Annex, and with the overall purpose and scope, objective and general principles of this Regulation. Particular consideration shall be given to the areas described below, reflecting jointly-agreed strategies.

I. Latin America

- (a) Encouraging social cohesion, in particular social inclusion, decent work and equity, gender equality and women empowerment;
- (b) addressing governance issues and supporting policy reforms, in particular in the areas of social policies, public finance management and taxation, security (including drugs, criminality and corruption), reinforcement of good governance, public institutions at local, national and regional levels (including through innovative mechanisms for the provision of technical cooperation, e.g. Technical Assistance and Information Exchange (TAIEX) and twinning), protection of human rights, including those of minorities, indigenous peoples and afro-descendants, respect for the core labour standards of the International Labour Organisation (ILO), environment, the fight against discrimination, the fight against sexual, gender-based and child violence and the fight against the production, consumption and trafficking of drugs;
- (c) supporting an active, organised and independent civil society and strengthening social dialogue through support for social partners;
- (d) strengthening social cohesion in particular with the setting-up and strengthening of sustainable social protection systems, including social insurance, and fiscal reform, strengthening the capacity of tax systems and the fight against fraud and tax evasion which contributes to enhancing equality and wealth distribution;
- (e) assisting Latin American States to fulfil their obligation of due diligence in the prevention, investigation, prosecution, sanction and reparation of and attention to femicide;
- (f) supporting various processes of regional integration and interconnection of network infrastructures, while ensuring complementarity with activities supported by the EIB and other institutions;
- (g) addressing the security-development nexus;
- (h) strengthening the capacity to provide universal access to basic social services of quality, particularly in the health and education sectors;
- (i) supporting policies in the area of education and the development of a common Latin American higher education area;
- (j) addressing economic vulnerability and contributing to structural transformation by establishing strong partnerships around open and fair trade relations, productive investments for more and better jobs in the green and inclusive economy, knowledge transfer and cooperation in research, innovation and technology, and promoting sustainable and inclusive growth in all its dimensions, with particular attention to the challenges of migratory flows, food security (including sustainable agriculture and fisheries), climate change, sustainable energies and the protection and enhancement of biodiversity and ecosystem services, including water, soil and forests; supporting the development of microenterprises and SMEs as the main source of inclusive growth, development and jobs; promoting development aid for trade to ensure that Latin American microenterprises and SMEs can benefit from international trading opportunities, taking into account changes in the generalised scheme of preferences;
- (k) mitigating the adverse effects that exclusion from the generalised scheme of preferences will have on the economies of many of the countries in the region;
- (l) ensuring an appropriate follow-up to short-term emergency measures addressing post-disaster or post-crisis recovery implemented through other financing instruments.

II. South Asia

- (1) Promote democratic governance
 - (a) supporting democratic processes, fostering effective democratic governance, strengthening public institutions and bodies (including at local level), supporting efficient decentralisation, State restructuring and electoral processes;
 - (b) supporting the development of an active, organised and independent civil society, including the media, and strengthening social dialogue through support for social partners;

- (c) building and strengthening legitimate, effective and accountable public institutions, promoting institutional and administrative reforms, good governance, anti-corruption and public financial management, and supporting the rule of law;
 - (d) strengthening the protection of human rights, including the rights of minorities, migrants, indigenous people and vulnerable groups, the fight against discrimination, sexual, gender-based and child violence and human trafficking;
 - (e) protecting human rights, through the promotion of institutional reforms (including on good governance and anti-corruption, public financial management, taxation and public administration reform) and legislative, administrative and regulatory reforms in line with international standards, in particular in fragile States and countries in conflict and post-conflict situations.
- (2) Promote social inclusion and human development in all its dimensions
- (a) encouraging social cohesion, in particular social inclusion, decent work and equity and gender equality through education, health and other social policies;
 - (b) strengthening the capacity to provide universal access to basic social services, particularly in the health and education sectors; improving access to education for all with a view to increasing knowledge, skills and employability on the job market, including — where relevant — by addressing inequality and discrimination on the basis of work and descent, and in particular caste-based discrimination;
 - (c) promoting social protection and inclusion, decent employment and core labour standards, equity and gender equality through education, health and other social policies;
 - (d) promoting high-quality education, vocational training and health services which are accessible to all (including for girls and women);
 - (e) in the context of the security and development nexus, fighting against gender and descent-based violence, child abduction, corruption and organised crime, production, consumption and trafficking of drugs and other forms of trafficking;
 - (f) establishing development-oriented partnerships around agriculture, private sector development, trade, investment, aid, migration, research, innovation and technology and the provision of public goods, aiming at poverty reduction and social inclusion.
- (3) Support sustainable development, increase the resilience of South Asian societies against climate change and natural disasters
- (a) promoting sustainable and inclusive growth and livelihoods, integrated rural development, sustainable agriculture and forestry, food security and nutrition;
 - (b) promoting sustainable use of natural resources and renewable energy, protection of biodiversity, water and waste management, soil and forest protection;
 - (c) contributing to efforts to address climate change through supporting adaptation, mitigation and disaster risk reduction measures;
 - (d) supporting efforts to improve economic diversification, competitiveness and trade, private sector development with a particular focus on microenterprises and SMEs and cooperatives;
 - (e) promoting sustainable consumption and production as well as investments in clean technologies, sustainable energies, transport, sustainable agriculture and fisheries, the protection and enhancement of biodiversity and ecosystem services, including water and forests, and decent job creation in the green economy;
 - (f) supporting disaster preparedness and post-disaster long-term recovery, including in the field of food and nutrition security and assistance to uprooted people.
- (4) Support regional integration and cooperation
- (a) encouraging regional integration and cooperation, in a result-oriented way through support for regional integration and dialogue, in particular through the South Asian Association for Regional Cooperation and promoting the development objectives of the Istanbul ('Heart of Asia') process;
 - (b) supporting efficient border management and cross-border co-operation to promote sustainable economic, social and environmental development in border regions; fighting against organised crime, production, consumption and trafficking of drugs;
 - (c) supporting regional initiatives targeting the major communicable diseases; contributing to preventing and responding to health risks, including those originating at the interface between animals, humans and their various environments.

III. North and South East Asia

(1) Promote democratic governance

- (a) contributing to democratisation; building and strengthening legitimate, effective and accountable public institutions and bodies and protecting human rights, through the promotion of institutional reforms (including on good governance and anti-corruption, public financial management, taxation and public administration reform) and legislative, administrative and regulatory reforms in line with international standards, in particular in fragile States and in countries in conflict and post-conflict situations;
- (b) strengthening the protection of human rights, including the rights of minorities and indigenous peoples, promoting respect for core labour standards, fighting against discrimination, fighting against sexual, gender-based and child violence, including children in armed conflict, and addressing the issue of human trafficking;
- (c) supporting the Association of Southeast Asian Nations (ASEAN) human rights architecture, especially the work of the ASEAN Intergovernmental Commission on Human Rights;
- (d) building and strengthening legitimate, effective and accountable public institutions and bodies;
- (e) supporting an active, organised and independent civil society; strengthening social dialogue through support for social partners;
- (f) supporting the efforts of the region to enhance democracy, the rule of law and citizen security, including through justice and security sector reform, and the promotion of inter-ethnic and inter-faith dialogue and peace processes;
- (g) in the context of the security and development nexus, fighting against corruption and organised crime, production, consumption and trafficking of drugs and against other forms of trafficking, and supporting efficient border management and cross-border co-operation to promote sustainable economic, social and environmental development in border regions; support for demining activities.

(2) Promote social inclusion and human development in all its dimensions

- (a) encouraging social cohesion, in particular social inclusion, decent work and equity and gender equality;
- (b) strengthening the capacity to provide universal access to basic social services, particularly in the health and education sectors; improving access to education for all with a view to increasing knowledge, skills and employability on the job market, including — where relevant — by addressing inequality and discrimination on the basis of work and descent, and in particular caste-based discrimination;
- (c) establishing development-oriented partnerships around agriculture, private sector development, trade, investment, aid, migration, research, innovation and technology and the provision of public goods, aiming at poverty reduction and social inclusion;
- (d) supporting the efforts of the region to prevent and respond to health risks, including those originating at the interface between animals, humans and their various environments;
- (e) promoting inclusive education, life-long learning and training (including higher education, vocational education and training), and improving the functioning of labour markets;
- (f) promoting a greener economy and sustainable and inclusive growth especially with regard to agriculture, food security and nutrition, sustainable energies and the protection and enhancement of biodiversity and ecosystem services;
- (g) in the context of the security and development nexus, fighting against gender and descent-based violence and child abduction.

(3) Support sustainable development and increase the resilience of South East Asian societies against climate change and natural disasters

- (a) supporting climate change mitigation and adaptation, promoting sustainable consumption and production;
- (b) supporting the region to mainstream climate change into sustainable development strategies, to develop policies and instruments for adaptation and mitigation, to address the adverse effects of climate change and enhance long-term cooperation initiatives and to reduce the vulnerability to disasters, to support the ASEAN Multi-Sectoral Framework on Climate Change: Agriculture and Forestry towards Food Security;

- (c) in view of population expansion and changing consumer demands, support for sustainable consumption and production as well as investments in clean technologies in particular at regional level, sustainable energies, transport, sustainable agriculture and fisheries, the protection and enhancement of biodiversity and ecosystem services, including water and forests, and decent job creation in the green economy;
 - (d) link relief, rehabilitation and development by ensuring an appropriate follow up to short-term emergency measures addressing post-disaster or post-crisis recovery implemented through other financing instruments; supporting disaster preparedness and post-disaster long-term recovery, including in the field of food and nutrition security and assistance to uprooted people.
- (4) Support regional integration and cooperation across North and South East Asia
- (a) encouraging greater regional integration and cooperation in a result-oriented way through support to regional integration and dialogue;
 - (b) supporting socio-economic integration and connectivity of ASEAN, including the implementation of the development-related objectives of the ASEAN Economic Community, the Master Plan on ASEAN Connectivity and the Post-2015 Vision;
 - (c) promoting trade-related assistance and development aid for trade, including to ensure that microenterprises and SMEs benefit from international trading opportunities;
 - (d) leveraging financing for sustainable infrastructures and networks favouring regional integration, social inclusion and cohesion and sustainable growth, while ensuring complementarity with activities supported by the EIB and other Union financing institutions as well as with other institutions in this area;
 - (e) encouraging dialogue between ASEAN institutions and countries and the Union;
 - (f) supporting regional initiatives targeting the major communicable diseases; contributing to preventing and responding to health risks, including those originating at the interface between animals, humans and their various environments.

IV. Central Asia

- (a) As overarching objectives, contributing to sustainable and inclusive economic and social development, social cohesion and democracy;
- (b) supporting food security, access to sustainable energy security, water and sanitation for local populations; promoting and supporting disaster preparedness and climate change adaptation;
- (c) supporting representative and democratically elected parliaments, promoting and supporting good governance and democratisation processes; sound management of public finances; the rule of law, with well-functioning institutions and effective respect for human rights and gender equality; supporting an active, organised and independent civil society, and strengthening social dialogue through support for social partners;
- (d) promoting inclusive and sustainable economic growth, addressing social and regional inequalities, and supporting innovation and technology, decent work, agriculture and rural development, promoting economic diversification by supporting microenterprises and SMEs, while stimulating the development of a regulated social market economy, open and fair trade and investment, including regulatory reforms;
- (e) supporting efficient border management and cross-border cooperation to promote sustainable economic, social and environmental development in border regions; in the context of the security and development nexus, fighting organized crime and all forms of trafficking, including the fight against production and consumption of drugs as well as negative effects thereof, including HIV/AIDS;
- (f) promoting bilateral and regional cooperation, dialogue and integration including with countries covered by the European Neighbourhood Instrument and other Union instruments to support policy reforms, including through institution building when appropriate, technical assistance (e.g. TAfEX), information exchange and twinning, and by key investments through appropriate mechanisms to mobilise financial resources in the education, environment and energy sectors, low emissions development/resilience to climate change impacts;
- (g) strengthening the capacity to provide universal access to quality basic social services, particularly in the health and education sectors; supporting access for the populations, especially young people and women, to employment, inter alia through supporting improvement of general, vocational and higher education.

V. Middle East

- (a) Addressing democratisation and governance (including in the tax area), rule of law, human rights and gender equality, fundamental freedoms and political equality issues so as to encourage political reforms, the fight against corruption, and the transparency of the judicial process and to build legitimate, democratic, effective and accountable public institutions and an active, independent and organised civil society; strengthening social dialogue through support for social partners;
- (b) supporting civil society in its fight in defence of fundamental freedoms, human rights and democratic principles;
- (c) promoting inclusive growth and encouraging social cohesion and development, in particular creation of employment, social inclusion, decent work and equity and gender equality; strengthening the capacity to provide universal access to basic social services, particularly in the health and education sectors; addressing, where relevant, inequality and discrimination on the basis of work and descent, and in particular caste-based discrimination;
- (d) supporting the development of civic culture especially via training, education and participation of children, young people and women;
- (e) promoting sustainable economic reform and diversification, open and fair trade relations, the development of a regulated and sustainable social market economy, productive and sustainable investment in the main sectors (such as energy, with a focus on renewable energy);
- (f) promoting good neighbourly relations, regional cooperation, dialogue and integration, including with countries covered by the European Neighbourhood Instrument and the Gulf States covered by the Partnership Instrument and other Union instruments by supporting integration efforts within the region, indicatively on economy, energy, water, transportation and refugees;
- (g) promoting sustainable and equitable management of water resources as well as the protection of water resources;
- (h) complementing resources deployed under this Regulation by coherent work and support through other Union instruments and policies, which may focus on access to the Union internal market, labour mobility and wider regional integration;
- (i) in the context of the security and development nexus, fighting against production, consumption and trafficking of drugs;
- (j) in the context of the development and migration nexus, managing migration and helping displaced persons and refugees.

VI. Other countries

- (a) Supporting the consolidation of a democratic society, good governance, respect for human rights, gender equality, a State governed by the rule of law and contributing to regional and continental stability and integration; supporting an active, organised and independent civil society, and strengthening social dialogue through support for social partners;
 - (b) providing support to the adjustment efforts triggered by the establishment of various free-trade areas;
 - (c) supporting the fight against poverty, inequality and exclusion, including by addressing the basic needs of the disadvantaged communities and by promoting social cohesion and redistributive policies aimed at reducing inequalities;
 - (d) strengthening the capacity to provide universal access to basic social services, particularly in the health and education sectors;
 - (e) improving living and working conditions with a special emphasis on promoting the ILO decent work agenda;
 - (f) addressing economic vulnerability and contributing to structural transformation with emphasis on decent employment through sustainable and inclusive economic growth and an energy-efficient, renewables-based low carbon economy by establishing strong partnerships around fair trade relations, productive investments for more and better jobs in the green and inclusive economy, knowledge transfer and cooperation in research, innovation and technology, and promoting sustainable and inclusive development in all its dimensions, with particular attention to the challenges of migratory flows, housing, food security (including sustainable agriculture and fisheries), climate change, sustainable energies and the protection and enhancement of biodiversity and ecosystem services, including water and soil;
 - (g) addressing sexual and gender-based violence and health issues, including HIV/AIDS and its impacts on society.
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ANNEX II

AREAS OF COOPERATION UNDER THEMATIC PROGRAMMES**A. 'GLOBAL PUBLIC GOODS AND CHALLENGES' PROGRAMME**

The 'Global Public Goods and Challenges' programme aims at strengthening cooperation, exchange of knowledge and experience and partner countries' capacities with a view to contribute to poverty eradication, social cohesion and sustainable development. This programme shall be drawn from the following areas of cooperation, ensuring a maximum synergy amongst them in light of their strong interconnection.

I. Environment and climate change

- (a) Contributing to the external dimension of the Union's environment and climate change policies with full respect for the principle of policy coherence for development and other principles set out in the TFEU;
- (b) working upstream in assisting developing countries to achieve the MDGs or any subsequent framework agreed by the Union and the Member States, related to the sustainable use of natural resources and environmental sustainability;
- (c) implementing the Union initiatives and agreed commitments at international and regional level and/or of a trans-boundary character particularly in the areas of climate change through the promotion of climate resilient low carbon strategies giving priority to strategies to promote biodiversity, protection of ecosystems and natural resources, sustainable management including oceans, land, water, fisheries and forests (for example through mechanisms such as FLEGT), desertification, integrated water resource management, sound chemicals and waste management, resource efficiency and the green economy;
- (d) increasing the integration and mainstreaming of climate change and environmental objectives in Union development cooperation through support for methodological and research work on, in and by developing countries, including monitoring, reporting and verification mechanisms, ecosystem mapping, assessment and valuation, enhancing environmental expertise and promoting innovative actions and policy coherence;
- (e) strengthening environmental governance and supporting international policy development to improve the coherence and efficiency of global governance of sustainable development, by assisting regional and international environmental monitoring and assessment, and by promoting effective compliance and enforcement measures in developing countries for multilateral environmental agreements;
- (f) integrating both disaster risk management and climate change adaptation into development planning and investment, and promoting the implementation of strategies which aim to reduce disaster risk such as protecting ecosystems and restoring wetlands;
- (g) recognising the decisive role of agriculture and livestock-keeping in climate change policies by promoting smallholder agriculture and livestock farming as autonomous adaptation and mitigation strategies in the South due to their sustainable use of natural resources such as water and pasture.

II. Sustainable Energy

- (a) Promoting access to reliable, secure, affordable, climate-friendly and sustainable energy services as a key driver for poverty eradication and inclusive growth and development with a special emphasis on the use of local and regional renewable energy sources and on ensuring access for poor people in remote regions;
- (b) fostering greater use of renewable energy technologies, in particular decentralised approaches, as well as energy efficiency and promoting sustainable low emission development strategies;
- (c) promoting energy security for partner countries and local communities through, for instance, diversification of sources and routes, considering price volatility issues, emission reduction potential, improving markets and fostering energy and, in particular, electricity interconnections and trade.

III. Human development, including decent work, social justice and culture**(a) Health**

- (i) improving the health and well-being of people in developing countries through supporting inclusive and universal access to, and equal provision of, good quality essential public health facilities, goods and services with a continuum of care from prevention to post-treatment and with special emphasis on the needs of persons belonging to disadvantaged and vulnerable groups;
- (ii) supporting and shaping the policy agenda of global initiatives of direct significant benefit to partner countries, considering result orientation, aid effectiveness and effects on health systems, including supporting partner countries to better engage with those initiatives;
- (iii) supporting specific initiatives especially at regional and global level, which strengthen health systems and help countries develop and implement sound, evidence-based and sustainable national health policies, and in priority areas such as child and maternal health, including immunisation and response to global health threats (such as HIV/AIDS, tuberculosis and malaria and other poverty-related and neglected diseases);
- (iv) promoting the full and effective implementation of the Beijing Platform for Action and the Programme of Action of the International Conference on Population and Development and the outcomes of their review conferences and in this context sexual and reproductive health and rights;
- (v) promoting, providing and expanding essential services and psychological support for victims of violence, especially women and children.

(b) Education, knowledge and skills

- (i) supporting the achievement of internationally agreed goals in education through global initiatives and partnerships, with special emphasis on promoting knowledge, skills and values for sustainable and inclusive development;
- (ii) promoting exchange of experience, good practice and innovation, based on a balanced approach to the development of education systems;
- (iii) improving equal access to and quality of education in particular for persons belonging to vulnerable groups, migrants, women and girls, persons belonging to religious minorities, people with disabilities, people living in fragile contexts, and in countries furthest from achieving global targets, and improving the completion of basic education and the transition to lower secondary education.

(c) Gender equality, women empowerment and protection of women's and girls' rights

- (i) supporting country, regional and local level programmes to promote women's and girls' economic and social empowerment, leadership and equal political participation;
- (ii) supporting national, regional and global initiatives to promote the integration of gender equality and women's and girls' empowerment into policies, plans and budgets, including in international, regional and national development frameworks and in the aid effectiveness agenda; helping to eradicate gender-biased sex selection practices;
- (iii) addressing sexual and gender-based violence and supporting its victims.

(d) Children and young people

- (i) combating trafficking of and all forms of violence against and abuse of children and all forms of child labour, combating child marriage, and promotion of policies taking into consideration the particular vulnerability and potential of children and young people, protection of their rights, including registration at birth, and interests, education, health and livelihoods, starting with participation and empowerment;
- (ii) enhancing developing countries' attention and capacity to develop policies benefiting children and young people and promoting the role of children and young people as actors for development;
- (iii) supporting the development of concrete strategies and interventions to address particular problems and challenges affecting children and young people, especially in the areas of health, education and employment, taking their best interests into account in all relevant action.

(e) Non-discrimination

- (i) supporting local, regional, national and global initiatives to promote non-discrimination on grounds of sex, gender identity, racial or ethnic origin, caste, religion or belief, disability, disease, age and sexual orientation through the development of policies, plans and budgets, as well as the exchange of good practices and expertise;
- (ii) ensuring a broader dialogue on the issue of non-discrimination and the protection of human rights defenders.

(f) Employment, skills, social protection and social inclusion

- (i) supporting high levels of productive and decent employment in particular with support for sound education and employment policies and strategies, vocational training for employability relevant to local labour market needs and perspectives, working conditions including in the informal economy, promotion of decent work on the basis of the basic ILO labour standards, including fighting against child labour, and social dialogue as well as facilitation of labour mobility while respecting and promoting migrants' rights;
- (ii) strengthening social cohesion in particular with the setting-up and strengthening of sustainable social protection systems, including social insurance schemes for those living in poverty, and with fiscal reform, strengthening the capacity of tax systems and the fight against fraud and tax evasion, which contributes to enhancing equality and wealth distribution;
- (iii) strengthening social inclusion and gender equality with cooperation on equitable access to basic services, employment for all, empowerment and respect of rights of specific groups, in particular migrants, children and young people, persons with disabilities, women, indigenous peoples and persons belonging to minorities to ensure that those groups can and will participate in and benefit from wealth creation and cultural diversity.

(g) Growth, jobs and private sector engagement

- (i) promoting actions aiming at creating more and better jobs, by developing the competitiveness and resilience of local microenterprises and SMEs and their integration into the local, regional and global economy, assisting developing countries to integrate into regional and multilateral trading systems;
- (ii) developing local crafts, which serve to preserve the local cultural heritage;
- (iii) developing a socially and ecologically responsible local private sector and improving the business environment;
- (iv) promoting effective economic policies that support the development of the local economy and local industries, towards a green and inclusive economy, resource efficiency and sustainable consumption and production processes;
- (v) promoting the use of electronic communication as a tool to support pro-poor growth across all sectors in order to bridge the digital divide between developing and industrialised countries and inside developing countries, to achieve an adequate policy and regulatory framework in this area and promoting the development of the necessary infrastructure and the use of services and applications based on information and communication technologies;
- (vi) promoting financial inclusion by fostering access to and effective use of financial services, such as micro-credit and savings, micro-insurance and payment transfer, by microenterprises and SMEs and households, in particular disadvantaged and vulnerable groups.

(h) Culture

- (i) promoting inter-cultural dialogue, cultural diversity and respect for the equal dignity of all cultures;
- (ii) promoting international cooperation to stimulate the contribution of cultural industries to economic growth in developing countries to fully exploit its potential for fighting poverty, including addressing issues such as market access and intellectual property rights;
- (iii) promoting respect for the social, cultural and spiritual values of indigenous peoples and minorities to enhance equality and justice in multi-ethnic societies in compliance with universal human rights to which everyone is entitled, including indigenous peoples and persons belonging to minorities;
- (iv) supporting culture as a promising economic sector for development and growth.

IV. Food and nutrition security and sustainable agriculture

Cooperation in this area shall strengthen cooperation, exchange of knowledge and experience and partner countries' capacities on the four pillars of food security with a gender sensitive approach: food availability (production), access (including land, infrastructure for food transport from surplus to deficit areas, markets, establishing domestic food reserves, safety nets), utilisation (nutrition interventions in socially aware ways) and stability, while also addressing fair trade and prioritising five dimensions: smallholder agriculture and livestock-keeping, food processing to create added value, governance, regional integration and assistance mechanisms for vulnerable populations, by:

- (a) promoting the development of sustainable smallholder agriculture and livestock-keeping through ecosystem-based, low carbon and climate-resilient secure access to technology (including information and communication technologies), through the recognition, promotion and reinforcement of local and autonomous adaptation strategies with regard to climate change, and through extension and technical services, rural development schemes, productive and responsible investment measures, in accordance with international guidelines, sustainable land and natural resource management, protection of land rights of the population in its various form and access to land for local populations, protection of genetic diversity, in an enabling economic environment;
- (b) supporting environmentally and socially responsible policy making and governance of the relevant sectors, the role of the public and non-public actors in its regulation and the use of public goods, its organisational capacity, professional organisations and institutions;
- (c) strengthening food and nutrition security through adequate policies, including the protection of biodiversity and ecosystem services, climate adaptation policies, information systems, crisis prevention and management, and nutrition strategies directed to vulnerable populations which mobilise the necessary resources to deliver basic interventions that could prevent the vast majority of cases of malnutrition;
- (d) fostering safe and sustainable practices throughout the food and feed supply chain.

V. Migration and asylum

Cooperation in this area intends to strengthen political dialogue, cooperation, exchange of knowledge and experience and the capacities of partner countries, civil society organisations and local authorities in order to support human mobility as a positive element of human development. Cooperation in this area, based on a rights-based approach encompassing all human rights, whether civil and political or economic, social and cultural, will address the challenges of migration flows, including South-South migration, the situation of vulnerable migrants such as unaccompanied minors, victims of trafficking, asylum seekers, migrant women, and the condition of children, women and families left in the countries of origin, by:

- (a) promoting migration governance at all levels, with a particular focus on the social and economic consequences of migration, and recognising the key role of civil society organisations, including diaspora, and local authorities in addressing migration as an essential component of the development strategy;
- (b) ensuring better management of migratory flows in all their dimensions, including through enhancing capacities of governments and other relevant stakeholders in partner countries in areas such as: legal migration and mobility; preventing irregular migration, smuggling of migrants and trafficking in human beings; facilitating sustainable return of irregular migrants and supporting voluntary return and reintegration; integrated border management capacities; and international protection and asylum;
- (c) maximising the development impact of the increased regional and global mobility of people, and in particular of well-managed labour migration, improving integration of migrants in countries of destination, promoting and protecting the rights of migrants and their families, through support to the formulation and implementation of sound regional and national migration and asylum policies, through integration of the migration dimension into other regional and national policies and through support for the participation of migrants' organisations and local authorities in policy formulation and in the monitoring of policy implementation processes;
- (d) improving a common understanding of the migration and development nexus, including social and economic consequences of government policies, be they in migration, asylum or in other sectors;
- (e) enhancing asylum and reception capacities in partner countries.

Cooperation in this area will be managed in coherence with the Asylum, Migration and Integration Fund and Internal Security Fund, with full respect for the principle of policy coherence for development.

B. 'CIVIL SOCIETY ORGANISATIONS AND LOCAL AUTHORITIES' PROGRAMME

In line with the conclusions of the Structured Dialogue Initiative of the Commission and the support of the Union to human rights, democracy and good governance, the objective of this programme is to strengthen civil society organisations and local authorities in partner countries and, when provided for in this Regulation, in the Union, candidate countries and potential candidates. It aims to foster an enabling environment for citizen participation and civil society action and cooperation, exchange of knowledge and experience and capacities of civil society organisations and local authorities in partner countries in support of internationally agreed development goals.

For the purpose of this Regulation, 'civil society organisations' are non-State, non-profit making actors operating on an independent and accountable basis which include: non governmental organisations, organisations representing indigenous peoples, organisations representing national and/or ethnic minorities, diaspora organisations, migrants' organisations in partner countries, local traders' associations and citizens' groups, cooperatives, employers associations and trade unions (social partners), organisations representing economic and social interests, organisations fighting corruption and fraud and promoting good governance, civil rights organisations and organisations combating discrimination, local organisations (including networks) involved in decentralised regional cooperation and integration, consumer organisations, women's and youth organisations, environmental, teaching, cultural, research and scientific organisations, universities, churches and religious associations and communities, the media and any non governmental associations and independent foundations, including independent political foundations, likely to contribute to the implementation of the objectives of this Regulation.

For the purpose of this Regulation, 'local authorities' encompass a large variety of sub-national levels and branches of government, i.e. municipalities, communities, districts, counties, provinces, regions etc.

This programme shall contribute to:

- (a) an inclusive and empowered society in partner countries through strengthened civil society organisations and local authorities and basic services delivered to populations in need;
- (b) an increased level of awareness in Europe regarding development issues and mobilising active public support in the Union, candidate countries and potential candidates for poverty reduction and sustainable development strategies in partner countries;
- (c) an increased capacity of European and Southern civil society and local authority networks, platforms and alliances to ensure a substantive and continued policy dialogue in the field of development and to promote democratic governance.

Possible activities to be supported by this programme:

- (a) interventions in partner countries which support vulnerable and marginalised groups by providing basic services delivered through civil society organisations and local authorities;
 - (b) capacity development of the targeted actors complementary to support granted in the framework of the national programme, actions aiming at:
 - (i) creating an enabling environment for citizen participation and civil society action and the capacity of civil society organisations to participate effectively in policy formulation and in the monitoring of policy implementation processes;
 - (ii) facilitating an improved dialogue and better interaction between civil society organisations, local authorities, the State and other development actors in the context of development;
 - (iii) strengthening the capacity of local authorities to participate effectively in the development process, acknowledging their particular role and specificities;
 - (c) raising public awareness of development issues, empowering people to become active and responsible citizens and promoting formal and informal education for development in the Union, in candidate countries and potential candidates, to anchor development policy in society, to mobilise greater public support for action against poverty and for more equitable relations between developed and developing countries, to raise awareness of the issues and difficulties facing developing countries and their peoples, and to promote the right to a process of development in which all human rights and fundamental freedoms can be fully realised and the social dimension of globalisation;
 - (d) coordination, capacity development and institutional strengthening of civil society and local authority networks, within their organisations and between different types of stakeholders active in the public debate on development as well as coordination, capacity development and institutional strengthening of Southern networks of civil society organisations and local authorities and umbrella organisations.
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ANNEX III

AREAS OF COOPERATION UNDER THE PAN-AFRICAN PROGRAMME

The Pan-African programme shall support the objectives and general principles of the strategic partnership between Africa and the Union. It shall promote the principles of a people-centred partnership and 'treating Africa as one', as well as coherence between the regional and continental levels. It shall focus on activities of a trans-regional, continental or global nature in and with Africa, and support joint Africa-EU initiatives in the global arena. The programme shall in particular provide support in the following areas of the partnership:

- (a) peace and security;
 - (b) democratic governance and human rights;
 - (c) trade, regional integration and infrastructure (including raw materials);
 - (d) MDGs and post-2015 internationally agreed new development targets;
 - (e) energy;
 - (f) climate change and environment;
 - (g) migration, mobility and employment;
 - (h) science, information society and space;
 - (i) cross-cutting issues.
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ANNEX IV

INDICATIVE FINANCIAL ALLOCATIONS FOR THE PERIOD 2014-2020

(monetary figures in EUR million)

Total	19 662
(1) Geographic programmes	11 809 ⁽¹⁾
(a) Per geographic area	
(i) Latin America	2 500
(ii) South Asia	3 813
(iii) North and South East Asia	2 870
(iv) Central Asia	1 072
(v) Middle East	545
(vi) Other countries	251
(b) Per area of cooperation	
(i) Human rights, democracy and good governance	at least 15 %
(ii) Inclusive and sustainable growth for human development	at least 45 %
(2) Thematic programmes	7 008
(a) Global Public Goods and Challenges	5 101
(i) Environment and climate change ⁽²⁾	27 %
(ii) Sustainable energy	12 %
(iii) Human development including decent work, social justice and culture	25 %
of which:	
— Health	at least 40 %
— Education, knowledge and skills	at least 17,5 %
— Gender equality, women empowerment and protection of women's and girls' rights; children and young people, non-discrimination; employment, skills, social protection and social inclusion; growth, jobs and private sector engagement, culture	at least 27,5 %
(iv) Food and nutrition security and sustainable agriculture	29 %
(v) Migration and asylum	7 %
At least 50 % of the funds, prior to the use of the markers based on OECD methodology (Rio markers), will serve for climate action and environment-related objectives.	
(b) Civil Society Organisations and Local Authorities	1 907
(3) Pan-African programme	845

⁽¹⁾ Of which 758 million EUR unallocated funds.⁽²⁾ In principle funds will be allocated evenly between environment and climate change.

Declaration by the European Commission on the strategic dialogue with the European Parliament ⁽¹⁾

On the basis of Article 14 TEU, the European Commission will conduct a strategic dialogue with the European Parliament prior to the programming of the Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 and after initial consultation of its relevant beneficiaries, where appropriate. The European Commission will present to the European Parliament the relevant available documents on programming with indicative allocations foreseen per country/region, and, within a country/region, priorities, possible results and indicative allocations foreseen per priority for geographic programmes, as well as the choice of assistance modalities (*). The European Commission will present to the European Parliament the relevant available documents on programming with thematic priorities, possible results, choice of assistance modalities (*), and financial allocations for such priorities foreseen in thematic programmes. The European Commission will take into account the position expressed by the European Parliament on the matter.

The European Commission will conduct a strategic dialogue with the European Parliament in preparing the mid-term review and before any substantial revision of the programming documents during the period of validity of this Regulation.

The European Commission, if invited by the European Parliament, will explain where the European Parliament's observations have been taken into consideration in the programming documents and any other follow-up given to the strategic dialogue.

⁽¹⁾ The European Commission will be represented at the responsible Commissioner level

(*) Where applicable.

Declaration by the European Parliament, the Council of the European Union and the European Commission on point (ii) of point (b) of Article 5(2) of Regulation No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument for development cooperation for the period 2014-2020

With regard to the application of point (ii) of point (b) of Article 5(2) Regulation No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument for development cooperation for the period 2014-2020 at the time of entry into force of that Regulation, the following partner countries are considered eligible for bilateral cooperation, as exceptional cases, including in view of the phasing out of development grant aid: Cuba, Colombia, Ecuador, Peru and South Africa.

Declaration by the European Commission on Article 5 of Regulation No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument for development cooperation for the period 2014-2020

The European Commission will seek the views of the European Parliament before changing the application of point (ii) of point (b) of Article 5(2) of Regulation No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument for development cooperation for the period 2014-2020.

Declaration by the European Commission on allocation for basic services

The Regulation No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument for development cooperation for the period 2014-2020 should enable the Union to contribute to fulfilling the joint Union commitment of providing continued support for human development to improve people's lives in line with the Millennium Development Goals. At least 20 % of allocated assistance under that Regulation will be allocated to basic social services, with a focus on health and education, and to secondary education, recognising that a degree of flexibility must be the norm, such as cases where exceptional assistance is involved. Data concerning the respect of this declaration will be included in the annual report referred to in Article 13 of the Regulation No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instrument for financing external action.

Statement by the European Parliament on the suspension of assistance granted under the financial instruments

The European Parliament notes that Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020, Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries and Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) do not contain any explicit reference to the possibility of suspending assistance in cases where a beneficiary country fails to observe the basic principles enunciated in the respective instrument and notably the principles of democracy, rule of law and the respect for human rights.

The European Parliament considers that any suspension of assistance under these instruments would modify the overall financial scheme agreed under the ordinary legislative procedure. As a co-legislator and co-branch of the budgetary authority, the European Parliament is therefore entitled to fully exercise its prerogatives in that regard, if such a decision is to be taken.

REGULATION (EU) No 234/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 11 March 2014
establishing a Partnership Instrument for cooperation with third countries

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 207(2), 209(1) and 212(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the Committee of the Regions ⁽¹⁾,

Acting in accordance with the ordinary legislative procedure ⁽²⁾,

Whereas:

- (1) The Union should seek to develop relations and build partnerships with third countries. This Regulation constitutes a new and complementary instrument providing direct support for the Union's external policies, expanding cooperation partnerships and policy dialogues to areas and subjects beyond development cooperation. It builds on the experience gained with industrialised countries and high-income countries and territories under Council Regulation (EC) No 1934/2006 ⁽³⁾.
- (2) The scope of cooperation pursuant to the geographic programmes with developing countries, territories and regions under the financing instrument for development cooperation established by Regulation (EC) No 1905/2006 of the European Parliament and of the Council ⁽⁴⁾ is almost entirely limited to financing measures designed to fulfil the criteria for official development assistance (ODA) established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (DAC-OECD).
- (3) Over the last decade, the Union has consistently strengthened its bilateral relations with a broad range of industrialised and other high-income or middle-income countries and territories across different regions of the world.
- (4) The Union needs a foreign policy financial instrument of global scope allowing the financing of measures which might not qualify as ODA, but which are crucially important for deepening and consolidating its relations with the third countries concerned, in particular through policy dialogues and the development of partnerships. That new instrument, innovative in terms of scope and objectives, should create a positive environment for a deepened relationship between the Union and relevant third countries, and should promote core Union interests.
- (5) It is in the Union's interest to deepen its relations and dialogue with countries with which the Union has a strategic interest in promoting links, especially developed and developing countries which play an increasingly important role in world affairs, including in global governance, foreign policy, the international economy, multilateral fora and bodies such as the G8 and the G20, and in addressing challenges of global concern.
- (6) The Union needs to build comprehensive partnerships with new players on the international scene in order to promote a stable and inclusive international order, pursue common global public goods, promote core interests of the Union and increase knowledge of the Union in those countries.
- (7) The scope of this Regulation needs to be worldwide, allowing for support for cooperation measures, as appropriate, to underpin relations with any country in which the Union has strategic interests, in accordance with the objectives of this Regulation.
- (8) It is in the Union's interest to continue to promote dialogue and cooperation with countries which no longer qualify for bilateral programmes under the Development Cooperation Instrument established by Regulation (EU) No 233/2014 of the European Parliament and of the Council ⁽⁵⁾ (the 'Development Cooperation Instrument').
- (9) Furthermore, it is in the Union's interest to have inclusive global institutions based on effective multilateralism and to work towards that goal.

⁽¹⁾ OJ C 391, 18.12.2012, p. 110.

⁽²⁾ Position of the European Parliament of 11 December 2013 (not yet published in the Official Journal) and decision of the Council of 11 March 2014.

⁽³⁾ Council Regulation (EC) No 1934/2006 of 21 December 2006 establishing a financing instrument for cooperation with industrialised and other high-income countries and territories (OJ L 405, 30.12.2006, p. 41).

⁽⁴⁾ Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (OJ L 378, 27.12.2006, p. 41).

⁽⁵⁾ Regulation (EU) 233 /2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (see page 44 of this Official Journal).

- (10) Under this Regulation, the Union should support the implementation of the external dimension of the strategy, outlined by the Commission in its Communication of 3 March 2010 entitled 'Europe 2020 — A Strategy for smart, sustainable and inclusive growth' ('Europe 2020'), bringing together three pillars: economic, social and environmental. In particular, this Regulation should support objectives relating to global issues such as climate change, energy security and resource efficiency, the transition to a greener economy, science, innovation and competitiveness, mobility, trade and investment, economic partnerships, business, employment and regulatory cooperation with third countries, and better market access for companies from the Union, including the internationalisation of small and medium-sized enterprises (SMEs). It should also promote public diplomacy, cooperation in educational and academic matters and outreach activities.
- (11) In particular, the fight against climate change is recognised as one of the great global challenges faced by the Union and the broader international community. Climate change is an area where urgent international action is necessary and where achievement of the Union's goals requires cooperation with partner countries. The Union should therefore intensify its efforts to promote global consensus in this respect. In accordance with the Commission Communication of 29 June 2011 entitled 'A budget for Europe 2020', which calls on the Union to increase the climate related proportion of its budget to at least 20 %, this Regulation should contribute to the attainment of that goal.
- (12) Transnational challenges, such as environmental degradation and access to and sustainable use of raw materials and rare earths, require a rule-based, inclusive approach.
- (13) The Union is committed to helping to meet the global 2020 biodiversity targets and to delivering on the associated Strategy for resource mobilisation.
- (14) The Union is committed, in its relations with its partners worldwide, to promoting decent work for all, as well as ratification and effective implementation of internationally recognised labour standards and multilateral environmental agreements.
- (15) An important strategic interest of the Union is to boost growth and jobs by promoting fair and open trade and investment at the multilateral and bilateral level and by supporting the negotiation and implementation of trade and investment agreements to which the Union is a party. Under this Regulation, the Union should contribute to creating a secure climate for increased trading and investment opportunities worldwide for companies from the Union, not least SMEs, including by supporting regulatory cooperation and convergence, promoting international standards, improving the protection of intellectual property rights and targeting the removal of unwarranted barriers to market access.
- (16) Pursuant to Article 21 of the Treaty on European Union (TEU), the Union's action on the international scene is to be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world, namely democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principle of equality and solidarity, and respect for the principles of the United Nations Charter and international law.
- (17) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between this Regulation, other instruments for financing external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the instruments for financing external action.
- (18) In order to ensure the visibility towards citizens of the beneficiary countries and Union citizens of the Union's assistance, there should, where appropriate, be targeted communication and information by adequate means.
- (19) In order to achieve the objectives of this Regulation, it is necessary to pursue a differentiated and flexible approach with key partner countries which takes into account their economic, social and political contexts, as well as the Union's specific interests, policy priorities and strategies, whilst maintaining the ability to intervene anywhere in the world where needed. The Union should apply a comprehensive approach to foreign policy, including the Union's sectoral policies.
- (20) In order to make its commitment to the promotion and defence of its interests in its relations with third countries more effective, the Union should be able to respond in a flexible and timely manner to evolving or unforeseen needs by adopting special measures not covered by multi-annual indicative programmes.

- (21) The objectives of this Regulation should, whenever possible and appropriate, be pursued in consultation with relevant partners and stakeholders, including civil society organisations and local authorities, taking into account the importance of their roles.
- (22) The Union's external action under this Regulation should contribute to clear results (covering outputs, outcomes and impacts) in countries benefiting from Union assistance. Whenever appropriate and possible, the results of the Union's external action and the efficiency of the instrument established by this Regulation should be monitored and assessed on the basis of pre-defined, clear, transparent and, where appropriate, country-specific and measurable indicators, adapted to the specificities and objectives of that instrument.
- (23) Actions under this Regulation should, where appropriate, take due account of the resolutions and recommendations of the European Parliament.
- (24) In order to adapt the scope of this Regulation to the rapidly evolving reality in third countries, the power to adopt acts in accordance with Article 290 of the Treaty of the Functioning of the European Union should be delegated to the Commission in respect of the priorities defined in the Annex. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (25) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council ⁽¹⁾. Given the nature of those implementing acts, in particular their policy orientation nature and their financial implications, the examination procedure should be used for their adoption, except in the case of technical implementing measures of a small financial scale.
- (26) Common rules and procedures for the implementation of the Union's instruments for financing external action are laid down in Regulation (EU) No 236/2014 of the European Parliament and of the Council ⁽²⁾.
- (27) This Regulation lays down a financial envelope for its period of application which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management ⁽³⁾, for the European Parliament and the Council during the annual budgetary procedure.
- (28) The organisation and functioning of the European External Action Service are established in Council Decision 2010/427/EU ⁽⁴⁾.
- (29) Since the objectives of this Regulation, in particular the establishment of a Partnership Instrument for cooperation with third countries, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives.
- (30) It is appropriate to align the period of application of this Regulation with that of Council Regulation (EU, Euratom) No 1311/2013 ⁽⁵⁾. Therefore, this Regulation should apply from 1 January 2014 until 31 December 2020,

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter and objectives

1. This Regulation establishes a Partnership Instrument for cooperation with third countries (the 'Partnership Instrument') to advance and promote Union and mutual interests. The Partnership Instrument shall support measures that respond in an effective and flexible manner to objectives arising from the Union's bilateral, regional or multilateral relationships with third countries and shall address challenges of global concern and ensure an adequate follow-up to decisions taken at a multilateral level.

⁽¹⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning the mechanisms of control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

⁽²⁾ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action (see page 95 of this Official Journal).

⁽³⁾ OJ C 373, 20.12.2013, p. 1.

⁽⁴⁾ Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

⁽⁵⁾ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

2. The measures to be financed under the Partnership Instrument shall reflect the following specific Union objectives:

- (a) supporting the Union's bilateral, regional and inter-regional cooperation partnership strategies by promoting policy dialogue and by developing collective approaches and responses to challenges of global concern. The attainment of that objective shall be measured, inter alia, by the progress made by key partner countries in the fight against climate change or in promoting the environmental standards of the Union;
- (b) implementing the international dimension of 'Europe 2020'. The attainment of that objective shall be measured by the uptake of the 'Europe 2020' policies and objectives by key partner countries;
- (c) improving access to partner country markets and boosting trade, investment and business opportunities for companies from the Union, while eliminating barriers to market access and investment, by means of economic partnerships, business and regulatory cooperation. The attainment of that objective shall be measured by the Union's share in foreign trade with key partner countries and by trade and investment flows to partner countries specifically targeted by actions, programmes and measures under this Regulation;
- (d) enhancing widespread understanding and visibility of the Union and of its role on the world scene by means of public diplomacy, people-to-people contacts, cooperation in educational and academic matters, think tank cooperation and outreach activities to promote the Union's values and interests. The attainment of that objective may be measured, inter alia, by opinion surveys or evaluations.

Article 2

Scope

1. This Regulation primarily supports cooperation measures with countries with which the Union has a strategic interest in promoting links, especially developed and developing countries which play an increasingly prominent role in global affairs, including in foreign policy, the international economy and trade, multilateral fora and global governance, and in addressing challenges of global concern, or in which the Union has other significant interests.

2. Without prejudice to paragraph 1, all third countries, regions and territories may be eligible for cooperation under this Regulation.

Article 3

General principles

1. The Union seeks to promote, develop and consolidate the principles of democracy, equality, respect for human rights and fundamental freedoms and the rule of law on which it is founded, by means of dialogue and cooperation with third countries.

2. To enhance the impact of the Union's assistance, a differentiated and flexible approach shall, where appropriate, be pursued in designing cooperation with third countries, taking into account their economic, social and political contexts, as well as the Union's specific interests, policy priorities and strategies.

3. The Union shall promote a coherent multilateral approach to global challenges and shall foster cooperation with international or regional organisations and bodies, including international financial institutions, United Nations agencies, funds and programmes, and other bilateral donors.

4. In implementing this Regulation and in formulating policy, strategic planning and programming and implementing measures, the Union shall aim to ensure coherence and consistency with other areas of its external action, in particular the Development Cooperation Instrument, and with other relevant Union policies.

5. Measures financed under this Regulation shall, where appropriate, be based on cooperation policies set out in instruments, such as agreements, declarations and action plans, agreed between the Union and the international organisations concerned or between the Union and the third countries and regions concerned.

Measures financed under this Regulation shall also cover areas linked to the promotion of the Union's specific interests, policy priorities and strategies.

6. Union support under this Regulation shall be implemented in accordance with Regulation (EU) No 236/2014.

Article 4

Programming and indicative allocation of funds

1. Multi-annual indicative programmes (MIPs) shall be adopted by the Commission in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No 236/2014.

2. MIPs shall set out the Union's strategic and/or mutual interests and priorities, the specific objectives and expected results. For countries or regions for which a joint framework document, laying down a comprehensive Union strategy, has been established, the MIPs shall be based on that document.

3. MIPs shall also set out the priority areas selected for financing by the Union and shall outline the indicative allocation of funds, in overall terms, per priority area and per partner country or group of partner countries, for the period concerned, including the participation in global initiatives. Those amounts may, where appropriate, be expressed in the form of a range.

4. MIPs may provide for an amount of funds, not exceeding 5 % of the total amount, that is not allocated to a priority area or partner country or group of countries. Those funds shall be committed in accordance with Article 2(2), (3) and (5) of Regulation (EU) No 236/2014.

5. The procedure referred to in Article 16(4) of Regulation (EU) No 236/2014 may be applied for the purpose of modifying MIPs on duly justified imperative grounds of urgency.

6. With regard to attaining the objectives set out in Article 1, the Commission may take into account the geographic proximity of the Union's outermost regions and overseas countries and territories in the Union's cooperation with third countries.

7. Any programming or review of programmes taking place after the publication of the mid-term review report referred to in Article 17 of Regulation (EU) No 236/2014 (the 'mid-term review report') shall take into account the results, findings and conclusions of that report.

Article 5

Thematic priorities

The Commission shall be empowered to adopt delegated acts in accordance with Article 6 to amend the thematic priorities to be pursued by the Union's assistance under this Regulation, as laid down in the Annex to this Regulation. In particular, following the publication of the mid-term review report, and based upon the recommendations contained in that report, the Commission shall adopt a delegated act amending the Annex to this Regulation by 31 March 2018.

Article 6

Exercise of the delegation

1. The power to adopt delegated acts referred to in Article 5 is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 5 shall be conferred on the Commission for the period of validity of this Regulation.

3. The delegation of power referred to in Article 5 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and the Council.

5. A delegated act adopted pursuant to Article 5 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

Article 7

Committee

The Commission shall be assisted by the Partnership Instrument Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Article 8

Financial envelope

1. The financial envelope for the implementation of this Regulation for the period 2014-2020 shall be EUR 954 765 000.

The annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.

2. In accordance with Article 18(4) of Regulation (EU) No 1288/2013 of the European Parliament and of the Council ⁽¹⁾, in order to promote the international dimension of higher education, an indicative amount of EUR 1 680 000 000 from the different instruments for financing external action (the Development Cooperation Instrument, the European Neighbourhood Instrument established by Regulation (EU) No 232/2014 of the European Parliament and of the Council ⁽²⁾, the Instrument for Pre-accession Assistance (IPA II) established by Regulation (EU) No 231/2014 of the European Parliament and of the Council ⁽³⁾ and the Partnership Instrument), shall be allocated to actions in respect of learning mobility to or from partner countries within the meaning of Regulation (EU) No 1288/2013, and to cooperation and policy dialogue with authorities, institutions and organisations from those countries. Regulation (EU) No 1288/2013 shall apply to the use of those funds.

The funding shall be made available through two multiannual allocations covering the first four years and the remaining three years respectively. The allocation of that funding shall be reflected in the multiannual indicative programming provided for in this Regulation, in line with the identified needs and priorities of the countries concerned. The allocations may be revised

in case of major unforeseen circumstances or important political changes in line with the priorities of the Union's external action.

3. Actions within the scope of Regulation (EU) No 1288/2013 shall be funded by the Partnership Instrument only in so far as they are not eligible for funding under other instruments for financing external action and they complement or reinforce other initiatives under this Regulation.

Article 9

European External Action Service

This Regulation shall apply in accordance with Decision 2010/427/EU.

Article 10

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014 until 31 December 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States

Done at Strasbourg, 11 March 2014.

For the European Parliament
The President
M. SCHULZ

For the Council
The President
D. KOURKOULAS

⁽¹⁾ Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC (OJ L 347, 20.12.2013, p. 50).

⁽²⁾ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (see page 27 of this Official Journal).

⁽³⁾ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) (see page 11 of this Official Journal).

ANNEX

THEMATIC PRIORITIES UNDER THE PARTNERSHIP INSTRUMENT: GENERAL FRAMEWORK FOR THE PROGRAMMING

1. Objective set out in point (a) of Article 1(2):

Support for the Union's bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogue and by developing collective approaches and responses to challenges of global concern.

- Supporting the implementation of Partnership and Cooperation Agreements, action plans and similar bilateral instruments;
- Deepening the political and economic dialogue with third countries of particular relevance in world affairs, including in foreign policy;
- Supporting engagement with relevant third countries on bilateral and global issues of common concern;
- Promoting an adequate follow-up or coordinated implementation of the conclusions of international fora such as the G20.

Reinforcement of cooperation on global challenges, addressing in particular climate change, energy security and the protection of the environment.

- Stimulating efforts in partner countries to reduce greenhouse gas emissions, in particular by promoting and supporting adequate regulatory and performance standards;
- Boosting the greening of production and trade;
- Developing energy cooperation;
- Promoting renewable and sustainable energy sources.

2. Objective set out in point (b) of Article 1(2):

Implementing the international dimension of 'Europe 2020', bringing together three pillars: economic, social and environmental:

- Enhancing policy dialogue and cooperation with relevant third countries, taking into consideration all areas within the scope of 'Europe 2020';
- Promoting the Union's internal policies with key partner countries and supporting regulatory convergence in this regard.

3. Objective set out in point (c) of Article 1(2):

Facilitation and support of economic and trade relations with partner countries:

- Promoting a secure environment for investment and business, including protection of intellectual property rights, tackling market access barriers, reinforced regulatory cooperation, and promotion of opportunities for the Union's goods and services, especially in areas in which the Union has a competitive advantage, and international standards;
- Supporting the negotiation, implementation and enforcement of trade and investment agreements to which the Union is a party.

4. Objective set out in point (d) of Article 1(2):

- Enhancing cooperation in higher education: enhancing student and academic staff mobility, leading to the creation of partnerships aimed at improving the quality of higher education and of joint degrees leading to academic recognition ('Erasmus+ Programme');
 - Enhancing widespread knowledge of the Union and raising its profile: promoting the Union's values and interests in partner countries through enhanced public diplomacy and outreach activities in support of the objectives of the instrument.
-

Declaration by the European Commission on the strategic dialogue with the European Parliament ⁽¹⁾

On the basis of Article 14 TEU, the European Commission will conduct a strategic dialogue with the European Parliament prior to the programming of the Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries and after initial consultation of its relevant beneficiaries, where appropriate. The European Commission will present to the European Parliament the relevant available documents on programming with indicative allocations foreseen per country/region, and, within a country/region, priorities, possible results and indicative allocations foreseen per priority for geographic programmes, as well as the choice of assistance modalities (*). The European Commission will present to the European Parliament the relevant available documents on programming with thematic priorities, possible results, choice of assistance modalities (*), and financial allocations for such priorities foreseen in thematic programmes. The European Commission will take into account the position expressed by the European Parliament on the matter.

The European Commission will conduct a strategic dialogue with the European Parliament in preparing the mid-term review and before any substantial revision of the programming documents during the period of validity of this Regulation.

The European Commission, if invited by the European Parliament, will explain where the European Parliament's observations have been taken into consideration in the programming documents and any other follow-up given to the strategic dialogue.

⁽¹⁾ The European Commission will be represented at the responsible Commissioner level

(*) Where applicable.

Statement by the European Parliament on the suspension of assistance granted under the financial instruments

The European Parliament notes that Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020, Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries and Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) do not contain any explicit reference to the possibility of suspending assistance in cases where a beneficiary country fails to observe the basic principles enunciated in the respective instrument and notably the principles of democracy, rule of law and the respect for human rights.

The European Parliament considers that any suspension of assistance under these instruments would modify the overall financial scheme agreed under the ordinary legislative procedure. As a co-legislator and co-branch of the budgetary authority, the European Parliament is therefore entitled to fully exercise its prerogatives in that regard, if such a decision is to be taken.

**REGULATION (EU) No 235/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 11 March 2014**

establishing a financing instrument for democracy and human rights worldwide

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE
EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 209 and 212 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the ordinary legislative procedure ⁽³⁾,

Whereas:

(1) This Regulation constitutes one of the instruments providing direct support for the Union's external policies and replaces Regulation (EC) No 1889/2006 of the European Parliament and of the Council ⁽⁴⁾. It establishes a financing instrument for the promotion and support of democracy and human rights worldwide allowing for assistance to be provided independently of the consent of the governments and public authorities of the third countries concerned.

(2) Article 2 of the Treaty on European Union (TEU) provides that the Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. Those values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.

(3) Pursuant to Articles 2 and 3(3) TEU and Article 8 of the Treaty on the Functioning of the European Union (TFEU), equality between women and men is a fundamental value and objective of the Union and the Union is to promote and mainstream gender equality in all its activities.

(4) Pursuant to Article 21 TEU the Union's external action is to be guided by the principles which have inspired its

own creation, namely democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.

(5) Within the framework of the principles and objectives of the Union's external action, the promotion of human rights, democracy, the rule of law and good governance, and of inclusive and sustainable growth, constitute two basic pillars of the Union's development policy. A commitment to respect, promote and protect human rights and democratic principles is an essential element of the Union's contractual relations with third countries.

(6) The Joint Communication by the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission of 12 December 2011 entitled 'Human Rights and Democracy at the heart of EU external action — Towards a more effective approach' proposed specific measures in order to increase the effectiveness and coherence of the Union's approach to human rights and democracy.

(7) The instrument hereby established is intended to contribute to achieving the objectives of the Union's external action, including those of its development policy, in particular the objectives set out in the Joint Statement by the Council and the representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy entitled 'The European Consensus' and in the Commission Communication of 13 October 2011 entitled 'Increasing the Impact of EU Development Policy: an Agenda for Change', and the Union's policies relating to human rights, including the objectives outlined in the EU Strategic Framework and Action Plan on Human Rights and Democracy, adopted by the Council on 25 June 2012.

(8) In accordance with the EU Strategic Framework and Action Plan on Human Rights and Democracy, in order to integrate human rights principles in the implementation of this Regulation the Union should apply a rights-based approach encompassing all human rights, whether civil and political, economic, social or cultural.

(9) The Union's contribution to democracy and the rule of law and to the promotion and protection of human rights and fundamental freedoms is rooted in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, and other human rights instruments adopted within the framework of the United Nations (UN), as well as relevant regional human rights instruments.

⁽¹⁾ OJ C 11, 15.1.2013, p. 81.

⁽²⁾ OJ C 391, 18.12.2012, p. 110.

⁽³⁾ Position of the European Parliament of 11 December 2013 (not yet published in the Official Journal) and decision of the Council of 11 March 2014.

⁽⁴⁾ Regulation (EC) No 1889/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a financing instrument for the promotion of democracy and human rights worldwide (OJ L 386, 29.12.2006, p. 1).

- (10) Gender equality, women's rights, including the empowerment of women, and non-discrimination are fundamental human rights and are essential for social justice as well as for fighting against inequalities. Their promotion should be a cross-cutting priority of this Regulation.
- (11) Democracy and human rights are inextricably linked and mutually reinforcing, as recalled in the Council Conclusions of 18 November 2009 on democracy support in the EU's external relations. The fundamental freedoms of thought, conscience and religion or belief, expression, assembly and association are the preconditions for political pluralism, democratic process and an open society, whereas democratic control, domestic accountability and the separation of powers are essential to sustain an independent judiciary and the rule of law which in turn are required for effective protection of human rights.
- (12) The task of building and sustaining a culture of human rights and of supporting the emergence of an independent civil society, including by enhancing the role of such a society in the relevant countries and making democracy work for all, though especially urgent and difficult in emerging democracies, is essentially a continuous challenge which belongs first and foremost to the people of the country concerned but which in no way diminishes the commitment of the international community. It requires a range of institutions, including national democratic parliaments and locally elected assemblies, which ensure participation, representation, responsiveness and accountability. In this context, special attention should be paid to countries in transition as well as fragile or post-conflict situations. The experiences gained and lessons learned from the transition towards democracy in the framework of the enlargement and neighbourhood policies of the Union should be taken into account.
- (13) In order to address those issues in an effective, transparent, timely and flexible manner after Regulation (EC) No 1889/2006 expires, there is a continued need for specific financial resources and a separate financing instrument that can continue to operate in an independent manner.
- (14) Union assistance under this Regulation should be designed in such a way as to complement various other tools for implementing Union policies relating to democracy and human rights. Those tools range from political dialogue and diplomatic demarches to various instruments for financial and technical cooperation, including both geographic and thematic programmes. Union assistance should also complement the more crisis-related actions under the Instrument contributing to
- Stability and Peace, established by Regulation (EU) No 230/2014 of the European Parliament and of the Council ⁽¹⁾, including urgent actions needed during the first phases of the transition process.
- (15) Under this Regulation, the Union is to provide assistance to address global, regional, national and local human rights and democratisation issues in partnership with civil society. In this regard, civil society is to be understood as spanning all types of social actions by individuals or groups that are independent from the state and whose activities help to promote human rights and democracy, including human rights defenders as defined by the UN Declaration on the Right and Responsibility of Individuals, Groups and Organs of Society to Promote and Protect Universally Recognized Human Rights and Fundamental Freedoms ('Declaration on Human Rights Defenders'). In the implementation of this Regulation, due consideration should be given to the Union's local human rights country strategies.
- (16) Furthermore, whilst democracy and human rights objectives must be increasingly mainstreamed in all instruments for financing external action, Union assistance under this Regulation should have a specific complementary and additional role by virtue of its global nature and its independence of action from the consent of the governments and public authorities of the third countries concerned. That role should allow for cooperation and partnership with civil society on sensitive human rights and democracy issues, including migrants' enjoyment of human rights and the rights of asylum seekers and internally displaced persons, providing the flexibility and requisite reactivity to respond to changing circumstances, or needs of beneficiaries, or periods of crisis. This Regulation should also enable the Union to articulate and support specific objectives and measures at international level which are neither geographically linked nor crisis-related and which require a transnational approach or involve operations both within the Union and in a range of third countries. Moreover, this Regulation should provide the necessary framework for operations, such as support for independent election observation missions conducted by the Union (EU EOMs) requiring policy coherence, a unified management system and common operating standards.
- (17) Developing and consolidating democracy under this Regulation may possibly include the provision of strategic support to national democratic parliaments and constituent assemblies, in particular to enhance their capacity to support and advance democratic reform processes.
- ⁽¹⁾ Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace (see page 1 of this Official Journal).

- (18) The Union should pay particular attention to countries and urgency situations where human rights and fundamental freedoms are most at risk and where disrespect for those rights and freedoms is particularly pronounced and systematic. In such cases, the political priorities should be to promote respect for the relevant international law, to provide tangible support and means of action to local civil society and to contribute to its work, carried out in very difficult circumstances. In such countries or situations, and in order to address urgent protection needs of human rights defenders and democracy activists, the Union should be able to respond in a flexible and timely manner, through the use of faster and more flexible administrative procedures and by means of a range of funding mechanisms. This should particularly be the case when the choice of procedural arrangements could impact directly on the effectiveness of the measures or could subject beneficiaries to serious intimidation, retaliation or other types of risks.
- (19) In situations of conflict, the Union should promote the compliance of all parties to the conflict with their legal obligations under international humanitarian law, in accordance with the relevant EU guidelines. Furthermore, in countries in transition Union assistance under this Regulation should support an appropriate environment enabling political actors to emerge who are committed to a democratic pluralistic multiparty system. This Regulation should also aim to promote democratic structures, division of powers and accountable public authorities.
- (20) EU EOMs contribute significantly and successfully to democratic processes in third countries. However, the promotion and support of democracy extends far beyond the electoral process alone and thus all stages of the electoral cycle should be taken into account. Expenditure for EU EOMs should therefore not take up a disproportionate amount of the total funding available under this Regulation.
- (21) The importance of the establishment of the position of the EU Special Representative for Human Rights (EUSR) should be underlined. The EUSR should contribute to the unity, consistency and effectiveness of the Union's action and human rights policy and should help to ensure that all Union instruments and Member States' actions are engaged consistently, in order to attain the Union's policy objectives.
- (22) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between this Regulation, other Union instruments for financing external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the instruments for financing external action.
- (23) The Union and the Member States are to seek regular exchanges of information and consult each other at an early stage of the programming process in order to promote complementarity among their respective activities. The Union should also consult other donors and relevant actors.
- (24) The Commission and the European External Action Service (EEAS) should, as appropriate, hold regular and frequent exchanges of views and information with the European Parliament. In addition, the European Parliament and the Council should be given access to documents in order that they may exercise their right of scrutiny under Regulation (EU) No 182/2011 of the European Parliament and the Council ⁽¹⁾ in an informed manner. Measures taken under this Regulation should duly take into consideration the views of the European Parliament and of the Council.
- (25) The Union, including where appropriate through its delegations, should seek regular exchanges of information and consult with civil society at all levels, including in third countries, as early as appropriate in the programming process, in order to facilitate civil society's respective contributions and to ensure that it plays a meaningful role in that process.
- (26) In order to adapt the scope of this Regulation to the rapidly evolving reality in third countries, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the priorities defined in the Annex to this Regulation. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (27) The implementing powers relating to the programming and financing of the actions supported under this Regulation should be exercised in accordance with Regulation (EU) No 182/2011. Given the nature of those implementing acts, in particular their policy orientation nature and their financial implications, the examination procedure should in principle be used for their adoption, except in the case of technical implementing measures of a small financial scale.

⁽¹⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning the mechanisms of control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (28) Common rules and procedures for the implementation of the Union's instruments for financing external action are laid down in Regulation (EU) No 236/2014 of the European Parliament and of the Council ⁽¹⁾.
- (29) This Regulation lays down a financial envelope for its period of application which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management ⁽²⁾, for the European Parliament and the Council during the annual budgetary procedure.
- (30) The organisation and functioning of the EEAS are established in Council Decision 2010/427/EU ⁽³⁾.
- (31) Since the objectives of this Regulation, namely promoting democracy and human rights worldwide, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (32) It is appropriate to ensure a smooth transition without interruption between Regulation (EC) No 1889/2006 and this Regulation and to align the period of application of this Regulation with that of Council Regulation (EU, Euratom) No 1311/2013 ⁽⁴⁾. Therefore, this Regulation should apply from 1 January 2014 until 31 December 2020,

HAVE ADOPTED THIS REGULATION:

Article 1

Subject-matter and objectives

This Regulation establishes a European Instrument for Democracy and Human Rights (EIDHR) for the period 2014-2020 under which the Union shall provide assistance to the development and consolidation of democracy and the rule of law and of respect for all human rights and fundamental freedoms.

⁽¹⁾ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action (see page 95 of this Official Journal).

⁽²⁾ OJ C 373, 20.12.2013, p. 1.

⁽³⁾ Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

⁽⁴⁾ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

Such assistance shall aim in particular at:

- (a) supporting, developing and consolidating democracy in third countries, by enhancing participatory and representative democracy, strengthening the overall democratic cycle, in particular by reinforcing an active role for civil society within this cycle, and the rule of law, and improving the reliability of electoral processes, in particular by means of EU EOMs;
- (b) enhancing respect for and observance of human rights and fundamental freedoms, as proclaimed in the UN Universal Declaration of Human Rights and other international and regional human rights instruments, and strengthening their protection, promotion, implementation and monitoring, mainly through support to relevant civil society organisations, human rights defenders and victims of repression and abuse.

Article 2

Scope

1. Union assistance shall focus on the following:

- (a) support to and enhancement, in line with the overall democratic cycle approach, of participatory and representative democracy, including parliamentary democracy, and the processes of democratisation, mainly through civil society organisations at the local, national and international levels, inter alia by:
 - (i) promoting freedom of association and assembly, unhindered movement of persons, freedom of opinion and expression, including political, artistic and cultural expression, unimpeded access to information, a free press and independent pluralistic media, both traditional and ICT-based, internet freedom and measures to combat administrative obstacles to the exercise of these freedoms, including the fight against censorship, particularly through the adoption and implementation of relevant legislation;
 - (ii) strengthening the rule of law, promoting the independence of the judiciary and of the legislature, supporting and evaluating legal and institutional reforms and their implementation, and promoting access to justice, as well as supporting national human rights institutions;
 - (iii) promoting and strengthening the International Criminal Court, ad hoc international criminal tribunals and the processes of transitional justice and truth and reconciliation mechanisms;
 - (iv) supporting the transition to democracy and reforms to achieve effective and transparent democratic and domestic accountability and oversight, including in the security and justice sectors, and strengthening measures against corruption;

- (v) promoting political pluralism and democratic political representation, and encouraging political participation by women and men, in particular members of marginalised and vulnerable groups, both as voters and as candidates, in democratic reform processes at local, regional and national level;
 - (vi) reinforcing local democracy by ensuring better cooperation between civil society organisations and local authorities, thus strengthening political representation at the level closest to the citizens;
 - (vii) promoting the equal participation of women and men in social, economic and political life, and supporting gender equality, the participation of women in decision-making processes and political representation of women, in particular in processes of political transition, democratisation and state-building;
 - (viii) promoting the equal participation of people with disabilities in social, economic and political life, including measures to facilitate their exercise of related freedoms, and supporting equality of opportunity, non-discrimination and political representation;
 - (ix) supporting measures to facilitate peaceful conciliation between segments of societies, including support for confidence-building measures relating to human rights and democratisation;
- (b) promotion and protection of human rights and fundamental freedoms, as proclaimed in the UN Universal Declaration of Human Rights and other international and regional instruments in the area of civil, political, economic, social and cultural rights, mainly through civil society organisations, relating to, *inter alia*:
- (i) abolition of the death penalty and the establishment of moratoria with a view to its abolition and, where the death penalty still exists, advocacy for its abolition and the observance of international minimum standards;
 - (ii) the prevention of torture, ill-treatment and other cruel, inhuman and degrading treatment or punishment, as well as enforced disappearances and the rehabilitation of victims of torture;
 - (iii) support for, protection of, and assistance to human rights defenders, including addressing their urgent protection needs, in accordance with Article 1 of the UN Declaration on Human Rights Defenders; these objectives, including longer-term assistance and access to shelter, could be covered by a human rights defenders mechanism;
 - (iv) the fight against racism and xenophobia and discrimination based on any ground, including sex, race, colour, caste, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age, sexual orientation and gender identity;
- (v) freedom of thought, conscience and religion or belief, including by means of measures to eliminate all forms of hatred, intolerance and discrimination based on religion or belief and by fostering tolerance and respect for religious and cultural diversity within and among societies;
 - (vi) the rights of indigenous peoples as proclaimed in the UN Declaration on the Rights of Indigenous Peoples, *inter alia*, by emphasising the importance of their involvement in the development of projects concerning them and providing support in order to facilitate their interaction with, and participation in, international mechanisms;
 - (vii) the rights of persons belonging to national or ethnic, religious and linguistic minorities, as proclaimed in the UN Declaration on the Rights of Persons belonging to National or Ethnic, Religious and Linguistic Minorities;
 - (viii) the rights of lesbian, gay, bisexual, trans and intersex (LGBTI) persons, including measures to decriminalise homosexuality, combat homophobic and transphobic violence and persecution, and promote freedom of assembly, association and expression of LGBTI persons;
 - (ix) the rights of women as set out in the UN Convention on the Elimination of All Forms of Discrimination against Women and the Optional Protocol thereto, including measures to combat all forms of violence against women and girls, particularly female genital mutilation, forced and arranged marriages, crimes of 'honour', domestic and sexual violence, and trafficking in women and girls;
 - (x) the rights of the child, as set out in the UN Convention on the Rights of the Child and the Optional Protocols thereto, including the fight against child labour, child trafficking and child prostitution, the recruitment and use of child soldiers, and the protection of children from discrimination regardless of their race, colour, sex, language, religion or belief, political or other opinion, national, ethnic or social origin, property, disability, birth or other status;
 - (xi) the rights of persons with disabilities, as set out in the UN Convention on the Rights of Persons with Disabilities;

- (xii) economic, social and cultural rights, including the right to an adequate standard of living and core labour standards;
 - (xiii) corporate social responsibility, in particular through the implementation of the UN Guiding Principles on Business and Human Rights, and freedom to conduct business, as set out in Article 16 of the Charter of Fundamental Rights of the European Union;
 - (xiv) education, training and monitoring in the area of human rights and democracy;
 - (xv) support for local, regional, national or international civil society organisations involved in the protection, promotion or defence of human rights and fundamental freedoms;
 - (xvi) promotion of improved conditions and observance of standards in prisons, consistent with human dignity and fundamental rights;
- (c) strengthening of the international framework for the protection of human rights, justice, gender equality, the rule of law and democracy, and for the promotion of international humanitarian law, in particular by:
- (i) providing support for international and regional instruments and bodies in the area of human rights, justice, the rule of law and democracy;
 - (ii) fostering cooperation of civil society with international and regional intergovernmental organisations, and supporting civil society activities, including capacity-building of non-governmental organisations, aimed at promoting and monitoring the implementation of international and regional instruments concerning human rights, justice, the rule of law and democracy;
 - (iii) training in and dissemination of information on international humanitarian law and support to its enforcement;
- (d) building confidence in, and enhancing the reliability and transparency of, democratic electoral processes and institutions, at all stages of the electoral cycle, in particular:
- (i) through deployment of EU EOMs and other measures for the monitoring of electoral processes;
 - (ii) by contributing to the development of the electoral observation capacity of domestic civil society organisations at regional and local levels, and supporting their initiatives to enhance participation in, and the follow-up to, the electoral process;
 - (iii) by supporting measures aimed at the consistent integration of electoral processes into the democratic cycle, disseminating information on and implementing recommendations made by EU EOMs, working in particular with civil society organisations, as well as in cooperation with relevant public authorities, including parliaments and governments, in accordance with this Regulation;
 - (iv) by promoting the peaceful outcome of electoral processes, the reduction of electoral violence and the acceptance of credible results by all segments of society.
2. The principles of non-discrimination on any ground, gender mainstreaming, participation, empowerment, accountability, openness and transparency shall be taken into account whenever relevant for all measures referred to in this Regulation.
3. The measures referred to in this Regulation shall be implemented in the territory of third countries or shall be directly related to situations arising in third countries, or to global or regional actions.
4. The measures referred to in this Regulation shall take into account the specific features of crisis or urgency situations and countries or situations where there is a serious lack of fundamental freedoms, where human security is most at risk or where human rights organisations and defenders operate under the most difficult conditions.

Article 3

Coordination, coherence and complementarity of Union assistance

1. Union assistance under this Regulation shall be consistent with the overall framework of the Union's external action, and complementary to that provided by other instruments or agreements for external assistance.
2. In order to enhance the effectiveness, coherence and consistency of the Union's external action, the Union and the Member States shall seek regular exchanges of information and consult each other at an early stage of the programming process in order to promote complementarity and coherence among their respective activities both at decision-making level and on the ground. Such consultations may lead to joint programming and joint activities between the Union and Member States. The Union shall also consult other donors and actors.
3. The Commission and the EEAS shall, as appropriate, hold regular exchanges of views and information with the European Parliament.
4. The Union shall seek regular exchanges of information with, and consult, civil society at all levels, including in third countries. In particular, the Union shall provide, whenever possible and in accordance with relevant procedures, technical guidance and support in relation to application procedure.

*Article 4**Article 7***General framework for programming and implementation**

1. Union assistance under this Regulation shall be implemented in accordance with Regulation (EU) No 236/2014 and through the following measures:

- (a) strategy papers, as referred to in Article 5, and revisions thereof, as appropriate;
- (b) annual action programmes, individual measures and support measures under Articles 2 and 3 of Regulation (EU) No 236/2014;
- (c) special measures under Article 2 of Regulation (EU) No 236/2014.

2. Any programming or review of programmes taking place after the publication of the mid-term review report referred to in Article 17 of Regulation (EU) No 236/2014 (the 'mid-term review report') shall take into account the results, findings and conclusions of that report.

*Article 5***Strategy papers**

1. Strategy papers shall set out the Union's strategy for its assistance under this Regulation, based on the Union's priorities, the international situation and the activities of the main partners. They shall be consistent with the overall purpose, objectives, scope, and principles of this Regulation.

2. Strategy papers shall set out the priority areas selected for financing by the Union during the period of validity of this Regulation, the specific objectives, the expected results and the performance indicators. They shall also give the indicative financial allocation, both overall and per priority area, where appropriate in the form of a range.

3. Strategy papers shall be approved in accordance with the examination procedure laid down in Article 16(3) of Regulation (EU) No 236/2014. When significant changes of circumstances and policy so require, strategy papers shall be updated in accordance with the same procedure.

*Article 6***Thematic priorities and delegation of powers**

The specific objectives and priorities to be pursued by Union assistance under this Regulation are listed in the Annex.

The Commission shall be empowered to adopt delegated acts to amend the thematic priorities laid down in the Annex. In particular, following the publication of the mid-term review report and based upon the recommendations thereof, the Commission shall adopt a delegated act amending the Annex by 31 March 2018.

Exercise of the delegation

1. The power to adopt delegated acts referred to in Article 6 is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 6 shall be conferred on the Commission for the period of validity of this Regulation.

3. The delegation of power referred to in Article 6 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 6 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

*Article 8***Committee**

The Commission shall be assisted by a Democracy and Human Rights Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

*Article 9***Access to documents**

In order to ensure that they are able to exercise their powers of scrutiny in an informed manner, the European Parliament and the Council shall have access to all EIDHR documents relevant for that exercise, in accordance with the applicable rules.

*Article 10***Financial envelope**

The financial envelope for the implementation of this Regulation for the period 2014-2020 shall be EUR 1 332 752 000.

The annual appropriations shall be authorised by the European Parliament and by the Council within the limits of the multiannual financial framework.

*Article 11***European External Action Service**

This Regulation shall apply in accordance with Decision 2010/427/EU.

*Article 12***Entry into force**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014 until 31 December 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 11 March 2014.

For the European Parliament

The President

M. SCHULZ

For the Council

The President

D. KOURKOULAS

ANNEX

Specific objectives and priorities of the EIDHR

The Union's strategic orientation in delivering on the purpose of the EIDHR is based on five objectives described in this Annex.

1. Objective 1 — Support to human rights and human rights defenders in situations where they are most at risk

Actions under this objective will provide effective support to human rights defenders (HRDs) that are most at risk and to situations where fundamental freedoms are most endangered. The EIDHR will inter alia contribute to meeting HRDs' urgent needs; it will also provide medium and long-term support that will enable HRDs and civil society to carry out their work. The actions will take into account the current worrying trend of the shrinking space for civil society.

2. Objective 2 — Support to other priorities of the Union in the field of human rights

Actions under this objective will focus on providing support to activities where the Union has an added value or specific thematic commitment (e.g. current and future Union guidelines in the field of human rights adopted by the Council or resolutions adopted by the European Parliament), in line with Article 2. Actions will be consistent with the priorities set out in the EU Strategic Framework and Action Plan on Human Rights and Democracy.

Actions under this objective will, inter alia, support human dignity (in particular the fight against the death penalty and against torture and other cruel, inhuman or degrading punishment or treatment); economic, social and cultural rights; the fight against impunity; the fight against discrimination in all its forms; women's rights and gender equality. Attention will also be given to emerging issues in the field of human rights.

3. Objective 3 — Support to democracy

Actions under this objective will support peaceful pro-democracy actors in third countries with a view to enhancing participatory and representative democracy, transparency and accountability. Actions will focus on the consolidation of political participation and representation, as well as pro-democracy advocacy.

All aspects of democratisation will be addressed, including the rule of law and the promotion and protection of civil and political rights such as freedom of expression online and offline, freedom of assembly and association. This includes active participation in the evolving methodological debate in the area of democracy support.

Where applicable, actions will take into account the recommendations of EU EOMs.

4. Objective 4 — EU EOMs

Actions under this objective will focus on election observation which contributes to increasing transparency and trust in the electoral process as part of the wider promotion of, and support to, democratic processes as described in objective 3.

Full-scale EU EOMs are widely recognised as flagship projects of the Union's external action and remain the principal form of action under this objective.

They are best placed to provide both an informed assessment of electoral processes and recommendations for their further improvement in the context of Union cooperation and political dialogue with third countries. In particular, the approach encompassing all stages of the electoral cycle, including follow-up activities, will be further developed with complementary actions between bilateral programming and EIDHR projects.

5. Objective 5 — Support to targeted key actors and processes, including international and regional human rights instruments and mechanisms.

The general aim is to strengthen international and regional frameworks for the promotion and protection of human rights, justice, the rule of law and democracy in accordance with Union policy priorities.

Actions under this objective will include activities to support local civil society's contribution to EU human rights dialogues (in line with the relevant EU guidelines) and the development and implementation of international and regional human rights and international criminal justice instruments and mechanisms, including the International Criminal Court. The promotion and monitoring of those mechanisms by civil society will be given special attention.

Declaration by the European Commission on the strategic dialogue with the European Parliament ⁽¹⁾

On the basis of Article 14 TEU, the European Commission will conduct a strategic dialogue with the European Parliament prior to the programming of the Regulation (EU) No 235/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for democracy and human rights worldwide and after initial consultation of its relevant beneficiaries, where appropriate. The European Commission will present to the European Parliament the relevant available documents on programming with indicative allocations foreseen per country/region, and, within a country/region, priorities, possible results and indicative allocations foreseen per priority for geographic programmes, as well as the choice of assistance modalities (*). The European Commission will present to the European Parliament the relevant available documents on programming with thematic priorities, possible results, choice of assistance modalities (*), and financial allocations for such priorities foreseen in thematic programmes. The European Commission will take into account the position expressed by the European Parliament on the matter.

The European Commission will conduct a strategic dialogue with the European Parliament in preparing the mid-term review and before any substantial revision of the programming documents during the period of validity of this Regulation.

The European Commission, if invited by the European Parliament, will explain where the European Parliament's observations have been taken into consideration in the programming documents and any other follow-up given to the strategic dialogue.

⁽¹⁾ The European Commission will be represented at the responsible Commissioner level

(*) Where applicable.

Joint Declaration of the European Parliament, the Council of the European Union and the European Commission on Election Observation Missions

The European Parliament, the Council of the European Union and the European Commission underline the important contribution of European Union Election Observation Missions (EU EOMs) to Union external relations policy supporting democracy in partner countries. EU EOMs contribute to increase transparency and confidence in electoral processes, and provide an informed assessment of elections as well as recommendations for their further improvement, in the context of Union cooperation and political dialogue with partner countries. In this regard, the European Parliament, the Council of the European Union and the European Commission agree that up to 25 % of the budget over the period 2014-2020 of the Regulation EU No 235/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financial instrument for democracy and human rights worldwide should be devoted to the funding of EU EOMs, depending on annual election priorities.

**REGULATION (EU) No 236/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 11 March 2014**

**laying down common rules and procedures for the implementation of the Union's instruments for
financing external action**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE
EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 209(1) and 212(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the Committee of Regions ⁽¹⁾,

Acting in accordance with the ordinary legislative procedure ⁽²⁾,

Whereas:

- (1) The European Union should adopt a comprehensive set of instruments for financing external action covering a range of policies related to such action, which require specific common rules and procedures for their implementation. Those instruments for financing external action for the period from 2014 to 2020 are: the Development Cooperation Instrument (DCI), as established by Regulation (EU) No 233/2014 of the European Parliament and of the Council ⁽³⁾, the European Instrument for Democracy and Human Rights (EIDHR), as established by Regulation (EU) No 235/2014 of the European Parliament and of the Council ⁽⁴⁾, the European Neighbourhood Instrument (ENI), as established by Regulation (EU) No 232/2014 of the European Parliament and of the Council ⁽⁵⁾, the Instrument contributing to Stability and Peace, as established by Regulation (EU) No 230/2014 of the European Parliament and of the Council ⁽⁶⁾, the Instrument for Pre-accession Assistance (IPA II), as established by Regulation (EU) No 231/2014 of the European Parliament and of the Council ⁽⁷⁾, and the Partnership

Instrument for cooperation with third countries, as established by Regulation (EU) No 234/2014 of the European Parliament and of the Council ⁽⁸⁾ (hereinafter referred to jointly as 'the Instruments' and individually as 'the Instrument').

- (2) The common rules and procedures should be consistent with the financial rules applicable to the general budget of the Union laid down in Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ⁽⁹⁾, including the corresponding rules adopted by the Commission ⁽¹⁰⁾ for implementing that Regulation.
- (3) The Instruments generally provide that actions to be funded on their basis should be the object of a multi-annual indicative programming, providing the framework within which financing decisions should be adopted in accordance with Regulation (EU, Euratom) No 966/2012, and with the procedures provided for in Regulation (EU) No 182/2011 of the European Parliament and of the Council ⁽¹¹⁾.
- (4) Financing decisions should take the form of annual or multiannual action programmes and individual measures when following the planning provided for by the multi-annual indicative programming, of special measures where required by unforeseen and duly justified needs or circumstances, and of support measures. Support measures may be adopted either as part of an annual or multiannual action programme or outside the scope of indicative programming documents.
- (5) Financing decisions should include in an annex a description of each action, specifying its objectives, main activities, expected results, methods of implementation, budget and indicative timetable, any associated support measures and performance monitoring arrangements, and should be approved in accordance with the procedures provided for in Regulation (EU) No 182/2011.

⁽¹⁾ OJ C 391, 18.12.2012, p. 110.

⁽²⁾ Position of the European Parliament of 11 December 2013 (not yet published in the Official Journal) and decision of the Council of 11 March 2014.

⁽³⁾ Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020 (see page 44 of this Official Journal).

⁽⁴⁾ Regulation (EU) No 235/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for democracy and human rights worldwide (see page 85 of this Official Journal).

⁽⁵⁾ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (see page 27 of this Official Journal).

⁽⁶⁾ Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace (see page 1 of this Official Journal).

⁽⁷⁾ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) (see page 11 of this Official Journal).

⁽⁸⁾ Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries (see page 77 of this Official Journal).

⁽⁹⁾ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

⁽¹⁰⁾ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

⁽¹¹⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (6) Taking into account the policy programming or financial execution nature of those implementing acts, in particular their budgetary implications, the examination procedure should be used for their adoption, except for individual and special measures below pre-defined thresholds. However, the Commission should adopt immediately applicable implementing acts where, in duly justified cases relating to the need for a swift response from the Union, imperative grounds of urgency so require. The European Parliament should be duly informed thereof, in accordance with the relevant provisions of Regulation (EU) No 182/2011.
- (7) For the implementation of the Instruments, where the management of the operation is entrusted to a financial intermediary, the Commission decision should cover in particular provisions concerning risk-sharing, transparency, the remuneration of the intermediary responsible for implementation, the use and re-use of funds and of possible profits, and the reporting obligations and control mechanisms, taking into account the relevant provisions of Regulation (EU, Euratom) No 966/2012.
- (8) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between the Instruments and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the Instruments, and, where appropriate, the use of financial instruments that have a leverage effect.
- (9) Pursuant to Article 21 of the Treaty on European Union (TEU), the Union's action on the international scene is to be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world, namely democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principle of equality and solidarity, and respect for the principles of the United Nations Charter and international law.
- (10) In line with the commitments of the Union at the 3rd and 4th High Level Fora on Aid Effectiveness (Accra 2008 and Busan 2011), and the recommendation of the Development Assistance Committee of the Organisation for Economic Co-operation and Development ('OECD-DAC') on unttying official development assistance (ODA) to the Least Developed Countries and Heavily Indebted Poor Countries, the Commission should untie Union aid to the maximum extent, including for innovative financing mechanisms, and promote the participation of entities from partner countries in contract-award procedures.
- (11) In order to ensure the visibility towards the citizens of the beneficiary countries and the Union citizens, of the Union's assistance, there should be, where appropriate, targeted communication and information by adequate means.
- (12) The Union's external action under the Instruments should contribute to clear results (covering outputs, outcomes and impacts) in countries benefiting from the Union's external financial assistance. Whenever possible and appropriate, the results of the Union's external action and the efficiency of a particular Instrument should be monitored and assessed on the basis of pre-defined, clear, transparent and, where appropriate, country-specific and measurable indicators, adapted to the specificities and objectives of the Instrument concerned.
- (13) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties. Those measures should be carried out in accordance with the applicable agreements concluded with international organisations and third countries.
- (14) Provision should be made for financing methods, the protection of the financial interests of the Union, rules on nationality and origin, the evaluation of actions, reporting and review and evaluation of the Instruments.
- (15) Without prejudice to cooperation mechanisms developed with civil society organisations at all levels in accordance with Article 11 TEU, stakeholders of beneficiary countries, including civil society organisations and local authorities, have a prominent role to play regarding the external policy of the Union. During the implementation process, in particular the preparation, implementation, monitoring and evaluation of measures taken under this Regulation, it is important to duly consult them to ensure that they play a meaningful role in this process and to duly consider their specificities.

(16) In accordance with Article 208, Article 209(3) and Article 212 of the Treaty on the Functioning of the European Union, and under the terms laid down in the Statute of the European Investment Bank (EIB) and in Decision No 1080/2011 of the European Parliament and of the Council ⁽¹⁾, the EIB contributes to the implementation of the measures necessary to further the objectives of the Union's development and other external policies, and intervenes in complementarity with the Union's instruments for external action. Opportunities should be seized to combine EIB financing with Union budgetary resources. The EIB is consulted in the Union programming process where appropriate.

(17) International organisations and development agencies routinely work with non-profit organisations as implementing partners and may have to entrust budget implementation tasks to them in duly justified cases. By way of derogation from point (c) of Article 58(1) of Regulation (EU, Euratom) No 966/2012, provision should be made in this Regulation to allow such tasks to be entrusted to non-profit organisations under conditions equivalent to those applying to the Commission.

(18) In order to enhance partner countries' ownership of their development processes and the sustainability of external aid, and in line with international aid effectiveness commitments entered into by the Union and partner countries, the Union should promote, where appropriate in light of the nature of the action concerned, the use of partner countries' own institutions, systems and procedures.

(19) In line with the European Consensus on Development and the international aid effectiveness agenda, and as underlined by the European Parliament's resolution of 5 July 2011 on the future of EU budget support to developing countries, the Commission's Communication of 13 October 2011 entitled 'Increasing the impact of EU Development Policy: an Agenda for Change', and the Council Conclusions on 'The Future Approach to EU Budget Support to Third Countries' of 14 May 2012, budget support is to be used effectively to support poverty reduction and the use of country systems, make aid more predictable and strengthen partner countries' ownership of development policies and reforms. The disbursement of forecast budget tranches should be conditional on the progress achieved towards the objectives agreed with partner countries. In countries benefiting from that type of the Union's financial assistance, the Union supports the development of parliamentary

control, audit capacities, transparency and public access to information.

(20) Union action aimed at advancing the principles of democracy and strengthening democratisation may be implemented, inter alia, through support to civil society organisations and independent institutions active in this area, such as the European Endowment for Democracy.

(21) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(22) It is appropriate to align the period of application of this Regulation with that of Council Regulation (EU, Euratom) No 1311/2013 ⁽²⁾. Therefore, this Regulation should apply from 1 January 2014 until 31 December 2020,

HAVE ADOPTED THIS REGULATION:

TITLE I

IMPLEMENTATION

Article 1

Subject matter and principles

1. This Regulation lays down the rules and conditions for the provision by the Union of financial assistance to actions, including action programmes and other measures, under the following instruments for financing external action for the period from 2014 to 2020: the Development Cooperation Instrument (DCI), the European Instrument for Democracy and Human Rights (EIDHR), the European Neighbourhood Instrument (ENI), the Instrument contributing to Stability and Peace, the Instrument for Pre-Accession Assistance (IPA II) and the Partnership Instrument for cooperation with third countries (hereinafter referred to jointly as 'the Instruments' and individually as 'the Instrument').

For the purposes of this Regulation, the term 'countries' includes territories and regions, as appropriate.

⁽¹⁾ Decision No 1080/2011/EU of the European Parliament and of the Council of 25 October 2011 granting an EU guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Union and repealing Decision No 633/2009/EC (OJ L 280, 27.10.2011, p. 1).

⁽²⁾ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

2. This Regulation does not apply to the implementation of actions financing the Erasmus+ programme under Regulation (EU) No 233/2014, Regulation (EU) No 232/2014, Regulation (EU) No 231/2014 and Regulation (EU) No 234/2014. Those actions shall be implemented in accordance with Regulation (EU) No 1288/2013 of the European Parliament and of the Council⁽¹⁾, on the basis of the indicative programming documents referred to in the applicable Instrument, while ensuring conformity with those Regulations.

3. The Commission shall ensure that actions are implemented in accordance with the objectives of the applicable Instrument, and in conformity with an effective protection of the financial interests of the Union. The Union's financial assistance provided on the basis of the Instruments shall be consistent with the rules and procedures laid down in Regulation (EU, Euratom) No 966/2012, which provides the basic financial and legal framework for their implementation.

4. In applying this Regulation, the Commission shall use the most effective and efficient implementation methods. Where possible and appropriate in light of the nature of the action, the Commission shall also favour the use of the most simple procedures.

5. Taking into account paragraph 4, in applying this Regulation, the Commission shall favour the use of partner countries' systems when possible and appropriate in light of the nature of the action.

6. The Union shall seek to promote, develop and consolidate the principles of democracy, the rule of law and respect for human rights and fundamental freedoms on which it is founded, on the basis of, where appropriate, dialogue and cooperation with partner countries and regions. The Union shall integrate those principles in the implementation of the Instruments.

Article 2

Adoption of action programmes, individual measures and special measures

1. The Commission shall adopt annual action programmes, based on the indicative programming documents referred to in the relevant Instrument, where applicable. The Commission may also adopt multi-annual action programmes in accordance with Article 6(3).

Action programmes shall specify for each action the objectives pursued, the expected results and main activities, the methods of implementation, the budget and an indicative timetable, any associated support measures and performance monitoring arrangements.

⁽¹⁾ Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC (OJ L 347, 20.12.2013, p. 50).

When necessary, an action may be adopted as an individual measure before or after the adoption of annual or multi-annual action programmes.

In the event of unforeseen and duly justified needs or circumstances, and when funding is not possible from more appropriate sources, the Commission may adopt special measures not provided for in the indicative programming documents, including measures to ease the transition from emergency aid to long-term development operations or measures to better prepare people to deal with recurring crises.

2. Action programmes, individual measures and special measures provided for in paragraph 1 of this Article shall be adopted in accordance with the examination procedure referred to in Article 16(3).

3. The procedure referred to in paragraph 2 shall not be required for:

- (a) individual measures for which the Union's financial assistance does not exceed EUR 5 million;
- (b) special measures for which the Union's financial assistance does not exceed EUR 10 million;
- (c) technical amendments to action programmes, individual measures and special measures. Technical amendments are adjustments, such as:
 - (i) extensions of the implementation period;
 - (ii) reassignments of funds between actions contained in an annual or multi-annual action programme; or
 - (iii) increases or reductions of the budget of the annual or multi-annual action programmes, or of individual or special measures, by not more than 20 % of the initial budget and not exceeding EUR 10 million,

provided such amendments do not substantially affect the objectives of the measure concerned.

Measures adopted under this paragraph shall be communicated to the European Parliament and to the Member States through the relevant committee referred to in Article 16 within one month of their adoption.

4. Paragraphs 1, 2 and 3 relating to action programmes and individual measures shall not apply to ENI cross-border cooperation.

5. On duly justified imperative grounds of urgency, such as crises or immediate threats to democracy, the rule of law, human rights or fundamental freedoms, the Commission may adopt individual or special measures or amendments to existing action programmes and measures, in accordance with the procedure referred to in Article 16(4).

6. Appropriate environmental screening, including for climate change and biodiversity impacts, shall be undertaken at project level, in accordance with the applicable legislative acts of the Union, including Directive 2011/92/EU of the European Parliament and of the Council⁽¹⁾ and Council Directive 85/337/EEC⁽²⁾, comprising, where applicable, an environmental impact assessment (EIA) for environmentally sensitive projects, in particular for major new infrastructure. Where relevant, strategic environmental assessments shall be used in the implementation of sectoral programmes. The involvement of interested stakeholders in environmental assessments and public access to the results of such assessments shall be ensured.

7. In the design and implementation of programmes and projects, criteria regarding accessibility for persons with disabilities shall be duly taken into account.

Article 3

Support measures

1. Union financing may cover expenditure for the implementation of the Instruments and for the achievement of their objectives, including administrative support associated with the preparation, follow-up, monitoring, audit and evaluation activities directly necessary for such implementation, as well as expenditure at Union delegations on the administrative support needed to manage operations financed under the Instruments.

2. Provided that the activities listed in points (a), (b) and (c) are related to the general objectives of the applicable Instrument implemented through actions, Union financing may cover:

- (a) studies, meetings, information, awareness-raising, training, preparation and exchange of lessons learnt and best practices, publication activities and any other administrative or technical assistance expenditure necessary for the management of actions;
- (b) research activities and studies on relevant issues and the dissemination thereof;
- (c) expenditure related to the provision of information and communication actions, including the development of communication strategies and corporate communication of the political priorities of the Union.

3. Support measures may be financed outside the scope of indicative programming documents. Where applicable, the Commission shall adopt support measures in accordance with the examination procedure referred to in Article 16(3).

⁽¹⁾ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

⁽²⁾ Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment (OJ L 175, 5.7.1985, p. 40).

The examination procedure shall not apply to the adoption of support measures for which the Union's financial assistance does not exceed EUR 10 million.

Support measures for which the Union's financial assistance does not exceed EUR 10 million shall be communicated to the European Parliament and to the Member States through the relevant committee referred to in Article 16 within one month of their adoption.

TITLE II

PROVISIONS ON THE FINANCING METHODS

Article 4

General financing provisions

1. The Union's financial assistance may be provided through the types of financing envisaged by Regulation (EU, Euratom) No 966/2012, and in particular:

- (a) grants;
- (b) procurement contracts for services, supplies or works;
- (c) general or sector budget support;
- (d) contributions to trust funds set up by the Commission, in accordance with Article 187 of Regulation (EU, Euratom) No 966/2012;
- (e) financial instruments such as loans, guarantees, equity or quasi-equity, investments or participations, and risk-sharing instruments, whenever possible under the lead of the EIB in line with its external mandate under Decision No 1080/2011/EU, a multilateral European financial institution, such as the European Bank for Reconstruction and Development, or a bilateral European financial institution, e.g. bilateral development banks, possibly pooled with additional grants from other sources.

2. General or sector budget support as referred to in point (c) of paragraph 1 is based on mutual accountability and shared commitments to universal values, and aims at strengthening contractual partnerships between the Union and partner countries in order to promote democracy, human rights and the rule of law, support sustainable and inclusive economic growth and eradicate poverty.

Any decision to provide the general or sector budget support shall be based on budget support policies agreed by the Union, a clear set of eligibility criteria and a careful assessment of the risks and benefits.

One of the key determinants of that decision shall be an assessment of the commitment, record and progress of partner countries with regard to democracy, human rights and the rule of law. The general or sector budget support shall be differentiated in such a way as to respond better to the political, economic and social context of the partner country, taking into account situations of fragility.

When providing the general or sector budget support in accordance with Article 186 of Regulation (EU, Euratom) No 966/2012, the Commission shall clearly define and monitor its conditionality, and shall support the development of parliamentary control and audit capacities and increased transparency and public access to information. Disbursement of the general or sector budget support shall be conditional on satisfactory progress being made towards achieving the objectives agreed with the partner country.

3. Any entity entrusted with the implementation of the financial instruments as referred to in point (e) of paragraph 1 shall fulfil the requirements of Regulation (EU, Euratom) No 966/2012 and comply with Union objectives, standards and policies, as well as best practices regarding the use of and reporting on Union funds.

Those financial instruments may be grouped into facilities for implementation and reporting purposes.

The Union's financial assistance may also be provided, in accordance with Regulation (EU, Euratom) No 966/2012, through contributions to international, regional or national funds, such as those established or managed by the EIB, by Member States, by partner countries and regions or by international organisations, with a view to attracting joint financing from a number of donors, or to funds set up by one or more donors for the purpose of the joint implementation of projects.

4. Reciprocal access by Union financial institutions to financial instruments set up by other organisations shall be promoted, as appropriate.

5. When providing the Union's financial assistance as referred to in paragraph 1, the Commission shall, where appropriate, take all necessary measures in order to ensure the visibility of the Union's financial support. Those shall include measures imposing visibility requirements on recipients of Union funds, except in duly justified cases. The Commission shall be responsible for monitoring recipients' compliance with those requirements.

6. All revenue generated by a financial instrument shall be assigned to the corresponding Instrument as internal assigned revenue. Every five years, the Commission shall examine the contribution made to the achievement of Union objectives, and the effectiveness, of existing financial instruments.

7. The Union's financial assistance shall be implemented by the Commission, as provided for by Regulation (EU, Euratom) No 966/2012, directly by Commission departments, by Union delegations and by executive agencies, by shared management with Member States or indirectly by entrusting budget imple-

mentation tasks to the entities listed in Regulation (EU, Euratom) No 966/2012. Those entities shall ensure consistency with the Union's external policy and may entrust budget implementation tasks to other entities under conditions equivalent to those applying to the Commission.

They shall annually fulfil their obligation under Article 60(5) of Regulation (EU, Euratom) No 966/2012. The audit opinion, where required, shall be submitted within one month of the report and management declaration, to be taken into account in the assurance of the Commission.

International organisations as referred to in point (c)(ii) of Article 58(1) of Regulation (EU, Euratom) No 966/2012 and bodies of the Member States as referred to in points (c)(v) and (vi) of Article 58(1) of that Regulation which have been entrusted by the Commission may also entrust budget implementation tasks to non-profit organisations possessing the appropriate operational and financial capacity, under conditions equivalent to those applying to the Commission.

Entities which fulfil the criteria laid down in Article 60(2) of Regulation (EU, Euratom) No 966/2012 shall be deemed to meet the selection criteria referred to in Article 139 of that Regulation.

8. The types of financing referred to in paragraph 1 of this Article and in Article 6(1), and the methods of implementation referred to in paragraph 3 of this Article, shall be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. For grants, this shall include consideration of the use of lump sums, flat rates and scales of unit costs.

9. Actions financed under the Instruments may be implemented by means of parallel or joint co-financing.

In the case of parallel co-financing, an action is split into a number of clearly identifiable components which are each financed by the different partners providing co-financing in such a way that the end-use of the financing can always be identified.

In the case of joint co-financing, the total cost of an action is shared between the partners providing the co-financing and the resources are pooled in such a way that it is no longer possible to identify the source of financing for any given activity undertaken as part of the action. In such a case, ex-post publicity of grant and procurement contracts as provided for by Article 35 of Regulation (EU, Euratom) No 966/2012 shall comply with the rules, if any, governing the entrusted entity.

10. When recourse is had to a type of financing referred to in paragraph 1 of this Article or Article 6(1), cooperation between the Union and its partners may take the form, *inter alia*, of:

- (a) triangular arrangements whereby the Union coordinates with third countries its assistance to a partner country or region;
- (b) administrative cooperation measures such as twinning between public institutions, local authorities, national public bodies or private law entities entrusted with public service tasks of a Member State and those of a partner country or region, as well as cooperation measures involving public-sector experts dispatched from the Member States and their regional and local authorities;
- (c) contributions to the necessary costs of setting up and administering a public-private partnership;
- (d) sector policy support programmes whereby the Union provides support to a partner country's sector programme;
- (e) in the case of the ENI and IPA II, contributions to the cost of the countries' participation in Union programmes and agencies;
- (f) interest rate subsidies;
- (g) financing through grants to Union agencies.

11. When working with stakeholders of beneficiary countries, the Commission shall take into account their specificities, including needs and context, when defining the modalities of financing, the type of contribution, the award modalities and the administrative provisions for the management of grants, with a view to reaching and best responding to the widest possible range of such stakeholders. Specific modalities shall be encouraged in accordance with Regulation (EU, Euratom) No 966/2012, such as partnership agreements, authorisations of subgranting, direct award or eligibility-restricted calls for proposals or lump sums.

12. In implementing its support to transition and reform in partner countries, the Union shall, where appropriate, draw on and share the experiences of Member States and lessons learnt.

Article 5

Taxes, duties and charges

The Union's assistance shall not generate or activate the collection of specific taxes, duties or charges.

Where applicable, appropriate provisions shall be negotiated with third countries in order to exempt from taxes, custom duties and other fiscal charges the actions implementing the Union's financial assistance. Otherwise, such taxes, duties and charges shall be eligible under the conditions laid down in Regulation (EU, Euratom) No 966/2012.

Article 6

Specific financing provisions

1. In addition to the types of financing referred to in Article 4(1) of this Regulation, the Union's financial assistance under the following Instruments may be provided in accordance with Regulation (EU, Euratom) No 966/2012 also through the following types of financing:

- (a) under the DCI and under the ENI, debt relief in the context of internationally agreed debt relief programmes;
- (b) under the DCI and under the Instrument contributing to Stability and Peace, in exceptional cases, sectoral and general import programmes, which may take the form of:
 - (i) sectoral import programmes in kind;
 - (ii) sectoral import programmes providing foreign exchange to finance imports for the sector in question; or
 - (iii) general import programmes providing foreign exchange to finance general imports of a wide range of products;
- (c) under the EIDHR, direct award of:
 - (i) low-value grants to human rights defenders to finance urgent protection actions, where appropriate without the need for co-funding;
 - (ii) grants, where appropriate without the need for co-funding, to finance actions in the most difficult conditions or in situations referred to in Article 2(4) of Regulation (EU) No 235/2014 where the publication of a call for proposals would be inappropriate. Such grants shall not exceed EUR 1 000 000 and shall have a duration of up to 18 months, which may be extended by a further 12 months in the event of objective and unforeseen obstacles to their implementation;
 - (iii) grants to the Office of the UN High Commissioner for Human Rights as well as to the European Inter-University Centre for Human Rights and Democratisation, providing a European Master's Degree in Human Rights and Democratisation and an EU-UN Fellowship Programme, and its associated network of universities delivering human rights postgraduate diplomas, including scholarships to students and human rights defenders from third countries.

2. Under the ENI and IPA II, cross-border cooperation programmes shall be implemented, in particular, in shared management with Member States or in indirect management with third countries or international organisations. Detailed rules shall be laid down in implementing acts adopted on the basis of Regulation (EU) No 232/2014 and Regulation (EU) No 231/2014.

3. The Commission may adopt multiannual action programmes:

- (a) for a period of up to three years in the case of recurrent actions;
- (b) for a period of up to seven years under IPA II.

Where multiannual commitments are made, they shall contain provisions indicating that, for years other than the initial commitment year, the commitments are indicative and dependent on the future annual budgets of the Union.

4. For actions under the ENI and IPA II extending over more than one year, budgetary commitments may be broken down over several years into annual instalments.

In such cases, unless otherwise provided by the applicable rules, the Commission shall automatically de-commit any portion of a budgetary commitment for a programme that, by 31 December of the fifth year following that of the budgetary commitment, has not been used for the purpose of pre-financing or making interim payments or for which the entrusted entity has not presented any certified statement of expenditure or any payment request.

5. The rules governing cross-border cooperation under IPA II implemented in shared management with Member States shall be consistent with the rules contained in Regulation (EU) No 1303/2013 of the European Parliament and of the Council ⁽¹⁾ and Regulation (EU) No 1299/2013 of the European Parliament and of the Council ⁽²⁾.

Article 7

Protection of the financial interests of the Union

1. The Commission shall take appropriate measures to ensure that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery or, where appropriate, the restitution of the amounts wrongly paid and, where appropriate, by effective, proportionate and dissuasive administrative and financial penalties.

⁽¹⁾ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

⁽²⁾ Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal (OJ L 347, 20.12.2013, p. 259).

2. The Commission or its representatives, and the Court of Auditors, shall have the power of audit or, in the case of international organisations, the power of verification in accordance with agreements reached with them, on the basis of documents and on the spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds under this Regulation.

3. The European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ⁽³⁾ and Council Regulation (Euratom, EC) No 2185/96 ⁽⁴⁾, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract funded under this Regulation.

4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and with international organisations, contracts, grant agreements and grant decisions, resulting from the implementation of this Regulation shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot checks and inspections, according to their respective competences.

TITLE III

RULES ON NATIONALITY AND ORIGIN FOR PUBLIC PROCUREMENT, GRANT AND OTHER AWARD PROCEDURES

Article 8

Common rules

1. Participation in the award of procurement contracts and in grant and other award procedures for actions financed under this Regulation for the benefit of third parties shall be open to all natural persons who are nationals of, and legal persons which are effectively established in, an eligible country as defined for the applicable Instrument under this Title, and to international organisations.

Legal persons may include civil society organisations, such as non-governmental non-profit organisations and independent political foundations, community-based organisations and private-sector non-profit agencies, institutions and organisations and networks thereof at local, national, regional and international level.

⁽³⁾ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

⁽⁴⁾ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

2. In the case of actions jointly co-financed with a partner or other donor or implemented through a Member State in shared management, or through a trust fund established by the Commission, countries which are eligible under the rules of that partner, other donor or Member State or determined in the constitutive act of the trust fund shall also be eligible.

In the case of actions implemented through one of the entrusted bodies in indirect management within a category listed in points (c)(ii) to (c)(viii) of Article 58 (1) of Regulation (EU, Euratom) No 966/2012, countries which are eligible under the rules of the body concerned shall also be eligible.

3. In the case of actions financed by one of the Instruments and, in addition, by another Union instrument for external action, including the European Development Fund, the countries identified under any of those instruments shall be considered eligible for the purpose of those actions.

In the case of actions of a global, regional or cross-border nature financed by one of the Instruments, the countries, territories and regions covered by the action may be considered eligible for the purpose of that action.

4. All supplies purchased under a procurement contract, or in accordance with a grant agreement, financed under this Regulation shall originate from an eligible country. However, they may originate from any country when the amount of the supplies to be purchased is below the threshold for the use of the competitive negotiated procedure. For the purposes of this Regulation, the term 'origin' is defined in Article 23 and 24 of Council Regulation (EEC) No 2913/92 ⁽¹⁾ and other legislative acts of the Union governing non-preferential origin.

5. The rules under this Title do not apply to, and do not create nationality restrictions for, natural persons employed or otherwise legally contracted by an eligible contractor or, where applicable, subcontractor.

6. In order to promote local capacities, markets and purchases, priority shall be given to local and regional contractors when Regulation (EU, Euratom) No 966/2012 provides for an award on the basis of a single tender. In all other cases, participation of local and regional contractors shall be promoted in accordance with the relevant provisions of that Regulation.

⁽¹⁾ Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (OJ L 302, 19.12.1992, p. 1).

7. Eligibility as set out in this Title, may be restricted with regard to the nationality, geographical location or nature of applicants, where such restrictions are required on account of the specific nature and the objectives of the action and where they are necessary for its effective implementation. Such restrictions may apply in particular to participation in award procedures in the case of cross-border cooperation actions.

8. Natural and legal persons who have been awarded contracts shall comply with applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards ⁽²⁾.

Article 9

Eligibility under the DCI, the ENI and the Partnership Instrument for cooperation with third countries

1. Tenderers, applicants and candidates from the following countries shall be eligible for funding under the DCI, the ENI and the Partnership Instrument for cooperation with third countries:

- (a) Member States, beneficiaries listed in Annex I to Regulation (EU) No 231/2014, and contracting parties to the Agreement on the European Economic Area;
- (b) for the ENI, partner countries covered by the ENI and the Russian Federation when the relevant procedure takes place in the context of the multi-country and cross-border cooperation programmes in which they participate;
- (c) developing countries and territories, as included in the list of ODA recipients published by the OECD-DAC ('list of ODA recipients'), which are not members of the G-20 group, and overseas countries and territories covered by Council Decision 2001/822/EC ⁽³⁾;
- (d) developing countries, as included in the list of ODA recipients, which are members of the G-20 group, and other countries and territories, when they are beneficiaries of the action financed by the Union under the Instruments covered by this Article;

⁽²⁾ The ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation and the abolition of child labour.

⁽³⁾ Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community ('Overseas Association Decision') (OJ L 314, 30.11.2001, p. 1).

- (e) countries for which reciprocal access to external assistance is established by the Commission. Reciprocal access may be granted, for a limited period of at least one year, whenever a country grants eligibility on equal terms to entities from the Union and from countries eligible under the Instruments covered by this Article. The Commission shall decide on the reciprocal access and on its duration in accordance with the advisory procedure referred to in Article 16(2), and after consultation of the recipient country or countries concerned; and
- (f) member countries of the OECD, in the case of contracts implemented in a Least Developed Country or a Highly Indebted Poor Country, as included in the list of ODA recipients.

2. Tenderers, applicants and candidates from non-eligible countries or supplies from a non-eligible origin may be accepted as eligible by the Commission in the case of:

- (a) countries having traditional economic, trade or geographical links with neighbouring beneficiary countries; or
- (b) urgency or the unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of a project, programme or action impossible or exceedingly difficult.

3. For actions implemented in shared management, the relevant Member State to which the Commission has delegated implementation tasks shall be entitled to accept as eligible, on behalf of the Commission, tenderers, applicants and candidates from non-eligible countries as referred to in paragraph 2 of this Article, or goods from a non-eligible origin as referred to in Article 8(4).

Article 10

Eligibility under IPA II

1. Tenderers, applicants and candidates from the following countries shall be eligible for funding under IPA II:

- (a) Member States, beneficiaries listed in Annex I to Regulation (EU) No 231/2014, contracting parties to the Agreement on the European Economic Area and partner countries covered by the ENI, and
- (b) countries for which reciprocal access to external assistance is established by the Commission under the conditions laid down in point (e) of Article 9(1).

2. Tenderers, applicants and candidates from non-eligible countries or goods from a non-eligible origin may be accepted

as eligible by the Commission in cases involving an urgency or the unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of a project, programme or action impossible or exceedingly difficult.

3. For actions implemented in shared management, the relevant Member State to which the Commission has delegated implementation tasks shall be entitled to accept as eligible, on behalf of the Commission, tenderers, applicants and candidates from non-eligible countries as referred to in paragraph 2 of this Article, or goods from a non-eligible origin as referred to in Article 8(4).

Article 11

Eligibility under the EIDHR and the Instrument contributing to Stability and Peace

1. Without prejudice to the limitations inherent in the nature and objectives of the action as provided for in Article 8(7), participation in the award of procurement contracts or grants, as well as the recruitment of experts, shall be open without limitations under the EIDHR and the Instrument contributing to Stability and Peace.

2. Under the EIDHR, the following bodies and actors shall be eligible for funding in accordance with Article 4(1), (2) and (3) and point (c) of Article 6(1):

- (a) civil society organisations, including non-governmental non-profit organisations and independent political foundations, community-based organisations and private-sector non-profit agencies, institutions and organisations and networks thereof at local, national, regional and international level;
- (b) public-sector non profit-agencies, institutions and organisations and networks at local, national, regional and international level;
- (c) national, regional and international parliamentary bodies, when this is necessary to achieve the objectives of the EIDHR and the proposed measure cannot be financed under another Instrument;
- (d) international and regional inter-governmental organisations;
- (e) natural persons, entities without legal personality and, in exceptional and duly justified cases, other bodies or actors not identified in this paragraph, when this is necessary to achieve the objectives of the EIDHR.

Article 12

Monitoring and evaluation of actions

1. The Commission shall regularly monitor its actions and review progress made towards delivering expected results, covering outputs and outcomes. The Commission shall also evaluate the impact and effectiveness of its sectoral policies and actions and the effectiveness of programming, where appropriate by means of independent external evaluations. Proposals by the European Parliament or the Council for independent external evaluations shall be taken into due account. Evaluations shall be based on OECD-DAC good practice principles, seeking to ascertain whether the specific objectives, where applicable taking into account gender equality, have been met and to formulate recommendations with a view to improving future operations. Those evaluations shall be carried out on the basis of pre-defined, clear, transparent and, where appropriate, country-specific and measurable indicators.

2. The Commission shall send its evaluation reports to the European Parliament, to the Council and to the Member States through the relevant committee referred to in Article 16. Specific evaluations may be discussed in that committee at the request of Member States. The results shall feed back into programme design and resource allocation.

3. The Commission shall, to an appropriate extent, associate all relevant stakeholders in the evaluation phase of the Union's assistance provided under this Regulation, and may, where appropriate, seek to undertake joint evaluations with the Member States and development partners.

4. The report mentioned in Article 13 shall reflect the main lessons learnt and the follow-up to the recommendations of the evaluations carried out in previous years.

TITLE IV

OTHER COMMON PROVISIONS

Article 13

Annual report

1. The Commission shall examine the progress made in implementing the measures of the Union's external financial assistance and, from 2015 onwards, shall submit to the European Parliament and to the Council an annual report on the achievement of the objectives of each Regulation by means of indicators, measuring the results delivered and the efficiency of the relevant Instrument. That report shall also be submitted to the European Economic and Social Committee and to the Committee of the Regions.

2. The annual report shall contain information relating to the previous year on the measures financed, the results of monitoring and evaluation exercises, the involvement of the relevant partners, and the implementation of budgetary commitments and of payment appropriations broken down by country, region and cooperation sector. It shall assess the results of the Union's financial assistance using, as far as possible, specific and measurable indicators of its role in meeting the objectives of the Instruments. In the case of development cooperation, the report shall

also assess, where possible and relevant, the adherence to aid-effectiveness principles, including for innovative financial instruments.

3. The annual report prepared in 2021 shall contain consolidated information from annual reports concerning the period from 2014 to 2020 on all funding governed by this Regulation, including external assigned revenues and contributions to trust funds, and offering a breakdown of spending by beneficiary country, use of financial instruments, commitments and payments.

Article 14

Climate action and biodiversity expenditure

An annual estimate of the overall spending related to climate action and biodiversity shall be made on the basis of the indicative programming documents adopted. The funding allocated in the context of the Instruments shall be subject to an annual tracking system based on the OECD methodology ('Rio markers'), without excluding the use of more precise methodologies where these are available, integrated into the existing methodology for performance management of Union programmes, to quantify the expenditure related to climate action and biodiversity at the level of the action programmes and the individual and special measures referred to in Article 2(1), and recorded within evaluations and the annual report.

Article 15

Involvement of stakeholders of beneficiary countries

The Commission shall, whenever possible and appropriate, ensure that, in the implementation process, relevant stakeholders of beneficiary countries, including civil society organisations and local authorities, are or have been duly consulted and have timely access to relevant information allowing them to play a meaningful role in that process.

TITLE V

FINAL PROVISIONS

Article 16

Committee procedure

1. The Commission shall be assisted by the committees established by the Instruments. Those committees shall be committees within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

Where the opinion of the committee is to be obtained by a written procedure, the procedure shall be terminated without result when, within the time limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so requests.

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Where the opinion of the committee is to be obtained by a written procedure, the procedure shall be terminated without result when, within the time limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so requests.

4. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 5 thereof, shall apply.

The adopted decision shall remain in force for the duration of the adopted or modified document, action programme or measure.

5. An observer from the EIB shall take part in the committee's proceedings with regard to questions concerning the EIB.

Article 17

Mid-term review and evaluation of the Instruments

1. No later than 31 December 2017, a mid-term review report shall be submitted by the Commission on the implementation of each of the Instruments and of this Regulation. It shall cover the period from 1 January 2014 to 30 June 2017 and shall focus on the achievement of the objectives of each Instrument by means of indicators measuring the results delivered and the efficiency of the Instruments.

With a view to achieving the objectives of each Instrument, that report shall in addition address, the added value of each Instrument, the scope for simplification, internal and external coherence, including complementarity and synergies between the Instruments, the continued relevance of all objectives, and the contribution of the measures to a consistent Union external action and, where relevant, to the Union priorities for smart, sustainable and inclusive growth. It shall take into account any findings and conclusions concerning the long-term impact of the Instruments. It shall also contain information about the leverage effect achieved by the funds of each financial instrument.

The report shall be undertaken for the specific purpose of improving the implementation of the Union's assistance. It shall inform decisions on the renewal, modification or suspension of the types of actions implemented under the Instruments.

The report shall also contain consolidated information from relevant annual reports on all funding governed by this Regulation, including external assigned revenues and contributions to trust funds offering a breakdown of spending by beneficiary country, use of financial instruments, commitments and payments.

A final evaluation report on the period from 2014 to 2020 shall be established by the Commission within the interim review of the next financial period.

2. The mid-term review report referred to in the first subparagraph of paragraph 1 shall be submitted to the European Parliament and to the Council, and shall be accompanied, if appropriate, by legislative proposals introducing the necessary modifications to the Instruments and to this Regulation.

3. The values of the indicators on 1 January 2014 shall be used as a basis for assessing the extent to which the objectives have been achieved.

4. Partner countries shall be required by the Commission to provide all the data and information necessary, in line with the international commitments on aid effectiveness, to permit the monitoring and evaluation of the measures concerned.

5. The longer-term outcomes and impacts and the sustainability of effects of the Instruments shall be evaluated in accordance with the monitoring, evaluation and reporting rules and procedures applicable at that time.

Article 18

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014 until 31 December 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 11 March 2014.

For the European Parliament
The President
M. SCHULZ

For the Council
The President
D. KOURKOULAS

Declaration of the European Commission on the use of implementing acts for laying down provisions for the implementation of certain rules in Regulation No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument and in Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II)

The European Commission considers that the rules for implementing cross-border cooperation programmes as set out in Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action and other specific, more detailed implementing rules in Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument and in Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II), aim at supplementing the basic act and should therefore be delegated acts to be adopted on the basis of Article 290 TFEU. The European Commission will not oppose the adoption of the text as agreed by the co-legislators. Nevertheless, the European Commission recalls that the question of delimitation between Articles 290 and 291 TFEU is currently under examination by the Court of Justice of the European Union in the 'biocides' case.

European Commission declaration concerning 'reflows'

In line with the obligations set out in Article 21(5) of the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, the European Commission will include in the draft budget a line accommodating internal assigned revenues and wherever possible, it will indicate the amount of such revenue.

The budgetary authority will be informed about the amount of the accumulated resources every year during the planning process of the budget. Internal assigned revenues will be included in the draft budget only to the extent that their amount is certain.

Statement by the European Parliament on the suspension of assistance granted under the financial instruments

The European Parliament notes that Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020, Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for cooperation with third countries and Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) do not contain any explicit reference to the possibility of suspending assistance in cases where a beneficiary country fails to observe the basic principles enunciated in the respective instrument and notably the principles of democracy, rule of law and the respect for human rights.

The European Parliament considers that any suspension of assistance under these instruments would modify the overall financial scheme agreed under the ordinary legislative procedure. As a co-legislator and co-branch of the budgetary authority, the European Parliament is therefore entitled to fully exercise its prerogatives in that regard, if such a decision is to be taken.

II

(Non-legislative acts)

REGULATIONS

COUNCIL REGULATION (EURATOM) No 237/2014

of 13 December 2013

establishing an Instrument for Nuclear Safety Cooperation

THE COUNCIL OF THE EUROPEAN UNION,

Community should be able to support nuclear safety in third countries.

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 203 thereof,

- (4) By acting within common policies and strategies with its Member States, the Union alone has the critical mass to respond to global challenges and is also best placed to coordinate cooperation with third countries.

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

- (5) By Commission Decision 1999/819/Euratom ⁽³⁾, the Community acceded to the 1994 Convention on Nuclear Safety. By Commission Decision 2005/510/Euratom ⁽⁴⁾, the Community also acceded to the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management.

Whereas:

- (1) The Instrument for Nuclear Safety Cooperation, established by Council Regulation (Euratom) No 300/2007 ⁽²⁾, constitutes one of the instruments providing direct support for the external policies of the European Union and the European Atomic Energy Community.
- (2) The Union is a major provider of economic, financial, technical, humanitarian and macroeconomic assistance to third countries. This Regulation forms part of the framework devised for the planning of cooperation and the provision of assistance aimed at supporting the promotion of a high level of nuclear safety, radiation protection and the application of efficient and effective safeguards of nuclear material in third countries.
- (3) The Chernobyl accident in 1986 highlighted the global importance of nuclear safety. The Fukushima Daiichi accident in 2011 confirmed the need for continued efforts to improve nuclear safety and reach the highest standards. To create the conditions of safety necessary in order to eliminate hazards to the life and health of the public, the
- (6) In order to maintain and promote the continuous improvement of nuclear safety and its regulation, the Council adopted Directive 2009/71/Euratom ⁽⁵⁾ and Directive 2011/70/Euratom ⁽⁶⁾. These Directives and the high standards of nuclear safety and of radioactive waste and spent fuel management implemented in the Community are examples to be used in order to encourage third countries to adopt similar high standards.
- (7) The promotion of regulatory and other forms of cooperation with emerging economies and the promotion of Union approaches, rules, standards and practices are external policy objectives of the Europe 2020 strategy.

⁽¹⁾ Opinion of 19 November 2013 (Not yet published in the Official Journal).

⁽²⁾ Council Regulation (Euratom) No 300/2007 of 19 February 2007 establishing an Instrument for Nuclear Safety Cooperation (OJ L 48, 22.3.2007, p. 1).

⁽³⁾ Commission Decision 1999/819/Euratom of 16 November 1999 concerning the accession to the 1994 Convention on Nuclear Safety by the European Atomic Energy Community (OJ L 318, 11.12.1999, p. 20).

⁽⁴⁾ Commission Decision 2005/510/Euratom of 14 June 2005 concerning the accession of the European Atomic Energy Community to the 'Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management' (OJ L 185, 16.7.2005, p. 33).

⁽⁵⁾ Council Directive 2009/71/Euratom of 25 June 2009 establishing a Community framework for nuclear safety of nuclear installations (OJ L 172, 2.7.2009, p. 18).

⁽⁶⁾ Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

- (8) The Community Member States are signatory parties of the Non Proliferation Treaty and the Additional Protocol.
- (9) The Community already pursues close cooperation, in accordance with Chapter 10 of the Treaty establishing the European Atomic Energy Community ('Euratom Treaty'), with the International Atomic Energy Agency (IAEA), both in relation to nuclear safeguards, in furtherance of the objectives of Chapter 7 of Title Two of the Euratom Treaty, and in relation to nuclear safety.
- (10) There are a number of international organisations and programmes pursuing objectives similar to those of this Regulation, such as the IAEA, Organisation for Economic Cooperation and Development/Nuclear Energy Agency (OECD/NEA), European Bank of Reconstruction and Development (EBRD) and the Northern Dimension Environmental Partnership (NDEP).
- (11) There is a particular need for the Community to continue its efforts in support of the application of effective safeguards of nuclear material in third countries, building on its own safeguard activities within the Union.
- (12) In the application of this Regulation, the Commission should consult the European Nuclear Safety Regulators Group (ENSREG) prior to the elaboration and adoption of the strategy paper and multiannual indicative programmes. The action programmes should be based on consultation, where relevant, with the national regulatory bodies of the Member States, and on a dialogue with the partner countries.
- (13) The measures supporting the objectives of this Regulation should also be supported by exploiting further synergies with the direct and indirect actions of the Euratom Framework Programmes in nuclear research and training.
- (14) It is understood that the responsibility for the safety of the installation rests with the operator and the State having the jurisdiction over the installation.
- (15) While Union external assistance has increasing financing needs, the economic and budgetary situation of the Union limits the resources available for such assistance. The Commission should therefore seek the most efficient use of available resources through, in particular, the use of financial instruments with leverage effect. Such leverage effect is increased by allowing the possibility to use and re-use the funds invested and generated by those financial instruments.
- (16) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.
- (17) The implementing powers relating to the programming and financing of the actions supported under this Regulation, should be exercised in accordance with Regulation (EU) No 182/2011 ⁽¹⁾, which is to apply for the purpose of this Regulation, notwithstanding the fact that it does not refer to Article 106a of the Euratom Treaty. Taking into account the nature of those implementing acts, in particular their policy orientation nature or their financial implications, the examination procedure provided for in that Regulation is to, in principle, be used for their adoption, except for technical implementing measures on a small financial scale. The Commission should adopt immediately applicable implementing acts where, in duly justified cases relating to a nuclear or radiological accident, including accidental exposure, the need for a swift response from the Community to mitigate its consequences or imperative grounds of urgency so require.
- (18) The rules and procedures laid down in Regulation (EU) No 236/2014 of the European Parliament and of the Council ⁽²⁾, should apply for the implementation of this Regulation, as appropriate.
- (19) The Union and the Community continue to be served by a single institutional framework. It is therefore essential to ensure consistency between the external action of both. The European External Action Service is to be involved, where appropriate, in the programming of this instrument, in accordance with Council Decision 2010/427/EU ⁽³⁾.
- (20) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. This should be achieved through coherence and complementarity between Instruments for external action, as well as the creation of synergies between this Instrument, other Instruments for external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under these Instruments.
- (21) This Regulation replaces Regulation (Euratom) No 300/2007, which expires on 31 December 2013.
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- ⁽¹⁾ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).
- ⁽²⁾ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 establishing common rules and procedures for the implementation of the Union's instruments for external action (see page 95 of this Official Journal).
- ⁽³⁾ Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

HAS ADOPTED THIS REGULATION:

TITLE I

GENERAL PROVISIONS

Article 1

General objective

The Union shall finance measures to support the promotion of a high level of nuclear safety, radiation protection, and the application of efficient and effective safeguards of nuclear material in third countries, in line with the provisions of this Regulation and the Annex thereto.

Article 2

Specific objectives

Cooperation under this Regulation shall pursue the following specific objectives:

- (1) the promotion of an effective nuclear safety culture and implementation of the highest nuclear safety and radiation protection standards, and continuous improvement of nuclear safety;
- (2) responsible and safe management of spent fuel and radioactive waste, namely transport, pre-treatment, treatment, processing, storage and disposal, and the decommissioning and remediation of former nuclear sites and installations;
- (3) the establishment of frameworks and methodologies for the application of efficient and effective safeguards for nuclear material in third countries.

Article 3

Specific measures

1. The objectives set out in point 1 of Article 2 shall be pursued through, in particular, the following measures:

- (a) support for regulatory bodies, technical support organisations;
- (b) reinforcement of the regulatory framework, in particular with regard to review and assessment, licensing and oversight activities for nuclear power plants and other nuclear installations;
- (c) promotion of effective regulatory frameworks, procedures and systems to ensure adequate protection against ionising radiations from radioactive materials, in particular from high activity radioactive sources, and their safe disposal;

(d) establishment of effective arrangements for the prevention of accidents with radiological consequences, including accidental exposure, as well as the mitigation of such consequences should they occur, for example, monitoring the environment in case of radioactive releases, design and implementation of mitigation and remediation activities and cooperation with national and international organisations in the case of accidental exposure, and for emergency-planning, preparedness and response, civil protection and rehabilitation measures;

(e) support for ensuring safety of nuclear installations and sites regarding practical protective measures designed to reduce existing radiation risks to the health of workers and of the general public.

2. The objectives set out in point 2 of Article 2 shall be pursued through, in particular, the following measures:

- (a) support for regulatory bodies, technical support organisations, and the reinforcement of the regulatory framework, in particular with regard to the responsible and safe management of spent nuclear fuel and radioactive waste;
- (b) development and implementation of specific strategies and frameworks for the responsible and safe management of spent nuclear fuel and radioactive waste;
- (c) development and implementation of strategies and frameworks for decommissioning existing installations, for the remediation of former nuclear sites and legacy sites related to uranium mining, and for the recovery and management of sunken radioactive objects and material at sea.

3. The objective set out in point 3 of Article 2 shall be limited to the technical aspects that ensure that ores, source material and special fissile material are not diverted from their intended uses as declared by the users. It shall be pursued through, in particular, the following measures:

- (a) the establishment of the necessary regulatory framework, methodologies, technology and approaches for the implementation of nuclear safeguards, including for the proper accounting and control of fissile materials at State and operators' level;
- (b) support for the infrastructure and training of personnel.

4. The measures referred to in paragraphs 1 and 2 may include actions to promote international cooperation, including implementation and monitoring of international Conventions and Treaties. They shall also include a substantial element of knowledge transfer, such as exchange of information, capacity building and training in the area of nuclear safety and research, in order to reinforce the sustainability of the results achieved. They shall be implemented through cooperation with the competent authorities of Member States of the Union and/or with third countries' authorities, nuclear regulators and their technical support organisations, and/or relevant international organisations, in particular the IAEA. In specific and duly justified cases, the measures concerning points (b) and (c) of paragraph 1 shall be implemented through cooperation with operators and/or competent organisations from the Member States and third countries' operators of nuclear installations, as defined in Article 3(1) of Directive 2009/71/Euratom, and nuclear sites.

Article 4

Compliance, coherence and complementarity

1. Progress towards the achievement of the specific objectives set out in Article 2 shall be assessed, respectively, through the following performance indicators:

- (a) the number and importance of issues identified during the implementation of the cooperation;
- (b) the status of development of the spent fuel, nuclear waste and decommissioning strategies, of the respective legislative and regulatory framework and of implementation of projects;
- (c) the number and importance of issues identified in relevant nuclear safeguards reports.

Prior to the implementation of the projects, and taking into account the particularities of each action, specific indicators for monitoring, evaluation and review of performance shall be defined as referred to in Article 7(2).

2. The Commission shall ensure that the measures adopted are consistent with the Union's overall strategic policy framework for the partner country concerned, and in particular with the objectives of that partner country's development and economic cooperation policies and programmes.

3. The financial, economic and technical cooperation provided under this Regulation shall be complementary to that provided by the Union under other instruments.

TITLE II

PROGRAMMING AND INDICATIVE ALLOCATION OF FUNDS

Article 5

Strategy paper

1. Community cooperation under this Regulation shall be implemented on the basis of a general multiannual strategy paper for the Instrument for Nuclear Safety Cooperation.

2. The strategy paper shall constitute a general basis for the cooperation and shall be established for a period up to seven years. It shall set out the Community's strategy for cooperation under this Regulation, having regard to the needs of the countries concerned, the Community's priorities, the international situation and the activities of the respective third countries. The strategy paper shall also indicate the added value of the cooperation and how to avoid duplication with other programmes and initiatives, in particular those of international organisations pursuing similar objectives and major donors.

3. The strategy paper shall aim at providing a coherent framework for cooperation between the Community and the third countries or regions concerned, consistent with the overall purpose and scope, objectives, principles and policy of the Community.

4. Preparation of the strategy paper shall be subject to the principles of aid effectiveness: national ownership, partnership, coordination, harmonisation, alignment to recipient country or regional systems, mutual accountability and results orientation.

5. The Commission shall approve the strategy paper, in accordance with the examination procedure referred to in Article 11(2). The Commission shall review and, if necessary, update the strategy paper at mid-term, or whenever necessary, following the same procedure.

Article 6

Multiannual indicative programmes

1. Multiannual indicative programmes shall be drawn up on the basis of the strategy paper referred to in Article 5. Multiannual indicative programmes shall cover a period of 2 to 4 years.

2. Multiannual indicative programmes shall set out the priority areas selected for financing, the specific objectives, the expected results, the performance indicators and the indicative financial allocations, both overall and per priority area, and including a reasonable reserve of unallocated funds. This may be given in the form of a range or a minimum, where appropriate. Multiannual indicative programmes shall set out guidelines to avoid duplication.

3. Multiannual indicative programmes shall be based on a request from and on a dialogue with the partner countries or region(s) which involves the stakeholders, so as to ensure that the country or region concerned takes sufficient ownership of the process, and to encourage support for national development strategies. In order to achieve complementarity and avoid duplication, the multiannual indicative programmes shall take into account the current and planned international cooperation, in particular with international organisations pursuing similar objectives, and major donors in the fields set out in Article 2. The multiannual indicative programmes shall also indicate the added value of the cooperation.

4. The Commission shall adopt the multiannual indicative programmes in accordance with the examination procedure referred to in Article 11(2). The Commission shall, following the same procedure, revise and, if necessary, update those indicative programmes, taking into account any review of the strategy paper referred to in Article 5.

TITLE III

IMPLEMENTATION

Article 7

Annual action programs

1. The annual action programmes (hereinafter referred to as 'action programmes') shall be drawn up on the basis of the strategy paper and multiannual indicative programmes referred to in Articles 5 and 6, respectively. The action programmes shall be set out for each third country or region and shall specify details concerning the implementation of cooperation provided under this Regulation.

Exceptionally, in particular where an action programme has not yet been adopted, the Commission may, on the basis of the indicative programming documents, adopt individual measures under the same rules and procedures as for the action programmes.

In the event of unforeseen and duly justified needs, circumstances or commitments, the Commission may adopt special measures not provided for in the indicative programming documents.

2. The action programmes shall specify the objectives pursued, the fields of intervention, the measures and projects envisaged, the expected results, the management procedures and total amount of financing planned. They shall contain a summary description of the operations to be financed, an indication of the amounts allocated for each operation, an indicative implementation timetable and specific indicators for monitoring, evaluation and review of performance, as appropriate. They shall include, if appropriate, the results of any lesson learned from previous cooperation.

3. The Commission shall adopt the action programmes, individual measures and special measures in accordance with the examination procedure referred to in Article 11(2). The Commission may revise and extend the action programmes and the measures following the same procedure.

4. By derogation from paragraph 3, the examination procedure referred to in Article 11(2) shall not be required for:

- (i) individual measures for which the Union's financial assistance does not exceed EUR 5 million;
- (ii) special measures for which the Union's financial assistance does not exceed EUR 5 million;
- (iii) technical amendments to action programmes, individual measures and special measures.

For the purposes of this paragraph, 'technical amendments' shall mean adjustments such as:

- extending the implementation period,
- reassigning funds between actions contained in annual action programmes, individual and special measures and projects by not more than 20 % of the initial budget, but not exceeding EUR 5 million, or
- increasing or reducing the budget of the annual action programmes, individual or special measures by not more than 20 % of the initial budget and not exceeding EUR 5 million,

provided that these amendments do not substantially affect the objectives of the initial measures and action programmes.

Measures adopted under this paragraph shall be communicated to the European Parliament, to the Council and to the Committee referred to in Article 11(1) within one month of their adoption.

5. On duly justified imperative grounds of urgency relating to the need for a swift response from the Community to mitigate consequences of a nuclear or radiological accident, the Commission shall adopt or amend the action programmes or measures by means of immediately applicable implementing acts in accordance with the procedure referred to in Article 11(3).

6. The Commission may decide to join any initiative launched by international organisations and major donors pursuing similar objectives as far as that initiative complies with the general objective set out in Article 1. The corresponding financing decision shall be taken in accordance with the procedure referred to in paragraphs 2 and 3 of this Article.

*Article 8***Coherence and complementarity**

Any programming or reviews of programmes taking place after the publication of the mid-term report referred to in Article 17 of Regulation (EU) No 236/2014 shall take into account the results, findings and conclusions of it.

*Article 9***Implementation**

This Regulation shall be implemented in accordance with Articles 1(3), 1(4), 3, 4, 5, 7, 8, 9, 12 and 17 of Regulation (EU) No 236/2014 unless specified otherwise in this Regulation.

*Article 10***Report**

The Commission shall examine the progress achieved in implementing the measures undertaken pursuant to this Regulation and shall submit to the European Parliament and the Council an annual report on the implementation of the cooperation referred to in this Regulation. The report shall contain information relating to the previous year on the measures financed, information on the results of monitoring and evaluation exercises and the implementation of budget commitments and payments, broken down by country, region and type of cooperation.

TITLE IV

FINAL PROVISIONS*Article 11***Committee**

1. The Commission shall be assisted by the Nuclear Safety Cooperation Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels, 13 December 2013.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

3. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 5 thereof, shall apply.

*Article 12***European External Action Service**

The application of this Regulation shall be in accordance with Article 9 of Decision 2010/427/EU.

*Article 13***Financial reference amount**

1. The financial reference amount for the implementation of this Regulation over the period 2014 to 2020 shall be EUR 225 321 000.

2. Annual appropriations shall be authorised by the European Parliament and Council within the limits of the multi-annual financial framework.

*Article 14***Entry into force**

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014 until 31 December 2020.

For the Council

The President

V. MAZURONIS

ANNEX

CRITERIA APPLYING TO NUCLEAR SAFETY COOPERATION

This Annex defines the criteria ⁽¹⁾ for cooperation under this Regulation including the priorities.

Cooperation should be based on the following criteria:

1. General criteria and priorities**(a) General criteria:**

- Cooperation may cover all third countries worldwide.
- Priority should be given to accession countries and countries in the European Neighbourhood Area, preferably by using a country approach. The regional approach should be favoured for countries in other regions.
- Cooperation with high income countries is intended to facilitate relations between their respective stakeholders competent on nuclear safety and radiation protection. Such relations shall exclude any Community funding to high income countries through this Regulation. However, special measures may be undertaken, for example following a major nuclear accident, where necessary and appropriate.
- A common understanding and a reciprocal agreement between the third country and the Community should be confirmed through a formal request to the Commission, committing the respective Government.
- Third countries wishing to cooperate with the Community should fully subscribe to the principles of non-proliferation. They should also be parties to the relevant Conventions, within the framework of the IAEA, on nuclear safety, such as the 1994 Convention on Nuclear Safety and the Joint Convention on the Safety of Spent Fuel Management and the Safety of Radioactive Waste Management, or have taken steps demonstrating a firm undertaking to accede to such Conventions. This commitment should be evaluated annually and, on the basis of that evaluation, a decision will be taken with regard to the continuation of the cooperation. Cooperation with the Community could be made conditional on accession to or the completion of steps towards accession to the relevant Conventions. In cases of emergency, flexibility should, exceptionally, be shown in the application of those principles.
- In order to ensure and to monitor compliance with the cooperation objectives of this Regulation, the third country concerned shall accept the evaluation of the actions undertaken. This evaluation should allow the monitoring and verification of compliance with the agreed objectives and could be a condition for continued payment of the Community contribution.
- Cooperation provided by the Union in the field of nuclear safety and safeguards under this Regulation is not aimed at promoting nuclear energy and should therefore not be interpreted as a measure to promote that energy source in third countries.

(b) Priorities

In order to create the safety conditions necessary to eliminate hazards to the life and health of the public, cooperation shall be directed primarily at the nuclear regulators and their technical support organisations. The objective of such cooperation is to ensure their technical competence and independence and the reinforcement of the regulatory framework, in particular with regard to licensing activities, including the review and follow up of effective and comprehensive risk and safety assessments ('stress tests').

Other priorities of the cooperation programmes to be developed within the framework of this Regulation shall include:

- the development and implementation of responsible strategies and frameworks for the responsible and safe management of spent fuel and radioactive waste;
- the decommissioning of existing installations, the remediation of former nuclear sites and legacy sites related to uranium mining, as well as the recovery and management of sunken radioactive objects and material at sea, when these constitute a danger to the public.

Cooperation with third countries' operators of nuclear power plants shall be considered in the specific cases set out in Articles 2 and 3, in particular in the framework of follow-up measures of a comprehensive risk and safety assessment. Such cooperation shall exclude supply of equipment.

⁽¹⁾ The criteria are to take into account the Council Conclusions on assistance to third countries in the field of nuclear safety and security (2913th Transport, Telecommunications and Energy Council meeting, Brussels, 9 December 2008).

2. Countries with installed nuclear generating capacity

In the case of countries which have already benefited from Community financing, additional cooperation should depend on the evaluation of actions funded by the Community and on the proper justification of new needs. The evaluation should make it possible to determine more precisely the nature of the cooperation and the amounts to be granted to those countries in the future.

In the case of countries requiring cooperation, consideration should be given to:

- (a) the degree of urgency of intervention in a given country, in the light of the situation as regards nuclear safety; and
- (b) the significance of stepping in at the appropriate moment so as to ensure that a nuclear safety culture is fostered, in particular as regards the deployment or strengthening of the regulatory authorities and technical support organisations and the development and implementation of strategies and frameworks for the responsible and safe management of spent fuel and radioactive waste.

The use of the Integrated Regulatory Review Service (IRRS) and the IAEA Operational Safety Review Team (OSART) missions would be viewed favourably, although this would not constitute a formal criterion for cooperation.

3. Countries without installed nuclear generating capacity

In the case of countries which have nuclear installations as defined in Article 3(1) of Directive 2009/71/Euratom, but do not wish to develop nuclear generating capacity, cooperation shall depend on the degree of urgency in the light of the situation as regards nuclear safety.

In the case of countries that wish to develop nuclear generating capacity, whether or not they have nuclear installations as defined in Article 3(1) of Directive 2009/71/Euratom, and for which the issue arises of intervention at the appropriate moment to ensure that a nuclear safety culture is fostered in parallel with the development of the nuclear generating programme, especially as regards strengthening the regulatory authorities and technical support organisations, cooperation shall take into account the credibility of the nuclear power development programme, the existence of a government decision on the use of nuclear energy and the drawing up of a preliminary road map, which should take into account the Milestones in the Development of a National Infrastructure for Nuclear Power (IAEA Nuclear Energy Series Document NG-G-3.1).

For countries in this category, cooperation should be primarily aimed at developing the required regulatory infrastructure, the technical competence of the nuclear regulator and the respective technical support organisation(s). The development of strategies and frameworks for the responsible and safe management of spent fuel and radioactive waste should also be considered and, if appropriate, supported, including in countries which do not envisage developing or have decided not to develop nuclear generating capacity.

In the case of countries which do not fall in the above categories, cooperation may be provided in the case of emergency situations as regards nuclear safety. Those countries should be able to benefit from a certain degree of flexibility in the application of the general criteria.

4. Coordination

The Commission should coordinate its cooperation with third countries with organisations pursuing similar objectives, in particular international organisations, including in particular the IAEA. That coordination should enable the Community and the organisations concerned to avoid any duplication of actions and funding in relation to third countries. The Commission should also involve the competent authorities of Member States and European operators in the fulfilment of its task, thereby harnessing the quality of European expertise in the field of nuclear safety and safeguards.

The Commission shall ensure that there is no duplication between the cooperation in the field of safeguards, through the measures which may be undertaken in accordance with Article 3(3) of this Regulation, and cooperation which may take place in the fields of security and non-proliferation under the Instrument contributing to Stability and Peace.

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