



TEXTS ADOPTED

P8_TA(2019)0298

Neighbourhood, Development and International Cooperation Instrument

*****I**

European Parliament legislative resolution of 27 March 2019 on the proposal for a regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument (COM(2018)0460 – C8-0275/2018 – 2018/0243(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2018)0460),
- having regard to Article 294(2) and Articles 209, 212 and 322(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0275/2018),
- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
- having regard to the opinion of the Court of Auditors of 13 December 2018,¹
- having regard to the opinion of the European Economic and Social Committee of 12 December 2018²,
- having regard to the opinion of the Committee of the Regions of 6 December 2018³,
- having regard to Rule 59 of its Rules of Procedure,
- having regard to the joint deliberations of the Committee on Foreign Affairs and the Committee on Development under Rule 55 of the Rules of Procedure,
- having regard to the report of the Committee on Foreign Affairs and the Committee on Development and also the opinions of the Committee on Budgets, the Committee on International Trade, the Committee on the Environment, Public Health and Food Safety, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality (A8-

¹ OJ C 45, 4.2.2019, p. 1

² OJ C 110, 22.3.2019, p. 163.

³ OJ C 86, 7.3.2019, p. 295.

0173/2019),

1. Adopts its position at first reading hereinafter set out;
2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

P8_TC1-COD(2018)0243

Position of the European Parliament adopted at first reading on 27 March 2019 with a view to the adoption of Regulation (EU) .../... of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation 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, 212 and 322(1) 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 Court of Auditors¹,

Having regard to the opinion of the European Economic and Social Committee²,

Having regard to the opinion of the Committee of the Regions³,

Acting in accordance with the ordinary legislative procedure⁴,

Whereas:

¹ OJ C 45, 4.2.2019, p. 1.

² OJ C 110, 22.3.2019, p. 163.

³ OJ C 86, 7.3.2019, p. 295.

⁴ Position of the European Parliament of 27 March 2019

- (1) The general objective of the Programme "Neighbourhood, Development and International Cooperation Instrument" (the 'Instrument') should be to ~~uphold and promote~~ ***provide the financial framework to support the upholding and promotion of*** the Union's values, ~~and principles and fundamental~~ interests worldwide in ~~order to pursue~~ ***accordance with*** the objectives and principles of the Union's external action, as laid down in Article 3(5), Articles 8 and 21 of the Treaty on European Union (TEU). **[Am. 1]**
- (2) In accordance with Article 21 TEU, the Union shall pursue consistency between the different areas of its external action and between these and its other policies, as well as it shall work for a high degree of cooperation in all fields of international relations. The wide array of actions enabled by this Regulation should contribute to the objectives set out in that Article of the TEU.

- (2a) *In accordance with Article 21 TEU, the application of this Regulation is to be guided by the principles of the Union’s external action, namely democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, equality and solidarity, and respect for the principles of the United Nations Charter and international law. This Regulation is intended to contribute to achieving the objectives of the Union’s external action, including the Union’s policies relating to human rights and the objectives outlined in the EU Strategic Framework and Action Plan on Human Rights and Democracy. Union action should favour adherence to the Universal Declaration on Human Rights. [Am. 2]***
- (3) In accordance with Article 8 TEU, the Union shall 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. This Regulation should contribute to such objective.
- (3a) *In accordance with Article 167 of the Treaty on the Functioning of the European Union (TFEU), The Union and the Member States should foster cooperation with third countries and the competent international organisations in the sphere of culture. This Regulation should contribute to the objectives set out in that Article. [Am. 3]***

- (4) The primary objective of Union's development cooperation policy, as laid down in Article 208 *TFEU* is the reduction and, in the long term, the eradication of poverty. The Union's development cooperation policy also contributes to the objectives of the Union's external action, in particular to foster the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty, as set out in Article 21(2)(d) of the Treaty on European Union *TEU*, ***and to preserve lasting peace, prevent conflicts and strengthen international security, as set out in point (c) of Article 21(2) TEU.*** [Am. 4]
- (5) The Union shall ensure policy coherence for development as required by Article 208 TFEU. The Union should take account of the objectives of development cooperation in the policies that are likely to affect developing countries, which will be a crucial element of the strategy to achieve the Sustainable Development Goals defined in the 2030 Agenda for Sustainable Development ('2030 Agenda') adopted by the United Nations in September 2015⁵. Ensuring policy coherence for sustainable development, as embedded in the 2030 Agenda, requires taking into account the impact of all policies on sustainable development at all levels — nationally, within the Union, in other countries and at global level. ***Union and Member States development cooperation policies should complement and reinforce each other.*** [Am. 5]

⁵ "Transforming our world: the 2030 Agenda for Sustainable Development", adopted at the United Nations Sustainable Development Summit on 25 September 2015 (A/RES/70/1).

- (6) This Instrument provides for actions in support of those objectives and of the external action policies and builds on the actions previously supported under Regulation (EU) No 233/2014⁶; the 11th European Development Fund (EDF)'s Internal Agreement⁷ and Implementing Regulation⁸; Regulation (EU) No 232/2014⁹; Regulation (EU) No 230/2014¹⁰; Regulation (EU) No 235/2014¹¹; Regulation (EU) No 234/2014¹²; Regulation (Euratom) No 237/2014¹³; Regulation (EU) No 236/2014¹⁴; Decision No 466/2014/EU; Regulation (EC, Euratom) No 480/2009¹⁵ and Regulation (EU) 2017/1601¹⁶.

⁶ 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 (OJ L 77, 15.3.2014, p. 44.)

⁷ Internal agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies (OJ L210/1, 6.8.2013).

⁸ Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund (OJ L 58/1, 3.3.2015).

⁹ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (OJ L 77, 15.3.2014, p. 27.)

¹⁰ 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 (OJ L 77, 15.3.2014, p. 1.)

¹¹ 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 (OJ L 77, 15.3.2014, p. 85.)

¹² 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 (OJ L 77, 15.3.2014, p. 77.)

¹³ Council Regulation (Euratom) No 237/2014 of 13 December 2013 establishing an Instrument for Nuclear Safety Cooperation (OJ L 77, 15.3.2014, p. 109)

¹⁴ Regulation (EU) 236/2014 of the European Parliament and of the Council laying down common rules and procedures for the implementation of the Union's instruments for financing external action (OJ L 77, 15.3.2014, p. 95)

¹⁵ Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions (OJ L 145, 10.6.2009, p. 10)

¹⁶ Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund.

- (7) The global context for action is the pursuit of a ~~rules-based~~ **rules-and values-based** global order, with multilateralism as its key principle and the United Nations at its core. The 2030 Agenda, together with the Paris Agreement on Climate Change¹⁷ (*'the Paris Agreement'*) and the Addis Ababa Action Agenda¹⁸ is the international community's response to global challenges and trends in relation to sustainable development. With the Sustainable Development Goals at its core, the 2030 Agenda is a transformative framework to eradicate poverty, ~~and~~ achieve sustainable development globally **and promote peaceful, just and inclusive societies, while tackling climate change and working to preserve oceans and forests**. It is universal in scope, providing a comprehensive shared framework for action that applies to the Union, to its Member States and to its partners. It balances the economic, social, **cultural, educational** and environmental dimensions of sustainable development, recognising the essential interlinkages between its goals and targets. The 2030 Agenda aims to leave no one behind **and seeks to reach the furthest behind first**. The implementation of the 2030 Agenda will be closely coordinated with the Union's other relevant international commitments. Actions undertaken by this Regulation should pay **be guided by the principles and objectives set out in the 2030 Agenda, the Paris Agreement and the Addis Ababa Action Agenda and should contribute to achieving the Sustainable Development Goals, paying** particular attention to interlinkages between Sustainable Development Goals **them** and to integrated actions that can create co-benefits and meet multiple objectives in a coherent way **without undermining other objectives**. [Am. 6]

¹⁷ Signed in New York on 22 April 2016.

¹⁸ "Addis Ababa Action Agenda of the Third International Conference on Financing for Development", adopted on 16 June 2015 and endorsed by the United Nations General Assembly on 27 July 2015 (A/RES/69/313).

- (8) The ~~implementation~~ **application** of this Regulation should be ~~guided by~~ **based on** the five priorities established in the Global Strategy for the European Union's Foreign and Security Policy (the 'Global Strategy')¹⁹, presented on 19 June 2016, which represents the Union's vision and the framework for united and responsible external engagement in partnership with others, to advance its values and interests. The Union should enhance partnerships, promote policy dialogue and collective responses to challenges of global concern. Its action should support the Union's **fundamental** interests, **principles** and values in all its aspects, including **promoting democracy and human rights, contributing to the eradication of poverty**, preserving peace, ~~preventing conflicts~~ **conflict prevention, mediation and post-conflict reconstruction including women at all stages, ensuring nuclear safety**, strengthening international security, ~~fighting~~ **addressing** root causes of irregular migration **and forced displacement** and assisting populations, countries and regions ~~confronting~~ **confronted with** natural or man-made disasters, **bringing about the conditions to create an international legal framework for the protection of persons displaced due to climate change, fostering inclusive quality education**, supporting **a fair, sustainable and rules- and value-based** trade policy **as a tool for development and to bring improvements to the rule of law and human rights**, economic **and cultural** diplomacy and economic cooperation, promoting **innovation**, digital solutions and technologies, **protecting cultural heritage especially in conflict areas, addressing global public health threats** and fostering the international dimension of Union's policies. In promoting its **fundamental** interests, **principles and values**, the Union should comply with, and promote, the principles of respect for high social, **labour** and environmental standards **including with regard to climate change**, for the rule of law, for international law, ~~and for~~ **including in respect of humanitarian and international human rights law**. [Am. 7]

¹⁹ "Shared Vision, Common Action: A Stronger Europe. A global Strategy for the European Union's Foreign and Security Policy", June 2016.

- (9) The new *application of this Regulation should also be based on the* European Consensus on Development ('the Consensus')²⁰, signed on 7 June 2017, *which* provides the framework for a common approach to development cooperation by the Union and its Member States to implement the 2030 Agenda and the Addis Ababa Action Agenda. Eradicating poverty, tackling discrimination and inequalities, leaving no one behind, *protecting the environment and fighting climate change*, and strengthening resilience ~~are at the heart of development cooperation policy~~ *should underpin the application of this Regulation.*
- [Am. 8]

²⁰ "The New European Consensus on Development 'Our World, our Dignity, Our Future'", Joint statement by the Council and the Representatives of the governments of the Member States meeting within the Council, the European Parliament and the European Commission, 8 June 2017.

(9a) *In addition to the UN 2030 Agenda, the Paris Agreement on Climate Change the Addis Ababa Action Agenda, the EU Global Strategy, ~~and~~ the European Consensus on Development and the European Neighbourhood Policy, which constitute the primary policy framework, the following documents and their future revisions should also guide the application of this Regulation:*

- the EU Strategic Framework and Action Plan on Human Rights and Democracy;***
- the EU Human Rights guidelines;***
- the EU Integrated Approach to External Conflicts and Crises and the EU's comprehensive approach to external conflicts and crises of 2013;***
- the Comprehensive approach to the EU implementation of the United Nations Security Council Resolutions 1325 and 1820 on women, peace and security;***
- the Union Programme for the Prevention of Violent Conflicts;***
- the Council conclusions of 20 June 2011 on conflict prevention;***
- the Concept on Strengthening EU Mediation and Dialogue Capacities;***

- *the EU-wide Strategic Framework to support Security Sector Reform (SSR);*
- *the EU strategy against illicit firearms, small arms and light weapons (SALW) and their ammunition;*
- *the EU Concept for Support to Disarmament, Demobilisation and Reintegration (DDR);*
- *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;*
- *the European Council Declaration of 25 March 2004 on Combating Terrorism, the European Union Counter-Terrorism Strategy, of 30 November 2005 and the Council conclusions of 23 May 2011 on enhancing the links between internal and external aspects of counter-terrorism;*
- *the OECD guidelines for multinational enterprises;*

- *the UN guiding principles on business and human rights;*
- *the UN New Urban Agenda;*
- *the UN Convention on the Rights of Persons with Disabilities;*
- *the Refugee Convention;*
- *the Convention on the Elimination of All Forms of Discrimination against Women,*
- *the outcomes of the Beijing Platform for Action and the Programme of Action of the International Conference on Population and Development (ICPD);*
- *the UNCTAD Roadmap towards Sustainable Sovereign Debt Workouts (April 2015);*
- *the Guiding Principles on Foreign Debt and Human Rights drawn up by the Office of the UN High Commissioner for Human Rights;*
- *the Global Compact on Refugees;*
- *the Global Compact on Safe, Orderly and Regular Migration, adopted in Marrakech on December 10th 2018;*
- *the United Nations Convention on the Rights of the Child. [Am. 9]*

- (10) In order to implement the new international framework established by the 2030 Agenda, the Global Strategy and the Consensus, this Regulation should aim at increasing the coherence and ensuring the effectiveness of the Union's external action by concentrating its efforts through a streamlined instrument to improve the implementation of the different external action policies.
- (11) In accordance with the Global Strategy and the Sendai Framework for Disaster Risk Reduction (2015-2030) as adopted on 18 March 2015²¹, recognition should be given to the need to move away from crisis response and containment to a more structural, ***preventive*** long-term approach that more effectively addresses situations of fragility, natural and man-made disasters, and protracted crises. Greater emphasis and collective approaches are required on risk reduction, prevention, mitigation and preparedness; and further efforts are required to enhance swift response and a durable recovery. This Regulation should therefore contribute to strengthening resilience and linking humanitarian aid and development action ***particularly*** through rapid response actions ***as well as relevant geographic and thematic programmes, while ensuring the appropriate predictability, transparency and accountability, as well as coherence, consistency and complementarity with humanitarian aid and full compliance with international humanitarian law and without hindering the delivery of humanitarian aid according to the principles of humanity, neutrality, impartiality and independence in emergency and post-emergency contexts.*** [Am. 10]

²¹ "Sendai Framework for Disaster Risk Reduction", adopted on 18 March 2015 and endorsed by the United Nations General Assembly on 3 June 2015 (A/RES/69/283).

- (12) In line with the international commitments of the Union on development effectiveness as adopted in Busan in 2011 and renewed at the Nairobi High Level Forum in 2016 and recalled in the Consensus, the Union's *Union, in the context of its official development cooperation assistance and across all aid modalities*, should apply the development effectiveness principles, namely ownership of development priorities by developing countries, a focus on results, inclusive development partnerships as well as *mutual* transparency and accountability, *in addition to the principles of alignment and harmonisation*. [Am. 11]
- (13) Pursuant to the Sustainable Development Goals, this Regulation should contribute to reinforced monitoring and reporting with a focus on results, covering outputs, outcomes and impacts in partner countries benefiting from the Union's external financial assistance. In particular, as agreed in the Consensus, actions under this Regulation ~~are expected to~~ *should* contribute *at least* 20 % of the Official Development Assistance funded under this Regulation to social inclusion and human development, ~~including~~ *with a focus on basic social services, such as health, education, nutrition, water, sanitation and hygiene, and social protection, particularly to the most marginalised, taking into account* gender equality, ~~and~~ women's empowerment *and children's rights as horizontal issues*. [Am. 12]

- (14) ~~Whenever possible and appropriate,~~ ***In order to improve effective accountability and transparency of the Union budget, the Commission should set up clear monitoring and evaluation mechanisms to ensure effective assessment of progress towards the achievement of this Regulation's objectives.*** The results of the Union's external action should be monitored and assessed on the basis of pre-defined, transparent, country-specific and measurable indicators, adapted to the specificities and objectives of the Instrument and preferably based on the results framework of the partner country. ***The Commission should regularly monitor its actions and review progress, making the results publicly available, in particular in the form of an annual report to the European Parliament and the Council.*** [Am. 13]
- (15) This Regulation should contribute to the collective Union objective of providing 0,7% of Gross National Income as Official Development Assistance within the timeframe of the 2030 Agenda. ***That commitment should be based on a clear roadmap for the Union and its Member States to set out deadlines and modalities for its achievement.*** In that regard, at least ~~92%~~ **95 %** of the funding under this Regulation should contribute to actions designed in such a way that they fulfil the criteria for Official Development Assistance as established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development. [Am. 14]

- (16) In order to ensure resources are provided to where the need is greatest, especially to the Least Developed Countries and the countries in situation of fragility and conflict, this Regulation should contribute to the collective target of reaching 0,20 % of the Union Gross National Income towards Least Developed Countries within the timeframe of the 2030 Agenda. *This commitment should be based on a clear roadmap for the EU and its Member States to set out deadlines and modalities for its achievement.* [Am. 15]
- (16a) *In line with existing commitments in the EU Gender Action Plan II, at least 85 % of Official Development Assistance funded programmes, geographic and thematic, should have gender equality as a principal or a significant objective, as defined by the OECD DAC. A mandatory review of the spending should ensure that a significant part of these programmes have gender equality and women's and girls' rights and empowerment as a principal objective.* [Am. 16]
- (16b) *This regulation should give particular attention to children and youth as contributors to the realisation of Agenda 2030. The Union's external action under this Regulation should give particular attention to their needs and empowerment and will contribute to the realisation of their potential as key agents of change by investing in human development and social inclusion.* [Am. 17]

- (16c) *The inhabitants of the countries of Sub-Saharan Africa are mainly adolescents and young people. Each country should decide on its demographic policy. However, the demographic dynamic should be tackled in a global way in order to ensure that current and future generations will be able to achieve their full potential in a sustainable way.* [Am. 18]
- (17) This Regulation should reflect the need to focus on strategic priorities, both geographically – the European Neighbourhood and Africa, as well as countries that are fragile and most in need, *particularly Least Developed Countries*, but also thematically – *sustainable development, poverty eradication, democracy and human rights, the rule of law, good governance, security, safe, orderly and regular migration, the reduction of inequalities, gender equality, addressing environmental degradation and climate change and human rights global public health threats.* [Am. 19]
- (17a) *This Regulation should contribute to creating State and societal resilience in the area of global public health by addressing global public health threats, strengthening health systems, achieving universal health coverage, preventing and combatting communicable diseases and helping to secure affordable medicines and vaccines for all.* [Am. 20]

(18) *The special relationship developed with the Union's neighbouring countries, in accordance with Article 8 TEU, should be preserved and enhanced through the application of this Regulation. This Regulation should contribute to reinforcing States' and societies' resilience in the Union's neighbourhood, following the engagement taken in the Global Strategy. It should support the implementation of the European Neighbourhood Policy, as reviewed in 2015, and the implementation of regional cooperation frameworks, such as cross-border cooperation and the external aspects of relevant macro-regional and sea basin strategies and policies in the eastern and southern neighbourhood, including the Northern Dimension and the Black Sea regional cooperation.* Those initiatives offer *supplementary* political frameworks for deepening relations with and among partner countries, based on the principles of mutual accountability, shared ownership and responsibility. [Am. 21]

- (19) The European Neighbourhood Policy, ~~as reviewed in 2015²²~~, aims at ***the deepening of democracy, promotion of human rights and upholding of the rule of law***, the stabilisation of neighbouring countries and strengthening resilience, particularly by ~~boosting~~ ***promoting political, economic development and social reforms***, as the Union's main political priorities. In order to attain its objective, the ***implementation of the reviewed European Neighbourhood Policy has been focusing on four*** ***through this Regulation should focus on the following*** priority areas: good governance, democracy, the rule of law and human rights, with a particular focus in engaging further with civil society; ~~economic~~ ***socio-economic development, including the fight against youth unemployment, as well as education and environmental sustainability***; security; migration and mobility, including tackling the root causes of irregular migration and forced displacement ***and supporting populations, countries and regions confronted with enhanced migratory pressure. This Regulation should support the implementation of the Union's association agreements and deep and comprehensive free trade agreements with countries in the neighbourhood.*** Differentiation and enhanced mutual ownership are the hallmark of the European Neighbourhood Policy, recognising different levels of engagement, and reflecting the interests of each country concerning the nature and focus of its partnership with the Union. ***The performance-based approach is one of the key tenets of the European Neighbourhood Policy. In the case of a serious or persistent degradation of democracy in one of the partner countries, support should be suspended. Neighbourhood funding is a key lever in addressing common challenges, such as irregular migration and climate change, as well as in spreading prosperity, security and stability through economic development and better governance. The visibility of Union assistance in the neighbourhood area should be enhanced.*** [Am. 22]

²² ~~Joint communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, "Review of the European Neighbourhood policy", 18 November 2015.~~

- (20) This Regulation should support the implementation of a modernised association agreement with countries of the Africa, Caribbean and Pacific (ACP) Group of States and allow the EU and its ACP partners to develop further strong alliances on key *and shared* global challenges. In particular, this Regulation should support the continuation of the established cooperation between the Union and the African Union in line with the Joint Africa-EU Strategy, *including the engagement from Africa and the Union to promote children's rights as well as the empowerment of Europe's and Africa's youth*, and build on the future EU-ACP agreement after 2020, including through a continental approach towards Africa, *and a mutually beneficial partnership of equals between the EU and Africa.*
- [Am. 23]

(20a) This Regulation should also contribute to the trade-related aspects of the Union's external relations, such as cooperation with third countries on supply chain due diligence for tin, tantalum and gold, the Kimberley Process, the Sustainability Compact, the implementation of commitments under Regulation (EU) No 978/2012 of the European Parliament and the Council²³ (GSP Regulation), cooperation under the Forest Law Enforcement, Governance and Trade (FLEGT) and Aid for Trade initiatives in order to ensure consistency and mutual support between Union trade policy and development goals and actions. [Am. 24]

²³ **Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008 (OJ L 303, 31.10.2012, p. 1).**

- (21) 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, **consistency** and complementarity among the Union's external financing instruments, notably the Instrument for Pre-Accession III²⁴, the Humanitarian Aid Instrument²⁵, the Decision on Overseas Countries and Territories²⁶, the European Instrument for Nuclear Safety to complement the Neighbourhood, Development and International Cooperation Instrument on the basis of the Euratom Treaty²⁷, the common foreign and security policy and the newly proposed European Peace Facility²⁸ which is financed outside the Union budget, as well as the creation of synergies with other Union policies and Programmes, **including Trust Funds as well as policies and programmes of the EU Member States**. This includes coherence and complementarity with macro-financial assistance, where relevant. In order to maximise the impact of combined interventions to achieve a common objective, this Regulation should allow for the combination of funding with other Union Programmes, as long as the contributions do not cover the same costs. **[Am. 25]**

²⁴ COM(2018)0465 Proposal for a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III)

²⁵ Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p. 1).

²⁶ COM(2018)0461 Proposal for a Council Decision on the Association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other ('Overseas Association Decision').

²⁷ COM(2018)0462 Proposal for a Council Regulation establishing a European Instrument for Nuclear Safety complementing the Neighbourhood, Development and International Cooperation Instrument on the basis of the Euratom Treaty.

²⁸ C(2018)3800 Proposal of the High Representative of the Union for Foreign Affairs and Security Policy to the Council for a Council Decision establishing a European Peace Facility.

- (22) Funding from this Regulation should be used to finance actions under the international dimension of Erasmus *and Creative Europe*, the implementation of which should be done according to *Regulation (EU) .../... of the European Parliament and of the Council* ('the Erasmus Regulation')²⁹ *and Regulation (EU) .../... of the European Parliament and of the Council* ('the Creative Europe Regulation')³⁰. [Am. 26]
- (22a) *The international dimension of the Erasmus Plus Programme should be boosted aiming at increasing opportunities for mobility and cooperation for individuals and organisations from less developed countries of the world - supporting capacity-building in third countries, skills' development, people-to-people exchanges, while offering a greater number of opportunities for cooperation and mobility with developed and emerging countries.* [Am. 27]
- (22b) *Considering the relevance of addressing education and culture in line with the 2030 Agenda for Sustainable Development and the EU strategy for international cultural relations, this Regulation should contribute to ensure inclusive and equitable quality education, promote life-long learning opportunities for all, foster international cultural relations, and recognise the role of culture in promoting European values through dedicated and targeted actions designed to have a clear impact on the Union's role on the global scene.* [Am. 28]

²⁹ COM(2018)0367 Proposal for a Regulation of the European Parliament and of the Council establishing 'Erasmus': the Union programme for education, training, youth and sport and repealing Regulation (EU) 1288/2013

³⁰ *COM(2018)0366 Proposal for a Regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013.*

- (23) The main approach for actions financed under this Regulation should be through geographic programmes, in order to maximise the impact of the Union's assistance and bring Union's action closer to partner countries and populations, ~~This general approach~~ ***while supporting thematic priorities such as human rights, civil society and sustainability. The objectives under the geographic and thematic programmes should be consistent and coherent with each other and*** should be complemented by thematic programmes and by rapid response actions, where relevant. ***Effective complementarity between the geographic, thematic and rapid response programmes and actions should be ensured. In order to take account of the specificities of each programme, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission to supplement the provisions of this Regulation by setting out the Union's strategy, the priority areas, detailed objectives, the expected results, specific performance indicators and the specific financial allocation for each programme. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making³¹. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.***
- [Am. 29]

³¹ OJ L 123, 12.5.2016, p. 1.

- (24) In line with the Consensus, the Union and its Member States should enhance joint programming to increase their collective impact by bringing together their resources and capacities. Joint programming should build on the partner countries' engagement, appropriation and ownership. The Union and its Member States should seek to support partner countries through joint ~~implementation~~ **application**, whenever appropriate. ***Joint application should be inclusive and open to all Union partners who agree and can contribute to a common vision, including Member States' agencies and their development financial institutions, local authorities, the private sector, civil society and academia.*** [Am. 30]
- (24a) ***In the case of a serious or persistent degradation of democracy, human rights and rule of law in one of the partner countries, support may, by means of a delegated act, be partially or fully suspended. The Commission should take due account of relevant European Parliament resolutions in its decision-making.*** [Am. 31]

(24b) *This Regulation should reconfirm nuclear safety as an important part of the Union external action and facilitate the objectives of cooperation specified in Regulation (EU) .../... of the European Parliament and of the Council³² ('Regulation EINS'). Therefore, in the event where a partner country persistently fails to respect the basic nuclear safety standards, such as provisions of the relevant international Conventions within the Framework of the IAEA, the Espoo and Aarhus Conventions and their subsequent amendments, the Treaty on the Non-Proliferation of Nuclear Weapons and the additional Protocols thereto, the commitments to implementation of stress tests and related measures, and the objectives of cooperation specified in Regulation EINS, assistance under this Regulation for the country concerned should be reconsidered and may be suspended or partly suspended. [Am. 32]*

³² Regulation (EU) .../... of the European Parliament and of the Council of... on... (OJ...)

(25) Whilst democracy and human rights *and fundamental freedoms*, including *the protection of children, minorities, persons with disabilities and LGBTI persons, as well as* gender equality, and ~~women's~~ *women and girls'* empowerment should be *consistently* reflected *and mainstreamed* throughout the ~~implementation~~ *application* of this Regulation, Union assistance under the thematic programmes for human rights and democracy and civil society organisations - *local authorities* 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. *In doing so, 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, as well as to situations where space for civil society is at stake. The Union's assistance under this Regulation should be designed in such a way as to allow for support to, and cooperation and partnership with civil society on sensitive and human rights and democracy issues, providing the flexibility and requisite reactivity to respond to changing circumstances, needs of beneficiaries, or periods of crisis, and when necessary, contributing to capacity building of civil society. In such cases, the political priorities should be to promote respect for international law and to provide means of action to local civil society and other relevant human rights stakeholders in order to contribute to work that is carried out in very difficult circumstances. This Regulation should offer also the possibility for civil society organisations to receive small grants in a fast and efficient manner when necessary, in particular in the most difficult situations, such as those of fragility, crisis, and inter-community tensions.* [Am. 33]

- (25a) *In accordance with Articles 2, 3 and 21 TEU and Article 8 TFEU, the implementation of this Regulation should be guided by the principles of gender equality, women and girls' empowerment, and should seek to protect and promote women's rights in line with the Gender Action Plan II, the Council Conclusions on Women Peace and Security of 10 December 2018, the Council of Europe Istanbul Convention and Goal 5 of the 2030 Agenda for Sustainable Development. [Am. 34]*
- (25b) *This Regulation should address and mainstream the promotion of women's rights and gender equality globally, including by supporting organisations which are working on promoting sexual and reproductive health and rights (access to quality and accessible information, education and services) and combating gender-based violence and discrimination, as well as recognising and addressing the close links between the issues of peace, security, development and gender equality. This work should be coherent with, and promote the implementation of relevant international and European principles and conventions. [Am. 35]*

- (26) Civil society organisations should embrace a wide range of actors with ~~different~~ **multiple** roles and mandates which includes all non-State, not-for-profit ~~structures, non-partisan~~ and non-violent **structures**, through which people organise to pursue shared objectives and ideals, whether political, cultural, social, ~~or~~ **religious, environmental**, economic **or holding authorities to account**. Operating from the local to the national, regional and international levels, they comprise urban and rural, formal and informal organisations. **Other bodies or actors not specifically excluded by this Regulation should be able to be financed when it is necessary to achieve the objectives of this Regulation.** [Am. 36]
- (26a) ***In line with the Consensus for Development, the Union and its Member States should foster the participation of civil society organisations (CSOs) and local authorities (LAs) in contributing to sustainable development and to the implementation of the SDGs, inter alia in the sectors of democracy, the rule of law, fundamental freedoms and human rights, social justice and as providers of basic social services to populations most in need. They should recognise the multiple roles played by CSOs and LAs, the latter as promoters of a territorial approach to development, including decentralisation processes, participation, oversight and accountability. The Union and its Member States should promote an operating space and enabling environment for CSOs, and further enhance their support for CSOs' and LAs' capacity building in order to strengthen their voice in the sustainable development process and advance political, social and economic dialogue, including through civil society facilities programmes.*** [Am. 37]

- (26b) *The Union should support civil society organisations and promote their greater strategic involvement in all external instruments and programmes, including geographical programmes and the rapid response actions under this Regulation, in keeping with the Council conclusions of 15 October 2012 on 'The roots of democracy and sustainable development: Europe's engagement with civil society in external relations'. [Am. 38]*
- (27) This Regulation lays down a financial envelope for this Instrument, 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 management³³, for the European Parliament and the Council during the annual budgetary procedure.

³³ OJ C 373, 20.12.2013, p. 1.

(28) Reflecting the importance of tackling climate change, ***protecting the environment and fight biodiversity loss***, in line with the Union commitments to implement the Paris Agreement, ***the Convention on Biological Diversity*** and the United Nations Sustainable Development Goals, this Regulation should contribute to mainstream climate ***and environmental*** action in the Union policies and to the achievement of ~~an~~ ***the*** overall target of ~~25 %~~ of the Union budget expenditures supporting climate objectives ***and support actions with clean and identifiable co-benefits across sectors***. Actions under this Regulation are expected to contribute ~~25 %~~ ***45 %*** of its overall financial envelope to climate objectives, ***environmental management and protection, biodiversity and combatting desertification, of which 30 % of the overall financial envelope should be dedicated to climate change mitigation and adaptation***. Relevant actions will be identified during the ~~implementation~~ ***application*** of this Regulation, and the overall contribution from this Regulation should be part of relevant evaluations and review processes. ***Union action in this area should favour the adherence to the Paris Agreement and to the Rio Conventions, and not contribute to environmental degradation or cause harm to the environment or climate. Actions and measures contributing to meeting the target on climate shall put special emphasis on support for adaptation to climate change in poor, highly vulnerable countries, and should take into consideration the relation between climate, peace and security, women's empowerment and the fight against poverty. This Regulation should contribute to the sustainable management of natural resources and promote sustainable and secure mining, forest management and agriculture.*** [Am. 39]

(29) It is essential to further step up Cooperation on migration with partner countries, reaping the benefits of well-managed and regular *can lead to mutually benefiting from orderly, safe and responsible* migration and *to* effectively addressing irregular migration *and forced displacement*. Such cooperation should contribute to *facilitating safe and legal pathways for migration and asylum*, ensuring access to international protection, addressing the root causes of irregular migration *and forced displacement, engaging with diasporas*, enhancing border management and pursuing efforts in the fight against *addressing* irregular migration, trafficking in human beings and migrant smuggling, and working on *safe, dignified and sustainable* returns, readmission and reintegration where relevant, *in a conflict-sensitive manner*, on the basis of mutual accountability, *and in* full respect of humanitarian and human rights obligations. ~~Therefore, third countries' effective cooperation with the~~ *under international and* Union in this area should be an integral element in the general principles of this Regulation. An increased *law*. Coherence between migration and development cooperation policies is important to ensure that development assistance supports partner countries to manage *fight poverty and inequality, promote rights and freedoms, as well as contribute to an orderly, safe and responsible* migration more effectively *management*. This Regulation should contribute to a coordinated, holistic and structured approach to migration, maximising the synergies and applying the necessary leverage *the positive impact of migration and mobility on development*. [Am. 40]

- (30) This Regulation should enable the Union to respond to challenges, needs and opportunities related to migration, in complementarity with Union migration ~~policy~~ **and development policies**. To contribute to that end, ***in order to maximise the contribution of migration to development***, and without prejudice to ~~unforeseen circumstances~~ ***new emerging challenges or new needs***, a maximum of 10 % of its financial envelope is expected to be dedicated to addressing the root causes of irregular migration and forced displacement and to supporting ***strengthened engagement to facilitate safe, orderly, regular and responsible migration management and the implementation of planned and well-managed migration policies*** and governance, including the protection of refugees and migrants' rights ***based on international and Union law*** within the objectives of this Regulation. ***This Regulation should also contribute to addressing the brain-drain phenomenon and to help support the needs of displaced people and host communities, in particular through the provision of access to basic services and livelihoods opportunities.***
- [Am. 41]

- (30a) *Information and communication technologies (ICT) and services are proven enablers of sustainable development and inclusive growth. They can be key to improving citizens' lives even in the poorest countries, in particular by empowering women and girls, enhancing democratic governance and transparency, and boosting productivity and job creation. Nevertheless, connectivity and affordability remain a problem both across and within regions, since there are large variations between high and lower income countries and between cities and rural areas. This regulation should therefore help the Union to further mainstream digitalisation into the Union development policies. [Am. 42]*
- (30b) *The 2030 Agenda for Sustainable Development, adopted by a Resolution of the United Nations General Assembly on 25 September 2015, underlined the importance of promoting peaceful and inclusive societies both as a Sustainable Development Goal (SDG) 16 and in order to achieve other development policy outcomes. SDG 16.a specifically requests to 'Strengthen relevant national institutions, including through international cooperation, for building capacities at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime'. [Am. 43]*

- (30c) *In the High Level Meeting Communiqué of 19 February 2016, the Development Assistance Committee of the Organisation for Economic Cooperation and Development updated the reporting directives on Official Development Assistance in the field of peace and security. The financing of the actions undertaken in accordance with this Regulation constitutes Official Development Assistance when it fulfils the criteria set out in those reporting directives or any subsequent reporting directives, upon which the Development Assistance Committee is able to agree. [Am. 44]*
- (30d) *The capacity building in support of development and security for development should be used in exceptional cases only, where the objectives of the Regulation cannot be met by other development cooperation activities. Giving support to security sector actors in third countries, including, under exceptional circumstances, the military, in a conflict prevention, crisis management or stabilisation context is essential to ensure appropriate conditions for poverty eradication and development. Good governance, effective democratic control and civilian oversight of the security system, including of the military, as well as compliance with human rights and the rule of law principles are essential attributes of a well-functioning State in any context, and should be promoted through a wider security sector reform support to third countries. [Am. 45]*

- (30e) *This Regulation should build on the conclusions of the evaluation by the Commission requested for June 2020, including a wide-ranging, multi-stakeholder public consultation, assessing the coherence of capacity building in support of development and security for development within the security-development nexus funded by the Union and its Member States with the Global Strategy and the UN Sustainable Development Goals. [Am. 46]***
- (30f) *The Union should also promote a conflict-sensitive and gender-sensitive approach in all actions and programmes under this Regulation, with the aim of avoiding negative impacts and maximising positive ones. [Am. 47]***
- (31) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 TFEU should apply to this Regulation. These rules are laid down in Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council³⁴ (“the Financial Regulation”) and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, financial assistance, budget support, trust funds, financial instruments and budgetary guarantees, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in Member States and third countries, as the respect for the rule of law is essential for sound financial management and effective EU funding.

³⁴ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (32) The types of financing and the methods of ~~implementation~~ **application** under this Regulation should be chosen on the basis of ***partner's needs, preferences and specific context***, their ***relevance, sustainability and*** ability to ***comply with the development effectiveness principles***, 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. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation. ***The role of the European Endowment for Democracy (EED) as a foundation mandated through the European institutions for the support of democracy, civil society and human rights worldwide should be strengthened and increased under this Regulation. The EED should be given the administrative flexibility and the financial opportunities to disburse targeted grants to civil society actors in the European Neighbourhood standing for the implementation of the European Neighbourhood Policy, in particular where it concerns the development of democracy, human rights, free elections and the rule of law. [Am. 48]***

- (33) The new European Fund for Sustainable Development Plus ('EFSD+'), building on its ~~successful~~ predecessor, the EFSD³⁵, should constitute an integrated financial package supplying financing capacity in the form of grants, budgetary guarantees and financial instruments worldwide. The EFSD+ should support the External Investment Plan and combine blending and budgetary guarantee operations covered by the External Action Guarantee, including those covering sovereign risks associated with lending operations, previously carried out under the external lending mandate to the European Investment Bank. Given its role under the Treaties and its experience over the last decades in supporting Union policies, the European Investment Bank should remain a natural partner for the Commission for the ~~implementation~~ **application** of operations under the External Action Guarantee. ***Other Multilateral Development Banks (MDBs) or EU National Development Banks (NDBs) also have skills and capital which can add significant value to the impact of Union development policy and their participation under the EFSD+ should therefore also be strongly promoted through this Regulation. [Am. 49]***

³⁵ Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund.

- (34) The EFSD+ should aim at supporting investments as a means of contributing to the achievement of the Sustainable Development Goals by fostering sustainable and inclusive economic, ***cultural*** and social development and promoting the socio-economic resilience in partner countries with a particular focus on the eradication of poverty, ***preventing conflict and the promotion of peaceful, just and inclusive societies***, sustainable and inclusive growth ***economic progress, tackling climate change through mitigation and adaptation, environmental degradation***, the creation of decent jobs ***in compliance with relevant ILO standards and economic opportunities, in particular for women, young and vulnerable people. Emphasis should be placed on providing inclusive and equitable quality education, and the development of skills and entrepreneurship by strengthening educational and cultural structures, including for children in humanitarian emergencies and situations of forced displacement. It should also aim at supporting a stable investment environment, industrialisation***, socioeconomic sectors, ***cooperatives, social enterprises***, micro, small and medium-sized enterprises as well as ***addressing strengthening democracy the rule of law and human rights, the lack of which often constitute the*** specific socioeconomic root causes of irregular migration ***and forced displacement***, in accordance with the relevant indicative programming documents. Special attention should be given to countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries. ***A special focus should be placed also to improve the delivery of essential public basic services, food security, and to improve the quality of life of rapidly growing urban populations, including through adequate, safe and affordable housing. The EFSD+ should encourage for-profit/non-profit partnerships as a means of guiding private sector investments towards sustainable development and poverty eradication. The strategic involvement of civil society organisations and of Union Delegations in partner countries should also be promoted at all stages of the project cycle, to help finding tailor-made solutions for promoting the socioeconomic development of communities, job creation, and new business opportunities. Investments should be based on conflict analysis, focus on the root causes of conflict, fragility and instability, maximising the potential for fostering peace and minimising the risks of exacerbating conflicts.*** [Am. 50]

- (35) The EFSD+ should maximise additionality of funding, address market failures and sub-optimal investment situations, deliver innovative products and ‘crowd-in’ private sector funds *to optimise the contribution of private finance to local sustainable development*. Involvement of the private sector in the Union’s cooperation with partner countries through the EFSD+ should yield measurable and additional development impact *in full respect of the environment and local communities’ rights and livelihoods and* without distorting the *local* market and *unfairly competing with local economic actors*. It should be cost-effective based on mutual accountability and risk and cost sharing. The EFSD+, *while based on adequate accountability and transparency criteria*, should operate as a ‘one-stop-shop’, receiving financing proposals from financial institutions and public or private investors and delivering a wide range of financial support to eligible investments. [Am. 51]

(35a) An EU guarantee for the sovereign investments operations in the public sector shall form part of the EFSD+. That EU guarantee shall not be extended to sovereign investment operations that involve on-lending to the private sector or lending to, or for the benefit of, sub-sovereign entities that can access sub-sovereign financing without sovereign guarantees. In order to assist capacity planning by the EIB, a minimum guaranteed volume of such sovereign investments operations shall be allocated to the EIB. [Am. 52]

(36) An External Action Guarantee should be established building on the existing EFSD Guarantee and the Guarantee Fund for external actions. The External Action Guarantee should support the EFSD+ operations covered by budgetary guarantees, macro-financial assistance and loans to third countries on the basis of Council Decision 77/270/Euratom³⁶. These operations should be supported by appropriations under this Regulation, together with those under Regulation (EU) No .../... of the European Parliament and of the Council³⁷ ('IPA III Regulation') and Regulation EINS, which should also cover the provisioning and liabilities arising from macro-financial assistance loans and loans to third countries referred to in Article 10(2) of Regulation EINS, respectively. When funding EFSD+ operations, priority should be given to those which have a high impact on *decent* job creation *and livelihoods* and whose cost-benefit ratio enhances the sustainability of investment *and which provide the highest guarantees of sustainability and long-term development impact throughout local ownership*. The operations supported with the External Action Guarantee should be accompanied by an in-depth ex ante assessment of environmental, financial and social aspects, ~~as appropriate and~~ *including the impact on human rights and livelihoods of affected communities and the impact on inequalities and the identification of ways to address those inequalities* in line with the better regulation requirements *and taking due account of the principle of free and prior informed consent (FPIC) of affected communities in land-related investments*. The External Action Guarantee should not be used to provide essential public services, which remains a government responsibility. *Ex-post impact assessments should also happen to measure the development impact of the EFSD+ operations.* [Am. 53]

³⁶ Council decision 77/270/EURATOM of 29 March 1977 empowering the Commission to issue Euratom loans for the purpose of contributing to the financing of nuclear power stations (OJ L 88, 6.4.1977, p. 9).

³⁷ Regulation (EU) .../... of the European Parliament and of the Council of ... on ... (OJ...).

- (37) In order to provide for flexibility, increase the attractiveness for the private sector, *promote fair competition* and maximise the impact of the investments a derogation from the rules related to the methods of implementation of the Union budget, as laid down in the Financial Regulation, should be provided as regards the eligible counterparts. Those eligible counterparts could also be bodies which are not entrusted with the implementation of a public-private partnership and could also be bodies governed by the private law of a partner country. **[Am. 54]**
- (38) In order to increase the impact of the External Action Guarantee, Member States and contracting parties to the Agreement on the European Economic Area should have the possibility of providing contributions in the form of cash or a guarantee. Contribution in the form of a guarantee should not exceed 50 % of the amount of operations guaranteed by the Union. The financial liabilities arising from this guarantee should not be provisioned and the liquidity cushion should be provided by the common provisioning fund.

(39) External actions are often ~~implemented~~ **applied** in a highly volatile environment requiring continuous and rapid adaptation to the evolving needs of Union partners and to global challenges to human rights **and fundamental freedoms**, democracy and good governance, security and stability, climate change and environment, oceans, and ~~the migration, crisis~~ **and including** its root causes **such as poverty and inequality, and the impact of the increasing number of displaced persons, especially on developing countries**. Reconciling the principle of predictability with the need to react rapidly to new needs consequently means adapting the financial ~~implementation~~ **application** of the programmes. To increase the ability of the EU to respond to ~~unforeseen~~ needs **not covered by programmes and programming documents**, building on the successful experience of the European Development Fund (EDF), ~~an~~ **a pre-defined** amount should be left unallocated as an emerging challenges and priorities cushion. It should be mobilised in **duly justified cases in** accordance with the procedures established in this Regulation. [Am. 55]

- (40) Therefore, while respecting the principle that the Union budget is set annually, this Regulation should preserve the possibility to apply the flexibilities already allowed by the Financial Regulation for other policies, namely carryovers and re-commitments of funds, to ensure efficient use of the Union funds both for Union citizens and the partner countries, thus maximising the Union funds available for the Union's external action interventions.
- (41) Pursuant to Article 83 of Council Decision .../... (OCTs), persons and entities established in overseas countries and territories should be eligible for funding under this Regulation, subject to its rules and objectives and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked. Moreover, cooperation between the partner countries and the overseas countries and territories as well as the Union outermost regions under Article 349 TFEU should be encouraged in areas of common interest.

- (42) In order to enhance partner countries' *democratic* ownership of their development processes and the sustainability of external aid, the Union should, where relevant, favour the use of partner countries' own institutions, *resources, expertise* and of partner countries' systems and procedures for all aspects of the project cycle for cooperation *while ensuring local resources and expertise and the full involvement of local governments and civil society. The Union should also provide training programmes on how to apply for Union funding to local authorities' civil servants and civil society organisations with the aim of helping them to enhance the eligibility and efficiency of their projects. These programmes should be carried out in the countries concerned, be available in the language of the country and complement any distance learning programmes also established, in order to ensure a targeted training responding to the needs of that country.* [Am. 56]
- (43) Annual or multi-annual action plans and measures referred to in Article 19 constitute work programmes under the Financial Regulation. Annual or multi-annual action plans consist of a set of measures grouped into one document.

(44) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council³⁸, Council Regulation (EC, Euratom) No 2988/95³⁹, Council Regulation (Euratom, EC) No 2185/96⁴⁰ and Council Regulation (EU) 2017/1939⁴¹, the financial interests of the Union are to be protected through effective and proportionate measures, including the prevention, detection, correction and investigation of irregularities, including fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union, as provided for in Directive (EU) 2017/1371⁴² of the European Parliament and of the Council. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests and grant the necessary rights and access to the Commission, OLAF and the European Court of Auditors, and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights; for this reason, agreements with third countries and territories and with international organisations, and any contract or agreement resulting from the implementation of this Regulation should 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 and ensuring that any third parties involved in the implementation of Union funding grant equivalent rights.

³⁸ 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)

³⁹ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p.1).

⁴⁰ 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)

⁴¹ OJ L 283, 31.10.2017, p.1.

⁴² Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ 198, 28.7.2017, p.29)

(44a) In order to contribute to the international fight against tax fraud, tax evasion, fraud, corruption and money laundering all financing through this Regulation should be provided in a completely transparent manner. Furthermore, the eligible counterparts should not support any activities carried out for illegal purposes nor participate in any financing or investment operation through a vehicle located in a non-cooperative jurisdiction or in a tax haven. Counterparts should also refrain from making any use of tax avoidance or aggressive tax planning schemes. [Am. 57]

(45) — ~~In order to ensure uniform conditions for the implementation of the relevant provisions of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011⁴³ of the European Parliament and of the Council. [Am. 58]~~

⁴³ — ~~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)~~

(46) In order to supplement ~~or~~ *non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of setting out the Union's strategy, the priority areas, detailed objectives, the expected results, specific performance indicators and the specific financial allocation and cooperation modalities for each geographic and thematic programme, as well as for action plans and measures not based on programming documents establishing a human rights operational framework, establishing a risk management framework, deciding on the needs not covered by programmes or programming documents, deciding on the suspension of assistance, establishing the performance-based approach framework, establishing the provisioning rates, establishing a monitoring and evaluation framework and extending the scope of actions to countries and territories not covered by this Regulation.* *In order to* amend non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 ~~of the Treaty on the Functioning of the European Union~~ *TFEU* should be delegated to the Commission in respect of ~~the provisioning rates laid down in Article 26(3),~~ *to* the areas of cooperation and intervention listed in Annexes II, III and IV, the priority areas of the EFSD+ operations *and the investment windows* listed in Annex V, ~~the governance of the EFSD+ in Annex VI,~~ to review or complement *as well as* the indicators *listed* in Annex VII ~~where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.~~ [Am. 59]

(47) Pursuant to paragraph 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016⁴⁴, there is a need to evaluate this Programme on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, ~~where appropriate, can~~ **should** include measurable indicators, as a basis for evaluating the effects of the Programme on the ground. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including ~~at expert level~~ **with relevant stakeholders such as civil society and experts**, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts. **[Am. 60]**

⁴⁴ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making of 13 April 2016; OJ L 123, 12.5.2016, p. 1–14.

- (48) The references to Union instruments in Article 9 of Council Decision 2010/427/EU⁴⁵, which are replaced by *Due to the broad nature and scope of this Regulation*, should be read as references to *and to ensure coherence between the principles, objectives and spending under both this Regulation and the other external financing instruments, such as Regulation EINS, or Instruments which are intrinsically linked to external policies, such as the IPA III Regulation, a horizontal steering group composed of all relevant Commission and EEAS services and chaired by the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy (VP/HR) or a representative of that office* should ensure that *be responsible for the steering, coordinating and managing of the policies, programmes, objectives and actions under this Regulation is implemented in accordance with the role of in order to ensure consistency, efficiency, transparency and accountability of Union external financing. The VP/HR should ensure overall political coordination of the Union's external action. For all actions, including rapid response actions and exceptional assistance measures, and throughout the whole cycle of programming, planning and application of the instrument, the High Representative and the EEAS as provided in that Decision should work with the relevant members and services of the Commission, identified on the basis of the nature and objectives of the action foreseen, building upon their expertise. All proposals for decisions should be prepared by following the Commission's procedures and should be submitted to the Commission for adoption. [Am. 61]*

⁴⁵ 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).

- (48a) *The application of this Regulation should, where relevant, be complementary to, and should be consistent with, measures adopted by the Union in pursuit of the Common Foreign and Security Policy objectives within the framework of Chapter Two of Title V TEU and measures adopted within the framework of Part Five TFEU. [Am. 62]***
- ~~(49) — The envisaged actions as provided for hereunder should strictly follow the conditions and procedures set out by the restrictive measures of the Union, [Am. 63]~~
- (49a) *The European Parliament should be fully involved in the design, programming, monitoring and evaluation phases of the instruments in order to guarantee political control and democratic scrutiny and accountability of Union funding in the field of external action. An enhanced dialogue between the institutions should be established in order to ensure that the European Parliament is in a position to exercise political control during the application of this Regulation in a systematic and smooth manner thereby enhancing both efficiency and legitimacy, [Am. 64]***

HAVE ADOPTED THIS REGULATION:

TITLE I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes the Programme “Neighbourhood, Development and International Cooperation Instrument” (the ‘Instrument’).

It lays down the objectives of the Instrument, the budget for the period 2021 – 2027, the forms of Union funding and the rules for providing such funding.

It also establishes the European Fund for Sustainable Development Plus (the ‘EFSD+’) and an External Action Guarantee.

Article 2 Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) “country programme” shall mean an indicative programme covering one country;
- (2) “multi-country programme” shall mean an indicative programme covering more than one country;
- (3) “cross-border cooperation” shall mean cooperation between one or more Member States, and one or more third countries and territories along the external borders of the Union.
- (4) “regional programme” shall mean an indicative multi-country programme covering more than one third country within the same geographic area as established in Article 4 (2);
- (5) “trans-regional programme” shall mean an indicative multi-country programme covering more than one third country from different areas as established in Article 4 (2) of this Regulation;
- (6) “legal entity” shall mean any natural or legal person created and recognised as such under national law, Union law or international law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations, or an entity without a legal personality in accordance with Article 197(2)(c) of the Financial Regulation;

- (6a) *“civil society organisations” means all non-State, not-for-profit, and non-violent structures through which people organise to pursue shared objectives and ideals, whether political, cultural, social, economic, religious, environmental, or holding authorities to account, which operate at local, national, regional or international level, and which may include urban and rural as well as formal and informal organisations; in the context of the thematic programme on human rights and democracy, “civil society” includes 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; [Am. 65]*
- (6b) *“local authorities” means branches of government or public authorities, which operate at sub-national level (e.g. municipal, community, district, county, provincial or regional level); [Am. 66]*
- (7) “investment window” shall mean a targeted area for support by the EFSD+ Guarantee to portfolios of investments in specific regions, countries or sectors;
- (8) “contributor” ~~shall mean~~ *means* a Member State, an international finance institution, or a public institution of a Member State, a public agency or other *public or private* entities contributing in cash or in guarantees to the common provisioning fund; [Am. 67]

- (8a) *‘additionality’ means the principle which ensures that the External Action Guarantee contributes to sustainable development by operations which could not have been carried out without it, or which achieve positive results above and beyond what could have been achieved without it, as well as crowding in private sector funding and addressing market failures or sub-optimal investment situations as well as improving the quality, sustainability, impact or scale of an investment. The principle also ensures that investment and financing operations covered by the External Action Guarantee do not replace the support of a Member State, private funding or another Union or international financial intervention, and avoid crowding out other public or private investments. Projects supported by the External Action Guarantee typically have a higher risk profile than the portfolio of investments supported by the eligible counterparts under their normal investment policies without the External Action Guarantee; [Am. 68]*
- (8b) *“industrialised countries” means third countries other than developing countries included in the OECD-Development Assistance Committee’s (‘OECD-DAC’) list of Official Development Assistance (‘ODA’) recipients; [Am. 69]*

- (8c) *“poverty” means all the conditions in which people are deprived and perceived as incapacitated in different societies and local contexts; the core dimensions of poverty include economic, human, political, socio-cultural and protective capabilities; [Am. 70]*
- (8d) *“gender sensitivity” means acting with the aim of understanding and taking account of the societal and cultural factors involved in gender-based exclusion and discrimination in all spheres of public and private life; [Am. 71]*
- (8e) *“conflict sensitivity” means acting with the aim of understanding that any initiative conducted in a conflict-affected environment will interact with that conflict and that such interaction will have consequences that may have positive or negative effects; conflict sensitivity also means ensuring that, to the best of its abilities, Union actions (political, policy, external assistance) avoid having a negative impact and maximise the positive impact on conflict dynamics, thereby contributing to conflict prevention, structural stability and peace building. [Am. 72]*

Where reference is made to human rights, it shall be understood as to include fundamental freedoms; [Am. 73]

In the context of Article 15, “countries most in need” may also include the countries listed in Annex I. [Am. 74]

Article 3
Objectives

1. The general objective of this Regulation is to ***lay down the financial framework enabling the Union to*** uphold and promote the Union's ***its*** values, and ***principles and fundamental*** interests worldwide, ~~in order to pursue~~ ***in accordance with*** the objectives and principles of the Union's external action, as laid down in Article 3(5), Articles 8 and 21 TEU, ***as well as Articles 11 and 208 TFEU.*** [Am. 75]

2. In accordance with paragraph 1, the specific objectives of this Regulation are the following:
- (a) to support and foster dialogue and cooperation with third countries and regions in the Neighbourhood, in Sub-Saharan Africa, in Asia and the Pacific, and in the Americas and the Caribbean;
 - (aa) to contribute to the achievement of the international commitments and objectives that the Union has agreed to, in particular the 2030 Agenda, the SDGs and the Paris Agreement; [Am. 76]*
 - (ab) to develop a special strengthened relationship with the countries in the eastern and southern neighbourhood of the Union, founded on cooperation, peace and security, mutual accountability and shared commitment to the universal values of democracy, rule of law and respect for human rights, socio-economic integration and environmental protection and climate action; [Am. 77]*
 - (ac) to pursue the reduction and, in the long term, the eradication of poverty, particularly in least developed countries (LDCs); to enable sustainable social and economic development; [Am. 78]*

- (b) at global level, to consolidate and support democracy, rule of law and human rights, support civil society organisations *and local authorities*, further stability and peace, *prevent conflict and promote just and inclusive societies, advance multilateralism, international justice and accountability*, and address other global *and regional* challenges including migration and mobility *climate change and environmental degradation as well as foreign policy needs and priorities, as set out in Annex III, including the promotion of confidence building and good neighbourly relations;* [Am. 79]
- (ba) *to protect, promote and advance human rights, democracy, the rule of law as well as gender and social equality, including in the most difficult circumstances and urgent situations, in partnership with civil society including human rights defenders worldwide;* [Am. 80]
- (c) to respond rapidly to: situations of crisis, instability and conflict; resilience challenges and linking of humanitarian aid and development action; ~~and foreign policy needs and priorities.~~ [Am. 81]

The achievement of these objectives shall be measured using relevant indicators as referred to in Article 31.

3. At least ~~92%~~ **95 %** of the expenditure under this Regulation shall fulfil the criteria for Official Development Assistance, established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development. ***This Regulation shall contribute to reaching the collective target of achieving 0,2 % of the Union's Gross National Income to Least Developed Countries and 0,7 % of the Union Gross National Income as Official Development Assistance within the timeframe of the 2030 Agenda.*** [Am. 82]
- 3a. ***At least 20 % of the Official Development Assistance funded under this Regulation, across all programmes, geographic and thematic, annually and over the duration of its actions, shall be ring-fenced for social inclusion and human development, in order to support and strengthen the provision of basic social services, such as health, education, nutrition and social protection, particularly to the most marginalised, and with an emphasis on women and children.*** [Am. 83]
- 3b. ***At least 85% of the Official Development Assistance funded programmes, geographic and thematic, under this Regulation shall have gender equality and women's and girls' rights and empowerment as a principal or a significant objective, as defined by the OECD DAC. A significant part of these programmes shall have gender equality and women's and girls' rights and empowerment as a principal objective.*** [Am. 84]

Article 4

Scope and structure

1. Union funding under this Regulation shall be ~~implemented~~ *applied* through: **[Am. 85]**
 - (a) geographic programmes;
 - (b) thematic programmes;
 - (c) rapid response actions.
2. The geographic programmes shall encompass country and multi-country cooperation in the following areas:
 - (a) Neighbourhood;
 - (b) Sub-Saharan Africa;
 - (c) Asia and the Pacific;
 - (d) Americas and the Caribbean.

Geographic programmes may cover all third countries, except for candidates and potential candidates as defined in Regulation (EU) No .../....⁴⁶ (IPA) and overseas countries and territories as defined in Council Decision .../... (EU). ***Geographic programmes of a continental or trans-regional scope may also be established, in particular a pan-African programme covering African countries under points (a) and (b) and a programme covering African, Caribbean and Pacific countries under points (b), (c) and (d).***

[Am. 86]

Geographic programmes in the Neighbourhood area may cover any country referred to in Annex I.

In order to attain the objectives laid down in Article 3, geographic programmes shall be based on the areas of cooperation listed in Annex II.

⁴⁶ Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (OJ L).

3. The thematic programmes shall encompass actions linked to the pursuit of the Sustainable Development Goals at global level, in the following areas:

- (a) Human Rights and Democracy;
- (b) Civil Society Organisations *and Local Authorities*; [Am. 87]
- (c) Stability and Peace;
- (d) Global Challenges;

(da) Foreign Policy Needs and Priorities. [Am. 88]

Thematic programmes may cover all third countries, as well as Overseas countries and territories as defined *shall have full access to thematic programmes, as laid down* in Council Decision .../... (EU). *Their effective participation shall be ensured, with account taken of their specific characteristics and the particular challenges they must address.*

[Am. 89]

In order to attain the objectives laid down in Article 3, thematic programmes shall be based on the areas of intervention listed in Annex III.

4. The rapid response actions shall enable early action to:
- (a) contribute to *peace*, stability and conflict prevention in situations of urgency, emerging crisis, crisis and post-crisis; [Am. 90]
 - (b) contribute to strengthening *the* resilience of states, *including local authorities*, societies, communities and individuals and to linking humanitarian aid and development action. [Am. 91]
 - ~~(c) — address foreign policy needs and priorities. [Am. 92]~~

Rapid response actions may cover all third countries as well as overseas countries and territories as defined in Council Decision .../... (EU).

In order to attain the objectives laid down in Article 3, rapid response actions shall be based on the areas of intervention listed in Annex IV.

5. Actions under this Regulation shall be primarily ~~implemented~~ **applied** through geographic programmes. [Am. 93]

Actions ~~implemented~~ **applied** through thematic programmes shall be complementary to actions funded under geographic programmes and shall support global and trans-regional initiatives for **aimed at** achieving internationally agreed goals, ~~in particular the Sustainable Development Goals, protecting~~ **as referred in point (aa) of Article 3(2), as well as** global public goods or addressing global challenges. Actions through thematic programmes may also be undertaken **independently, including** 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, or where the action cannot be adequately addressed by geographic programmes. [Am. 94]

Rapid response actions shall be complementary to geographic and thematic programmes. ~~These~~ **as well as to actions funded through the Council Regulation (EC) No 1257/96 of 20 June 1996 (the ‘Humanitarian Aid Regulation’). Those** actions shall be designed and ~~implemented~~ **applied** to enable, where relevant, their continuity under geographic or thematic programmes. [Am. 95]

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 34 to supplement or amend Annexes II, III and IV.

Article 5

Coherence, consistency and complementarity

1. In ~~implementing~~ **applying** this Regulation, consistency, **coherence** synergies and complementarity with ~~other~~ **all** areas of Union external action, ***including other external financing instruments, the IPA III Regulation in particular, as well as measures adopted under Chapter Two of Title V TEU and Part Five TFEU***, with other relevant Union policies and Programmes, as well as policy coherence for development shall be ensured. ***The Union shall take account of the objectives of development cooperation in the policies that it applies which are likely to affect developing countries.*** [Am. 96]
 - 1a. ***The Union and Member States shall coordinate their respective support programmes with the aim of increasing effectiveness and efficiency of their delivery and preventing overlapping of funding.*** [Am. 97]
 - 1b. ***In applying this Regulation, the Commission and the EEAS shall duly take into consideration the positions of the European Parliament.*** [Am. 98]
2. Actions falling within the scope of Council Regulation (EC) No 1257/96 shall not be funded under this Regulation.
3. Where appropriate, other Union Programmes may contribute to actions established under this Regulation, provided that the contributions do not cover the same costs. This Regulation may also contribute to measures established under other Union Programmes, provided that the contributions do not cover the same costs. In such cases, the work programme covering those actions shall establish which set of rules shall be applicable.

Article 6

Budget

1. The financial envelope for the ~~implementation~~ **application** of this Regulation for the period 2021 – 2027 shall be EUR ~~89 200~~**82 451 million in 2018 prices (EUR 93 154 million in current prices) [100 %]. [Am. 99]**
2. The financial envelope referred to in paragraph 1 shall be composed of:
 - (a) EUR ~~68 000~~**63 687 million in 2018 prices (EUR 71 954 million in current prices) [77,24 %]** for geographic programmes: **[Am. 100]**
 - Neighbourhood at least EUR ~~22 000~~**20 572 million in 2018 prices (EUR 23 243 million in current prices) [24,95 %], [Am. 101]**
 - Sub-Saharan Africa at least EUR ~~32 000~~**30 723 million in 2018 prices (EUR 34 711 million in current prices) [37,26 %], [Am. 102]**
 - Asia and the Pacific EUR **8 851 million in 2018 prices (EUR 10 000 million in current prices) [10,73 %], including at least EUR 620 million in 2018 prices (EUR 700 million in current prices) for the Pacific, [Am. 103]**
 - Americas and the Caribbean EUR **3 540 million in 2018 prices (EUR 4 000 million in current prices) [4,29 %], including EUR 1 062 million in 2018 prices (EUR 1 200 million in current prices) for the Caribbean, [Am. 104]**

- (b) EUR ~~7 000~~ 9 471 million *in 2018 prices (EUR 10 700 million in current prices)* [11,49 %] for thematic programmes: [Am. 105]
- Human Rights and Democracy ~~EUR 1 500~~ *at least EUR 1 770 million in 2018 prices (EUR 2 000 million in current prices) [2,15 %], with up to 25 % of the programme to be devoted to the funding of EU Election Observation Missions*, [Am. 106]
 - Civil Society Organisations ~~EUR 1 500~~ (CSOs) and Local Authorities (LAs) *EUR 2 390 million in 2018 prices (EUR 2 700 million in current prices) [2,90 %], of which EUR 1 947 million in 2018 prices (EUR 2 200 million in current prices) [2,36 %] for CSOs and EUR 443 million in 2018 prices (EUR 500 million in current prices) [0,54 %] for LAs*, [Am. 107]
 - Stability and Peace *EUR 885 million in 2018 prices (EUR 1 000 million in current prices) [1,07 %]*, [Am. 108]
 - Global Challenges ~~EUR 3 000~~ 3 983 million *in 2018 prices (EUR 4 500 million in current prices) [4,83 %]*, [Am. 109]
 - *Foreign Policy Needs and Priorities EUR 443 million in 2018 prices (EUR 500 million in current prices) [0,54 %]*, [Am. 110]

- (c) EUR ~~4 000~~ **3 098** million *in 2018 prices (EUR 3 500 million in current prices)* [3,76 %] for rapid response actions:
- *Stability and conflict prevention in situations of urgency, emerging crisis, crisis and post-crisis EUR 1 770 million in 2018 prices (EUR 2 000 million in current prices) [2,15 %],*
 - *Strengthening resilience of states, societies, communities and individuals and linking humanitarian aid and development action EUR 1 328 million in 2018 prices (EUR 1 500 million in current prices) [1,61 %], [Am. 111]*
3. The emerging challenges and priorities cushion of an amount of EUR ~~4 000~~ **196** million *in 2018 prices (EUR 7 000 million in current prices) [7,51 %]*, shall increase the amounts referred to in paragraph 2 in accordance with Article 15. [Am. 112]
4. The financial envelope referred to in paragraph 2 (a) shall correspond to at least 75 % of the financial envelope referred to in paragraph 1.
- 4a. *The actions under Article 9 shall be financed to up to the amount of EUR 270 million.* [Am. 113]
- 4b. *The annual appropriations shall be authorised by the European Parliament and by the Council within the limits of the multiannual financial framework during the budgetary procedure, after the priorities have been agreed by the Institutions.* [Am. 114]

Article 7

Policy framework

The association agreements, partnership and cooperation agreements, ~~multilateral~~ *trade* agreements, and other agreements that establish a legally binding relationship with partner countries, *recommendations and acts adopted in the bodies set up by those agreements*, as well as *relevant multilateral agreements, Union legislative acts*, European Council conclusions, ~~and~~ Council conclusions, summit declarations ~~or~~ *and other international declarations and* conclusions of high-level meetings with partner countries, ~~relevant~~ European Parliament resolutions, ~~communications of the Commission or Joint~~ *and positions*, communications of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy *and United Nations Conventions and resolutions*, shall constitute the overall policy framework for the ~~implementation~~ *application* of this Regulation. [Am. 115]

Article 8

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, ***through action in the United Nations and other international fora and through its cooperation with civil society organisations, local authorities and private actors, the principles on which it is founded, namely democracy, the rule of law, good governance, 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. Funding under this Regulation shall comply with these principles, as well as with the Union's commitments under international law. [Am. 116]***
- 1a. ***Consistent with Articles 2 and 21 TEU, the Union's contribution to democracy and the rule of law and to the promotion and protection of human rights and fundamental freedoms shall be rooted in the Universal Declaration Human Rights, international human rights law and international humanitarian law. [Am. 117]***

2. A rights-based approach encompassing all human rights, whether civil and political or economic, social and cultural shall be applied in order to integrate human rights principles, to support the right holders in claiming their rights with a focus on ~~poorer and more~~ ***marginalised and vulnerable groups, including minorities, women, children and youth, older people, indigenous people, LGBTI persons, and persons with disabilities, on essential labour rights and social inclusion***, and to assist partner countries in implementing their international human rights obligations. This Regulation shall promote gender equality and ~~women's~~ ***the empowerment of women, youth and children, including with regard to sexual and reproductive health and rights***. [Am. 118]
3. The Union shall support, as appropriate, the implementation of bilateral, regional and multilateral cooperation and dialogue, partnership agreements and triangular cooperation. The Union shall promote a multilateral and ~~rules-based~~ ***rules- and values-based*** approach to global ***public*** goods and challenges and shall cooperate with Member States, partner countries, international organisations, ***including international financial institutions and UN agencies, funds and programmes***, and other donors in that respect. [Am. 119]

The Union shall foster cooperation with international ***and regional*** organisations and other donors. [Am. 120]

In relations with partner countries, their track record in implementing commitments, international agreements, ***in particular the Paris Agreement***, and contractual relations with the Union, ***in particular association agreements, partnership and cooperation agreements and trade agreements***, shall be taken into account. [Am. 121]

4. Cooperation 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 development effectiveness principles, ~~where applicable~~, ***across all modalities*** namely: ownership of development priorities by partner countries, a focus on results, inclusive development partnerships, transparency and mutual accountability, ***and alignment to the priorities of partner countries***. The Union shall promote effective and efficient resource mobilisation and use. **[Am. 122]**

In line with the principle of inclusive partnership, ~~where appropriate~~, the Commission shall ensure that relevant stakeholders of partner countries, including civil society organisations and local authorities, are duly consulted and have timely access to relevant information allowing them to play a meaningful role during the design, ~~implementation~~ ***application*** and associated monitoring processes of programmes. **[Am. 123]**

In line with the principle of ownership the Commission, where appropriate, shall favour the use of partner countries' systems for the ~~implementation~~ ***application*** of programmes. **[Am. 124]**

5. In order to promote the complementarity and efficiency of their action, the Union and the Member States shall coordinate their policies and shall consult each other on their assistance programmes, including in international organisations and during international conferences.
6. Programmes and actions under this Regulation shall mainstream climate change, environmental protection and ***in accordance with Art. 11 TFEU, disaster risk reduction and preparedness, human development, conflict prevention and peace building***, gender equality ***and the empowerment of women, children and youth, non-discrimination, education and culture, and digitalisation*** and shall address interlinkages between Sustainable Development Goals, to promote integrated actions that can create co-benefits and meet multiple objectives in a coherent way. These programmes and actions shall be based on an analysis of ***capacities***, risks and vulnerabilities, integrate a ***people and community centred*** resilience approach and be conflict sensitive. They shall be guided by the ~~principle~~ ***principles*** of leaving no one behind ***and “do no harm”***. [Am. 125]

7. ***Without prejudice to the other objectives of Union external action,*** a more coordinated, holistic and structured approach to migration shall be pursued, with partners and its effectiveness be regularly assessed, ***without conditioning the allocation of development aid to third countries to cooperation on migration management and in full respect of human rights, including the right of every individual to leave his or her country of origin.*** [Am. 126]

7a. *The Commission shall ensure that actions adopted under this Regulation in relation to security, stability and peace, in particular with regard to capacity building of military actors in support of development and security for development, fight against terrorism and organised crime, and cyber-security, are carried out in accordance with international law, including international human rights and humanitarian law. The Commission may develop roadmaps jointly with the beneficiary partners to improve the institutional and operational compliance of military actors with transparency and human rights standards. The Commission shall carefully monitor, evaluate and report on the application of such actions for each relevant objective pursuant to Article 31 in order to ensure compliance with human rights obligations. For such actions, the Commission shall pursue a conflict sensitive approach, including a rigorous and systematic ex ante conflict analysis which fully integrates gender analysis, in addition to the provisions on risk management under Article 8(8)b. The Commission shall adopt a delegated act in accordance with Article 34 supplementing this Regulation by establishing an operational framework, based on the existing guidance to ensure that human rights are taken into consideration in the design and application of the measures referred to in this Article, 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. [Am. 127]*

8. The Commission shall ***regularly*** inform and have ~~regular exchanges of views~~ ***meaningful policy dialogues*** with the European Parliament, ***at its own initiative and when requested by the European Parliament.*** [Am. 128]
- 8a. ***The Commission shall have regular exchanges of information with civil society and local authorities.*** [Am. 129]
- 8b. ***The Commission shall adopt a delegated act in accordance with Article 34 supplementing this Regulation by establishing an appropriate risk management framework, including an assessment and mitigations measures for each relevant objective of the Regulation.*** [Am. 130]
- 8c. ***Transparency and accountability, with a strong focus on reporting and scrutiny shall underpin the entire instrument. That shall comprise a transparent control system, including the reporting of information on the recipients of funds and whether payments have been made on time.*** [Am. 131]

Article 9

Capacity building of military actors in support of development and security for development

1. ~~In accordance with Article 41(2) of the Treaty on European Union,~~ Union funding under this Regulation shall not be used to finance the procurement of arms or ammunition, or operations having military or defence implications. ***Any equipment, service or technology supplied under this Regulation shall be subject to strict transfer controls as set out in the Common Position 944/2008/CFSP, the Dual-Use Regulation and any other Union restrictive measures in force. In accordance with Regulation (EU) .../... [EU Regulation on Products used for Capital Punishment and Torture], this Regulation shall not be used to finance the provision of any type of equipment that may be used for torture, mistreatment or other human rights violations. [Am. 132]***
2. In order to contribute to sustainable development, which requires the achievement of stable, peaceful and inclusive societies, Union assistance under this Regulation may be used in the context of a wider security sector reform or to build the capacity of military actors in partner countries, under the exceptional circumstances set out in paragraph 4, to deliver development activities and security for development activities, ***in line with the overarching objective of achieving sustainable development. [Am. 133]***

3. Assistance pursuant to this Article may cover in particular the provision of capacity building programmes in support of development and security for development, including training, mentoring and advice, as well as the provision of equipment, infrastructure improvements and services directly related to that assistance.
4. Assistance pursuant to this Article shall be provided only:
 - (a) where requirements cannot be met by recourse to non-military actors to adequately reach Union objectives under this Regulation and there is a threat to the existence of functioning State institutions or to the protection of human rights and fundamental freedoms and State institutions cannot cope with that threat; and
 - (b) where a consensus exists between the partner country concerned and the Union that military actors are key for preserving, establishing or re-establishing the conditions essential for sustainable development ***and that those military actors are not implicated in human rights violations or pose a threat to the functioning of State institutions***, including in crises and fragile or destabilised contexts and situations.

[Am. 134]

5. Union assistance pursuant to this Article shall not be used to finance capacity building of military actors for purposes other than the delivery of development activities and security for development activities. In particular, it shall not be used to finance:
- (a) recurrent military expenditure;
 - (b) the procurement of arms and ammunition, or any other equipment designed to deliver lethal force;
 - (c) training which is designed to contribute specifically to the fighting capacity of the armed forces.

6. When designing and ~~implementing~~ **applying** measures pursuant to this Article, the Commission shall promote ownership by the partner country. It shall also develop the necessary elements and the good practices required to ensure sustainability **and accountability** in the medium and long term and shall promote the rule of law and established international law principles. ***The Commission shall ensure that those measures generate direct human security benefits for the population, are integrated into a broader security sector reform policy comprising strong democratic and parliamentary oversight and accountability elements, including in terms of improved security service provision, and fit into long-term peace and development strategies designed to address the root causes of conflict. The Commission shall also ensure that actions aimed at reforming military forces contribute to making them more transparent, accountable and compliant with the human rights of those coming under their jurisdiction. For measures aimed at providing partner military forces with equipment, the Commission shall specify the type of equipment to be provided in the context of each measure. The Commission shall apply the provisions specified under Article 8 – paragraph 8 b (new) in order to ensure that this equipment will be used only by its intended beneficiaries.*** [Am. 135]

7. The Commission shall ~~establish appropriate risk assessment, monitoring and~~ ***undertake, within the*** evaluation procedures for measures pursuant to this Article 32, ***and in particular with regard to a mid-term evaluation, joint evaluations with Member States. The results shall inform programme design and resource allocation, and further enhance the consistency and complementarity of the Union's external action.*** [Am. 136]

TITLE II

~~IMPLEMENTATION~~ **APPLICATION** OF THIS REGULATION [Am. 137]

Chapter I

Programming

Article 9a

Scope of the Geographic programmes

1. *Union cooperation activities under this Article shall be applied for activities of a local, national, regional, trans-regional and continental nature.*
2. *In order to attain the objectives laid down in Article 3, geographic programmes shall be drawn up from the following areas of cooperation:*
 - (a) *good governance, democracy, rule of law, human rights, fundamental freedoms and civil society;*
 - (b) *poverty eradication, fight against inequalities and human development;*
 - (c) *migration and mobility;*
 - (d) *environment and climate change;*
 - (e) *inclusive and sustainable economic growth and decent employment;*
 - (f) *security, stability and peace;*
 - (g) *partnership;*
3. *Further details of the areas of cooperation referred to in paragraph 2 are set out in Annex II. [Am. 138]*

Article9b

Scope of the thematic programmes

1. *Thematic programmes shall cover the following areas of intervention:*

(a) *Human Rights, Fundamental Freedoms and Democracy:*

- protecting and promoting human rights and human rights defenders in countries and urgency situations where human rights and fundamental freedoms are most at risk, including through addressing urgent protection needs of human rights defenders in a flexible and comprehensive manner.*
- upholding human rights and fundamental freedoms for all, contributing to forging societies in which participation, non-discrimination, equality, social justice and accountability prevails.*

- *consolidating and supporting democracy, addressing all aspects of democratic governance, including reinforcing democratic pluralism, enhancing citizen participation, including through supporting citizen election observation organisations and their regional networks worldwide, creating an enabling environment for civil society and supporting credible, inclusive and transparent electoral processes throughout the entire electoral cycle, in particular by means of EU Election Observation Missions (EU EOMs).*
- *promoting effective multilateralism and strategic partnerships contributing to reinforcing capacities of international, regional and national frameworks and empowering local actors in promoting and protecting human rights, democracy and the rule of law.*
- *fostering new cross-regional synergies and networking among local civil societies and between civil society and other relevant human rights bodies and mechanisms so as to maximise the sharing of best practices on human rights and democracy, and create positive dynamics.*

(b) Civil Society Organisations and Local Authorities:

- *supporting inclusive, participatory, empowered and independent civil society in partner countries;*
- *promoting dialogue with and between civil society organisations;*
- *supporting capacity building of local authorities and mobilising their expertise to promote a territorial approach to development;*
- *increasing awareness, knowledge and engagement of Union citizens about objectives specified in Article 3 of this Regulation;*
- *supporting civil society to participate in public policy advocacy and dialogue with governments and international institutions;*
- *supporting civil society to sensitise consumers and citizens and raise their awareness about environmental friendly and fair trade production and consumption, to encourage them to adopt more sustainable behaviour;*

(c) *Stability and Peace*

- *assistance for conflict prevention, peace-building and crisis preparedness;*
- *assistance in addressing global and trans-regional threats and emerging threats;*

(d) *Global challenges*

- *health,*
- *education,*
- *gender equality,*
- *children and youth,*
- *migration and forced displacement,*
- *decent work, social protection and inequality,*
- *culture,*
- *ensuring a healthy environment and tackling climate change,*
- *sustainable energy,*
- *sustainable and inclusive growth, decent jobs and private sector engagement,*
- *food and nutrition,*
- *promoting inclusive societies, good economic governance, and transparent public finance management,*
- *access to safe water, sanitation and hygiene,*

(e) Foreign Policy Needs and Priorities

- *providing support for the Union's bilateral, regional and inter-regional cooperation strategies, promoting policy dialogue and developing collective approaches and responses to challenges of global concern;*
- *providing support for Union trade policy;*
- *contributing to the implementation of the international dimension of internal Union policies and promoting the widespread understanding and visibility of the Union and of its role on the world scene;*

2. Further details of the areas of cooperation referred to in paragraph 1 are set out in Annex III. [Am. 139]

Article 10

General programming approach

1. Cooperation and interventions under this Regulation shall be programmed, except for rapid response actions referred to in Article 4 (4).
2. On the basis of Article 7, programming under this Regulation shall be based on the following:
 - (a) programming documents shall provide a coherent framework for cooperation between the Union and partner countries or regions, consistent with the overall purpose and scope, objectives and principles set out in this Regulation, ***and based on Union strategy towards a partner country or region or based on Union thematic strategies; [Am. 140]***
 - (b) 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. Joint programming shall be the preferred approach for country programming. Joint programming shall be open to other donors where relevant;

- (c) the Union shall ~~also consult~~ ***at an early stage and throughout the programming process encourage a regular multi-stakeholder and inclusive dialogue with other Union and non-Union*** donors and actors, including representatives of civil society and local authorities, ~~where relevant~~; ***and private and political foundations. The European Parliament shall be informed about the outcome of those consultations.*** [Am. 141]
- (d) the Human Rights and Democracy, ~~and~~ Civil Society ***Organisations and Local Authorities, and Stability and Peace*** thematic programmes referred to in Article 4(3)(a) ~~and~~ (b) ***and (c)*** shall provide assistance independently of the consent of governments and other public authorities of the third countries concerned. ~~These~~ ***The Human Rights and Democracy, and the Civil Society Organisations and Local Authorities*** thematic programmes shall mainly support civil society, ~~organisations~~ ***including human rights defenders and journalists under pressure.*** [Am. 142]

Article 11

Programming principles for geographic programmes [Am. 143]

- 1. ***Programming under this Regulation shall have due regard to human rights, fundamental freedoms, good governance and democracy in partner countries.*** [Am. 144]
 - 1a. ***The preparation, application and review of all programming documents under this Article shall comply with the principles of policy coherence for development and those of aid effectiveness.*** [Am. 145]
 - 1b. ***Geographic and thematic programmes shall be complementary and coherent with each other, and create added value.*** [Am. 146]
1. Programming of geographic programmes shall be based on the following principles:
- (a) without prejudice to paragraph 4, actions shall be based, ~~to the extent possible, on a~~ ***on an inclusive*** dialogue between ***the institutions of*** the Union, the Member States and the partner countries concerned, including national and local ***and regional*** authorities, involving civil society ***organisations, regional,*** national and local parliaments, ***communities*** and other stakeholders, in order to enhance ***democratic*** ownership of the process and to encourage support for national and regional strategies; [Am. 147]
 - (b) ~~where appropriate~~ ***whenever possible,*** the programming period shall be synchronised with the strategy cycles of partner countries; [Am. 148]
 - (c) programming may envisage cooperation activities funded from different allocations listed in Article 6(2) and from other Union Programmes according to their basic acts.

2. ***Without prejudice to paragraph 1***, programming of geographic programmes shall provide a specific, tailor-made framework for cooperation based on: **[Am. 149]**
- (a) the partners' needs, established on the basis of specific criteria ***and in-depth analysis***, taking into account the population, poverty, inequality, human development, ***the state of human rights, fundamental freedoms, democracy and gender equality, civic space***, economic and environmental vulnerability, and state and societal resilience; **[Am. 150]**
 - (b) the partners' capacities ~~to generate and access financial~~ ***of mobilisation and effective use of domestic resources to support national development priorities*** and on their absorption capacities; **[Am. 151]**
 - (c) the partners' commitments, ~~and performance~~ ***including those jointly agreed with the Union, and efforts***, established on the basis of criteria such as political reform, ~~and~~ ***progress in the rule of law, good governance, human rights and the fight against corruption***, economic and social development, ***environmental sustainability, and the effective use of aid***; **[Am. 152]**
 - (d) the potential impact of Union funding in partner countries and regions;
 - (e) the partner's capacity and commitment to promote shared ***values, principles and fundamental*** interests ~~and values~~, and to support common goals and multilateral alliances, as well as the advancement of Union priorities. **[Am. 153]**

3. The countries most in need, in particular the Least Developed Countries, low income countries, countries in crisis, post-crisis, fragile and vulnerable situations, including small islands developing states, shall be given priority in the resource allocation process.
4. Cooperation with industrialised countries shall focus on the promotion of Union and mutual interests, *as well as shared fundamental interests and values, commonly agreed objectives and multilateralism. Such cooperation shall be, where relevant, based on a dialogue between the Union, including the European Parliament, and the Member States, involving civil society.* [Am. 154]
5. Programming documents for ~~geographic programmes~~ shall be ~~results-based and shall take into account~~ *results oriented and include, wherever possible, clear targets and indicators to measure progress and impact of Union assistance. Indicators may be based,* where appropriate, *on* internationally agreed ~~targets and indicators~~, *standards* in particular those set out for the Sustainable Development Goals, as well as country-level result frameworks; ~~to assess and communicate the Union contribution to results, at the level of outputs, outcomes and impact.~~ [Am. 155]

6. When drawing up the programming documents for countries and regions in crisis, or post-crisis, fragile and vulnerable situations, due account shall be taken of the special needs and circumstances of the countries or regions concerned, ***as well as vulnerabilities, risks and capacities in order to increase resilience. Attention shall also be paid to conflict prevention, State and peace-building, post-conflict reconciliation and reconstruction, disaster preparedness as well as to the role of women and the rights of children in those processes. A human-rights based and people-centred approach shall be applied.***

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 amongst all relevant actors to help ***the prevention of violence and*** the transition from an emergency situation to the development phase. [Am. 156]

7. This Regulation shall contribute ***from the programmes established under Article 4(2) of this Regulation*** to actions established under the Erasmus Regulation. ***An indicative amount of EUR 2 000 000 000 from the geographical programmes should be allocated to actions dedicated to mobility, cooperation and political dialogue with the authorities, institutions and organisations of the partner countries.*** A single programming document shall be drawn up from this Regulation for seven years, including funds from the IPA III Regulation. The Erasmus Regulation shall apply to the use of these funds, ***while ensuring conformity with the IPA III Regulation.*** [Am. 157]

7a. *This Regulation shall contribute to actions established under the Creative Europe Regulation. A single programming document shall be drawn up from this Regulation for seven years, including funds from the IPA III Regulation. The Creative Europe Regulation shall apply to the use of these funds. [Am. 158]*

Article 12

Programming documents for geographic programmes

- 1. *The Commission is empowered to adopt delegated acts in accordance with Article 34 in order to supplement non-essential elements of this Regulation by establishing frameworks for each specific country and multi-country multiannual programme. Those framework provisions shall:***
- (a) specify the priority areas among the ones defined in Articles 9a and 15b;***
 - (b) lay down the specific detailed and measurable objectives of each programme;***
 - (c) set expected results with measurable targets, and clear and specific performance indicators linked to the objectives;***
 - (d) set out the indicative financial allocation both overall and per priority area;***
 - (e) establish cooperation modalities, including contributions to the External Action Guarantee. [Am. 159]***

1. ~~The implementation of this Regulation shall be carried out for geographic programmes through multiannual country and multi-country indicative programmes. [Am. 160]~~
2. ~~Multiannual indicative programmes shall set out the priority areas selected for Union financing, the specific objectives, the expected results, clear and specific performance indicators, and the indicative financial allocations, both overall and per priority area. [Am. 161]~~
3. The multiannual ~~indicative~~ programmes shall be built on: [Am. 162]
 - (-a) *a report containing an analysis in accordance with Article 11(2) of the needs, capacities, commitments and performance of partner country or countries concerned and the potential impact of Union funding, as well as one or more of the following:* [Am. 163]
 - (a) a national or regional strategy in the form of a development plan or a similar document *based on a meaningful consultation with the local population and civil society and* accepted by the Commission as a basis for the corresponding multiannual ~~indicative~~ programme, at the time of adoption of the latter document; [Am. 164]
 - (b) a ~~framework~~ document laying down the Union policy towards the concerned partner or partners, including a joint document between the Union and Member States; [Am. 165]
 - (c) a joint document between the Union and the concerned partner or partners setting out common priorities.

4. To increase the impact of collective cooperation of the Union, where possible, a joint programming document shall replace the Union's and Member States programming documents. A joint programming document may replace the Union's multiannual indicative programme, provided it ***is approved in an act adopted in accordance with Article 14 and*** complies with Articles 10 and 11, contains the elements listed in paragraph 2 of this Article and sets out the division of labour between the Union and Member States. **[Am. 166]**
- 4a. ***Multiannual programmes 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 21.*** **[Am. 167]**

Article 13

Programming documents for thematic programmes

- 1. *The Commission is empowered to adopt delegated acts in accordance with Article 34 in order to supplement non-essential elements of this Regulation by establishing frameworks for each specific thematic multiannual programme. Those framework provisions shall:***
- (a) specify the priority areas among the ones defined in Article 9b;***
 - (b) lay down the specific detailed and measurable objectives of each programme;***
 - (c) set expected results with measurable targets, and clear and specific performance indicators linked to the objectives;***
 - (d) set out the indicative financial allocation both overall and per priority area;***
 - (e) establish cooperation modalities. [Am. 168]***
- ~~1. The implementation of this Regulation shall be carried out for thematic programmes through multiannual indicative programmes. [Am. 169]~~

2. ~~Multiannual indicative programmes for thematic programmes shall set out the Union's strategy, the priorities selected for financing by the Union, the specific objectives, the expected results, clear and specific performance indicators, and the international situation and the activities of the main partners for the theme concerned. [Am. 170]~~

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

~~Multiannual indicative programmes for thematic programmes shall set out the indicative financial allocation, overall, by area of cooperation and by priority. The indicative financial allocation may be given in the form of a range. [Am. 171]~~

The framework provisions referred to in Articles 12 and 13 shall be built on a report containing an analysis of the international situation and of the activities of the main partners for the theme concerned and indicating the results expected from the programme. [Am. 172]

- 2a. *Multiannual programmes 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 21. [Am. 173]*

Article 14

Adoption and amendment of multiannual ~~indicative~~ programmes [Am. 174]

1. The Commission shall ~~adopt~~ **is empowered to adopt delegated acts in accordance with Article 34 in order to supplement non-essential elements of this Regulation by establishing frameworks for** multiannual ~~indicative~~ programmes referred to in Articles 12 and 13 by means of ~~implementing~~ **delegated** acts. Those ~~implementing~~ **delegated** acts shall be adopted in accordance with the ~~examination~~ procedure referred to in Article ~~35(2)~~ **34**. This procedure shall also apply to reviews referred to in paragraphs 3, 4 and 5 of this Article, ~~which have the effect of significantly modifying the content of the multiannual indicative programme.~~ [Am. 175]
2. When adopting joint multi-annual programming documents referred to in Article 12, the ~~Commission decision~~ **delegated act** shall only apply to the Union's contribution to the joint multiannual programming document. [Am. 176]

3. Multiannual ~~indicative~~ programmes for geographic *and thematic* programmes may be reviewed where necessary for effective implementation, in particular where there are substantive changes in the policy framework *shall expire on 30 June 2025 at the latest. The Commission shall adopt new multiannual programmes by 30 June 2025, based on the results, findings and conclusions of the mid-term evaluation* referred to in Article 7 or following a crisis or post-crisis situation **32. [Am. 177]**
4. Multiannual ~~indicative~~ programmes for thematic programmes may be reviewed *modified* where necessary for effective implementation *application*, in particular where there are substantive changes in the policy framework referred to in Article 7. *Multiannual programmes shall be modified in cases where the mobilisation of the emerging challenges and priorities cushion requires a change of the framework provisions of the relevant programme.* **[Am. 178]**
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 amend multiannual ~~indicative~~ programmes referred to in Articles 12 and 13 of this Regulation by implementing *delegated* acts adopted in accordance with the urgency procedure referred to in Article 35(4) **34a. [Am. 179]**

Article 15

Emerging challenges and priorities cushion

1. The amount referred to in Article 6(3) shall be used ~~inter alia~~ ***in duly justified cases, with priority given to the countries most in need, and in full complementarity and consistency with acts adopted under this Regulation: [Am. 180]***
 - (a) to ensure an appropriate response of the Union in the event of unforeseen ~~circumstances~~ ***needs not covered by programmes and programming documents; [Am. 181]***
 - (b) to address new needs or emerging challenges, such as those at the Union's or its neighbours' borders ***or those in third countries*** linked to crisis, ***either natural or man-made***, and post-crisis situations or ~~migratory pressure~~ ***to migration phenomena, in particular forced displacement; [Am. 182]***
 - (c) to promote ***or respond to*** new ~~Union-led~~ or international initiatives or priorities. **[Am. 183]**
2. The use of these funds shall be decided in accordance with the procedures established in Articles 14 and 21.

Article 15a

Suspension of assistance

1. *Without prejudice to the provisions on the suspension of aid in agreements with partner countries and regions, where a partner country persistently fails to observe the principles of democracy, the rule of law, good governance, respect for human rights and fundamental freedoms, or nuclear safety standards, the Commission shall be empowered, in accordance with Article 34, to adopt delegated acts amending Annex VII-a, by adding a partner country to the list of partner countries for which Union assistance is suspended or partly suspended. In the case of a partial suspension, the programmes for which the suspension applies shall be indicated.*
2. *Where the Commission finds that the reasons justifying the suspension of assistance no longer apply, it shall be empowered to adopt delegated acts, in accordance with Article 34 to amend Annex VII-a in order to reinstate Union assistance.*
3. *In cases of partial suspension, Union assistance shall primarily be used to support civil society organisations and non-state actors for measures aimed at promoting human rights and fundamental freedoms and supporting democratisation and dialogue processes in partner countries.*
4. *The Commission shall take due account of relevant European Parliament resolutions in its decision-making. [Am. 184]*

Chapter II

Specific provisions for the Neighbourhood

Article 15b

Specific objectives for the neighbourhood area

- 1. *In accordance with Articles 3 and 4, Union support under this Regulation in the Neighbourhood area shall have as objectives:***
 - (a) enhancing political cooperation and ownership of the European Neighbourhood Policy by the Union and its partner countries;***
 - (b) supporting the implementation of association agreements, or other existing and future agreements, and jointly agreed association agendas and partnership priorities or equivalent documents;***
 - (c) strengthening and consolidating democracy, state-building, good governance, rule of law and human rights as well as promoting a more effective way of implementing reforms agreed in mutual formats;***
 - (d) stabilising the neighbourhood in political, economic and security terms;***

- (e) enhancing regional cooperation, in particular in the framework of the Eastern Partnership, the Union for the Mediterranean, and European Neighbourhood-wide collaboration as well as cross-border cooperation;*
- (f) 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, support to affected populations and reconstruction, and respect for multilateralism and international law;*
- (g) promoting a strengthened partnership with societies between the Union and the partner countries, including through enhanced mobility and people-to-people contacts, in particular in relation to cultural, educational, professional and sporting activities;*
- (h) intensifying cooperation on both regular and irregular migration;*

- (i) 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;*
- (j) supporting sustainable, inclusive and socially beneficial economic and social development for all by promoting job creation and employability, in particular for young people;*
- (k) contributing to the implementation of the Paris Agreement by strengthening cooperation on energy security and promoting renewable energy, sustainable energy and energy efficiency objectives;*
- (l) encouraging the establishment of thematic frameworks with the neighbouring countries of neighbourhood partner countries to address common challenges such as migration, energy, security and health. [Am. 185]*

Article 16

Programming documents and allocation criteria

1. For partner countries listed in Annex I, priority areas for Union financing shall be mainly selected from those included in documents referred to in Article 12(3)(c), in accordance with the areas of cooperation of the Neighbourhood area set out in Annex II.
2. By way of derogation from Article 11(2), Union support under geographic programmes in the Neighbourhood area shall be differentiated in form and amounts, taking into account the following elements, reflecting the partner country's:
 - (a) needs, using indicators such as population and level of development;
 - (b) commitment to and progress in implementing jointly agreed political, economic, *environmental* and social reform objectives; **[Am. 186]**
 - (c) commitment to and progress in building deep and sustainable democracy, *including the promotion of human rights, good governance, the upholding of the rule of law and the fight against corruption*; **[Am. 187]**
 - (ca) *commitment to multilateralism*; **[Am. 188]**
 - (d) partnership with the Union, including the level of ambition for that partnership;
 - (e) absorption capacity and potential impact of Union support under this Regulation.
3. The support referred to in paragraph 2 shall be reflected in the programming documents referred to in Article 12.
- 3a. *Union support to partner countries listed in Annex I shall be applied in compliance with the co-financing principle set out in Article 190 of the Financial Regulation.* **[Am. 189]**

Article 17

Performance-based approach

1. ~~Indicatively~~ ***At least*** 10 % of the financial envelope set out in Article 4(2)(a) ***6(2)(a) first indent***, to supplement the country financial allocations referred to in Article 12 shall be allocated to partner countries listed in Annex I in order to ~~implement~~ ***apply*** the performance-based approach. The performance-based allocations shall be decided on the basis of their progress towards democracy, human rights, rule of law, ***good governance***, cooperation on ***safe, orderly and regular*** migration, economic governance and ***implementing agreed*** reforms. The progress of partner countries shall be assessed annually ***with the active involvement of civil society, in particular by means of country progress reports which include trends as compared to previous years.*** [Am. 190]
 - 1a. ***The application of the performance-based approach under this Regulation shall be the subject of a regular exchange of views in the European Parliament and in the Council.*** [Am. 191]
2. The performance-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 degradation of democracy, human rights or rule of law, support to these actions may ***shall*** be increased, ***where appropriate.*** [Am. 192]
 - 2a. ***The Commission and EEAS shall review the performance-based support in the event of serious or persistent degradation of democracy, human rights or rule of law.*** [Am. 193]
 - 2b. ***The Commission shall adopt a delegated act in accordance with Article 34 to supplement this Regulation establishing the methodological framework of the performance-based approach.*** [Am. 194]

Article 18

Cross-Border Cooperation

1. Cross-border cooperation, as defined in Article 2(3), shall cover cooperation on adjacent land *and maritime* borders, transnational cooperation over larger transnational territories, maritime cooperation around sea-basins, as well as interregional cooperation. ***Cross-border cooperation shall aim to be coherent with the objectives of existing and future macro-regional strategies and regional integration processes.*** [Am. 195]
2. The Neighbourhood area shall contribute to cross-border cooperation programmes referred to in paragraph 1 co-financed by the European Regional Development Fund in the framework of Regulation (EU) .../... of the European Parliament and of the Council⁴⁷ ('ETC Regulation'). Up to 4 % of the financial envelope for the Neighbourhood area shall be indicatively allocated to support those programmes.
3. Contributions to cross-border cooperation programmes shall be determined and used pursuant to Article 10(3) of the ETC Regulation.

⁴⁷ COM(2018)0374 Proposal for a Regulation of the European Parliament and of the Council on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments.

4. The Union co-financing rate shall not be higher than 90 % of the eligible expenditure of a cross-border cooperation programme. For technical assistance the co-financing rate shall be 100 %.
5. Pre-financing for cross-border cooperation programmes shall be determined in the work programme in accordance with needs of the participating third countries and territories and may exceed the percentage referred to in Article 49 of the ETC Regulation.
6. A multiannual indicative strategy document for cross border cooperation, setting out the elements referred to in Article 12(2) of this Regulation, shall be adopted in accordance with Article 10(1) of the ETC Regulation.
7. Where cross-border cooperation programmes are discontinued in accordance with Article 12 of the ETC Regulation, support from the Neighbourhood area to the discontinued programme that remains available may be used to finance any other activity under the Neighbourhood area.

Chapter III

~~Action plans, measures and implementing methods~~ **Execution [Am. 196]**

Article 19

Action plans and measures

1. The Commission shall adopt annual or multiannual action plans or measures. The measures may take the form of individual measures, special measures, support measures or exceptional assistance measures. Action plans and measures shall specify for each action the objectives pursued, the expected results and main activities, the methods of ~~implementation~~ **application**, the budget and any associated support expenditures. **[Am. 197]**

2. Action plans shall be based on programming documents, except for cases referred to in paragraphs 3 and 4.

When necessary, an action may be adopted as an individual measure before or after the adoption of action plans. Individual measures shall be based on programming documents, except for cases referred to in paragraph 3 and in other duly justified cases.

In the event of unforeseen needs or circumstances, and when funding is not possible from more appropriate sources, the Commission may adopt special measures not ~~provided for in~~ **based on** the programming documents. **[Am. 198]**

3. Annual or multiannual action plans and individual measures may be used to ~~implement~~ **execute** rapid response actions referred to in Article 4(4)(b) and ~~(e)~~. [Am. 199]

4. The Commission may adopt exceptional assistance measures for rapid response actions as referred to in Article 4(4)(a).

~~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. [Am. 200]~~

~~In cases of protracted crisis and conflict, the Commission may adopt a second exceptional assistance measure of a duration of up to 18 months. In duly justified cases further measures may be adopted where the continuity of the Union's action is essential and cannot be ensured by other means. [Am. 201]~~

4a. Measures taken under Article 19 (3) and (4) 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 execution, 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. In duly justified cases, further measures may be adopted where the continuity of the Union's action under this paragraph is essential and cannot be ensured by other means. [Am. 202]

Article 20

Support measures

1. Union financing may cover support expenditure for the ~~implementation~~ **execution** of the Instrument and for the achievement of its objectives, including administrative support associated with the preparation, follow-up, monitoring, control, audit and evaluation activities necessary for such ~~implementation~~ **execution**, as well as expenditure at headquarters and Union delegations for the administrative support needed for the programme, and to manage operations financed under this Regulation, including information and communication actions, and corporate information technology systems.
[Am. 203]
2. When support expenditure is not included in the action plans or measures referred to in Article 21, the Commission shall adopt, where applicable, support measures. Union financing under support measures 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 programming and management of actions, including remunerated external experts;
 - (b) research and innovation activities and studies on relevant issues and the dissemination thereof;
 - (c) expenditures related to the provision of information and communication actions, including the development of communication strategies and corporate communication and visibility of the political priorities of the Union.

Article 21

Adoption of action plans and measures

1. Action plans and measures shall be adopted by ~~means of implementing acts adopted a~~ ***Commission decision*** in accordance with the ~~examination procedure referred to in Article 35(2)~~ ***Financial Regulation***. [Am. 204]
2. ~~The procedure referred to in paragraph 1 shall not be required for:~~
 - (a) ~~action plans, individual measures and support measures, for which the Union's funding does not exceed EUR 10 million;~~
 - (b) ~~special measures as well as action plans and measures adopted in order to implement rapid response actions for which the Union's funding does not exceed EUR 20 million;~~
 - (c) ~~technical amendments, provided such amendments do not substantially affect the objectives of the action plan or measure concerned, such as:~~
 - (i) ~~change of method of implementation;~~
 - (ii) ~~reassignments of funds between actions contained in an action plan;~~
 - (iii) ~~increases or reductions of the budget of action plans and measures by not more than 20 % of the initial budget and not exceeding EUR 10 million;~~

~~In case of multiannual action plans and measures, the thresholds referred to in paragraph (2)(a), (b) and (c) (iii) shall be applicable on a yearly basis.~~

~~When adopted in accordance with this paragraph, action plans and measures, except exceptional assistance measures, and technical amendments shall be communicated to the European Parliament and to the Member States through the relevant committee referred to in Article 35 within one month of their adoption. [Am. 205]~~

3. ~~Before the adoption or extension of exceptional assistance measures not exceeding EUR 20 million, the Commission shall inform the Council of their nature and objectives and of the financial amounts envisaged. The Commission shall 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~~ **and the European Parliament** for the planning and subsequent ~~implementation~~ **application** of such measures, in the interests of consistency of the Union's external action.
[Am. 206]

The Commission shall ~~keep~~ **immediately inform** the European Parliament ~~duly informed,~~ in a timely manner, about the planning and the implementation of exceptional assistance **of** measures pursuant to this Article, including the financial amounts envisaged, and shall also inform the European Parliament when making substantial changes or extensions to that assistance. ***As soon as possible following the adoption or substantial modification of a measure, and in any case within one month thereof, the Commission shall report to the European Parliament and to the Council and give an overview of the nature and the rationale of the measure adopted, its duration, budget and its context, including the complementarity of that measure with other ongoing and planned Union assistance. For exceptional assistance measures, the Commission shall also indicate whether, to what extent and how it will ensure the continuity of the policy executed through the exceptional assistance by medium- and long-term assistance under this Regulation.***
[Am. 207]

3a. *Before adopting action plans and measures not based on programming documents pursuant to Article 19(2), except for cases referred to in Article 19 (3) and (4), the Commission shall adopt a delegated act in accordance with Article 34 in order to supplement this Regulation by setting out the specific objectives to be pursued, the results expected, the instruments to be used, the main activities and the indicative financial allocations of these action plans and measures. [Am. 208]*

~~4. In the event of duly justified imperative grounds of urgency, such as crises including natural or man-made disasters, immediate threats to democracy, the rule of law, human rights or fundamental freedoms, the Commission may adopt action plans and measures or amendments to existing action plans and measures, as immediately applicable implementing acts, in accordance with the procedure referred to in Article 35(4). [Am. 209]~~

5. Appropriate *human rights, social and* environmental screening, including for climate change and biodiversity impacts, shall be undertaken at the level of actions, in accordance with the applicable legislative acts of the Union, including Directive 2011/92/EU⁴⁸ of the European Parliament and of the Council and Council Directive 85/337/EEC⁴⁹, comprising, where applicable, an environmental impact assessment for environmentally sensitive actions, in particular for major new infrastructure. **[Am. 210]**

Additionally, ex-ante human rights, gender, social and labour impact assessments, as well as conflict analysis and risk assessment shall be conducted. **[Am. 211]**

Where relevant, *human rights, social and* strategic environmental assessments shall be used in the ~~implementation~~ *execution* of sectoral programmes. The involvement of interested stakeholders in ~~environmental~~ *these* assessments and public access to the results of such assessments shall be ensured. **[Am. 212]**

⁴⁸ 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 (codification) (OJ L 26 28.1.2012. p.1).

⁴⁹ Council Directive of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment (OJ L 175, 05.07.1985. p. 0040 – 0048).

Article 21a

European Parliament's assistance programmes

The Commission shall hold a dialogue with the European Parliament, and take into account the European Parliament's views on areas in which the latter is running its own assistance programmes, such as capacity-building and election observation. [Am. 213]

Article 22

Methods of cooperation

1. Financing under this Instrument shall be implemented by the Commission, as provided for by the Financial Regulation, either directly by the Commission itself, by Union delegations and by executive agencies, or indirectly through any of the entities listed in Article 62 (1) c) of the Financial Regulation.
2. Financing under this Instrument may also be provided 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, or other donors.
3. The entities listed in Article 62(1)(c) of the Financial Regulation and in Article 29(1) of this Regulation shall annually fulfil their reporting obligations under Article 155 of the Financial Regulation. The reporting requirements for any of these entities are laid down in the framework partnership agreement, the contribution agreement, the agreement on budgetary guarantees or the financing agreement.

4. Actions financed under the Instrument may be implemented by means of parallel or joint co-financing.
5. 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.
6. 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.

7. 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 funding 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 ***including support of broad participation by setting up independent third party CSO body to assess and monitor public-private partnership set-ups;***
[Am. 214]
 - (d) sector policy support programmes whereby the Union provides support to a partner country's sector programme
 - (e) contributions to the cost of the countries' participation in Union programmes and actions implemented by Union agencies and bodies, as well as bodies or persons entrusted with implementation of specific actions in the Common Foreign and Security Policy pursuant to Title V of the TEU;
 - (f) interest rate subsidies.

Article 23

Forms of EU *Union* funding and methods of ~~implementation~~ *application* [Am. 215]

1. The Union funding may be provided through the types of financing envisaged by the Financial Regulation and in particular:
 - (a) grants;
 - (b) procurement contracts for services, supplies or works;
 - (c) budget support;
 - (d) contributions to trust funds set up by the Commission, in accordance with Article 234 of the Financial Regulation;
 - (e) financial instruments;
 - (f) budgetary guarantees;
 - (g) blending;
 - (h) debt relief in the context of internationally agreed debt relief programme;
 - (i) financial assistance;
 - (j) remunerated external experts.

2. When working with stakeholders of partner countries, the Commission shall take into account their specificities, including their needs and the relevant context, when defining the financing modalities, 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. ***That assessment shall take into account the conditions for a meaningful participation and involvement of all stakeholders, in particular local civil society.*** Specific modalities shall be encouraged in accordance with the Financial Regulation, such as partnership agreements, authorisations of financial support to third parties, direct award or eligibility-restricted calls for proposals, or lump sums, unit costs and flat-rate financing as well as financing not linked to costs as envisaged in Article 125(1) of the Financial Regulation. ***Those different modalities shall ensure transparency, traceability and innovation. Cooperation between local and international NGOs shall be encouraged in order to bolster local civil society's capacities with a view to achieving its full participation in development programmes.*** [Am. 216]

3. In addition of the cases referred to in Article 195 of the Financial Regulation, the direct award procedure may be used for;
- (a) low-value grants to human rights defenders *and to mechanisms for the protection of human rights defenders at risk*, to finance urgent protection actions, where appropriate without the need for co-financing, *as well as to mediators and other civil society actors involved in crisis and armed conflict related dialogue, conflict resolution, reconciliation and peace-building*; [Am. 217]
 - (b) grants, where appropriate without the need for co-financing, to finance actions in the most difficult conditions where the publication of a call for proposals would be inappropriate including situations where there is a serious lack of fundamental freedoms, *threats to democratic institutions, escalation of crisis, armed conflict* where human security is most at risk or where human rights organisations and defenders, *mediators and other civil society actors involved in crisis and armed conflict related dialogue, reconciliation and peace-building* operate under the most difficult conditions. 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~~ *application*; [Am. 218]
 - (c) grants to the Office of the UN High Commissioner for Human Rights as well as to Global Campus, the European Inter-University Centre for Human Rights and Democratisation, providing a European Master's Degree in Human Rights and Democratisation, and its associated network of universities delivering human rights postgraduate diplomas, including scholarships to students, *researchers, teachers*, and human rights defenders from third countries. [Am. 219]
- (c a) Small projects as described in article 23a* [Am. 220]

Budget support as referred to in point (c) of paragraph 1, including through sector reform performance contracts, shall be based on country ownership, mutual accountability and shared commitments to universal values, democracy, human rights, ***gender equality, social inclusion and human development*** and the rule of law, and aims at strengthening partnerships between the Union and partner countries. It shall include reinforced policy dialogue, capacity development, and improved governance, complementing partners' efforts to collect more and spend better in order to support sustainable and inclusive economic growth and jobs ***socio-economic development which benefits all, decent job creation, with particular attention to young people, the reduction of inequalities*** and poverty eradication ***with due regard to local economies, environmental and social rights***. [Am. 221]

Any decision to provide 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.*** [Am. 222]

4. 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 budget support in accordance with Article 236 of the Financial Regulation, the Commission shall clearly define and monitor criteria for budget support conditionality, including progress in reforms and transparency, and shall support the development of parliamentary control, national audit capacities, ***CSO participation in monitoring*** and increased transparency and public access to information ***and development of strong public procurement systems that support local economic development and local businesses***. [Am. 223]

5. Disbursement of the budget support shall be based on indicators demonstrating satisfactory progress being made towards achieving the objectives agreed with the partner country.

6. Financial instruments under this Regulation may take forms such as loans, guarantees, equity or quasi-equity, investments or participations, and risk-sharing instruments, whenever possible and in accordance with the principles laid down in Article 209(1) of the Financial Regulation under the lead of the EIB, a multilateral European finance institution, such as the European Bank for Reconstruction and Development, or a bilateral European finance institution, such as bilateral development banks, possibly pooled with additional other forms of financial support, both from Member States and third parties.

Contributions to Union financial instruments under this Regulation may be made by Member States as well as any entity referred to in Article 62(1)(c) of the Financial Regulation.

7. Those financial instruments may be grouped into facilities for ~~implementation~~ **application** and reporting purposes. **[Am. 224]**

- 7a. *The Commission and the EEAS shall not enter into new or renewed operations with entities incorporated or established in jurisdictions defined under the relevant Union policy as non-cooperative, or that are identified as high risk third countries pursuant to Article 9(2) of Directive(EU) 2015/849 of the European Parliament and of the Council, or that do not effectively comply with Union or internationally agreed tax standards on transparency and exchange of information. [Am. 225]*
8. The Union's funding shall not generate or activate the collection of specific taxes, duties or charges.
9. Taxes, duties and charges imposed by partner countries may be eligible for financing under this Regulation.

Article 23a

Small projects funds

1. *Financing under this Regulation may be provided to small projects funds, aimed at the selection and implementation of projects of limited financial volume.*
2. *The beneficiaries of a small project fund shall be civil society organisations.*
3. *The final recipients within a small project fund shall receive support under this Regulation, through the beneficiary, and implement the small projects within that small project fund ('small project').*
4. *Where the public contribution to a small project does not exceed EUR 50 000, it shall take the form of unit costs or lump sums or include flat rates. [Am. 226]*

Article 24

Eligible persons and entities

1. Participation in procurement, grant and prize award procedures for actions financed under geographic programmes and under the Civil Society Organisations and Global Challenges programmes shall be open to international organisations and to all other legal entities who are nationals of and, in the case of legal persons, who are also effectively established in, the following countries or territories:

- (a) Member States, beneficiaries of the IPA III Regulation, and contracting parties to the Agreement on the European Economic Area;
- (b) Neighbourhood partner countries and the Russian Federation when the relevant procedure takes place in the context of the programmes referred to in Annex I in which it participates;
- (c) developing countries and territories, as included in the list of Official Development Assistance recipients published by the Development Assistance Committee of the Organisation for Economic Cooperation and Development, which are not members of the G-20 group, and overseas countries and territories as defined in Council Decision .../... (EU);
- (d) developing countries, as included in the list of Official Development Assistance recipients, which are members of the G-20 group, and other countries and territories, when the relevant procedure takes place in the context of an action financed by the Union under this Regulation in which they participate;
- (e) countries for which reciprocal access to external funding is established by the Commission; that 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 this Regulation; the Commission shall decide on the reciprocal access and on its duration after consultation of the recipient country or countries concerned;
- (f) member countries of the Organisation for Economic Cooperation and Development, in the case of contracts ~~implemented~~ *applied* in a Least Developed Country or a Highly Indebted Poor Country, as included in the list of Official Development Assistance recipients. **[Am. 227]**

2. Without prejudice to the limitations inherent to the nature and objectives of the action, participation in procurement, grant and prize award procedures for actions financed under the Human Rights and Democracy and Stability and Peace programmes as well as rapid response actions, shall be open without limitations.
3. All supplies and materials financed under this Regulation may originate from any country.
4. The rules laid down in this Article shall not apply to, and shall not create, nationality restrictions for natural persons employed or otherwise legally contracted by an eligible contractor or, where applicable, subcontractor.
5. For actions jointly co-financed by an entity, or ~~implemented~~ ***applied*** in direct or indirect management with entities as referred to point (c) (ii) to (viii) of Article 62(1) of the Financial Regulation, the eligibility rules of those entities shall also apply. **[Am. 228]**
6. Where donors provide financing to a trust fund established by the Commission or through external assigned revenues, the eligibility rules in the constitutive act of the trust fund or in the agreement with the donor in case of external assigned revenues shall apply.

7. In the case of actions financed under this Regulation and by another Union Programme, eligible entities under any of those Programmes shall be considered eligible.
8. In the case of multi-country actions legal entities who are nationals of and, in the case of legal entities who are also effectively established in, the countries and territories covered by the action may be considered eligible.
9. The eligibility rules of this Article 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~~ **application. Nationality restrictions shall not apply to international organisations. [Am. 229]**
10. Tenderers, applicants and candidates from non-eligible countries may be accepted as eligible in the case of urgency or the unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of an action impossible or exceedingly difficult.
11. In order to promote local capacities, markets and purchases, priority shall be given to local and regional contractors, **while paying attention to their track record in environmental sustainability or fair trade** when the Financial Regulation 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. **In all cases sustainability and due diligence criteria shall be applied. [Am. 230]**

12. Under the Democracy and Human Rights programme, any entity not covered under the definition of legal entity in Article 2(6) shall be eligible when this is necessary to pursue the areas of intervention of this programme.

12a. The Neighbourhood, Development and International Cooperation Instrument shall not support actions that, according to the environmental screening referred to in Article 21, cause harm to the environment or climate. Allocations shall be fully compatible with the Paris Agreement and overall, European financing dedicated to external action shall contribute to the Paris agreement's long term objectives. In particular, the instrument shall not support:

(a) Actions incompatible with recipient countries' Nationally Determined Contributions under the Paris Agreement;

(b) investment in upstream, midstream and downstream fossil fuels. [Am. 231]

Article 25

Carry-overs, annual instalments, commitment appropriations, re-payments and revenue generated by financial instruments

1. In addition to Article 12(2) of the Financial Regulation, unused commitment and payment appropriations under this Regulation shall be automatically carried over and may be committed up to 31 December of the following financial year. The carried-over amount shall be used first in the following financial year.

The Commission shall ~~inform~~ **submit to** the European Parliament and **to** the Council of ~~carried-over commitment~~ **information on** appropriations **which were automatically carried over, including the amounts involved**, in line with Article 12(6) of the Financial Regulation. [Am. 232]

2. In addition to the rules laid down in Article 15 of the Financial Regulation on making appropriations available again, commitment appropriations corresponding to the amount of decommitments made as a result of total or partial non implementation of an action under this Regulation shall be made available again to the benefit of the budget line of origin.

References to Article 15 of the Financial Regulation in Article 12(1)(b) of Regulation laying down the multi annual financial framework shall be understood as including a reference to this paragraph for the purpose of this Regulation.

3. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments, in line with Article 112(2) of the Financial Regulation.

The third subparagraph of Article 114(2) of the Financial Regulation shall not apply to these multiannual actions. The Commission shall automatically de-commit any portion of a budgetary commitment for an action 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 no certified statement of expenditure or any payment request has been submitted.

Paragraph 2 of this Article shall also apply to annual instalments.

4. By way of derogation from Article 209(3) of the Financial Regulation repayments and revenues generated by a financial instrument shall be assigned to the budget line of origin as internal assigned revenue after deduction of management costs and fees. Every five years, the Commission shall examine the contribution made to the achievement of Union objectives, and the effectiveness, of existing financial instruments.

Chapter IV

EFSD+, budgetary guarantees and financial assistance to third countries

Article 26

Scope and financing

1. ~~The financial envelope referred to in Article (6)(2)(a) shall finance~~ The European Fund for Sustainable Development Plus (EFSD+) and the External Action Guarantee ***shall be financed through the financial envelopes for geographic programmes referred to in point (a) of Article 6(2), whilst ensuring that this financing is not to the detriment of other actions supported by geographic programmes.*** [Am. 233]

The purpose of the EFSD+ as an integrated financial package supplying financial capacity ~~drawing on the methods of implementation set up~~ ***in the form of grants, guarantees and other financial instruments as set out*** in Article 23(1)(a), (e), (f) and (g), shall be to support investments and increase access to financing, ***while maximising additionality, delivering innovative products and crowding in private sector***, in order to foster sustainable and inclusive economic, ***environmental*** and social development, ~~and~~ ***industrialisation and a stable investment environment, in order to*** promote the socio-economic ***and environmental*** resilience in partner countries with a particular focus on the eradication of poverty, sustainable and inclusive growth, ***climate change adaptation and mitigation, environmental protection and management***, the creation of decent jobs ***in compliance with relevant ILO standards, in particular for vulnerable groups, including women and young people***, economic opportunities, skills and entrepreneurship, socioeconomic sectors, ***with a focus on social enterprises and cooperatives in view of their potential to reduce poverty, inequalities, and promote human rights and livelihoods, supporting*** micro, small and medium-sized enterprises as well as addressing specific socioeconomic root causes of irregular migration ***and forced displacement, and contributing to the sustainable reintegration of returned migrants in their countries of origin***, in accordance with the relevant indicative programming documents. ***45 % of the financing shall be allocated to investments that contribute to climate objectives, environmental management and protection, biodiversity and combatting desertification, of which 30 % of the overall financial envelope shall be dedicated to climate change mitigation and adaptation.*** Special attention, ***and additional support for institutional capacity building, economic governance, and technical assistance***, shall be given to countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries. ***The External Action Guarantee shall be used in addition to the government's investment in essential public services, which remain a governmental responsibility.*** [Am. 234]

2. The External Action Guarantee shall support the EFSD+ operations covered by budgetary guarantees in accordance with Articles 27, 28 and 29 of this Regulation, macro-financial assistance and loans to third countries referred to in Article 10(2) of Regulation EINS.
3. Under the External Action Guarantee, the Union may guarantee operations, signed between 1 January 2021 and 31 December 2027, up to EUR 60 000 000 000. ***That ceiling shall be reviewed in the context of the mid-term evaluation report pursuant to Article 32.*** [Am. 235]
4. The provisioning rate shall range between 9 % and 50 % depending on the type of operations. ***A maximum amount of EUR 10 billion shall be provisioned from the Union budget through a specific budget line in the framework of the annual budgetary procedure or through a budget transfer. The Commission shall be empowered to adopt delegated acts in accordance with Article 34 to amend this maximum amount if the need arises.*** [Am. 236]

The provisioning rate for the External Action Guarantee shall be 9 % for the Union's macro-financial assistance and for budgetary guarantees covering sovereign risks associated with lending operations.

The provisioning rates shall be reviewed every ~~three~~ ***two*** years ***starting*** from the date of application of this Regulation laid down in Article 40. The Commission shall be empowered to adopt delegated acts in accordance with Article 34 to supplement or amend these rates, ***and the financial amounts involved.*** [Am. 237]

5. The External Action Guarantee shall be considered as a single guarantee in the common provisioning fund established by Article 212 of the Financial Regulation.
6. The EFSD+ and the External Action Guarantee may support financing and investment operations in partner countries in the geographical areas referred to in Article 4(2). The provisioning of the External Action Guarantee shall be financed from the budget of the relevant geographic programmes established by Article 6(2)(a) and shall be transferred into the common provisioning fund. ***The geographic distribution of EFSD+ operations shall, to the maximum extent possible, also reflect the relative weight of the financial allocations for the different regions as outlined in point (a) of Article 6(2).*** The EFSD+ and the External Action Guarantee may also support operations in beneficiaries listed in Annex I of the IPA III Regulation. The funding for these operations under the EFSD+ and for the provisioning of the External Action Guarantee shall be financed from the Regulation IPA. The provisioning of the External Action Guarantee for loans to third countries referred to in Article 10 (2) of Regulation EINS shall be financed from Regulation EINS. **[Am. 238]**

7. The provisioning referred to in Article 211(2) of the Financial Regulation shall be constituted on the basis of the Union's total outstanding liabilities arising from each operation, including operations signed before 2021 and guaranteed by the Union. The annual amount of provisioning required may be constituted during a period of up to seven years.
8. The balance of assets by 31 December 2020 in the EFSD Guarantee Fund and in the Guarantee fund for external actions established respectively by Regulation EU 2017/1601 of the European Parliament and the Council and Council Regulation (EC, Euratom) No 480/2009 shall be transferred into the common provisioning fund for the purpose of provisioning its respective operations under the same single guarantee provided for in paragraph 4 of this Article.

Article 26a

Objectives for the EFSD+

- 1. *The EFSD+ operations eligible for support through the External Action Guarantee shall contribute to the following priority areas:***
 - (a) providing finance and support to private, cooperative and social enterprise sector development to contribute to sustainable development in its economic, social and environmental dimensions with a particular focus on the eradication of poverty and, where appropriate, the European Neighbourhood Policy and the objectives set out in Article 3 of the IPA III Regulation;***
 - (b) addressing bottlenecks to private investments, in particular by ensuring the legal security of investments;***
 - (c) leveraging private sector financing, with a particular focus on micro, small and medium-sized enterprises;***
 - (d) strengthening socio-economic sectors and areas and related public and private infrastructure and sustainable connectivity and sustainable production, with the objective of promoting an inclusive and sustainable socio-economic development that respects human rights and the environment;***
 - (e) contributing to climate action and environmental protection and management;***
[Am. 239]
 - (f) contributing, by promoting sustainable development, to addressing specific root causes of migration, including irregular migration and forced displacement, and contribute to safe, orderly and regular migration and mobility.***

Article 27

Eligibility and selection of operations and counterparts

1. The financing and investment operations eligible for support through the External Action Guarantee shall be consistent and aligned with Union policies, ***in particular its development policy and the European Neighbourhood Policy***, as well as with the partner countries' strategies and policies ***and address local market failures or sub-optimal investment operations and without unfairly competing with local economic actors***. They shall in particular support the objectives, general principles and policy framework of this Regulation and the relevant indicative programming documents, with due regard to the priority areas laid down in ***Article 26 a and further described in Annex V***. [Am. 240]
 - 1a. ***The granting of the External Action Guarantee shall be subject to the conclusion of the respective EFSD guarantee agreements between the Commission on behalf of the Union and the eligible counterpart***. [Am. 241]

2. The External Action Guarantee shall support financing and investment operations ***which address market failures or sub-optimal investment situations. Operations shall also be*** compliant with the conditions set out in points (a) to ~~(e)~~ ***(d)*** of Article 209(2) of the Financial Regulation and that: [Am. 242]

(-aa) provide financial and development additionality; [Am. 243]

(-ab) undergo a publicly available participatory ex ante human rights, social, labour and environmental impact assessment identifying and addressing risks in those fields and taking due account of the principle of free and prior informed consent (FPIC) of affected communities in land related investments; [Am. 244]

- (a) ensure complementarity with other initiatives;
- (b) are economically and financially viable, with due regard to the possible support from, and co-financing by, private and public partners to the project, while taking into account the specific operating environment and capacities of countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries which may benefit from concessional terms;

- (c) are technically viable and are sustainable from an environmental and ~~social~~ *socio-economic* point of view; [Am. 245]
- (ca) *target sectors and issues where there are clear market or institutional failures inhibiting private sector financing*; [Am. 246]
- (cb) *are structured in a manner which contributes to catalysing market development and to mobilising private sector resources towards investment gaps*; [Am. 247]
- (cc) *focus on projects involving greater risks than private lenders are prepared to undertake on a commercial basis alone*; [Am. 248]
- (cd) *do not distort markets in partner countries and regions*. [Am. 249]
- (ce) *maximise, where possible, the mobilisation of local private sector capital*; [Am. 250]
- (cf) *respect the development effectiveness principles as set out in the Busan Partnership for Effective Development Cooperation and reaffirmed in Nairobi in 2016, including ownership, alignment, focus on results, transparency and mutual accountability, as well as the objective of untying aid*; [Am. 251]

- (cg) are designed to fulfil the criteria for ODA established by the OECD-DAC, taking into account the specificities of private sector development, except for operations in industrialised countries non eligible for ODA; [Am. 252]*
- (ch) are applied with full respect for international human rights law as well as internationally agreed guidelines, principles and conventions, including the Principles for Responsible Investment, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, the UN Food and Agriculture Organization's (FAO) Principles for Responsible Investment in Agriculture and Food Systems and International Labour Organization conventions and standards , the UN Convention on the Elimination of All Forms of Discrimination Against Women, the Maastricht Principles on the Extraterritorial Obligations of States in the Area of Economic, Social and Cultural Rights and the FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security. [Am. 253]*

3. The External Action Guarantee shall be used to cover the risks for the following instruments:
 - (a) loans, including local currency loans and macro-financial assistance loans;
 - (b) guarantees;
 - (c) counter-guarantees;
 - (d) capital market instruments;
 - (e) any other form of funding or credit enhancement, insurance, and equity or quasi-equity participations.

4. The eligible counterparts for the purposes of the External Action Guarantee shall be the ones identified in Article 208(4) of the Financial Regulation, including those from third countries contributing to the External Action Guarantee, subject to approval by the Commission in accordance with Article 28 of this Regulation, ***and the opinion of the strategic board***. In addition, and by derogation to Article 62(2)(c) of the Financial Regulation, bodies governed by the private law of a Member State or a third country which has contributed to the External Action Guarantee in accordance with Article 28, and which provide adequate assurance of their financial capacity shall be eligible for the purpose of the Guarantee. **[Am. 254]**

4a. The European Investment Bank group, shall, inter alia:

- (a) participate, together with other European financial institutions, in the risk management of the EFSD+, having due regard to the need to avoid possible conflict of interest;**
- (b) exclusively implement part of an investment window covering sovereign lending to be provisioned with at least EUR 1 000 000 000 from the financial envelopes of the geographic programmes, in accordance with the procedures laid down in chapters 1 and 3 of this title;**
- (c) be an eligible counterpart of implementing activities under other investment windows. [Am. 255]**

5. Eligible counterparts shall comply with the rules and conditions provided for in Article 62(2)(c) of the Financial Regulation. In the case of bodies governed by the private law of a Member State or a third country which have contributed to the External Action Guarantee in accordance with Article 28 of this Regulation, preference shall be given to those bodies that disclose information related to environment, social, *tax* and corporate governance criteria. **[Am. 256]**

The Commission shall ensure an effective, efficient and fair use of available resources among eligible counterparts, while promoting cooperation between them.

The Commission shall ensure fair treatment *and equal access to funding* for all eligible counterparts and shall ensure that conflicts of interest are avoided throughout the ~~implementation~~ *application* period of the EFSD+. In order to ensure complementarity, the Commission may request any relevant information from eligible counterparts about their non-EFSD+ operations. **[Am. 257]**

- 5a. *The European Parliament or the Council may invite eligible counterparts, CSOs and local communities to an exchange of views concerning the financing and investment operations covered by this Regulation.*** **[Am. 258]**

6. The Commission shall select the eligible counterparts in accordance with Article 154 of the Financial Regulation, taking due account of:
- (a) the advice of the strategic and regional operation boards, in accordance with Annex VI;
 - (b) the objectives of the investment window;
 - (c) the experience and risk management capacity of the eligible counterpart;
 - (d) the amount of own resources, as well as private sector co-financing, that the eligible counterpart is ready to mobilise for the investment window.
- (da) the principles of fair and open tender procedures. [Am. 259]***

~~7. The Commission shall set up investment windows for regions, specific partner countries or both, for specific sectors, or for specific projects, specific categories of final beneficiaries or both, which are to be funded by this Regulation, to be covered by the External action Guarantee up to a fixed amount. The Commission shall inform the European Parliament and the Council on how the investment windows comply with this Article and their detailed funding priorities. All requests for financial support within investment windows shall be made to the Commission.~~

~~The choice of investment windows shall be duly justified by an analysis of the market failure or sub-optimal investment situations. That analysis shall be carried out by the Commission in cooperation with potentially eligible counterparts and stakeholders.~~

~~Eligible counterparts may provide the instruments referred to in paragraph 3 under an investment window or individual project administered by an eligible counterpart. The instruments may be provided for the benefit of partner countries, including countries experiencing fragility or conflict or countries facing challenges in reconstruction and post-conflict recovery, for the benefit of those partner countries' institutions, including their public national and private local banks and finance institutions, as well as for the benefit of private sector entities of those partner countries. [Am. 260]~~

8. The Commission shall assess the operations supported by the External Action Guarantee against the eligibility criteria set out in paragraphs 2 and 3, ~~where possible drawing~~ ***The Commission shall establish a scoreboard of indicators to guide project selection. Implementing partners shall fill in the scoreboard for all operations under EFSD+. The Commission shall assess all operations supported by the Guarantee against eligibility criteria listed in Article 27 and shall use the scoreboard to perform an independent quality check on the existing result measurement systems of eligible counterparts. due diligence and assessment made by implementing partners at project level. If necessary, the Commission shall ask for clarification and modifications to the implementing partners.*** The Commission shall publish the ***scoreboard for all projects after approval for the use of the guarantee by the Commission and implementing partners, and the result of all guarantee tools and individual projects under*** its assessment for each investment window on an annual basis. [Am. 261]

9. The Commission shall be empowered to adopt delegated acts in accordance with Article 34 to supplement or amend the priority areas *and investment windows indicated* in Annex V and the governance of the EFSD+ in Annex VI. *When supplementing or amending investment windows for specific regions, specific partner countries or both, for specific sectors, or for specific projects, specific categories of final beneficiaries or both, which are to be funded by this Regulation, to be covered by the External action Guarantee up to a fixed amount, the Commission shall take due account of the advice provided by the strategic board, and consult the operational boards.*

The Commission shall inform the European Parliament and the Council on how the investment windows comply with the requirements set out in Article 26a and this Article and their detailed funding priorities. All requests for financial support within investment windows shall be made to the Commission.

The choice of investment windows shall be duly justified by an analysis of the market failure or sub-optimal investment situations. That analysis shall be carried out by the Commission in cooperation with potentially eligible counterparts and stakeholders.

Eligible counterparts may provide the instruments referred to in paragraph 3 under an investment window or individual project administered by an eligible counterpart. The instruments may be provided for the benefit of partner countries, including countries experiencing fragility or conflict or countries facing challenges in reconstruction and post-conflict recovery, for the benefit of those partner countries' institutions, including their public national and private local banks and finance institutions, as well as for the benefit of private sector entities of those partner countries. In countries experiencing fragility or conflict, and other countries, where justified, support may be provided to public sector investments that have relevant effects on private sector development.

[Am. 262]

Article 27a

Governance and structure of the EFSD +

- 1. The EFSD+ shall be composed of regional investment platforms established on the basis of the working methods, procedures and structures of the existing external blending facilities of the Union, which may combine their blending operations and External Action Guarantee operations under the EFSD+.*
- 2. The Commission shall be responsible for the overall management of the EFSD+ and the External Action Guarantee. Beyond that, the Commission shall not seek to carry out general banking operations. The Commission shall inform the European Parliament regularly to ensure the highest standards of transparency and financial accountability.*
- 3. In the management of the EFSD+ the Commission shall be advised by a strategic board, except in the case of the operations covering the Union's Enlargement policy and financed by IPA III, where the Commission shall be advised by a strategic board of the Western Balkans Investment Framework (WBIF). The Commission shall also work in close cooperation with all eligible counterparts as regards the operational management of the External Action Guarantee. To that end, a technical working group, composed of experts from the Commission and eligible counterparts, shall be established in order to assess the risk and the related pricing.*

4. *The strategic board shall advise the Commission on the strategic orientation and priorities of External Action Guarantee investments under the EFSD+ and contribute to their alignment with the guiding principles and objectives of the Union's external action, development policy, European Neighbourhood policy, as well as with the objectives set out in Article 3 and the purpose of the EFSD+ as set out in Article 26. It shall also support the Commission in setting overall investment goals as regards the use of the External Action Guarantee to support EFSD+ operations and monitor an appropriate and diversified geographical and thematic coverage for investment windows, while giving special attention to countries identified as experiencing fragility or conflict, Least Developed Countries ('LDCs') and heavily indebted poor countries.*
5. *The strategic board shall also support overall coordination, complementarity and coherence between the regional investment platforms, between the three pillars of the European Investment Plan, between the European Investment Plan and the Union's other efforts on migration and on the implementation of the 2030 Agenda, as well as with other programmes set out in this Regulation, other Union funding instruments and Trust Funds.*

6. *The strategic board shall be composed of representatives of the Commission and of the High Representative, of all Member States and of the European Investment Bank. The European Parliament shall have observer status. Contributors, eligible counterparts, partner countries, relevant regional organisations and other stakeholders may be given observer status, where appropriate. The strategic board shall be consulted prior to the inclusion of any new observer. The strategic board shall be co-chaired by the Commission and the High Representative.*
7. *The strategic board shall meet at least twice a year and, when possible, adopt opinions by consensus. Additional meetings may be organised at any time by the chair or at the request of one third of its members. Where consensus cannot be reached, the voting rights as agreed during the first meeting of the strategic board and laid down in its rules of procedure shall apply. Those voting rights shall take due account of the source of financing. The rules of procedure shall set out the framework regarding the role of observers. The minutes and agendas of the meetings of the strategic board shall, following their adoption, be made public.*

8. *The Commission shall report annually to the strategic board about the progress made in respect of the application of the EFSD+. The strategic board of the WBIF shall provide progress made on the application of the guarantee instrument for the Enlargement region to complement that reporting. The strategic board shall regularly organise a consultation of relevant stakeholders on the strategic orientation and application of the EFSD+.*
9. *The existence of the two strategic boards does not bear influence on the need to have a single, unified EFSD+ risk management framework.*
10. *During the application period of the EFSD+, the strategic board shall, as soon as possible, adopt and publish guidelines setting out how conformity of EFSD+ operations with the objectives and eligibility criteria set out in Articles 26 a and 27 is to be ensured.*
11. *In its strategic guidance, the strategic board shall take due account of relevant European Parliament resolutions and Council decisions and conclusions.*
12. *The operational boards of regional investment platforms shall support the Commission at the application level in defining regional and sectoral investment goals and regional, sectoral and thematic investment windows and shall formulate opinions on blending operations and on the use of the External Action Guarantee covering EFSD+ operations. [Am. 263]*

Article 28

Contribution from other donors to the External Action Guarantee

1. Member States, third countries and other third parties may contribute to the External Action Guarantee.

By derogation from the second sub-paragraph of Article 218(2) of the Financial Regulation, the contracting parties to the Agreement on the European Economic Area may contribute in the form of guarantees or cash.

Contribution from third countries other than the contracting parties to the Agreement on the European Economic Area and from other third parties shall be in the form of cash and subject *to the opinion of the Strategic Board and* approval by the Commission.

[Am. 264]

The Commission shall inform the European Parliament and the Council without delay of the contributions confirmed.

~~At the request of the Member States, their contributions may be earmarked for the initiation of actions in specific regions, countries, sectors or existing investment windows.~~

[Am. 265]

2. Contributions in the form of a guarantee shall not exceed 50 % of the amount referred to in Article 26(2) of this Regulation.

The contributions made by the Member States and the contracting parties to the Agreement on the European Economic Area in the form of a guarantee may only be called for payments of guarantee calls after the funding from the general budget of the Union increased by any other cash contributions has been used on payments of guarantee calls.

Any contribution may be used to cover guarantee calls ~~regardless of earmarking~~.

[Am. 266]

A contribution agreement shall be concluded between the Commission, on behalf of the Union, and the contributor, and shall contain, in particular, provisions concerning the payment conditions.

Article 29

~~Implementation~~ **Application** of External Action Guarantee agreements [Am. 267]

1. The Commission, on behalf of the Union, shall conclude External Action Guarantee agreements with the eligible counterparts selected pursuant to Article 27. ***Those agreements shall be unconditional, irrevocable, at first demand, and in favour of selected counterparts.*** Agreements may be concluded with a consortium of two or more eligible counterparts. [Am. 268]

2. One or more External Action Guarantee agreements shall be concluded for each investment window between the Commission and the eligible counterpart or eligible counterparts selected. In addition, in order to address specific needs, the External Action Guarantee may be granted for individual financing or investment operations.

All External Action Guarantee agreements shall, ~~upon request,~~ be made available to the European Parliament and to the Council, taking into account the protection of confidential and commercially sensitive information. [Am. 269]

3. External Action Guarantee agreements shall contain, in particular:
- (a) detailed rules on the coverage, requirements, eligibility, eligible counterparts, and procedures;
 - (b) detailed rules on the provision of the External Action Guarantee, including its arrangements on the coverage and its defined coverage of portfolios and of projects of specific types of instruments, as well as a risk analysis of projects and project portfolios, including at sectoral, regional and national levels;
 - (c) a mention of the objectives and purpose of this Regulation, a needs assessment and an indication of the expected results, taking into account the promotion of corporate social responsibility and ***the need to ensure a*** responsible business conduct, ***including, in particular, by respect for the internationally agreed guidelines, principles and legal instruments referred to in point (c h) of Article 27(2);***
[Am. 270]
 - (d) the remuneration of the guarantee, which is to reflect the risk level, and the possibility for the remuneration to be partly subsidised in order to give concessional terms in duly justified cases, ***and in particular countries experiencing fragility or conflict, LDCs and heavily indebted countries;*** [Am. 271]

- (e) requirements for the use of the External Action Guarantee, including payment conditions, such as specific time frames, interest to be paid on due amounts, expenses and recovery costs and possibly necessary liquidity arrangements;
- (f) claims procedures, including, but not limited to, triggering events and waiting periods, and procedures regarding the recovery of claims;
- (g) *transparent* monitoring, reporting and evaluation obligations; [Am. 272]
- (h) clear and accessible complaints procedures for third parties that could be affected by the ~~implementation~~ *application* of projects supported by the External Action Guarantee. [Am. 273]

4. The eligible counterpart shall approve financing and investment operations following its own rules and procedures and in compliance with the terms of the External Action Guarantee agreement.
5. The External Action Guarantee may cover:
 - (a) for debt instruments, the principal and all interests and amounts due to the selected eligible counterpart, but not received by it in accordance with the terms of the financing operations after an event of default has occurred;
 - (a) for equity investments, the amounts invested and their associated financing costs;
 - (b) for other financing and investment operations referred to in Article 27(2), the amounts used and their associated funding costs;
 - (c) all relevant expenses and recovery costs related to an event of default, unless deducted from recovery proceeds.

5a. *The Commission, when concluding External Action Guarantee agreements with eligible counterparts, shall take due account of:*

- (a) the advice and guidance of the strategic and regional operational boards;***
- (b) the objectives of the investment window;***
- (c) the experience and operational, financial and risk management capacity of the eligible counterpart;***
- (d) the amount of own resources, as well as private sector co-financing, that the eligible counterpart is ready to mobilise for the investment window. [Am. 274]***

6. For the purposes of the Commission's accounting, its reporting of the risks covered by the External Action Guarantee and in line with Article 209(4) of the Financial Regulation, eligible counterparts with which a guarantee agreement has been concluded shall provide the Commission and the Court of Auditors annually with the financial reports on financing and investment operations covered by this Regulation, audited by an independent external auditor, containing, inter alia, information on:

- (a) the risk assessment of financing and investment operations of the eligible counterparts, including information on Union liabilities measured in compliance with the accounting rules referred to in Article 80 of the Financial Regulation and IPSAS;
- (b) the outstanding financial obligation for the Union arising from the EFSD+ operations provided to the eligible counterparts and their financing and investment operations, broken down by individual operations.

7. The eligible counterparts shall, upon request, provide the Commission with any additional information necessary to fulfil the Commission's obligations in relation to this Regulation, ***in particular with regard to the implementation of recommendations from the ex-ante human rights, social, labour and environment impact assessment and other selection criteria listed in Article 27.*** [Am. 275]
8. The Commission shall report on financial instruments, budgetary guarantees, financial assistance in accordance with Article 241 and 250 of the Financial Regulation. To this purpose, the eligible counterparts shall provide annually the information necessary to allow the Commission to comply with the reporting obligations. ***In addition, the Commission shall submit an annual report to the European Parliament and to the Council as set out in Article 31(6a).*** [Am.276]
- 8a. ***The Commission or the eligible counterparts shall immediately notify OLAF when, at any stage of the preparation, implementation or closure of financing and investment operations covered by this Regulation, there are grounds for suspecting fraud, corruption, money laundering or any other illegal activity that may affect the financial interests of the Union. The Commission or the eligible counterparts shall provide OLAF with all necessary information to enable it to carry out a full and thorough investigation.*** [Am. 277]

Article 29a

Grievance and redress mechanism

In view of possible grievances of third parties in partner countries, including communities and individuals affected by projects supported by the EFSD+ and the External Action Guarantee, the Commission and European Union Delegations shall publish on their websites direct references to the complaints mechanisms of the relevant counterparts that have concluded agreements with the Commission. The Commission shall also establish an EU centralised grievance mechanism for all projects pursuant to Chapter IV of this Regulation to provide the possibility of directly receiving complaints related to the treatment of grievances by eligible counterparts. The Commission shall take that information into account in view of future cooperation with those counterparts. [Am. 278]

Article 29b

Excluded activities and non-cooperative jurisdictions

1. *The External Action Guarantee shall not support financing and investment operations which:*
 - (a) are linked to the military or state security sector.*
 - (b) support the development of nuclear energy, except for loans provided in accordance with Regulation EINS, and fossil fuels and promote further carbon lock-in of economies and societies.*
 - (c) have significant environmental external costs, such as those that involve degradation of protected areas, Critical Habitats and Heritage sites for which no sustainable development and management plan is carried out.*
 - (d) result in violation of human rights in partner countries, such as depriving communities from their right to access and control natural resources such as land, contribute to forced displacement of populations, or involve forced labour or child labour.*

2. *In their financing and investment operations, the eligible counterparts shall comply with applicable Union law and agreed international and Union standards and, therefore, shall not support projects under this Regulation that contribute to money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion. In addition, the eligible counterparts shall not enter into new or renewed operations with entities incorporated or established in jurisdictions listed under the relevant Union policy on non-cooperative jurisdictions, or that are identified as high risk third countries pursuant to Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council, or that do not effectively comply with Union or internationally agreed tax standards on transparency and exchange of information. The eligible counterparts may derogate from this principle only if the project is physically implemented in one of those jurisdictions, and does not present any indication that the relevant operation falls under any of the categories listed in the first subparagraph of this paragraph. When concluding agreements with financial intermediaries, the eligible counterparts shall transpose the requirements referred to in this Article into the relevant agreements and shall request the financial intermediaries to report on their observance.*

3. *In its financing and investment operations, the eligible counterpart shall apply the principles and standards set out in Union law on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and in particular Regulation (EU) 2015/847 of the European Parliament and of the Council (2) and Directive (EU) 2015/849. The eligible counterparts shall make both direct funding and funding via intermediaries under this Regulation contingent upon the disclosure of beneficial ownership information in accordance with Directive (EU) 2015/849 and publish country-by-country reporting data in accordance with Article 89(1) of Directive 2013/36/EU of the European Parliament and of the Council. [Am. 279]*

Article 30

Capital participation in a development bank

The envelope for geographic programmes, referred to in Article 6(2)(a), may be used to contribute to the capital endowment of European and other development finance institutions.

Chapter V

Monitoring, reporting and evaluation

Article 31

Monitoring and reporting

-1. *The achievement of the objectives of this Regulation shall be measured through an adequate, transparent and accountable monitoring, reporting and evaluation system, ensuring the proper involvement of the European Parliament and the Council, as well as enhancing the participation of all Union partners, including civil society, in the application of the programmes. [Am. 280]*

1. Indicators to report on progress under this Regulation towards the achievement of the specific objectives set out in Article 3 (2) are set in Annex VII, in line with the Sustainable Development Goals indicators. The values of the indicators on 1 January 2021 shall be used as a basis for assessing the extent to which the objectives have been achieved.

[Am. 281]

2. The Commission shall regularly monitor its actions and review progress made towards delivering *the targets established in Article 3, as well as* expected results, covering outputs and outcomes. **[Am. 282]**

Progress with respect to expected results ~~should~~ **shall** be monitored on the basis of clear, transparent and, ~~where appropriate,~~ measurable indicators *set in Annex VII and in the monitoring and evaluation framework adopted pursuant to paragraph 9, as well as in accordance with the provisions on Union budgetary execution*. Indicators shall be kept at a limited number to facilitate timely reporting *and, as a minimum, shall be disaggregated by sex and age*. **[Am. 283]**

3. Joint results frameworks included within joint programming documents that fulfil the criteria set out in Article 12(4) shall provide the basis for the joint monitoring by the Union and the Member States of the ~~implementation~~ **application** of their collective support to a partner country. **[Am. 284]**

The performance reporting system shall ensure that data for monitoring programme ~~implementation~~ **application** and results are collected efficiently, effectively, and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds. **[Am. 285]**

4. The Commission shall examine the progress made in ~~implementing~~ **applying** this Regulation. From 2022 onwards, the Commission shall submit to the European Parliament and to the Council an annual report on the achievement of the objectives of this Regulation by means of indicators, ***including, but not limited to, those set in Annex VII as well as Union budgetary execution***, measuring the results delivered and the efficiency of the Regulation. That report shall also be submitted to the European Economic and Social Committee and to the Committee of the Regions. **[Am. 286]**

5. The annual report shall contain information relating to the previous year on the measures financed, the results of monitoring and evaluation exercises, the involvement *and level of cooperation* of the relevant partners, and the ~~implementation~~ *application* of budgetary commitments and of payment appropriations broken down by country, region and cooperation sector. It shall *include an assessment of progress made towards expected results and regarding the incorporation of cross-cutting issues as mentioned in Article 8(6)*. *It shall* assess the results of the Union funding using, ~~as far as possible,~~ specific and measurable indicators of its role in meeting the objectives of this Regulation. In the case of development cooperation, the report shall also assess, ~~where possible and relevant,~~ the adherence to development effectiveness principles, including for innovative financial instruments. **[Am. 287]**

6. The annual report prepared in 2021 shall contain consolidated information from annual reports concerning the period from 2014 to 2020 on all funding from the Regulations referred to in Article ~~40(2)~~ **39(2)**, including external assigned revenues and contributions to trust funds, and offering a breakdown of spending by country, use of financial instruments, commitments and payments. The report shall reflect the main lessons learnt and the follow-up to the recommendations of the external evaluative exercises carried out in previous years. *It shall include an assessment of the level of staff capacity at headquarters and Union delegations level for the delivery of all objectives covered in this Regulation.* **[Am. 288]**

6a. The Commission shall submit as part of the annual report detailed reporting on the financing and investment operations covered by the External Action Guarantee, and the functioning of the EFSD+, its management and its effective contribution to its objectives. That part of the annual report shall be accompanied by an opinion of the Court of Auditors. It shall include the following elements:

(a) an assessment of the results contributing to the purpose and objectives of the EFSD+ as set out in this Regulation;

(b) an assessment of current financing and investment operations and covered by the External Action Guarantee at sector, country and regional levels and their compliance with this Regulation, including the risk measures and their impact on the financial and economic stability of the partners;

- (c) an assessment of the additionality and added value, the mobilisation of private sector resources, the estimated and actual outputs and the outcomes and impact of the financing and investment operations covered by the External Action Guarantee on an aggregated basis, including the impact on decent job creation and the ability to provide a living wage, the eradication of poverty and the reduction of inequality; that assessment shall include a gender analysis of the operations covered based on evidence and data broken down by gender, where possible, and an analysis of the type of private sector supported, including cooperatives and social enterprises;*
- (d) an assessment of the compliance with the requirements concerning the use of the External Action Guarantee and of the achievement of key performance indicators established for each proposal submitted;*
- (e) an assessment of the leverage effect achieved by the operations covered by the External Action Guarantee and the EFSD+ ;*

- (f) the financial amount transferred to beneficiaries and an assessment of financing and investment operations by each eligible counterpart on an aggregated basis;***
- (g) an assessment of the additionality and added value of financing and investment operations of the eligible counterparts, and of the aggregate risk associated with those operations;***
- (h) detailed information on calls on the External Action Guarantee, losses, returns, amounts recovered and any other payments received, as well as overall risk exposure;***
- (i) the financial reports on financing and investment operations of the eligible counterparts covered by this Regulation, audited by an independent external auditor;***

- (j) *an assessment of the synergies and complementarity between operations covered by the External Action Guarantee and the second and third pillars of the EIP based on relevant existing reports, with particular regard to progress made on good governance, including in the fight against corruption and illicit financial flows, respect for human rights, the rule of law and gender-responsive policies, as well as the boosting of entrepreneurship, the local business environment and local financial markets;***
- (k) *an assessment of the compliance of the External Action Guarantee operations with the internationally agreed development effectiveness principles;***
- (l) *an assessment of the remuneration of the guarantees;***
- (m) *an assessment of the implementation of provisions related to excluded activities and non-cooperative jurisdictions. [Am. 289]***

7. An annual estimate of the overall spending related to ~~climate action and biodiversity~~ ***the targets set by this Regulation*** shall be made on the basis of the indicative programming documents adopted. The funding allocated under this Regulation shall be subject to an annual tracking system based on the methodology of the Organisation for Economic Cooperation and Development ***including*** ('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~~ ***and environment, human development and social inclusion, gender equality, and Official Development Assistance***, at the level of the action plans and measures referred to in Article 19 and recorded within evaluations and the annual report. ***The Commission shall transmit the estimate to the European Parliament as part of the annual report.*** [Am. 290]
8. The Commission shall make available information on development ~~co-operation~~ ***cooperation*** through recognised international standards, ***including those of the International Labour Organisation, and using the framework for a common standard developed by the International Aid Transparency Initiative.*** [Am. 291]

9. To ensure effective assessment of progress of this Regulation towards the achievement of its objectives, the Commission shall ~~be empowered~~ to adopt delegated acts in accordance with Article 34 to amend Annex VII to review or complement the indicators where considered necessary, ***including in the context of the mid-term review pursuant to Article 32***, and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework, ***which may include additional performance indicators applicable for each of the specific objectives of this Regulation.*** [Am. 292]

Article 32

Mid-term review and evaluation [Am. 293]

1. ~~An interim~~ ***No later than 30 June 2024, the Commission shall submit a mid-term evaluation report on the application*** of this Regulation. ***The mid-term evaluation report shall be performed once there is sufficient information available about its implementation, but no later than four years after the start of the implementation cover the period from 1 January 2021 to 31 December 2023 and shall examine the Union contribution to the achievement of the instrument objectives of this Regulation, by means of indicators measuring the results delivered, and any findings and conclusions concerning the impact of this Regulation, including of the European Fund for Sustainable Development Plus and the External Action Guarantee.*** [Am. 294]

The European Parliament may provide input to this evaluation. The Commission and the EEAS shall organise a consultation with key stakeholders and beneficiaries, including civil society organisations. The Commission and EEAS shall give particular attention to ensure that the most marginalised are represented. [Am. 295]

The Commission shall also evaluate the impact and effectiveness of its actions per area of intervention, and the effectiveness of programming, by means of external evaluations. The Commission and the EEAS shall take into account proposals and views of the European Parliament and the Council on independent external evaluations. Where appropriate ***applicable*** evaluations shall make use of the good practise ***practice*** principles of the Development Assistance Committee of the Organisation for Economic Cooperation and Development, seeking to ascertain whether the objectives have been met and to formulate recommendations with a view to improving future actions. ***The interim evaluation shall assess how the Union performed on targets established by this Regulation.*** [Am. 296]

2. ~~At the end of the implementation of the Regulation, but no later than four years after the end of the period specified in Article 1, a final~~ ***The mid-term*** evaluation ***report*** of the Regulation shall ***also address efficiency, the added value, the functioning of the simplified and streamlined external financing architecture, internal and external coherence, and the continued relevance*** be carried out by the Commission. This evaluation shall look at the Union contribution to the achievement of the objectives of this Regulation, taking into account indicators measuring the results delivered and any ***the complementarity and synergies between the actions funded, the contribution of the measures to consistent Union external action, and the degree to which the public in recipient countries are aware of Union financial support, where appropriate, and include the*** findings and conclusions concerning the impact of this Regulation. ***of the reports referred to in article 31(4).*** [Am. 297]

~~The final evaluation report shall also address efficiency, the added value, the scope for simplification, internal and external coherence, and the continued relevance of the objectives of this Regulation.~~ [Am. 298]

The ~~final~~ **mid-term** evaluation report shall be undertaken for the specific purpose of improving the ~~implementation~~ **application** of the Union funding. It shall inform decisions on the renewal, modification or suspension of the types of actions implemented under this Regulation. [Am. 299]

The ~~final~~ **mid-term** evaluation 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, **as well as by geographic and thematic programme and rapid response action, including funds mobilised from the emerging challenges and priorities cushion.** [Am. 300]

The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, to the Council and to the Member States ~~through the relevant committee referred to in Article 35. Specific evaluations may be discussed in that committee at the request of Member States.~~ The results shall feed into programme design and resource allocation. [Am. 301]

The Commission shall, ~~to an appropriate extent,~~ associate all relevant stakeholders **and beneficiaries, including CSOs** in the evaluation process of the Union's funding provided under this Regulation, and may, where appropriate, seek to undertake joint evaluations with the Member States and development partners with close involvement of the partner countries. [Am. 302]

- 2a. *The Commission shall submit the mid-term evaluation report referred to in paragraph 2 to the European Parliament and to the Council. The report shall be accompanied, if appropriate, by legislative proposals setting out necessary amendments to this Regulation. [Am. 303]*
- 2b. *At the end of the period of application of this Regulation, but no later than three years after the end of the period specified in Article 1, the Commission shall carry out a final evaluation of the Regulation on the same terms as the mid-term evaluation referred to in paragraph 2 of this Article. [Am. 304]*
3. In line with the specific reporting provisions in the Financial Regulation, by 31 December 2025 and every three years thereafter, the Commission shall evaluate the use and the functioning of the External Action Guarantee. The Commission shall submit its evaluation report to the European Parliament and to the Council. That evaluation report shall be accompanied by an opinion of the Court of Auditors.

TITLE III

FINAL PROVISIONS

Article 33

Participation by a country or territory not covered by this Regulation

1. In duly justified cases and where the action to be implemented *applied* is of a global, trans-regional or regional nature, the Commission ~~may decide, within the relevant multiannual indicative programmes or within the relevant action plans or measures to extend the scope of actions to~~ ***shall be empowered to adopt a delegated act in accordance with Article 34 in order to supplement this Regulation by adding*** countries and territories ~~not to those~~ covered by this Regulation pursuant to Article 4 ~~in order to ensure the coherence and effectiveness of Union financing or to foster regional or trans-regional cooperation~~ ***for the purpose of those actions.*** [Am. 305]
2. ~~The Commission may include a specific financial allocation to assist partner countries and regions in strengthening their cooperation with neighbouring Union outermost regions and with overseas countries and territories covered by Council Decision OCT Decision. To this end, this Regulation, may contribute, where appropriate and on the basis of reciprocity and proportionality as regards the level of funding from the OCT Decision and/or the ETC Regulation, to actions implemented by a partner country or region or any other entity under this Regulation, by a country, territory or any other entity under the OCT Decision or by a Union outermost region in the frame of joint operational programmes or to interregional cooperation programmes or measures established and implemented under the ETC Regulation.~~ [Am. 306]

Article 33a

Cooperation between partner countries and regions with neighbouring Union outermost regions and with overseas countries and territories

- 1. The Commission may include a specific financial allocation to assist partner countries and regions in strengthening their cooperation with neighbouring Union outermost regions and with overseas countries and territories covered by Council Decision OCT Decision. To this end, this Regulation, may contribute, where appropriate and on the basis of reciprocity and proportionality as regards the level of funding from the OCT Decision and/or the ETC Regulation, to actions applied by a partner country or region or any other entity under this Regulation, by a country, territory or any other entity under the OCT Decision or by a Union outermost region in the frame of joint operational programmes or to interregional cooperation programmes or measures established and applied under the ETC Regulation.*
- 2. The Union co-financing rate shall not be higher than 90 % of the eligible expenditure of a programme or measure. For technical assistance, the co-financing rate shall be 100 %.*
[Am. 307]

Article 34

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 4(6), Article 26(3) **8(7a)**, **Article 8(8b)**, **Article 14(1)**, **Article 15(a)**, **Article 17(4)**, **Article 21(3a)**, **Article 26(4)**, Article 27(9), ~~and~~ Article 31(9) **and Article 33(1)** shall be conferred on the Commission for the period of validity of this Regulation. ***The Commission shall adopt those delegated acts as soon as possible. However, the delegated acts referred to in Article 8(7a), Article 8(8b), Article 17(4), and Article 31(9) shall be adopted by ...[6 months after the date of entry into force of this Regulation].*** [Am. 308]
3. The delegation of power referred to in Article 4(6), ~~Article 26(3)~~, **8(7a)**, **Article 8(8b)**, **Article 14(1)**, **Article 15a**, **Article 17(4)**, **Article 21(3a)**, **Article 26(4)**, Article 27(9), Article 31(9) and **Article 33(1)** 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. [Am. 309]

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Article 4(6), ~~Article 26(3)~~, **8(7a)**, **Article 8(8b)**, **Article 14(1)**, **Article 15a**, **Article 17(4)**, **Article 21(3a)**, **Article 26(4)**, Article 27(9), Article 31(9) and **Article 33(1)** 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. **[Am. 310]**

Article 34a

Urgency procedure

1. *Where, in the case of natural or man-made disasters, or immediate threats to democracy, the rule of law, human rights or fundamental freedoms, imperative grounds of urgency so require, the Commission is empowered to adopt delegated acts and the procedure provided for in paragraphs 2 and 3 of this Article shall apply.*
2. *Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 3. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.*
3. *Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in Article 34(6). In such a case, the Commission shall repeal the act immediately following the notification of the decision to object by the European Parliament or by the Council. [Am. 311]*

Article 34b

Democratic accountability

- 1. In order to enhance dialogue between the institutions of the Union, in particular the European Parliament, Commission and the EEAS, and to ensure greater transparency and accountability, as well as the expediency in the adoption of acts and measures by the Commission, the European Parliament may invite the Commission and the EEAS to appear before it to discuss the strategic orientations and guidelines for the programming under this Regulation. That dialogue shall also foster the overall coherence of all External Financing Instruments in line with Article 5. That dialogue may take place prior to the adoption of delegated acts and of the draft annual budget by the Commission. That dialogue may also take place on an ad hoc basis in view of major political developments, at the request of the European Parliament or the European Commission or the EEAS.*
- 2. The Commission and the EEAS shall present to the European Parliament all relevant documents in that regard at least one month prior to the dialogue. For the dialogue related to the annual budget, consolidated information on all action plans and measures adopted or planned in accordance with Article 21, information on cooperation per country, region and thematic area, and the use of rapid response actions, the emerging challenges and priorities cushion, and the External Action Guarantee shall be provided by the Commission and the EEAS.*

3. *The Commission and the EEAS shall take utmost account of the position expressed by the European Parliament. In the event that the Commission or the EEAS do not take European Parliament's positions into account, it shall provide due justification.*
4. *The Commission and the EEAS, in particular through the steering group pursuant to Article 38, shall be responsible for keeping the European Parliament informed about the state of this Regulation's application, in particular about ongoing measures, actions and results. [Am. 312]*

Article 35
Committee

1. ~~The Commission shall be assisted by the Neighbourhood, Development and International Cooperation committee. This committee shall be a committee within the meaning of Regulation (EU) No 182/2011.~~
 2. ~~Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.~~
 3. ~~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.~~
 5. ~~The adopted decision shall remain in force for the duration of the adopted or modified document, action programme or measure.~~
 6. ~~An observer from the European Investment Bank shall take part in the Committee's proceedings with regard to questions concerning the European Investment Bank.~~
- [Am. 313]**

Article 36

~~Information~~ **Transparency**, communication and ~~publicity~~ **public disclosure of information**

[Am. 314]

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding in particular when promoting the actions and their results by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public. ***The Commission shall be responsible for monitoring recipients' compliance with those requirements.*** **[Am. 315]**
2. The Commission shall ~~implement~~ **apply** information and communication actions relating to this Regulation, and its actions and results. Financial resources allocated to this Regulation shall also contribute to the corporate communication of the political priorities of the Union, as far as those priorities are directly related to the objectives referred to in Article 3.

[Am. 316]

- 2a. *The Commission shall take measures to strengthen strategic communication and public diplomacy for communicating the values of the Union and the Union's added value.*
[Am. 317]
- 2b. *The Commission shall establish a single comprehensive public central electronic repository of all actions financed under this Regulation, including the criteria used to establish partners' needs in the resource allocation process, and ensure its regular update, with the exception of those actions deemed to give rise to security issues or local political sensitivities pursuant to Article 37.* [Am. 318]
- 2c. *The repository shall also include information on all financing and investment operations, including at individual and project level and the essential elements of all EFSD + guarantee agreements, including information on the legal identity of eligible counterparts, expected development benefits and complaints procedures, taking into account the protection of confidential and commercially sensitive information.*
[Am. 319]

2d. *In accordance with their transparency policies and Union rules on data protection and on access to documents and information, eligible EFSD + counterparts shall proactively and systematically make publicly available on their websites information relating to all financing and investment operations covered by the External Action Guarantee, relating in particular to the manner in which those operations contribute to the achievement of the objectives and requirements of this Regulation. Such information shall be broken down at project level. Such information shall always take into account the protection of confidential and commercially sensitive information. Eligible counterparts shall also publicise Union support in all information which they publish on financing and investment operations covered by the External Action Guarantee in accordance with this Regulation. [Am. 320]*

Article 37

Derogation from visibility requirements

Security issues or local political sensitivities may make it preferable or necessary to limit communication and visibility activities in certain countries or areas or during certain periods. In such cases, the target audience and the visibility tools, products and channels to be used in promoting a given action shall be determined on a case-by-case basis, in consultation and agreement with the Union. Where rapid intervention is required in response to a sudden crisis, it is not necessary to produce a full communication and visibility plan immediately. In such situations, however, the Union's support shall nevertheless be appropriately indicated from the start.

Article 38

~~EEAS clause~~

~~This Regulation shall apply in accordance with Decision 2010/427/EU. [Am. 321]~~

Article 38a
Governance

A horizontal steering group composed of all relevant Commission and EEAS services and chaired by the VP/HR or a representative of that office shall be responsible for the steering, coordination and management of this instrument throughout the management cycle in order to ensure consistency, efficiency, transparency and accountability of all Union external financing. The VP/HR shall ensure overall political coordination of the Union's external action. For all actions, including rapid response actions and exceptional assistance measures, and throughout the whole cycle of programming, planning and application of the instrument, the High Representative and the EEAS shall work with the relevant members and services of the Commission, identified on the basis of the nature and objectives of the action foreseen, building upon their expertise. All proposals for decisions shall be prepared by following the Commission's procedures and shall be submitted to the Commission for adoption.

The European Parliament shall be fully involved in the design, programming, monitoring and evaluation phases of the instruments in order to guarantee political control and democratic scrutiny and accountability of Union funding in the field of external action. [Am. 322]

Article 39

Repeal and transitional provisions

1. Decision No 466/2014/EU, Regulation (EC, Euratom) No 480/2009 and Regulation (EU) 2017/1601 are repealed with effect from 1 January 2021.
2. The financial envelope for this Regulation may also cover technical and administrative assistance expenditures necessary to ensure the transition between this Regulation and the measures adopted under its predecessors: Regulation (EU) No 233/2014; Regulation (EU) No 232/2014; Regulation (EU) No 230/2014; Regulation (EU) No 235/2014; Regulation (EU) No 234/2014, Regulation (Euratom) No 237/2014, Regulation (EU) No 236/2014, Decision No 466/2014/EU, Regulation (EC, Euratom) No 480/2009 and Regulation (EU) 2017/1601.
3. The financial envelope for this regulation may cover expenditures related to the preparation of any successor to this Regulation.
4. If necessary, appropriations may be entered in the budget beyond 2027 to cover the expenditures provided for in Article 20(1), to enable the management of actions not completed by 31 December 2027.

Article 40

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 2021 *until 31 December 2027*. [Am. 323]

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

Done at ...,

For the European Parliament
The President

For the Council
The President

ANNEX I

LIST OF COUNTRIES AND TERRITORIES IN THE NEIGHBOURHOOD AREA

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

Union support under this area may also be used for the purpose of enabling the Russian Federation to participate in cross-border cooperation programmes and in other relevant multi-country programmes, *including cooperation on education, in particular student exchanges*. [Am. 324]

ANNEX II

AREAS OF COOPERATION FOR THE GEOGRAPHIC PROGRAMMES

A. For all geographic regions

PEOPLE

1. Good governance, democracy, rule of law and human rights
 - (a) Strengthening democracy and *inclusive* democratic processes, governance and oversight, including *an independent judiciary, the rule of law and* transparent, *peaceful* and credible electoral processes; [Am. 325]
 - (b) Strengthening *the promotion and* the protection of human rights ~~and fundamental freedoms~~ *as proclaimed in the Universal Declaration of Human Rights and the fulfilment of related international instruments, supporting and protecting human rights defenders, contributing to the implementation of global and regional pacts and frameworks, increasing the capacities of civil society in their implementation and monitoring, and laying the foundations for the creation of a legal framework for the protection of persons displaced due to climate change;* [Am. 326]
 - (c) Promoting the fight against discrimination in all its forms, and the principle of equality, *in particular gender equality, women's and girls' rights and empowerment*, and the rights of *children and young people, people with disabilities*, persons belonging to minorities, *LGBTI persons and indigenous populations*; [Am. 327]

- (d) Supporting a thriving civil society, ~~and~~ ***strengthening*** its role in ***political transitions***, reform processes and democratic transformations, and promoting an enabling space for civil society and citizens' engagement in political ***life and in scrutiny of*** decision-making; [Am. 328]
- (e) Improving the pluralism, independence and professionalism of a free and independent media;
- (f) Building resilience of states, societies, communities and individuals to ~~political, economic,~~ ***prepare them to resist, adapt and recover quickly from*** environmental, food, demographic and societal pressures and ~~and~~ ***economic shocks, natural and man-made disasters and, conflicts, health crises and food security***; [Am. 329]
- (g) Strengthening the development of democratic public institutions at ***international, national and sub-national*** levels, including an independent, effective, efficient and accountable judicial system, the promotion of rule of law, ***international justice, accountability*** and access to justice for all; [Am. 330]

- (h) Supporting public administration reform processes, including through using citizen centred eGovernment approaches, strengthening legal frameworks and institutional set up, national statistical systems, capacities, sound public finance management, and contributing to the fight against corruption, ***tax avoidance, tax evasion and aggressive tax planning***; [Am. 331]
- (i) Promoting inclusive, balanced and integrated territorial and urban policies through strengthening public institutions and bodies at the national and sub-national levels and supporting efficient decentralisation and state restructuring processes;
- (j) Increasing transparency and accountability of public institutions, strengthening public procurement ***including encouraging the development of sustainability criteria (environmental, social and economic) and targets*** and public finance management, developing eGovernment and strengthening service delivery; [Am. 332]
- (k) Supporting the sustainable, accountable and transparent management of natural resource sectors and related revenues, and reforms to ensure fair, just and sustainable tax policies;
- (ka) ***promoting parliamentary democracy***. [Am. 333]

2. Poverty eradication, fight against inequalities and human development
- (a) Eradicating poverty in all its dimensions, tackling discrimination and inequalities, and leaving no-one behind; ***and reaching the furthest behind first, by prioritising investments in public services on health, nutrition, education and social protection; [Am. 334]***
 - (b) Enhancing efforts for the adoption of policies and appropriate investment to promote, ***protect and fulfil*** women, and young people's ***people and children's and persons with disabilities'*** rights, to facilitate their engagement ***and meaningful participation*** in social, civic and economic life, and to ensure their full contribution to inclusive growth and sustainable development; **[Am. 335]**
 - (c) Promoting the protection and fulfilment of women's and girls' rights ***and empowerment***, including economic, labour and social rights, ***land rights*** and sexual and reproductive health and rights, and preventing ***and protecting them from*** sexual and gender-based violence in all forms; ***this includes promoting access for all to comprehensive sexual and reproductive health information and comprehensive sexuality education; promoting cooperation in research and innovation for new and improved tools for sexual and reproductive healthcare including family planning, particularly in low resource settings; [Am. 336]***

- (d) Giving special attention to those who are disadvantaged, vulnerable and marginalised, *inter alia* children, older persons, persons with disabilities, LGBTI persons and indigenous peoples. This includes promoting the transition from institutional to community-based care for children ***with and without disabilities***; [Am. 337]
- (e) Promoting an integrated approach to supporting communities, particularly the poorest, ~~in~~ ***and hardest to reach***, by improving ***universal*** access to basic needs and services, ***in particular health, including sexual and reproductive health services, information and supplies, education, nutrition and social protection***; [Am. 338]
- (f) ***Giving children, particularly the most marginalised, the best start in life by investing in early childhood development and ensuring that children experiencing poverty or inequality have access to basic services such as health, nutrition, education and social protection***; supporting the provision of a safe, nurturing environment for children as an important element for fostering a healthy young population able to reach its full potential, ***and paying special attention to the needs of girls***; [Am. 339]

- (g) Supporting universal access to sufficient, affordable, safe and nutritious food, particularly for those in the most vulnerable situations, ***inter alia children under the age of five, adolescents, both girls and boys, and women, especially during pregnancy and breastfeeding***, and strengthening food security and nutrition, particularly in countries facing protracted or recurrent crises; ***fostering multi-sectoral nutrition-sensitive approaches to agriculture***; [Am. 340]
- (h) Supporting universal access to safe and sufficient drinking water sanitation, ~~and~~ hygiene, and sustainable and integrated water management ***as key determinants of health, education, nutrition, climate change resilience and gender equality***; [Am. 341]
- (i) Achieving universal health coverage, with equitable access to quality and affordable health services, including ***sexual and reproductive health services***, ***and*** through supporting the building of ***inclusive*** strong, quality and resilient health systems ***that are accessible to all***, and enhancing capacity for early warning, risk reduction, management and recovery; ***complementing action through the Union's framework programme for research and innovation to tackle global health threats, develop safe, efficient and affordable vaccines and treatments against poverty-related and neglected diseases, and to improve responses to health challenges including communicable diseases, antimicrobial resistance and emerging diseases and epidemics***; [Am. 342]

- (j) Supporting universal and equitable social protection and strengthening social safety nets to guarantee basic income, prevent lapses into extreme poverty and build resilience;
- (ja) ***Strengthening resilience of people and communities, including through increased investment in community-led disaster risk reduction (DRR) and preparedness projects; [Am. 343]***
- (jb) ***Supporting national, regional and local governments and administrations to create the required infrastructure, inter alia physical, technological and human resources, and using the latest technological and administrative developments to enable all civil registrations (from birth through to death) to be accurately registered, and officially recognised duplicated documents to be published when necessary in order to ensure that all citizens officially exist and are able to access their fundamental rights; [Am. 344]***
- (k) Promoting inclusive sustainable urban development to address urban inequality, focusing on those most in need. ***and adopting a gender-sensitive approach; [Am. 345]***
- (l) ~~Supporting local authorities to improve at city level the delivery of basic services and equitable access to food security, accessible, decent and affordable housing and the quality of life, in particular for those living in informal settlements and slums. [Am. 346]~~

- (m) Promoting *the achievement of internationally agreed goals in education with particular focus on free public education systems, through* inclusive and equitable quality formal, informal and non-formal education, *and promoting life-long learning opportunities* for all, at all levels and including *early childhood development* technical and vocational training, including in emergency and crisis situations, and including through the use of digital technologies to improve education teaching and learning; [Am. 347]
- (ma) *Supporting education corridors to ensure that students from countries at war can study at Union universities;* [Am. 348]
- (n) Supporting actions of ~~capacity building~~, learning mobility, *capacity building and cultural cooperation* to, from or between partner countries, as well as of cooperation and policy dialogue with institutions, organisations, local implementing bodies and authorities, from those countries; [Am. 349]
- (na) *Promoting capacity building and cooperation in the areas of science, technology and research, in particular addressing poverty-related, societal challenges disproportionately affecting partner countries and neglected areas of research and innovation with limited private sector investments, and open data and fostering social innovation;* [Am. 350]

- (o) Promoting *capacity building and* cooperation in the areas of science, technology and research, ~~and~~ open data, *big data, artificial intelligence*, and innovation, *in coordination with the Union's framework programme for research and innovation, to combat the phenomenon of the brain drain*; [Am. 351]
- (p) Stepping up coordination amongst all relevant actors to help the transition from an emergency situation to the development phase;
- (q) Promoting intercultural dialogue and cultural diversity in all its forms, and preserve and promote cultural heritage, and unlocking the potential of *cultural and* creative industries *sectors* for sustainable, social and economic development; [Am. 352]
- (qa) *Supporting actions, and promoting cooperation, in the area of sport to contribute to the empowerment of women, young people, individuals and communities as well as to the health, education and social inclusion objectives of the 2030 Agenda*; [Am. 353]
- (r) Promoting the dignity and resilience of long-term forcibly displaced persons and their inclusion in the economic and social life of host countries and host communities.

3. Migration, and mobility *and forced displacement* [Am. 354]

- (-a) *Supporting effective and human rights-based migration policies, at all levels, including protection programmes, to facilitate safe, orderly and regular migration; [Am. 355]*
- (a) *Contributing to strengthening bilateral, regional, including South-South, and international partnerships on migration and mobility based on an integrated and balanced approach, covering all aspects of migration, including assistance in implementing and in compliance with international and Union bilateral or regional agreements and arrangements, including mobility partnerships law and human rights obligations; [Am. 356]*
- (aa) *Providing assistance in implementing Union bilateral or regional agreements and arrangements with third countries, including mobility partnerships, and the creation of safe and legal pathways, including by developing visa facilitation and resettlement agreements and on the basis of mutual accountability and full respect of humanitarian and human rights obligations; [Am. 357]*
- (b) Supporting sustainable *and successful socio-economic* reintegration of returning migrants; [Am. 358]

- (c) Addressing and mitigating root causes of irregular migration and forced displacement;
- (d) ~~Tackling~~ ***Reducing the vulnerabilities in migration, including through addressing*** irregular migration, ***and strengthening the transnational response to*** trafficking in human beings, ***and*** smuggling of migrants, ~~stepping up cooperation on integrated border management~~ ***in accordance with international and Union law***; [Am. 359]
- (e) Strengthening scientific, technical, human and institutional capacity for the management of migration, ***including the collection and use of accurate and disaggregated data as a basis for evidence-based policies in order to facilitate safe, orderly and responsible migration***; [Am. 360]

- ~~(f) Supporting effective and human rights based migration policies including protection programmes; [Am. 361]~~
- (g) Promoting conditions for facilitating legal migration and well-managed mobility, *and* people-to-people contacts, ~~maximising the development impact~~ *including by providing accurate and timely information at all stages* of migration; [Am. 362]
- (ga) *Maximising the development impact of migration and improving a common understanding of the migration-development nexus*; [Am. 363]
- (h) Ensuring protection of migrants and forcibly displaced persons, *paying special attention to vulnerable groups and applying a rights-based approach and ensuring the recognition and status determination of persons in need of international protection among mixed migratory flows*; [Am. 364]

- (i) Supporting development-based solutions for forcibly displaced persons and their host communities, ***including through access to education and decent jobs, to promote the dignity, resilience and self-reliance of displaced persons, and their inclusion in the economic and social life of host countries;*** [Am. 365]
- (j) Supporting diaspora engagement in countries of origin, ***to contribute fully to sustainable development;*** [Am. 366]
- (k) Promoting faster, cheaper and safer remittance transfers in both source and recipient countries, thus harnessing their potential for development.
- (ka) Contributing to empowering migrants and societies to realise their full inclusion and social cohesion.*** [Am. 367]

Cooperation in this area will be managed in coherence with the [Asylum and Migration Fund], in full respect of the principle of policy coherence for development. [Am. 368]

PLANET

4. Environment and climate change

- (a) Strengthening scientific, technical, human and institutional capacity for climate and environmental management, mainstreaming and monitoring; Strengthening regional and national climate governance.
- (b) ***Supporting adaptation to climate change, with special emphasis on particularly vulnerable States and populations lacking resources for taking necessary measures;*** contributing to partners' efforts to pursue their commitments on climate change in line with the Paris Agreement on Climate Change, including the implementation of Nationally Determined Contribution (NDCs) and mitigation and adaptation plans of action including synergies between adaptation and mitigation, ***as well as their commitments under other multilateral environmental agreements, such as the Convention on Biological Diversity and the United Nations Convention to Combat Desertification;*** [Am. 369]
- (c) Developing and/or strengthening sustainable green and blue growth in all economic sectors;

- (d) ***Promoting access to sustainable energy in developing countries, with a view to honouring the Union’s 2012 pledge to provide such access for an additional 500 million people by 2030, giving priority to small-scale, mini-grid and off-grid solutions of high environmental and development value.*** Strengthening sustainable energy cooperation. Promoting and increasing cooperation on energy efficiency and the use of renewable energy sources; ***promoting access to reliable, secure, affordable, clean and sustainable energy services, in particular local and decentralized solutions that ensure energy access for people living in poverty and in remote regions;*** [Am. 370]
- (da) ***Building capacity to mainstream environmental sustainability and climate change objectives, and pursuing green growth into national and local development strategies including supporting sustainability criteria in public procurement;*** [Am. 371]
- (db) ***Promoting corporate social responsibility, due diligence in supply chains, and the consistent application of the “precautionary approach” and the “polluter pays” principle;*** [Am. 372]

- (dc) ***Promoting environmentally sustainable agriculture practices, including agroecology, which are proven to contribute to protection of ecosystems and biodiversity and enhance environmental and social resilience to climate change in the long term; [Am. 373]***
- (e) Improving local, national regional and continental multi-modal transport networks and services to strengthen further opportunities for sustainable climate-resilient economic development and job creation, in view of low-carbon, climate resilient development. Strengthening transport facilitation and liberalisation, improve sustainability, road safety and resilience of transport domains;
- (f) Strengthening the involvement of local communities ***and indigenous peoples*** in climate change responses, ***the fight against biodiversity loss and wildlife crime***, conservation of ecosystems and the governance of natural resources, ***including through the improvement of land tenure and water resources management***. Promoting sustainable urban development and resilience in urban areas;
[Am. 374]

- (fa)** *Putting an end to the trade in conflict minerals as well as the abuse of miners, and supporting the development of local communities in accordance with Regulation (EU) 2017/821 on supply chain due diligence obligations and accompanying measures, as well as elaborating such approach to minerals currently not yet covered; [Am. 375]*
- (fb)** *Promoting Education for Sustainable Development (ESD) to empower people to transform society and build a sustainable future; [Am. 376]*
- (g)** Promoting the conservation, sustainable management and use, and restoration of natural resources, healthy ecosystems and halting biodiversity loss, and protecting wildlife *including combatting poaching, and wildlife trafficking; [Am. 377]*
- (ga)** *Addressing biodiversity loss, implementing international and Union initiatives to address it, in particular through the promotion of the conservation, sustainable use and management of terrestrial and marine ecosystems and associated biodiversity; [Am. 378]*

- (h) Promoting integrated and sustainable management of water resources and transboundary water cooperation *in accordance with international law*; **[Am. 379]**
- (i) Promoting conservation and enhancement of carbon stocks through sustainable management of land use, land-use change, and forestry and combatting environmental degradation, desertification and land *and forest* degradation, *and drought*; **[Am. 380]**
- (j) Limiting deforestation and promoting forest law enforcement, governance and trade (FLEGT), and combating illegal logging, trade of illegal timber and wood products. *Supporting better governance and capacity building for the sustainable management of natural resources; supporting the negotiation and the implementation of Voluntary Partnership Agreements*; **[Am. 381]**
- (k) Supporting ocean governance, including the protection and restoration preservation of coastal and marine areas in all its forms, including ecosystems, the fight against marine litter, the fight against illegal, unreported and unregulated (IUU) fishing and the protection of maritime biodiversity *in accordance with the United Nations Convention on the Law of the Sea (UNCLOS)*; **[Am. 382]**

- (l) Strengthening regional disaster risk reduction (DRR), *preparedness* and resilience *by means of a community-based and people-centred approach*, in synergy with climate change adaption policies and actions; [Am. 383]
- (m) Promoting resource efficiency and sustainable consumption and production *(including throughout the entire supply chain)*, including *by curbing the use of natural resources financing conflicts, and by supporting compliance by stakeholders with initiatives such as the Kimberley process Certification Scheme*; tackling pollution and a sound management of chemicals and waste; [Am. 384]
- (n) Supporting efforts to improve sustainable economic diversification, competitiveness, and *value-sharing supply chains and fair* trade, private sector development with a particular focus on low-carbon climate-resilient green growth, microenterprises, *social enterprises* and SMEs and cooperatives, taking advantage of *the development benefits of* existing trade agreements with the EU; [Am. 385]
- (na) *Achieving the international commitments regarding biodiversity conservation in treaties such as the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Convention on the Conservation of Migratory Species of Wild Animals (CMS) and other biodiversity-related treaties*; [Am. 386]

- (nb)** *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; [Am. 387]*
- (nc)** *Addressing global and trans-regional effects of climate change having a potentially destabilising impact on development, peace and security. [Am. 388]*

PROSPERITY

5. Inclusive and sustainable economic growth and decent employment
 - (a) Supporting entrepreneurship, ***including through microfinance***, decent employment and employability through the development of skills and competences, including education, the improvement of ***the full application of ILO*** labour standards and ***including social dialogue and the fight against child labour***, working conditions ***in a healthy environment, living wages*** and the creation of opportunities particularly for the youth; [Am. 389]
 - (b) Supporting national development paths that maximise positive social outcomes and impacts, and promoting progressive ***effective and sustainable*** taxation and redistributive public policies, ***and the setting-up and strengthening of sustainable social protection systems and social insurance schemes; supporting efforts at national and international levels to combat tax evasion and tax havens***; [Am. 390]
 - (c) Improving the ***responsible*** business and investment climate, creating an enabling regulatory environment for economic development and supporting companies, in particular MSMEs, ***cooperatives and social enterprises*** in expanding their business and creating jobs, ***supporting the development of a solidarity economy and boosting private sector accountability***; [Am. 391]

- (ca) ***Promoting corporate accountability and redress mechanisms for violations of human rights related to private sector activities; supporting efforts at local, regional and global level to ensure corporate compliance with human rights standards and regulatory developments, including on mandatory due diligence and an international binding instrument on business and human rights at a global level; [Am. 392]***
- (d) Strengthening social and environmental sustainability, corporate social responsibility and responsible business conduct throughout the entire value chains, ***ensuring value sharing, fair prices and fair trading conditions;*** [Am. 393]
- (e) Increasing effectiveness ***and sustainability*** of public spending, ***including through promoting sustainable public procurement;*** and promoting more strategic use of public finance, including through blending instruments to crowd in additional public and private investment; [Am. 394]

- (f) Boosting the potential of cities as hubs for sustainable and inclusive growth and innovation;
- (g) Promoting internal economic, social and territorial cohesion, forging stronger links between urban and rural areas and facilitating the development of ~~the~~ ***both creative industries and the cultural*** tourism sector as a leverage for sustainable development; [Am. 395]
- (h) Boosting and diversifying ***sustainable and inclusive*** agricultural and food value chains, promoting ***food security and*** economic diversification, value addition, regional integration, competitiveness and ***fair*** trade, and strengthening sustainable, low-carbon and climate-change-resilient, innovations; [Am. 396]
- (ha) ***Focusing on ecologically efficient agricultural intensification for smallholder farmers, and in particular women, by providing support for effective and sustainable national policies, strategies and legal frameworks, and for equitable and sustainable access to resources, including land, water, (micro) credit and other agricultural inputs;*** [Am. 397]

- (hb) Actively support greater participation of civil society and farmer organisations in policy making and research programmes and increase their involvement in the implementation and evaluation of government programmes; [Am. 398]***
- (i) Supporting sustainable fisheries management and sustainable aquaculture;
- (j) Fostering universal access to ***safe, affordable and*** sustainable energy, promoting a low-carbon, climate resilient resource efficient and circular economy in line with the Paris Agreement on Climate Change; **[Am. 399]**
- (k) Promoting smart, sustainable, inclusive, safe mobility, as well as improving transport connectivity with the Union;
- (l) Promoting affordable, inclusive ~~and~~ reliable ***and secure*** digital connectivity and strengthening the digital economy; ***promoting digital literacy and skills; fostering digital entrepreneurship and job creation; promoting the use of digital technologies as an enabler for sustainable development; addressing cybersecurity, data privacy and other regulatory issues linked to digitalisation;*** **[Am. 400]**

- (m) Developing and strengthening markets and sectors in a way that would bolster inclusive and sustainable growth, *and fair trade*; [Am. 401]
- (n) Supporting the regional integration agenda and optimal trade policies *in support of inclusive and sustainable development*, and supporting the consolidation and implementation of *fair* trade agreements between the EU *Union* and its partners, *including holistic and asymmetrical agreements with developing country partners; promoting and strengthening multilateralism, sustainable economic cooperation, as well as the rules of the World Trade Organisation*; [Am. 402]
- (o) Promoting cooperation in the areas of science, technology and research, ~~and~~ *digitalisation*, open data, *big data and artificial intelligence* and innovation, *including the development of science diplomacy*; [Am. 403]
- (p) Promoting intercultural dialogue and cultural diversity in all its forms, *developing local crafts as well as contemporary arts and cultural expressions*, and preserve and promote cultural heritage; [Am. 404]

- (q) Empowering women to take up a greater economic role and in decision-making;
- (r) Improving access to decent work *for all within a healthy environment*, and creating more inclusive and well-functioning labour markets and employment policies directed towards decent work, *respect for human rights and labour rights, including living wages* for all, especially the *women and* youth; [Am. 405]
- (ra) *Ensuring that access to extractive sectors is fair and sustainable while not contributing to conflicts or corruption;* [Am. 406]
- (s) Promoting fair, sustainable and undistorted access to extractive sectors; *ensuring increased transparency, due diligence and investor responsibility while promoting private sector accountability; applying measures to accompany the Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas.* [Am. 407]

PEACE

6. ***Peace, security, and stability and peace [Am. 408]***
 - (a) Contributing to peace, ~~and~~ ***the prevention of conflict and therefore to*** stability through building resilience of states, societies, communities and individuals to political, economic, environmental, demographic and societal pressures and shocks, ***including by supporting resilience assessments designed to identify the indigenous capacities within societies that allow them to withstand, adapt to and quickly recover from these pressures and shocks; [Am. 409]***
 - (aa) ***Promoting a culture of non-violence, including by supporting formal and informal peace education; [Am. 410]***
 - (b) Supporting conflict prevention, early warning and peacebuilding through mediation, crisis management, and stabilisation ***and post-conflict reconstruction, including an enhanced role for women at all of these stages; promoting, facilitating and building capacity in confidence building, mediation, dialogue and reconciliation, good neighbourly relations and other measures contributing to the prevention and settlement of conflicts, with particular regard to emerging inter-community tensions as well as conciliation measures between segments of societies and protracted conflicts and crises; [Am. 411]***

- (ba) *Supporting rehabilitation and reintegration of victims of armed conflicts as well as disarmament, demobilisation and reintegration of former combatants and their families into civil society, including the specific needs of women;*
[Am. 412]
- (bb) *Enhancing the role of women and youth in peacebuilding and conflict prevention, and their inclusion, meaningful civil and political participation and social recognition; supporting the implementation of UNSCR 1325, in particular in fragile, conflict and post-conflict situations and countries;*
[Am. 413]
- (c) Supporting *conflict sensitive* security sector reform that gradually provides individuals and the state with more effective, *democratic* and accountable security for sustainable development *and peace*; [Am. 414]
- (d) Supporting capacity-building of military actors in support of development and security for development (CBSD); [Am. 415]

- (da)** *supporting regional and international disarmament initiatives and arms export control regimes and mechanisms; [Am. 416]*
- (e)** Supporting *local*, regional and international initiatives, contributing to security, stability and peace *as well as linking those different initiatives; [Am. 417]*
- (f)** Preventing and countering radicalisation leading to violent extremism and terrorism *by means of context-specific, conflict- and gender- sensitive and people-centred programmes and actions; [Am. 418]*
- (fa)** *Addressing the socio-economic impact on the civilian population of antipersonnel landmines, unexploded ordnance or explosive remnants of war, including the needs of women; [Am. 419]*
- (fb)** *Addressing the social effects or restructuring the armed forces, including the needs of women; [Am. 420]*
- (fc)** *Supporting ad hoc local, national, regional and international tribunals, truth and reconciliation commissions and mechanisms; [Am. 421]*

- (g) Fighting against any form of violence, corruption and organised crime and money laundering;
- (h) Promoting transboundary cooperation regarding the sustainable management of shared natural resources *in accordance with international and Union law*; [Am. 422]
- (i) Cooperating with third countries in the peaceful use of nuclear energy, notably through capacity building and infrastructure development in third countries in the areas of health, agriculture and food safety; as well as supporting social actions addressing the consequences on the most vulnerable population exposed to any radiological accident and aiming at improving their living conditions; promoting knowledge-management, training and education in nuclear-related fields. *Such activities shall be developed in conjunction with those under the European Instrument for Nuclear Safety established by Regulation EINS*; [Am. 423]
- (j) Enhancing maritime security *and safety* to allow for safe, secure, clean and sustainably managed oceans; [Am. 424]
- (k) Supporting capacity-building in cyber security, resilient digital networks, data protection and privacy.

PARTNERSHIP

7. Partnership

- (a) Enhancing country ownership, partnership and dialogue, in order to contribute to greater effectiveness of development cooperation in all its dimensions (giving special consideration for the specific challenges of Least Developed Countries and countries affected by conflict, as well as specific transitional challenges of more advanced developing countries);
- (b) Deepening political, economic, social, environmental and cultural dialogue between the Union and third countries and regional organisations, and supporting implementation of bilateral and international commitments;
- (c) Encouraging good neighbourly relations, regional integration, enhanced connectivity, cooperation and dialogue;
- (ca) ***Supporting and increasing cooperation by partner countries and regions with neighbouring Union outermost regions and with overseas countries and territories covered by the Council Decision¹ [...] on the association of the overseas countries and territories with the European Union; [Am. 425]***

¹ Council Decision .../... of ... on the association of the overseas countries and territories with the European Union...(OJ ...)

- (d) Promoting an enabling environment for civil society organisations, including foundations, enhancing their ~~meaningful and structured~~ participation in domestic policies and their capacity to perform their roles as independent development and governance actors; and strengthening new ways of partnering with civil society organisations, promoting a substantive and structured dialogue with the Union and the effective use *and implementation* of country roadmaps for ~~EU~~ *the Union's* engagement with civil society; [**Am. 426**]
- (e) Engaging with local authorities and support their role as policy and decision-makers to boost local development and improved governance;
- (f) Engaging more effectively with citizens *and human rights defenders* in third countries, including by making full use of economic, cultural, *sport* and public diplomacy; [**Am. 427**]
- (g) Engaging industrialised and more advanced developing countries on the implementation of the 2030 Agenda, global public goods and challenges, including in the area of South-South and triangular cooperation;
- (h) Encouraging regional integration and cooperation, in a result-oriented way through support for regional integration and dialogue.

~~B. Specific for the Neighbourhood area~~

- ~~(a) Promoting enhanced political cooperation;~~
- ~~(b) Supporting the implementation of association agreements, or other existing and future agreements, and jointly agreed association agendas and partnership priorities or equivalent documents;~~
- ~~(c) Promoting a strengthened partnership with societies between the Union and the partner countries, including through people to people contacts;~~
- ~~(d) Enhancing regional cooperation, in particular in the framework of the Eastern Partnership, the Union for the Mediterranean, and European Neighbourhood-wide collaboration as well as cross-border cooperation;~~
- ~~(e) 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.~~

[Am. 428]

ANNEX III

AREAS OF INTERVENTION FOR THEMATIC PROGRAMMES

1. AREAS OF INTERVENTION FOR HUMAN RIGHTS AND DEMOCRACY

- ~~———— Contributing to advancing the fundamental values of democracy, the rule of law, the universality and indivisibility of human rights, respect for human dignity, the principles of non-discrimination, equality and solidarity, and respect for the principles of the United Nations Charter and international law. [Am. 429]~~
- ~~———— Allowing for cooperation and partnership with civil society on human rights and democracy issues, including in sensitive and pressing situations. A coherent and holistic strategy at all levels shall be developed to achieve the below objectives. [Am. 430]~~
- ~~———— Upholding human rights and fundamental freedoms for all, contributing to forging societies in which participation, non-discrimination, tolerance, justice and accountability, solidarity and equality prevail. Respect for and observance of human rights and fundamental freedoms for all shall be monitored, promoted and strengthened in accordance with the principles of universality, indivisibility and interdependence of human rights. The scope of the programme includes civil, political, economic, social and cultural rights. Human rights challenges shall be addressed while invigorating civil society and protecting and empowering human rights defenders, also in relation to shrinking space for their actions. [Am. 431]~~

~~Developing, enhancing and protecting democracy, comprehensively addressing all aspects of democratic governance, including reinforcing democratic pluralism, enhancing citizen participation, and supporting credible, inclusive and transparent electoral processes. Democracy shall be strengthened by upholding the main pillars of democratic systems, including the rule of law, democratic norms and values, independent media, accountable and inclusive institutions including political parties and parliaments, and the fight against corruption. Election observation plays a full part in the wider support for the democratic processes. Within this context, EU election observation shall continue to be a major component of the programme as well as the follow-up to recommendations of EU election observation missions. [Am. 432]~~

~~Promoting effective multilateralism and strategic partnership, contributing to reinforcing capacities of international, regional and national frameworks in promoting and protecting human rights, democracy and the rule of law. Strategic Partnerships shall be boosted, with a particular attention to the Office of the High Commissioner for Human Rights (OHCHR), the International Criminal Court (ICC) and relevant regional and national human rights mechanisms. Furthermore, the programme shall promote education and research on human rights and democracy, including through the Global Campus for Human Rights and Democracy. [Am. 433]~~

Under this programme, the Union shall provide assistance to address global, regional, national and local human rights and democratisation issues in partnership with civil society within the following strategic areas of intervention:

1a. Protecting and promoting human rights and human rights defenders in countries and urgency situations where human rights and fundamental freedoms are most at risk, including by addressing urgent protection needs of human rights defenders in a flexible and comprehensive manner.

The focus is on human rights and democracy issues which cannot be addressed by geographic or other thematic programmes due to their sensitive character or emergency nature. In such cases, the priority shall be to promote respect for the relevant international law and to provide tangible support and means of action to local civil society carried out in very difficult circumstances. Special attention shall also be paid to strengthening a specific human rights defenders protection mechanism.

1b. Upholding human rights and fundamental freedoms for all, contributing to forging societies in which participation, non-discrimination, equality, social justice, international justice and accountability prevail.

The Union's assistance shall have the ability to address the most sensitive political issues such as the death penalty, torture, freedom of expression in restrictive contexts, discrimination against vulnerable groups, as well as the protection and promotion of the rights of the child (e.g. child labour, child trafficking, child prostitution and child soldiers) and shall respond to emerging and complex challenges such as the protection of persons displaced due to climate change, due to its independence of action and its high flexibility in terms of cooperation modalities.

1c. Consolidating and supporting democracy, addressing all aspects of democratic governance, including reinforcing democratic pluralism, enhancing citizen participation, creating an enabling environment for civil society, and supporting credible, inclusive and transparent electoral processes, in particular by means of EU EOMs.

Democracy shall be strengthened by upholding the main pillars of democratic systems, including the rule of law, democratic norms and values, independent media, accountable and inclusive institutions including political parties and parliaments, as well as an accountable security sector, and the fight against corruption. The priority shall be to provide tangible support and means of action to political actors carrying out their activities in very difficult circumstances. Election observation plays a full part in the wider support of the democratic processes. Within that context, EU election observation shall continue to be a major component of the programme as well as the follow-up to recommendations of EU EOMs. Another focus will be through supporting citizen election observation organisations and their regional networks worldwide.

The capacity and visibility of citizen election observation organisations in the European Neighbourhood East and South and of the respective regional platform organisations shall be strengthened, in particular by promoting sustainable peer-learning programme for independent, non-partisan, citizen election observation organisations. The Union shall seek to improve the capacities of domestic citizen election observation organisations, provide voter education, media literacy, programmes for the monitoring of the implementation of domestic and international election observation missions' recommendations, and shall defend credibility and trust in the institutes of election and of election observation.

1d. Promoting effective multilateralism and strategic partnerships contributing to reinforcing capacities of international, regional and national frameworks and empowering local actors in promoting and protecting human rights, democracy and the rule of law.

Partnerships for human rights, which shall focus on strengthening the national and international human rights architecture, including support to multilateralism, as the independence and effectiveness of the Office of the High Commissioner for Human Rights (OHCHR), the International Criminal Court (ICC) and relevant regional human rights mechanisms, are essential. Support to education and research on human rights and democracy, as well as the promotion of academic freedom shall continue, including through support to the Global Campus for Human Rights and Democracy.

1e. Fostering new cross-regional synergies and networking among local civil society and between civil society and other relevant human rights bodies and mechanisms so as to maximise the sharing of best practises on human rights and democracy, and create positive dynamics.

The focus shall be placed on the protection and promotion of the principle of universality, identifying and sharing best practices on all human rights, whether civil and political, or economic, social and cultural, and fundamental freedoms, i.e. when addressing major challenges, including sustainable security, the fight against terrorism, irregular migration and shrinking space for NGOs. That will require an enhanced effort to bring together a broad range of human rights related stakeholders (e.g. local civil society and human rights activists, lawyers, academia, national human rights and women rights institutions, syndicates) from different countries and continents who together can create a positive narrative on human rights with a multiplying effect.

1f. The Union shall further promote, in its relations with third countries under the instrument, international efforts towards a multilateral agreement to ban trade in goods used for torture and capital punishment. [Am. 434]

2. AREAS OF INTERVENTION FOR CIVIL SOCIETY ORGANISATIONS *AND LOCAL AUTHORITIES* [Am. 435]

1. Inclusive, participatory, empowered and independent civil society ~~civil space~~ *and local authorities* in partner countries [Am. 436]
 - (a) Creating an enabling environment for citizen participation and civil society action, including *by supporting active civil society participation in policy dialogue* through foundations; [Am. 437]
 - (b) *Supporting and* building the capacity of civil society organisations, including foundations, to act as both actors of development and governance; [Am. 438]
 - (c) Increasing the capacity of partner countries' civil society networks, platforms and alliances.
 - (ca) *Capacity building, coordination and institutional strengthening for CSOs and local authorities - including Southern networks of CSOs and local authorities and umbrella organisations to engage within their organisations and between different types of stakeholders active in the public debate on development, and to dialogue with governments on public policy and participate effectively in the development process.* [Am. 439]

2. Dialogue with and between civil society organisations on development policy [Am. 440]
 - (a) Promoting ~~other~~ inclusive multi-stakeholder dialogue fora ***and institutional strengthening of civil society and local authority networks***, including interaction ***and coordination*** between citizens, civil society organisations, local authorities, member states, partner countries and other key development stakeholders; [Am. 441]
 - (b) Enabling cooperation and exchange of experience between civil society actors;
 - (c) Ensuring a substantive and continued structured dialogue and partnerships with the EU.
3. Awareness, knowledge and engagement of European citizens about development issues
 - (a) Empowering people to increase their engagement;
 - (b) Mobilising public support in the Union, candidate countries and potential candidates for ***poverty reduction and*** sustainable and inclusive development strategies in partner countries. [Am. 442]
 - (ba) ***Raising awareness of sustainable consumption and production, awareness of supply chains and the effects of Union's citizens' purchasing power in enabling sustainable development.*** [Am. 443]

3a. *Provision of basic social services delivered to populations in need*

Interventions in partner countries which support vulnerable and marginalised groups by providing basic social services such as health - including nutrition, education, social protection, and access to safe water, sanitation and hygiene delivered through civil society organisations and local authorities. [Am. 444]

3b. *Strengthen the role of local authorities as actors of development by:*

- (a) *increasing the capacity of Union and developing countries' local authority networks, platforms and alliances to ensure a substantive and continued policy dialogue and effective participation in the field of development and to promote democratic governance, in particular through the Territorial Approach to Local Development;***
- (b) *increasing interactions with Union citizens on development issues (awareness raising, knowledge sharing, engagement, including through adopting sustainability criteria in public procurement), in particular concerning those related to the Sustainable Development Goals, including in the Union and candidate countries and potential candidate countries;***
- (c) *increasing aid ownership and absorption via in-country training programmes for local authorities' civil servants on how to apply for Union funding.***
[Am. 445]

3. AREAS OF INTERVENTION FOR *PEACEBUILDING, CONFLICT PREVENTION AND STABILITY AND PEACE* [Am. 446]

1. Assistance for conflict prevention, peace-building and crisis preparedness

The Union shall provide technical and financial assistance covering 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 mainly in the following areas, including specific attention to ~~women~~ *gender equality, women's empowerment and youth* participation: [Am. 447]

(a) early warning and conflict-sensitive risk analysis; ~~confidence-building, mediation, dialogue and reconciliation measures~~ *in the policy-making and the implementation of policy*; [Am. 448]

(aa) *facilitation and building capacity in confidence-building, mediation, dialogue and reconciliation measures, with particular regard to emerging inter-community tensions, especially prevention of genocide and crimes against humanity*; [Am. 449]

- (ab) *strengthening capacities for participation and deployment in civilian stabilisation missions; strengthening the Union, civil society and Union partners' capacities for the participation and the deployment of civilian peacekeeping and peacebuilding missions; the exchange of information and best practices on peacebuilding, conflict analysis, early warning or training and service delivery; [Am. 450]*
- (b) *supporting* post-conflict recovery, *including addressing the issue of missing persons in post-conflict situations, and including supporting implementation of relevant multilateral agreements addressing landmines and explosive remnants of war* as well as post-disaster recovery *with relevance to the political and security situation; [Am. 451]*
- (c) *supporting* peace-building and state-building ~~support~~ actions, *including local and international civil society organisations, states and international organisations; and development of structural dialogues amongst them at various levels, between local civil society and partner countries, and with the Union; [Am. 452]*

- (d) conflict prevention and crisis response;
- (da) ***curbing the use of natural resources to finance conflicts, and supporting compliance by stakeholders with initiatives such as the Kimberley Process Certification Scheme, and including those related to Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas⁵⁰, especially as regards the implementation of efficient domestic controls over the production of, and trade in, natural resources; [Am. 453]***
- (e) Capacity Building for ~~Security~~ and ***of military actors in support of*** development ~~(CBD)~~ ***and security for development.*** [Am. 454]
- (ea) ***Supporting actions promoting gender equality and women's empowerment, in particular through implementation of UNSCR 1325 and 2250 as well as participation and representation of women and youth in formal and informal peace processes; [Am. 455]***

⁵⁰ OJ L 130, 19.5.2017, p. 1

- (eb) *Supporting actions promoting a culture of non-violence, including formal, informal and non-formal peace education; [Am. 456]*
- (ec) *Supporting actions strengthening the resilience of states, societies, communities and individuals, including resilience assessments designed to identify the endogenous capacities within societies that allow them to withstand, adapt to and quickly recover from pressures and shocks; [Am. 457]*
- (ed) *support for international criminal tribunals and ad hoc national tribunals, truth and reconciliation commissions, transitional justice and other 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; [Am. 458]*
- (ee) *support for measures to combat the illicit use of, and access to, firearms, small arms and light weapons; [Am. 459]*

Measures in this area:

- (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 application of peace-building and state-building support actions. [Am. 460]*

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

The Union shall provide technical and financial assistance to support partners' efforts and Union actions addressing global and trans-regional threats and emerging threats ~~mainly~~ in the following areas: [Am. 461]

- (a) threats to law and order, and to the security and safety of individuals including terrorism, violent extremism, organised crime, cyber-crime, hybrid threats, illicit trafficking, trade and transit, ; ***in particular 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.***

Priority shall be given to trans-regional cooperation involving two or more third countries which have demonstrated a clear political will to address the arising problems.

The measures shall place particular emphasis on good governance and shall be in accordance with international law. Cooperation in the fight against terrorism may also be conducted with individual countries, regions or international, regional and sub-regional organisations.

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 laws, 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.

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. [Am. 462]

- (b) threats to public spaces, critical infrastructure, *including international transport, including passenger and freight traffic, energy operations and energy distribution*, cybersecurity, to public health, *including sudden epidemics with a potential trans-national impact*, or to environmental stability, maritime security threats, *global and trans-regional* threats deriving from climate change impacts *having a potentially destabilising impact on peace and security*; [Am. 463]

(c) mitigation against risks, whether of an intentional, accidental or natural origin, related to chemical, biological, radiological and nuclear materials or agents and risks to related installations or sites, *in particular in the following areas:*

- (1) *supporting and promoting civilian research activities as an alternative to defence-related research;*
- (2) *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;*
- (3) *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;*

- (4) *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);*
- (5) *developing the legal framework and institutional capacities for the establishment and enforcement of effective export controls, in particular on dual-use goods, including regional cooperation measures and as regards the implementation of the provisions of the Arms Trade Treaty and the promotion of adherence to it;*
- (6) *developing effective civilian disaster-preparedness, emergency planning, crisis response, and capabilities for clean-up measures.*

Such activities shall be developed in conjunction with those under the European Instrument for Nuclear Safety established by Regulation EINS. [Am. 464]

- (d) Capacity Building for Security and *of military actors in support of* Development (CBSD) *and security for development. [Am. 465]*

4. AREAS OF INTERVENTION FOR GLOBAL CHALLENGES

A. *PEOPLE*

1. Health

- (a) Developing crucial elements of an effective and comprehensive health system that are best addressed at a supra-national level to secure equitable, *affordable, inclusive and universal* access to *public* health services and sexual and reproductive health and rights; [Am. 466]
- (aa) *Promoting, providing and expanding essential services and psychological support services for victims of violence, in particular women and children rape victims; [Am. 467]*
- (b) Reinforcing global initiatives that are key enablers of universal health coverage through global leadership on a ‘health in all policies’ approach with a continuum of care, including health promotion, from prevention to post-treatment;

- (c) Addressing global health security through communicable diseases research, *including on poverty-related and neglected diseases* - and control, *by combating such diseases and fake medicines*, translate knowledge into *safe, accessible and affordable* products and policies that tackle ~~the changing disease~~ *immunisation, the wide spectrum of the persistent burden of infections, emerging and re-emerging diseases and epidemics and antimicrobial resistance* (non-communicable diseases, all forms of malnutrition and environmental risk factors), and shape global markets to improve access to essential health commodities and healthcare services, especially for sexual and reproductive health. [Am. 468]
- (ca) *Supporting initiatives to scale up access to safe, efficient and affordable medicines (including generic medicines), diagnostics and related health technologies and utilising all available tools to reduce the price of life-saving drugs and diagnostics.* [Am. 469]
- (cb) *Fostering good health and combatting communicable diseases by strengthening health systems and attaining the Sustainable Developments Goals, including by enhancing focus on prevention and tackling vaccine-preventable diseases;*
[Am. 470]

2. Education

- (a) Promoting *the achievement of internationally agreed goals in education and combat educational poverty through* joint global efforts for inclusive and equitable quality education and training at all levels, *for all ages*, including *early childhood development*, in emergency and crisis situations *and with a particular priority on strengthening free public education systems*; [Am. 471]
- (b) Strengthening knowledge, *research and innovation*, skills and values through partnerships and alliances, for active citizenship and productive, *educated, democratic*, inclusive and resilient societies; [Am. 472]
- (c) Supporting global action on reducing all dimensions of *discrimination and* inequalities, such as the gaps between girls/women and boys/men, to ensure that everyone has equal opportunity to take part in economic, ~~and~~ *political*, social *and cultural* life. [Am. 473]
- (ca) *Supporting efforts and improving good practices adopted by civil-society actors to ensure inclusive and quality education in fragile environments where governance structures are weak.* [Am. 474]
- (cb) *Supporting actions, and promoting cooperation, in the area of sport to contribute to the empowerment of women and of young people, individuals and communities as well as to health, education and social inclusion objectives of the 2030 Agenda;* [Am. 475]

3. Women and children [Am. 476]

- (a) Leading and supporting *local, national, regional initiatives and* global efforts, partnerships and alliances ~~to~~ *for 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 to* eliminate all forms of violence, *harmful practices and all forms of discrimination* against women and girls; this includes physical, psychological, sexual, economic, *political* and other types of violence and discrimination, including exclusion that women suffer in the different areas of their private and public lives; [Am. 477]
- (aa) *Addressing root causes of gender inequalities as a means of supporting conflict prevention and peacebuilding; promoting the empowerment of women, including in their roles as development actors and peace-builders; empowering women's and girls' agency, voice and participation in social, economic, political and civic life;* [Am. 478]
- (ab) *Promoting the protection and fulfilment of women's and girls' rights, including economic, labour, social and political rights, and sexual and reproductive health and rights, including sexual and reproductive health services, education and supplies.* [Am. 479]
- (b) ~~Promoting new initiatives to build stronger child protection systems in third countries, ensuring that children are protected in all areas from violence, abuses and neglect, including by promoting the transition from institutional to community-based care for children.~~ [Am. 480]

3a. Children and youth

- (a) Promoting new initiatives to build stronger child protection systems in third countries, ensuring that children get the best start in life and are protected in all areas from violence, abuses and neglect, including by promoting the transition from institutional to community-based care for children.**
- (b) Promoting access to basic social services for children and youth, including the most marginalised, with a focus on health, nutrition, education, early childhood development and social protection, and including sexual and reproductive health services, information and supplies, dedicated youth-friendly services and comprehensive sexuality education, nutrition, education and social protection;**
- (c) Promoting youth access to skills, decent and quality jobs through education, vocational and technical training, and access to digital technologies; supporting youth entrepreneurship and promoting the creation of sustainable jobs with decent working conditions;**
- (d) Promoting initiatives that empower young people and children, and support policies and actions that guarantee their inclusion, meaningful civil and political participation and social recognition, recognizing their true potential as positive agents of change in areas such as peace, security, sustainable development, climate change, environmental protection and the reduction of poverty. [Am. 481]**

4. Migration, *mobility* and forced displacement [Am. 482]
- (a) Ensure continued EU leadership in shaping the global agenda on migration and forced displacement governance in all its dimensions, *to facilitate safe, orderly and regular migration*; [Am. 483]
 - (b) Steering and supporting global and cross-regional policy dialogues, including *on South-South migration and* exchange and cooperation on migration and forced displacement; [Am. 484]
 - (c) Supporting the implementation of international and EU commitments on migration and forced displacement, including as a follow-up to the Global Compact on Migration and the Global Compact on Refugees;
 - (d) Improving the global evidence base, including on the migration/development nexus, and initiate actions of pilot character aiming at developing innovative operational approaches in the area of migration and forced displacement.
 - (da) *Cooperation in this area shall adopt a human rights based approach and be managed in coherence with the [Asylum and Migration Fund], in full respect of human dignity and the principle of policy coherence for development.*
[Am. 485]

5. Decent work, social protection and inequality
- (a) Shaping the global agenda and support initiatives on the integration of a strong pillar on equity and social justice in accordance to European values;
 - (b) Contributing to the global agenda on decent work *for all within a healthy environment, on the basis of the basic ILO labour standards, including social dialogue, living wages and the fight against child labour*, in particular in *making global value chains sustainable and responsible, based on horizontal due diligence obligations*, and enhancing knowledge on effective employment policies that respond to labour market needs, including VET and life-long learning; [Am. 486]
 - (ba) *supporting global initiatives on business and human rights, including corporate accountability for rights violations and access to remedies*; [Am. 487]
 - (c) Supporting global initiatives on universal social protection that follow the principles of efficiency, sustainability and equity; , including support to address inequality and ensure social cohesion, *in particular with the setting-up and strengthening of sustainable social protection systems, social insurance schemes, and with fiscal reform, reinforcing the capacity of tax systems and the fight against fraud, tax evasion, and aggressive tax planning*; [Am. 488]
 - (d) Continuing global research and development through social innovation that enhances social inclusion and addresses the needs of the most vulnerable sections of society.

6. Culture

- (a) Promoting initiatives for cultural diversity, ~~and~~ intercultural *and interreligious* dialogue for peaceful inter-community relations; [Am. 489]
- (b) Supporting culture *and creative and artistic expression* as an engine for sustainable social and economic development and reinforcing cooperation on, *and preservation of* cultural heritage. *and contemporary arts and other cultural expressions*; [Am. 490]
 - (ba) *Developing local crafts, as a means to preserve local cultural heritage*; [Am. 491]
 - (bb) *Reinforcing cooperation on safeguarding, conservation and enhancement of cultural heritage, including the preservation of particularly vulnerable cultural heritage, in particular from minority and isolated communities and indigenous peoples*; [Am. 492]
 - (bc) *Supporting initiatives for the return of cultural property to their countries of origin or their restitution in case of illicit appropriation*; [Am. 493]
 - (bd) *Supporting cultural cooperation with the Union , including through exchanges, partnerships and other initiatives and the recognition of the professionalism of authors, artists and cultural and creative operators*; [Am. 494]
 - (be) *Supporting cooperation and partnerships among sport organisations.* [Am. 495]

B. *PLANET*

1. Ensuring a healthy environment and tackling climate change

- (a) Strengthening global climate and environmental governance, the implementation of the Paris Agreement on Climate Change, the Rio Conventions and other multilateral environmental agreements;
- (b) Contributing to the external projection of the Union's environment and climate change policies ***with full respect for the principle of policy coherence for development***, [Am. 496]
- (c) Integrating environment, climate change and disaster risk reduction objectives in policies, plans and investments including through improved knowledge and information, ***including in interregional cooperation programmes or measures between partner countries and regions on the one hand, and neighbouring outermost regions and overseas countries and territories covered by the OCT Decision on the other***; [Am. 497]

- (d) Implementing international and EU initiatives to promote climate change adaptation and mitigation and climate resilient low-emission development, including through the implementation of the Nationally Determined Contributions (NDCs) and low emission climate resilient strategies, promoting disaster risk reduction, address environmental degradation and halting biodiversity loss, ~~promoting~~ the conservation and sustainable use and management of terrestrial and marine ecosystems and renewable natural resources -including land, water, oceans, fisheries and forests, addressing deforestation, ***desertification***, land degradation, illegal logging and wildlife trafficking, tackling pollution and ensuring a healthy environment, addressing emerging climate and environmental issues, promoting resource efficiency, sustainable consumption and production, ***integrated water resource management*** and the sound management of chemicals and waste and supporting the transition to low emission, climate resilient green and circular economies- ; [Am. 498]
- (da) ***Promoting environmentally sustainable agricultural practices, including agro-ecology, in order to protect ecosystems and biodiversity and enhance environmental and social resilience to climate change, with a particular focus on supporting smallholder farmers, workers and artisans; [Am. 499]***
- (db) ***Implementing international and Union initiatives to address biodiversity loss, promoting the conservation, sustainable use and management of terrestrial and marine ecosystems and associated biodiversity. [Am. 500]***

2. Sustainable Energy

- (a) Supporting global efforts, commitments, partnerships and alliances, including *most notably the* sustainable energy transition; [Am. 501]
- (aa) *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;* [Am. 502]
- (b) Encouraging partner governments to embrace energy sector policy and market reforms so to establish a conducive environment for *inclusive growth and* investments increasing access to energy services that are *climate-friendly*, affordable, modern, reliable and sustainable, with a ~~strong focus on~~ *priority to* renewable energy and energy efficiency; [Am. 503]
- (c) Exploring, identifying, mainstreaming globally and supporting financially sustainable business models with scalability and replicability potential providing innovative and digital technologies through innovative research ensuring increased efficiency in particular for decentralised approaches providing energy access through renewable energy including in areas where the local market capacity is limited.

C. PROSPERITY

1. Sustainable and inclusive growth, decent jobs and private sector engagement

- (a) Promoting sustainable private investment through innovative financing mechanisms ~~and risk-sharing~~ ***including for LDCs and fragile states that would otherwise not attract such investment and where additionality can be proven;***
[Am. 504]
- (b) ***Developing a socially and ecologically responsible local private sector,*** improving business environment and investment climate, supporting enhanced public-private dialogue, and building capacities of, ***competitiveness and resilience of local*** Micro, Small and Medium Enterprises ***as well as cooperatives and social enterprises, and their integration into the local, regional and global economy;***
[Am. 505]
- (ba) ***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;*** [Am. 506]

- (c) Supporting *the implementation of* the Union trade policy and trade agreements *aiming at sustainable development*; and improving access to partner country markets and boosting *fair* trade, *responsible and accountable* investment and business opportunities for companies from the Union while eliminating barriers to market access and investment, *as well as aiming at easing access to climate-friendly technologies and intellectual property, while ensuring as much value sharing and human rights due diligence in supply chains, and with full respect to policy coherence for development, where developing countries are concerned;*
[Am. 507]
- (d) Promoting an effective policy mix supportive of economic diversification, value addition, and regional integration and sustainable green and blue economy;
- (e) Fostering access to digital technologies, including promoting access to finance and financial inclusion;
- (f) Promoting sustainable consumption and production and innovative technologies and practices for low-carbon, resource efficient and circular economy.

2. Food and nutrition security

- (a) Supporting and influencing international strategies, organisations, mechanisms and actors that roll-out major global policy issues and frameworks around *sustainable* food and nutrition security, ***and contributing to accountability on international commitments on food security, nutrition and sustainable agriculture including the Sustainable Development Goals and the Paris Agreement***; [Am. 508]
- (b) ***Ensuring equitable access to food including by helping to address the financing gap for nutrition***; improving global public goods pursuing an end to hunger and malnutrition; tools like the Global Network on Food Crises enhance the capacity to adequately respond to food crises and nutrition in the context of the humanitarian-development-peace nexus (hence assist in mobilising pillar 3 resources); [Am. 509]
- (ba) ***Improving in a coordinated and accelerated manner cross-sectoral efforts to increase capacity for diversified local and regional food production, ensure nutritional and food security and access to drinking water, and enhance the resilience of the most vulnerable, particularly in countries facing protracted or recurrent crises***; [Am. 510]

- (c) Reaffirming at global level the central role of sustainable agriculture and fisheries and aquaculture, ***including smallholder agriculture, livestock-keeping and pastoralism*** for increased food security, poverty eradication, job creation, ***equitable and sustainable access to, and management of resources, including land and land rights, water, (micro) credit, open source seeds and other agricultural inputs***, mitigating and adapting to climate change, resilience and healthy ecosystems; [Am. 511]
- (d) Providing innovations through international research and reinforce global knowledge and expertise, ***promotion and reinforcement of local and autonomous adaptation strategies***, in particular related to climate change adaptation and mitigation, agrobiodiversity, global and inclusive value chains, ***fair trade***, food safety, responsible investments, governance of land and natural resource tenure; [Am. 512]
- (da) ***Actively supporting greater participation of civil society and farmer organisations in policy-making and research programmes and increase their involvement in the implementation and evaluation of government programmes.***
[Am. 513]

D. PARTNERSHIPS

1. Strengthen the role of Local Authorities as actors of development through:
 - (a) Increasing the capacity of European and Southern local authority networks, platforms and alliances to ensure a substantive and continued policy dialogue in the field of development and to promote democratic governance, notably through the Territorial Approach to Local Development;
 - (b) Increasing interactions with European citizens on development issues (awareness raising, knowledge sharing, engagement), notably in relation to the related to the Sustainable Development Goals, including in the Union and candidate countries and potential candidate countries.
2. Promote inclusive societies, good economic governance, including fair and inclusive domestic revenue mobilisation *and fight tax avoidance*, transparent public finance management and effective and inclusive public spending. **[Am. 514]**

4a. AREAS OF INTERVENTION FOR FOREIGN POLICY NEEDS AND PRIORITIES

Actions to support the objectives set out in point (da) of Article 4(3) shall support Union foreign policy across political, development, economic and security issues. Those actions shall enable the Union to act where there is a foreign policy interest, or a window of opportunity to achieve its objectives, and which are difficult to address by other means. They may cover the following:

- (a) support for the Union's bilateral, regional and inter-regional cooperation strategies, promoting policy dialogue and developing collective approaches and responses to challenges of global concern, including migration, development, climate change and security issues, in particular in the following areas:*
- 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 reached and commitments made in relevant international fora;*

(b) support for Union trade policy:

- *support for Union trade policy and the negotiation, implementation and enforcement of trade agreements, under full respect of policy coherence for development, where developing countries are concerned, and full alignment with the pursuit of the Sustainable Development Goals;*
- *support for improving access to partner country markets and boosting trade, investment and business opportunities for companies from the Union, in particular SMEs, while eliminating barriers to market access and investment and protecting intellectual property rights, by means of economic diplomacy, business and regulatory cooperation, with necessary adaptations in relation to developing country partners;*

(c) contributions to the implementation of the international dimension of internal Union policies:

- *contributions to the implementation of the international dimension of internal Union policies such as, inter alia, environment, climate change, energy, science and education and cooperation on management and governance of the oceans;*
- *promoting the Union's internal policies with key partner countries and supporting regulatory convergence in this regard;*

(d) promotion of widespread understanding and visibility of the Union and of its role on the world scene:

- promotion of widespread understanding and visibility of the Union and of its role on the world scene, by means of strategic communication, public diplomacy, people-to-people contacts, cultural diplomacy, cooperation in educational and academic matters, and outreach activities to promote the Union's values and interests;*
- 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').*

Those actions shall apply innovative policies or initiatives, corresponding to current or evolving short- to medium-term needs, opportunities and priorities, including with the potential of informing future actions under geographic or thematic programmes. They shall focus on deepening the Union's relations and dialogue and building partnerships and alliances with key countries of strategic interest, especially those emerging economies and middle-income countries who play an increasingly important role in world affairs, global governance, foreign policy, the international economy, and multilateral fora. [Am. 515]

ANNEX IV

AREAS OF INTERVENTION FOR RAPID RESPONSE ACTIONS

1. Actions contributing to *peace* stability and conflict prevention in situations of urgency, emerging crisis, crisis and postcrisis [**Am. 516**]

Rapid response actions referred to in point a) of Article 4 (4) shall be designed for an effective Union response to the following exceptional and unforeseen situations:

- (a) a situation of urgency, crisis, emerging crisis or natural disasters, *where relevant for stability, peace and security*; [**Am. 517**]
- (b) a situation posing a threat to *peace*, 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; [**Am. 518**]
- (c) a situation threatening to escalate into armed conflict or to severely destabilise the third country or countries concerned.

- 1a. *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, regional and local organisations and by State and civil society actors in promoting confidence-building, mediation, dialogue and reconciliation, transitional justice, women's and youth empowerment, in particular with regards to community tensions and protracted conflicts;***
 - (b) *support for the implementation of United Nations Security Council resolutions, with particular regard to those on women, peace and security and youth, 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, transitional justice and other 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 reinforcement of State capacity - in the face of significant pressures to rapidly build, maintain or restore its core functions, and basic social and political cohesion;***

- (g)** *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;*
- (h)** *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;*
- (i)** *support for measures to mitigate the social effects of restructuring the armed forces;*
- (j)** *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;*

- (k) 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;***
- (l) support for measures to ensure that the specific needs of women and children in crisis and conflict situations, including preventing their exposure to gender-based violence, are adequately met;***
- (m) support for the rehabilitation and reintegration of the victims of armed conflict, including measures to address the specific needs of women and children;***
- (n) 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;***
- (o) 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;***

- (p) *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;***
- (q) *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;***
- (r) *capacity building of military actors in support of development and security for development. [Am. 519]***

2. Actions contributing to strengthening resilience and linking humanitarian aid and development action

Rapid response actions referred to in point b) of Article 4(4) shall be designed to effectively strengthen resilience and to link humanitarian aid and development actions, which cannot be swiftly addressed through geographic and thematic programmes ***and ensuring coherence, consistency and complementarity with humanitarian aid as specified in Article 5.*** [Am. 520]

These actions may cover the following:

- (a) strengthen resilience by supporting individuals, communities, institutions, and countries to better prepare for, withstand, adapt to and quickly recover from political, economic, and societal pressures and shocks, natural or man-made disasters, conflicts and global threats; including by ~~reinforce~~ ***reinforcing*** the capacity of a state ~~in the face of significant pressures to rapidly build, maintain or restore its core functions, and basic social and political cohesion and~~ of societies, communities and individuals to manage opportunities and risks in a peaceful and ***conflict sensitive*** stable manner and to build, maintain or restore livelihoods in the face of major pressures, ***and by supporting individuals, communities and societies to identify and strengthen their existing indigenous capacities to withstand, adapt to and quickly recover from these pressures and shocks, including those that could lead to an escalation of violence;*** [Am. 521]

- (b) mitigate the short-term adverse effects resulting from exogenous shocks creating macroeconomic instability and aims at safeguarding socioeconomic reforms and priority public expenditure for socio-economic development and poverty reduction;
- (c) carry out short-term rehabilitation and reconstruction to enable the victims from natural or man-made disasters, conflicts and global threats to benefit from a minimum of socio-economic integration and, as soon as possible, create the conditions for a resumption of development on the basis of long-term objectives set by the countries and regions concerned; this includes addressing the urgent and immediate needs arising from the *forced* displacement of people (~~refugees, displaced persons and returnees~~) following natural or man-made disasters; and **[Am. 522]**
- (d) assist the State, region, *local authorities or relevant non-governmental organisations* in setting up short term disaster prevention and preparedness mechanisms, including for prediction and early warning, with a view to reducing the consequences of disasters. **[Am. 523]**

3. ~~Actions addressing foreign policy needs and priorities~~

~~Rapid response actions to support the objectives set out in point c) of Article 4 (4) shall support Union foreign policy across political, economic and security issues. They shall enable the Union to act where there is an urgent or imperative foreign policy interest, or a window of opportunity to achieve its objectives, requiring a rapid reaction and which are difficult to address by other means. These actions may cover the following:~~

- ~~(a) support for the Union's bilateral, regional and inter-regional cooperation strategies, promoting policy dialogue and developing collective approaches and responses to challenges of global concern including migration and security issues, and exploiting windows of opportunity in this regard;~~
- ~~(b) support for Union trade policy and trade agreements and the implementation thereof; and for improving access to partner country markets and boosting trade, investment and business opportunities for companies from the Union, in particular SMEs, while eliminating barriers to market access and investment, by means of economic diplomacy, business and regulatory cooperation;~~
- ~~(c) contributions to the implementation of the international dimension of internal Union policies such as inter alia environment, climate change, energy, and cooperation on management and governance of the oceans;~~
- ~~(d) promotion of widespread understanding and visibility of the Union and of its role on the world scene, by means of strategic communication, public diplomacy, people-to-people contacts, cultural diplomacy, cooperation in educational and academic matters, and outreach activities to promote the Union's values and interests.~~

~~These actions shall implement innovative policies or initiatives, corresponding to current or evolving short- to medium-term needs, opportunities and priorities, including with the potential of informing future actions under geographic or thematic programmes. They shall focus on deepening the Union's relations and dialogue and building partnerships and alliances with key countries of strategic interest, especially those emerging economies and middle-income countries who play an increasingly important role in world affairs, global governance, foreign policy, the international economy, and multilateral fora. [Am. 524]~~

ANNEX V

PRIORITY AREAS OF THE EFSD+ OPERATIONS COVERED BY THE EXTERNAL ACTION GUARANTEE

The EFSD+ operations eligible for support through the External Action Guarantee shall ~~in particular~~ ~~aim at~~ *contribute to* the following priority areas: [Am. 525]

- (a) provide finance and support to private, *social enterprise* and cooperative sector development compliant with the conditions set out in Article 209(2) of the Financing Regulation, *to contribute to sustainable development in its economic, social and environmental dimensions, and to the implementation of the 2030 Agenda, the Paris Agreement and, where appropriate, the European Neighbourhood Policy and the objectives set out in Article 3 of the of IPA III Regulation, the eradication of poverty, promoting skills and entrepreneurship, gender equality and the empowerment of women and young people, while pursuing and strengthening the rule of law, good governance and human rights*, with a particular focus on local companies, *social enterprises* and micro, small and medium-sized enterprises, on promoting decent job creation *in compliance with relevant ILO standards, living wages, economic opportunities*, and encouraging the contribution of European companies to the EFSD+ purpose; [Am. 526]

- (b) address bottlenecks to private investments by providing financial instruments, which may be denominated in the local currency of the partner country concerned, including first loss guarantees to portfolios, guarantees to private sector projects such as loan guarantees for small and medium-sized enterprises, and guarantees for specific risks for infrastructure projects and other risk capital;
- (c) leverage private sector financing, with a particular focus on micro, small and medium-sized enterprises, by addressing bottlenecks and obstacles to investment;
- (d) strengthen socioeconomic sectors and areas and related public and private infrastructure and sustainable connectivity, including renewable and sustainable energy, water and waste management, transport, information and communications technologies, as well as environment, sustainable use of natural resources, sustainable agriculture and blue economy, social infrastructure, health, and human capital, in order to improve the socioeconomic environment;

- (e) contribute to climate action and environmental protection and management, ***thus producing climate and environment co-benefits, allocating 45 % of the financing to investments that contribute climate objectives, environmental management and protection, biodiversity and combatting desertification, of which 30 % of the overall financial envelope shall be dedicated to climate change mitigation and adaptation;***
[Am. 527]
- (f) contribute by promoting sustainable development, to addressing ~~specific root causes of~~ ***poverty and inequality as drivers of migration, including*** irregular migration, ~~as well as~~ ***and forced displacement, and contribute to safe, orderly and regular migration, by*** fostering the resilience of transit and host communities, and contributing to the sustainable reintegration of migrants returning to their countries of origin, with due regard to the strengthening of the rule of law, good governance, ***gender equality, social justice*** and human rights. [Am. 528]

The following investment windows shall be created:

- *Sustainable Energy and Sustainable Connectivity*
- *Micro, Small and Medium Enterprises (MSMEs) Financing*
- *Sustainable agriculture, rural entrepreneurs, including subsistence and smallholder farming, pastoralists and environmentally friendly agroindustry*
- *Sustainable cities*
- *Digitalisation for Sustainable Development*
- *Human Development [Am. 529]*

ANNEX VI

GOVERNANCE OF THE EFSD+

1. Structure of the EFSD+

1. The EFSD+ shall be composed of regional investment platforms established on the basis of the working methods, procedures and structures of the existing external blending facilities of the Union, which may combine their blending operations and External Action Guarantee operations under the EFSD+.
2. The management of the EFSD+ shall be ensured by the Commission.

2. Strategic board of the EFSD+

1. In the management of the EFSD+ the Commission shall be advised by a strategic board, except in the case of the operations covering the EU Enlargement policy and financed by [IPA III], which shall have its strategic board ensured under the Western Balkans Investment Framework (WBIF).
2. The strategic board shall advise the Commission on the strategic orientation and priorities of External Action Guarantee investments under the EFSD+ and contribute to their alignment with the guiding principles and objectives of the Union's external action, development policy, European Neighbourhood policy, as well as with the objectives set out in Articles 3 of this Regulation and the purpose of the EFSD+ as set out in Article 26. It shall also support the Commission in setting overall investment goals as regards the use of the External Action Guarantee to support EFSD+ operations and monitor an appropriate and diversified geographical and thematic coverage for investment windows.
3. The strategic board shall also support overall coordination, complementarity and coherence between the regional investment platforms, between the three pillars of the European Investment Plan, between the European Investment Plan and the Union's other efforts on migration and on the implementation of the 2030 Agenda, as well as with other programmes set out in this Regulation.
4. The strategic board shall be composed of representatives of the Commission and of the High Representative, of all Member States and of the European Investment Bank. The European Parliament shall have observer status. Contributors, eligible counterparts, partner countries, relevant regional organisations and other stakeholders may be given observer status, where appropriate. The strategic board shall be consulted prior to the inclusion of

~~any new observer. The strategic board shall be co-chaired by the Commission and the High Representative.~~

- ~~5. The strategic board shall meet at least twice a year and, when possible, adopt opinions by consensus. Additional meetings may be organised at any time by the chair or at the request of one third of its members. Where consensus cannot be reached, the voting rights as agreed during the first meeting of the strategic board and laid down in its rules of procedure shall apply. Those voting rights shall take due account of the source of financing. The rules of procedure shall set out the framework regarding the role of observers. The minutes and agendas of the meetings of the strategic board shall, following their adoption, be made public.~~
- ~~6. The Commission shall report annually to the strategic board about the progress made in respect of the implementation of the EFSD+. The strategic board of the WBIF shall provide progress made on the implementation of the guarantee instrument for the Enlargement region to complement the above mentioned reporting. The strategic board shall regularly organise a consultation of relevant stakeholders on the strategic orientation and implementation of the EFSD+.~~
- ~~7. The existence of the two strategic boards does not bear influence on the need to have a single, unified EFSD+ risk management framework.~~

~~3. Regional operational boards~~

~~The operational boards of regional investment platforms shall support the Commission at the implementation level in defining regional and sectoral investment goals and regional, sectoral and thematic investment windows and shall formulate opinions on blending operations and on the use of the External Action Guarantee covering EFSD+ operations. [Am. 530]~~

ANNEX VII

LIST OF KEY PERFORMANCE INDICATORS

In coherence with the Sustainable Development Goals, the following list of key performance indicators shall be used to help measure the Union's contribution to the achievement of its specific objectives.

- (1) Rule of Law score
- (2) Proportion of population below the international poverty line
- (3) Number of women of reproductive age, adolescent girls, and children under 5 reached by nutrition programmes with EU support
- (4) Number of 1-year olds fully immunised with EU support
- (5) Number of students ~~enrolled in~~ **having completed** primary and/or secondary education and **acquired minimal skills in reading and mathematics, and** training with ~~EU~~ **the Union's** support [Am. 531]
- (6) Greenhouse gas emissions reduced or avoided (Ktons CO₂eq) with EU support
- (7) Area of marine, terrestrial and freshwater ecosystems protected and/or sustainably managed with EU support
- (8) Leverage of investments and multiplier effect achieved
- (9) Political stability and absence of violence indicator **built on a baseline assessment** [Am. 532]
- (10) Number of processes related to partner country practices on trade, investment and business, or promoting the external dimension of EU internal policies, which have been influenced

All indicators **Indicator (4)** shall be sex disaggregated, ~~whenever relevant~~ **and indicators (2), (3) and (5) shall be sex and age disaggregated.** [Am. 533]

Annex VIIa

Partner countries in relation to which Union assistance is suspended.

[To be established by the Commission pursuant to Article 15a.] [Am. 534]