



15.3.2021

# **PROVISIONAL AGREEMENT RESULTING FROM INTERINSTITUTIONAL NEGOTIATIONS**

**Subject: 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))**

The interinstitutional negotiations on the aforementioned proposal for a regulation have led to a compromise. In accordance with Rule 74(4) of the Rules of Procedure, the provisional agreement, reproduced below, is submitted as a whole to the Committee on Foreign Affairs  
Committee on Development for decision by way of a single vote.

Proposal for a

REGULATION (EU) 2021/... OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the Neighbourhood, Development and International Cooperation Instrument - Global Europe - and amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009

(Text with EEA relevance)

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 European Economic and Social Committee<sup>1</sup>,

Having regard to the opinion of the Committee of the Regions<sup>2</sup>,

Having regard to the opinion of the Court of Auditors<sup>3</sup>,

Acting in accordance with the ordinary legislative procedure<sup>4</sup>,

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<sup>1</sup> OJ C 110, 22.3.2019, p. 163.

<sup>2</sup> OJ C 86, 7.3.2019, p. 295.

<sup>3</sup> OJ C 45, 4.2.2019, p. 1.

<sup>4</sup> Position of the European Parliament of ... (not yet published in the Official Journal) and position of the Council at first reading of ... (not yet published in the Official Journal). Position of the European Parliament of ... (not yet published in the Official Journal).

Whereas:

- (1) The general objective of the Programme "Neighbourhood, Development and International Cooperation Instrument" - Global Europe (the 'Instrument') should be to uphold and promote the Union's values, principles and fundamental interests worldwide in order to pursue 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).
- (2) In accordance with Article 21 TEU, the Union shall ensure 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 Article 21(1) and (2) TEU.
- (3) Union action should promote respect for and be rooted in international human rights law, including the Universal Declaration on Human Rights, and in international humanitarian law and should be guided by the universality and indivisibility of human rights.
- (4) In accordance with Article 8(1) 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.
- (5) The primary objective of Union's development cooperation policy, as laid down in Article 208 of the Treaty on the Functioning of the European Union (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) TEU.
- (6) 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 2015<sup>5</sup>. Ensuring

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<sup>5</sup> "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).

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.

- (7) This Regulation should contribute to preserving peace, preventing conflicts and strengthening international security, as set out in point (c) of Article 21(2) TEU.
- (8) This Instrument provides for actions in support of those objectives and of the external action policies and builds on the actions previously supported under Regulations (EU) No 230/2014<sup>6</sup>, (EU) No 232/2014<sup>7</sup>, (EU) No 233/2014<sup>8</sup>, (EU) No 234/2014<sup>9</sup>, (EU) No 235/2014<sup>10</sup>, (EU) No 236/2014<sup>11</sup> and (EU) 2017/1601<sup>12</sup> of the European Parliament and of the Council, Decision No 466/2014/EU of the European Parliament and of the Council<sup>13</sup>, Council Regulations (EC, Euratom) No 480/2009<sup>14</sup>, (Euratom) No 237/2014<sup>15</sup> and (EU) 2015/322<sup>16</sup> and the 11th European Development Fund (EDF)'s Internal Agreement<sup>17</sup>.

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<sup>6</sup> 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).

<sup>7</sup> 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).

<sup>8</sup> 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).

<sup>9</sup> 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).

<sup>10</sup> 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).

<sup>11</sup> 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).

<sup>12</sup> 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 (OJ L 249, 27.9.2017, p. 1).

<sup>13</sup> Decision No 466/2014/EU of the European Parliament and of the Council of 16 April 2014 granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (OJ L 135, 8.5.2014, p. 1).

<sup>14</sup> 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).

<sup>15</sup> 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).

<sup>16</sup> Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11<sup>th</sup> European Development Fund (OJ L 58/1, 3.3.2015).

<sup>17</sup> Internal agreement between the Representatives of the Governments of the Member States

- (9) The global context for action is the pursuit of a 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 adopted under the United Nations Framework Convention on Climate Change<sup>18</sup> ('Paris Agreement') and the Addis Ababa Action Agenda<sup>19</sup> 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. 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 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 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. Particular attention should be paid to interlinkages between Sustainable Development Goals and to integrated actions that can create co-benefits and meet multiple objectives in a coherent way without undermining other objectives.
- (10) The implementation of this Regulation should be guided by the five priorities established in the Global Strategy for the European Union's Foreign and Security Policy (the 'Global Strategy')<sup>20</sup> endorsed by the Council in its Conclusions of 17 October 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

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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).

<sup>18</sup> OJ L 282, 19.10.2016, p. 4.

<sup>19</sup> "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).

<sup>20</sup> "Shared Vision, Common Action: A Stronger Europe. A global Strategy for the European Union's Foreign and Security Policy", June 2016.

concern. Its action should support the Union's fundamental interests, principles and values in all its aspects. In doing so, the Union should use an integrated approach and 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 including in respect of humanitarian and international human rights law.

- (11) The implementation of this Regulation should also be guided by the European Consensus on Development ('the Consensus')<sup>21</sup> of 8 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 and should underpin the implementation of this Regulation.
- (12) This Regulation should also take into account relevant policy documents, including future revisions thereof such as:
- the United Nations Convention relating to the status of Refugees;
  - the United Nations Convention on the Elimination of All Forms of Discrimination against Women;
  - the United Nations Convention on the Rights of the Child;
  - the Programme of Action of the International Conference on Population and Development;
  - the Beijing Platform for Action;
  - the United Nations Convention on the Rights of Persons with Disabilities;
  - the EU Concept for Support to Disarmament, Demobilisation and Reintegration;
  - the Comprehensive approach to the EU implementation of the United Nations Security Council Resolutions 1325 and 1820 on women, peace and security;
  - the Concept on Strengthening EU Mediation and Dialogue Capacities;

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<sup>21</sup> "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.

- the Council conclusions on conflict prevention adopted on 20 June 2011;
- the EU Strategic Framework on Human Rights and Democracy and the Action Plans based thereon;
- Council conclusions on EU-wide strategic framework to support Security Sector Reform endorsing the Joint communication on "Elements for an EU-wide strategic framework to support Security Sector Reform";
- the EU strategy against illicit firearms, small arms and light weapons and their ammunition;
- the EU Human Rights guidelines;
- other relevant United Nations conventions;
- the International Atomic Energy Agency Convention on Nuclear Safety.

- (13) This Regulation should aim at increasing the coherence and ensuring the effectiveness of the Union's external action thus improving the implementation of the different external action policies.
- (14) In accordance with the Global Strategy, the Consensus and the Sendai Framework for Disaster Risk Reduction (2015-2030) as adopted on 18 March 2015<sup>22</sup>, recognition should be given to the need to move away from crisis response and containment to a more structural, 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 respect of humanitarian principles.
- (15) 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, in the context of its official development assistance and across all aid modalities should apply the development effectiveness principles, namely

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<sup>22</sup> "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).

ownership of development priorities by developing countries, a focus on results, inclusive development partnerships, transparency and mutual accountability as well as alignment and harmonisation. In that regard, it is important that national development strategies include broad consultative processes in line with the Paris aid effectiveness principles, in particular when those serve as a basis for programming.

- (16) 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.
- (17) The Commission should ensure that clear monitoring and evaluation mechanisms are in place in order to provide effective accountability and transparency in implementing the Union budget, and in order to ensure effective assessment of progress towards the achievement of this Regulation's objectives. Whenever possible and appropriate, the results of the Union's external action should be monitored and evaluated 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.
- (18) The Commission should regularly monitor actions financed under this Regulation and review progress made towards expected results, covering outputs and outcomes. Wherever possible, existing results frameworks should be used. The indicators used to measure progress should be in line with the Sustainable Development Goals and be clear, relevant and have robust methodologies. The data for the indicators should be readily available and of a good quality. The values of the indicators on 1 January 2021 should be used as a basis for assessing the extent to which the objectives of this Regulation have been achieved and will feed into the annual reports as well as the mid-term and final evaluations of the Regulation. The Commission should also make appropriate use of independent external evaluations. In this regard, the Commission should ensure, where relevant, appropriate involvement of the European Parliament, the Council as well as other stakeholders, including civil society organisations.
- (19) The Commission should send its evaluation reports to the European Parliament, to the Council and to the Member States. Evaluations may be discussed at the request of Member States pursuant to Article 45(7).
- (20) 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, by supporting realistic, verifiable actions to meet this commitment, on which progress should continue to be monitored and reported. In that regard, at least 93 % 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 (OECD).

- (21) 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 EU collective target of reaching 0.15-0.20 % of the Union Gross National Income as Official Development Assistance to Least Developed Countries in the short term, and of reaching 0.20 % of Gross National Income as Official Development Assistance within the timeframe of the 2030 Agenda, by supporting realistic, verifiable actions to meet this commitment, on which progress should continue to be monitored and reported. As agreed in the Consensus, actions under this Regulation are expected to contribute at least 20 % of the Official Development Assistance funded under this Regulation to social inclusion and human development, including basic social services, such as health, education, nutrition, water, sanitation and hygiene, and social protection, particularly to the most marginalised.
- (22) This Regulation should support children and youth as key agents of change and as contributors to the realisation of Agenda 2030, giving particular attention to their needs and empowerment.
- (23) 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, but also thematically – security, migration, climate change and environment, and human rights and democracy.
- (24) 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.
- (25) The financial envelopes foreseen for the Neighbourhood and Sub-Saharan Africa geographic programmes should only be increased, given the particular priority the Union gives to these regions.

- (26) This Regulation should support the implementation of the European Neighbourhood Policy, as reviewed in 2015 and endorsed by the Council in its Conclusions of 14 December 2015, while maintaining an adequate geographical balance, and the implementation of regional cooperation frameworks, such as cross-border cooperation, transnational and maritime cooperation as well as 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, as well as the integrated Union policy for the Arctic. Those initiatives offer political supplementary frameworks for deepening relations with and among partner countries, based on the principles of mutual accountability, shared ownership and responsibility.
- (27) The European Neighbourhood Policy aims at the deepening of democracy, promotion of human rights and upholding of the rule of law, the stabilisation of neighbouring countries and strengthening their resilience, particularly by promoting political, economic and social reforms, as the Union's main political priorities. In order to attain its objective, the reviewed European Neighbourhood Policy has been focusing on the following priority areas: good governance, democracy, the rule of law and human rights, with a particular focus on engaging further with civil society; socio-economic development, including the fight against youth unemployment, as well as education and environmental sustainability and enhanced connectivity; security; migration and mobility, including tackling the root causes of irregular migration and forced displacement. Differentiation and enhanced mutual ownership, including through the implementation of the incentive-based approach responding to performance in key areas, 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. This Regulation should support the implementation of the association, partnership and cooperation agreements, jointly agreed association agendas and partnership priorities or other relevant, existing and future, jointly agreed documents with countries in the neighbourhood. The visibility of Union assistance in the neighbourhood area should be enhanced.
- (28) This Regulation should support the implementation of the Agreement<sup>23</sup> 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 global challenges. In particular, this Regulation

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<sup>23</sup> Reference to be inserted

should support the continuation of the established cooperation between the Union and the African Union in line with the Joint Africa-EU Strategy and build on the EU-ACP agreement, including through a continental approach towards Africa and a mutually beneficial partnership of equals between the Union and Africa.

- (29) The Union should also seek to further develop relations and build partnerships with third countries in Asia and the Americas. Geographic programmes should support the Pacific and the Caribbean with an indicative amount of respectively at least EUR 500 000 000 and at least EUR 800 000 000.
- (30) This Regulation should also contribute to the trade-related aspects of the Union's external relations including supply-chain due diligence in order to ensure consistency and mutual support between Union trade policy and development goals and actions.
- (31) 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 Assistance III ('IPA III') established by Regulation (EU) 2021/... of the European Parliament and of the Council<sup>24</sup>, the Humanitarian Aid Instrument established by Council Regulation (EC) No 1257/96<sup>25</sup>, the Overseas Association Decision established by Council Decision (EU) 2013/755/EU<sup>26</sup>, the European Instrument for Nuclear Safety to complement the Neighbourhood, Development and International Cooperation Instrument on the basis of the Euratom Treaty established by Council Decision (EU) .../...<sup>27</sup>, the common

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<sup>24</sup> Regulation (EU) 2021/ ... of the European Parliament and of the Council of ... establishing the Instrument for Pre-accession Assistance (IPA III) (OJ ...).

\* OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247 (COD)] and insert the number, date and OJ reference of that Regulation in the footnote.

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

<sup>26</sup> Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (Overseas Association Decision) (OJ L 344, 19.12.2013, p. 1).

<sup>27</sup> Council Regulation (EU) .../.... of ... establishing a European Instrument for International Nuclear Safety Cooperation complementing the Neighbourhood, Development and International Cooperation Instrument on the basis of the Treaty establishing the European Atomic Energy Community, and repealing Regulation (Euratom) No 237/2014 (OJ L ...).

\* OJ: Please insert in the text the number of the Regulation contained in document ST 12568/20 [2018/0245(NLE)] and insert the number, date and OJ reference of that Regulation in the footnote.

foreign and security policy including, where relevant, the Common Security and Defence Policy, and the European Peace Facility established by Council Decision (EU) .../...<sup>28+</sup> which is financed outside the Union budget, as well as the creation of synergies with other Union policies and programmes. 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.

- (32) Building on its success, this Regulation should enable the Union to further strengthen the external dimension of the Erasmus+ programme. An indicative amount of EUR 1 800 000 000 from the geographic programmes of this Regulation should be used to finance actions under the international dimension of Erasmus+, the implementation of which should be done according to Regulation (EU) .../... of the European Parliament and of the Council<sup>29+</sup> and in accordance with the programming document adopted under this Regulation. Programming under this Regulation should fully enhance the potential of Erasmus+ programme.
- (33) Funding from this Regulation should be used to finance actions under the international dimension of the Creative Europe programme established by Regulation (EU) 2021/... of the European Parliament and of the Council<sup>30+</sup> in order to contribute to foster international cultural relations, and recognise the role of culture in promoting European values.

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<sup>28</sup> Council Decision (CFSP) 2021/ ... of ... establishing a European Peace Facility and repealing Decision (CFSP) 2015/528 (OJ L ...).

+ OJ: Please insert in the text the number of the Decision contained in file ST 5212/21 and insert the number, date and OJ reference of that Regulation in the footnote.

<sup>29</sup> Regulation (EU) .../... of the European Parliament and of the Council of ... establishing 'Erasmus+': the Union Programme for education and training, youth and sport and repealing Regulation (EU) No 1288/2013 (OJ ...).

+ OJ: Please insert in the text the number of the Regulation contained in document ST 14148/20 [2018/0191(COD)] and insert the number, date and OJ reference of that Regulation in the footnote.

<sup>30</sup> Regulation (EU) .../... of the European Parliament and of the Council of ... establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013 (OJ ...).

+ OJ: Please insert in the text the number of the Regulation contained in document ST 14146/20 [2018/0190 (COD)] and insert the number, date and OJ reference of that Regulation in the footnote.

- (34) 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 should be complemented by thematic programmes and by rapid response actions, where relevant whilst ensuring the consistency and coherence of all programmes and actions.
- (35) Local authorities embrace a large variety of sub-national levels and branches of government, including municipalities, communities, districts, counties, provinces, regions and their associations. In line with the Consensus, the Union should foster close consultation and association of local authorities, as well as their participation in contributing to sustainable development and to the implementation of the sustainable development goals at local level, in particular regarding democracy, the rule of law, fundamental freedoms and human rights, social justice and as providers of basic social services. The Union should recognise the multiple roles played by local authorities as promoters of a territorial approach to local development, including decentralisation processes, participation, and accountability. The Union should further enhance its support for local authorities' capacity building in order to strengthen their voice in the sustainable development process and advance political, social and economic dialogue, as well as promote decentralised cooperation. Support to local authorities under the geographic programmes should amount to indicatively at least EUR 500 000 000.
- (36) The Union's and Member States' development cooperation policies should complement and reinforce each other. The Union and its Member States should be united in diversity and working better together, using a variety of experiences and approaches, bearing in mind their comparative advantages. Therefore, the Union should foster inclusiveness and collaboration with Member States seeking to maximise added value and taking into account experience and capacities, thus reinforcing shared interests, values and common goals. In this regard, the Union and its Member States should also seek to promote the exchange of best practices, knowledge sharing and capacity-building amongst them. In cases of forms of Union funding in which public administrations of Member States are involved, such as twinning, simplified implementing and contractual provisions should be discussed with Member States and applied in compliance with Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council<sup>31</sup> (the 'Financial Regulation').

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<sup>31</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of

- (37) 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 be promoted and strengthened, while being kept voluntary, flexible, inclusive, and tailored to the country context, and allow for the replacement of Union and Member States' programming documents with Union Joint programming documents. 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, whenever appropriate. Joint implementation 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.
- (38) The criteria used to establish partners' needs in the programming approach should be consistent with the transparency principles laid down in this Regulation.
- (39) As the respect for democracy, human rights and the rule of law is essential for sound financial management and effective Union funding as referred to in the Financial Regulation, assistance may be suspended in case of degradation in democracy, human rights and rule of law in third countries.
- (40) The Union is committed to facilitating the objectives of nuclear safety cooperation specified in Regulation (EU) .../...\*(EINS). Therefore, the partner countries track records in implementing obligations and commitments concerning nuclear safety should be taken into account and be taken up in the regular political dialogue with those countries. In the event where a partner country persistently fails to respect the basic nuclear safety standards and provisions of the relevant international conventions, the Union should take appropriate steps.
- (41) Under this Regulation, the Union should address human rights and democratisation issues at all levels. Whilst democracy and human rights, including gender equality and women's empowerment should be reflected and mainstreamed throughout the implementation of this Regulation, Union assistance under the thematic programmes for human rights and

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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).

\* OJ: Please insert in the text the number of the Regulation contained in document ST 12568/20 [2018/0247(NLE)].

democracy and civil society organisations 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. This role should allow for cooperation and partnership with civil society, especially on sensitive human rights and democracy issues. The Union should pay particular attention to countries and urgency situations where human rights and fundamental freedoms are most at risk and where disrespect for those rights and freedoms is particularly pronounced and systematic, in a flexible manner.

- (42) EU election observation missions should contribute to increase transparency and confidence in electoral processes, and provide an informed assessment of elections as well as recommendations for their further improvement, in the context of Union cooperation and political dialogue with partner countries. Indicatively up to 25 % of the resources initially allocated to the programme for Human Rights and Democracy should be devoted to the funding of EU election observation missions.
- (43) The implementation of this Regulation should be guided by the principles of gender equality, women and girls' empowerment and preventing and combating violence against women and domestic violence, and should seek to protect and promote women's rights in line with the EU Gender Action Plans and relevant Council Conclusions and international conventions, including the Council Conclusions on Women Peace and Security of 10 December 2018. Strengthening gender equality and women's empowerment in EU external action and increasing efforts to reach the minimum standards of performance indicated by the EU Gender Action Plans should lead to a gender sensitive and transformative approach in all EU external action and international cooperation. At least 85 % of new actions implemented under this Regulation, should have gender equality as a principal or a significant objective, as defined by the gender equality policy marker of the OECD Development Assistance Committee. At least 5 % of these actions should have gender equality and women's and girls' rights and empowerment as a principal objective.
- (44) This Regulation recognises that demographic growth and demographic shifts can have significant impact on development gains and economic progress. In order to ensure that current and future generations will be able to achieve their full potential in a sustainable way, this Regulation should support partners' efforts towards an integrated approach that minimises the challenges related to population growth and maximises the benefits of a

demographic dividend, while respecting each country's right to decide on its demographic policy and while respecting, protecting and fulfilling human rights as well as gender equality.

- (45) Civil society organisations embrace a wide range of actors with multiple roles and mandates which includes all non-State, not-for-profit independent and non-violent structures, through which people organise to pursue shared objectives and ideals, whether political, cultural, religious, environmental, social or economic. Operating from the local to the national, regional and international levels, they comprise urban and rural, formal and informal organisations. The Union values civil society organisations' diversity and specificities, engages with accountable and transparent civil society organisations which share its commitment to sustainable development and to the fundamental values of peace, freedom, equal rights and human dignity. This Regulation should provide Union support to civil society organisations in order to pursue the values, interests and objectives of the Union. Civil society organisations should be duly consulted and have timely access to relevant information allowing them to be adequately involved and play a meaningful role during the design, implementation and associated monitoring processes of programmes. The role of organisations supporting democracy, free elections, civil society, human rights and the rule of law worldwide, such as the European Endowment for Democracy, as well as citizen election observation organisations and their European and other regional and global platforms, should be supported under this Regulation.
- (46) This Regulation should foster the participation of civil society organisations in contributing to sustainable development and to the implementation of the United Nations Sustainable Development Goals (SDGs), *inter alia*, in the areas of democracy, the rule of law, fundamental freedoms and human rights, social justice and basic social services.
- (47) This Regulation lays down a financial envelope for the Instrument, which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap



towards the introduction of new own resources<sup>3232</sup>, for the European Parliament and the Council during the annual budgetary procedure.

- (48) Reflecting the importance of tackling climate change in line with the Union commitments to implement the Paris Agreement and the SDGs, this Regulation should contribute to mainstream climate action in the Union policies and to the achievement of an overall target of 30 % of the Union budget expenditures supporting climate objectives. Actions under this Regulation are expected to contribute 30 % of its overall financial envelope to climate objectives. Relevant actions will be identified during the implementation of this Regulation, and the overall contribution from this Regulation should be part of relevant monitoring, evaluations and review processes. In view of contributing to halting and reversing the decline of biodiversity, this Regulation should contribute to the ambition of providing 7,5 % of annual spending under the Multiannual Financial Framework to biodiversity objectives in the year 2024 and 10 % of annual spending under the Multiannual Financial Framework to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. Union action in this area should favour the adherence to the Paris Agreement and the Rio Conventions on biodiversity, climate change and desertification, and not contribute to environmental degradation or cause harm to the environment or climate. In particular, funding allocated in the context of this Regulation should be coherent with the long-term temperature goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C. It should also be coherent with the objective to increase the ability to adapt to the adverse effects of climate change and foster climate resilience. Particular attention should be given to actions that create co-benefits and meet multiple objectives, including for climate, biodiversity and the environment.
- (49) The Union should favour a constructive engagement on mobility and all aspects of migration working to ensure that migration takes place in a safe and well-regulated manner. It is essential to further step up cooperation on migration with partner countries while respecting competences of the Member States, reaping the benefits of orderly, safe, regular and responsible migration and effectively addressing irregular migration and forced displacement. Such cooperation should contribute to ensuring access to international protection, addressing the root causes of irregular migration and forced displacement,

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<sup>32</sup> OJ C 444 I, 22.12.2020, p. 1.

enhancing border management and pursuing efforts to prevent irregular migration and forced displacement, fighting against trafficking in human beings and migrant smuggling, and working on dignified and sustainable returns, readmission and reintegration where relevant, on the basis of mutual accountability and full respect of humanitarian and human rights obligations under international and Union law, and by engaging with diasporas and supporting legal migration pathways. Therefore, third countries' effective cooperation with the Union in this area should be an integral element of this Regulation. An increased coherence between migration and development cooperation and other external policies is important to ensure that the Union's external assistance supports partner countries to manage migration more effectively towards sustainable development. This Regulation should contribute to a coordinated, holistic and structured approach to migration, maximising the synergies and applying the necessary leverage.

- (50) This Regulation should enable the Union, in cooperation with Member States, to comprehensively respond to challenges, needs and opportunities related to migration and forced displacement in coherence and complementarity with Union migration policy. To contribute to that end, and without prejudice to unforeseen circumstances, indicatively 10 % of the financial envelope of this Regulation should be dedicated particularly to actions supporting management and governance of migration and forced displacement, within the objectives of this Regulation. In addition, this target should also include actions to address the root causes of irregular migration and forced displacement when they directly target specific challenges related to migration and forced displacement. Migration-related actions under this Regulation, as needed through its geographic and thematic programmes and rapid response actions, should build on the experience learned during the implementation of the European Agenda on Migration and the Multiannual Financial Framework 2014-2020, to build comprehensive partnerships. Union support should take into account the development benefits of regular migration. Migration-related actions under this Regulation should contribute to the effective implementation of EU agreements and dialogues on migration with third countries by encouraging cooperation relying on a flexible incitative approach and supported by a coordination mechanism within this Regulation. This mechanism should enable to address ongoing and emerging migration challenges within this Regulation using all appropriate components through flexible funding while respecting its financial envelopes and relying on their flexible implementation. These actions should be implemented in full respect of international law, including international human rights and refugee law, Union

and national competences. The Commission should develop and use a robust and transparent tracking system to measure such expenditure and to report on it.

- (51) This Regulation should consider digital solutions and information and communication technologies as powerful enablers for sustainable development and inclusive growth, and should contribute to further promoting digitalisation.
- (52) Actions adopted under this Regulation in relation to the fight against terrorism and organised crime, cyber security and the fight against cybercrime, and capacity building of military actors in support of development and security for development should aim to generate direct human security benefits for the population, contain relevant good practices to ensure sustainability and accountability in the medium and long term including effective democratic oversight, and should promote the rule of law, transparency, and established international law principles.
- (53) The 2030 Agenda underlined the importance of promoting peaceful and inclusive societies both as a 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’.
- (54) In the High Level Meeting Communiqué of 19 February 2016, the OECD Development Assistance Committee 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.
- (55) 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 recourse to non-military actors.
- (56) This Regulation should build on the experience gained and lessons learned from actions on capacity-building for development and security for development, in particular from relevant consultations and evaluations, conducted within the framework of Regulation (EU)

2017/2306 of the European Parliament and of the Council<sup>33</sup>. In this context, the Commission should also take into account, where appropriate, joint evaluations with Member States.

- (57) The Union should also promote a conflict-sensitive and gender-sensitive approach in all actions and programmes under this Regulation.
- (58) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 TFEU apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (59) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs of the relevant operation as referred to in point (a) of Article 125(1) of the Financial Regulation.
- (60) In accordance with Article 193(2) of the Financial Regulation, a grant may be awarded for an action which has already begun provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. However, the costs incurred prior to the date of submission of the grant application are not eligible, except in duly justified exceptional cases. In order to avoid any disruption in Union support which could be prejudicial to Union's interests, it should be possible to provide in the financing decision, during a limited period of time at the beginning of the multi-annual financial framework 2021-2027, and only in duly justified cases, for eligibility of activities and costs from the 1st of January 2021, even if the activities implemented and costs incurred before the grant application was submitted.
- (61) The new European Fund for Sustainable Development Plus ('EFSD+'), built on its predecessor, the European Fund for Sustainable Development (EFSD) as established by Regulation (EU) 2017/1601, should constitute an integrated financial package supplying

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<sup>33</sup> Regulation (EU) 2017/2306 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 230/2014 establishing an instrument contributing to stability and peace (OJ L 335, 15.12.2017, p. 6).

financing capacity in the form of grants, budgetary guarantees and financial instruments worldwide. The EFSD+, complemented by technical assistance and efforts to improve the investment climate of partners, should become part of 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 (EIB). The allocation of funds to be used for EFSD+ operations should be based on the relevant programming documents, in particular the priorities defined therein, and should take into consideration, inter alia, the specific realities and needs of each partner country or region and the relative weight of the allocation of funds per geographical area laid down in this Regulation. Programming should lead to an appropriate balance between blending and budgetary guarantee operations under the EFSD+ as well as other types of financing foreseen in Article 27. The EFSD+ should be implemented through an open and collaborative investment architecture to ensure an optimal use of the sectoral and geographic expertise of eligible counterparts and maximise its development impact. The EFSD+ should be composed of regional investment platforms within the areas covered by this Regulation and, should also cover, where relevant, the areas under Regulation (EU) 2021/...<sup>+</sup>. To ensure an independent, impartial, inclusive, and transparent risk management of the EFSD+, a technical assessment group, open to experts from the EIB, other eligible counterparts and interested Member States, organised and led by the Commission should be established. The Commission should ensure that information and analysis are shared in a timely, transparent, and inclusive manner with all Member States, with due regard to confidentiality issues. The Commission should conclude guarantee agreements with all selected eligible counterparts, including the EIB, after consulting and taking into account the advice of the technical risk assessment group, and should present the key elements of these agreements to the strategic board.

- (62) Given its role under the Treaties and its experience over the last decades in supporting Union policies, the EIB should remain a natural partner for the Commission for the implementation of operations under the External Action Guarantee. The EIB and the Commission should enhance their cooperation and coordination throughout the implementation of the External Action Guarantee under the EFSD+, including during the

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

programming process and in the field. The EIB should be entrusted with the implementation of a dedicated investment window covering a comprehensive risk cover for operations with sovereign and non-commercial sub-sovereign counterparts, which should be exclusive except for operations that the EIB decides not to or cannot carry out. Additional non-exclusive dedicated windows should be established for the EIB if appropriate, covering a comprehensive risk cover for operations with commercial sub-sovereign counterparts; and operations for the promotion of foreign direct investment, trade and the internationalisation of partner countries' economies, including through inward foreign direct investments, as well as other Union thematic priorities in support of the objectives of this Regulation and in line with the SDGs, including with, but not limited to, Union Development Finance Institutions and Union private sector entities. The EU guarantee should only provide a political risk cover for private sector operations, which should be coherent with those of the export credit agencies of Member States. These windows, which should constitute the dedicated mandates required by the EIB to operate outside the Union, should apply the same rules and conditions of any other investment window under the EFSD+, including the rules of governance, and except for the exclusive window, be established in accordance with the procedure defined in Article 35. For these three EIB-dedicated windows, the overall indicative amount should be EUR 26 725 000 000. The amounts for each of the windows should be substantiated and confirmed as a result of the programming process at the beginning of the Multiannual Financial Framework and during the reviews of programming. The objectives, priorities and amounts for each of the windows and their implementation should ensure full policy alignment with the Union priorities and comply with the this Regulation and the relevant multi-annual indicative programmes, including its geographic and thematic priorities. The risk assessment and remuneration methodology under EFSD+ should be consistently applied to all investment windows, including those dedicated to the EIB, in order to ensure a level playing field. The windows implemented by the EIB may cover any of the countries eligible for the External Action Guarantee in particular where most needed and in accordance with the geographical priorities of this Regulation and, where relevant, Regulation (EU) 2021/...<sup>+</sup>. EFSD+ guarantees for EIB operations with commercial sub-sovereign counterparts and private sector operations should be undertaken on terms similar to guarantees provided to other eligible counterparts. EFSD+ guarantees for

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

sovereign and non-commercial sub-sovereign operations and commercial sub-sovereign operations that do not generate substantial revenues, undertaken by the EIB or other eligible counterparts, may be non-remunerated to help reduce the cost of financing for public sector investments undertaken by partner countries. In compliance with the objectives and principles of this Regulation, the relevant programming documents as well as, where relevant, Regulation (EU) 2021/...<sup>\*\*</sup>, the Commission and the EIB should conclude dedicated guarantee agreements for the EIB dedicated investment windows.

- (63) The EFSD+ should aim at supporting investments as a means of contributing to the achievement of the SDGs by fostering sustainable and inclusive economic, environmental and social development, transition into sustainable value-added economy and a stable investment environment, and promoting socio-economic and environmental resilience in partner countries with a particular focus on the eradication of poverty, contributing to the reduction of socio-economic inequalities, sustainable and inclusive growth, the fight against climate change in line with the Paris Agreement, climate change adaptation and mitigation, environmental protection and management, the creation of decent jobs on the basis of the core International Labour Organization (ILO) labour standards, economic opportunities, skills and entrepreneurship, socioeconomic sectors, including social enterprises and cooperatives, micro, small and medium-sized enterprises, sustainable connectivity and, support to vulnerable groups, respect of human rights, gender equality and the empowerment of women and young people, as well as addressing specific socioeconomic root causes of irregular migration and root causes of forced displacement, in accordance with the relevant indicative programming documents. The implementation of the EFSD+ should comply with the objectives, principles and policy framework of this Regulation and, where relevant, Regulation (EU) 2021/...<sup>+</sup> in particular the applicable internationally agreed guidelines, principles and conventions on investment, 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 Principles for Responsible Investment in Agriculture and Food Systems, ILO

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<sup>\*\*</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

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conventions, international human rights law and 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. Special attention should be given to countries identified as experiencing fragility or conflict, Least Developed Countries, small island developing states, landlocked developing countries, and heavily indebted poor countries.

- (64) The EFSD+ should maximise additionality of funding, address market failures and sub-optimal investment situations, support local public entities in scaling up and financing autonomously their investment, deliver innovative products and ‘crowd-in’ private sector funds. Additionality should be applied in accordance with the objectives and principles of this Regulation and with other relevant Union policies. Involvement of the private sector including micro, small and medium-sized enterprises, in the Union’s cooperation with partner countries through the EFSD+ should yield measurable and additional development impact without distorting the local market and unfairly competing with local economic actors. It should be cost-effective, transparent, based on mutual accountability and risk and cost sharing. The EFSD+ 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. The leveraging effect of EFSD+ should be evaluated measuring the mobilisation of additional funding for sustainable development by using EFSD+ financial support. The leverage effect should be measured according to the definition laid down in Article 2(38) of the Financial Regulation and international rules and practices for measuring the amounts mobilised from the private sector by official development finance interventions, such as the OECD Development Assistance Committee methodologies. The European Parliament or the Council may invite eligible counterparts and civil society to an exchange of views concerning the financing and investment operations covered by this Regulation.
- (65) An External Action Guarantee should be established building on the existing EFSD Guarantee and the guarantees supported by the EFSD Guarantee Fund for external action. The External Action Guarantee should support the EFSD+ operations covered by budgetary guarantees, macro-financial assistance and loans to third countries based on Council



Decision 77/270/Euratom<sup>34</sup>. These operations should be supported by appropriations under this Regulation, together with those under Regulation (EU) No 2021/...\*(IPA III) and Regulation (EU) No 2021/...\*\*(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 (EU) 2021/...\*\*(EINS), respectively. When funding EFSD+ operations, priority should be given to those which maximise additionality and development impact, including those which have a high impact on decent job creation and whose cost-benefit ratio enhances the sustainability of investment and which provide for sustainability and long-term development impact. 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 in line with the better regulation requirements. Budgetary guarantees and financial instruments should adhere to the Union policy on non-cooperative jurisdictions for tax purposes, and updates thereto, as laid down in relevant legal acts of the Union and Council conclusions, in particular the Council Conclusions of 8 November 2016 and the Annex thereto as well as principles laid down in Directive (EU) 2015/849 of the European Parliament and of the Council<sup>35</sup> on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing. All relevant Financial Regulation provisions apply, in particular those on indirect management laid down in Title VI of the Financial Regulation. The provision of essential public services should remain a government responsibility.

- (66) In order to provide for flexibility, increase the attractiveness for the private sector 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

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<sup>34</sup> 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).

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\*\* OJ: Please insert in the text the number of the Regulation contained in document ST 12568/20 [2018/0247(NLE)].

\*\*\* OJ: Please insert in the text the number of the Regulation contained in document ST 12568/20 [2018/0247(NLE)].

<sup>35</sup> Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).

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.

- (67) 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.
- (68) External actions are often implemented in a highly volatile environment requiring continuous and rapid adaptation to the evolving needs of Union partners, to global challenges to human rights, democracy and good governance, security and stability, climate change and environment, oceans, and to challenges related to migration and forced displacement and their root causes. Reconciling the principle of predictability with the need to react rapidly to new needs consequently means adapting the financial implementation of the programmes. To increase the ability of the Union to respond to unforeseen needs, building on the successful experience of the EDF, an amount should be left unallocated as an emerging challenges and priorities cushion. It should be mobilised in accordance with the procedures established in this Regulation.
- (69) The emerging challenges and priorities cushion should guarantee the following additional resources: EUR 200 000 000 for the Human Rights and Democracy thematic programme, EUR 200 000 000 for the Civil Society Organisations thematic programme and EUR 600 000 000 for the Global Challenges thematic programme.
- (70) The Commission should inform in detail the European Parliament before the mobilisation of the funds of the emerging challenges and priorities cushion and should fully take into consideration its remarks on the nature, objectives and financial amounts envisaged.
- (71) 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.
- (72) Capacity building of military actors in third countries should be undertaken as part of the Union's development cooperation policy when it mainly pursues objectives in the field of development and as part of the Union's Common Foreign and Security Policy (CFSP) when it mainly pursues objectives in the field of peace and security, in compliance with Article 40

TEU. This Regulation respects the application of the procedures and the extent of the powers of the institutions under the Union's development cooperation policy and the Union's CFSP.

- (73) Actions under this Regulation involving the provision or financing of equipment, services or technology should be in line with relevant Union, national and international provisions and in particular the rules set out in Council Common Position 944/2008/CFSP<sup>36</sup> defining common rules governing control of exports of military technology and equipment, with Union restrictive measures as well as with Council Regulation (EC) No 428/2009<sup>37</sup> on dual-use. Risk assessments by the Commission under this Regulation are without prejudice to the assessment of export license applications by Member States. Each Member State should assess the export license applications made to it, including those relating to government-to-government transfers, for items on the EU Common Military List, on a case-by-case basis against the criteria established in the afore-mentioned Common Position. In accordance with Regulation (EU) 2019/125 of the European Parliament and of the Council<sup>38</sup> such actions should not finance the provision of any type of equipment that may be used for torture or other cruel, inhuman or degrading treatment or punishment.
- (74) The [Council Decision 2013/755/EU on the Overseas Association, including Greenland lays down the financial envelope for the Association of the OCTs with the Union. This financial envelope is the main source of funding for OCTs. [Pursuant to Article 83 of Council Decision 2013/755/EU (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.
- (75) In order to enhance partner countries' ownership of their development processes and the sustainability of external aid, the Union should, where relevant, favour the use of partner

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<sup>36</sup> Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment (OJ L 335, 13.12.2008, p. 99).

<sup>37</sup> Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (OJ L 134, 29.5.2009, p. 1).

<sup>38</sup> Regulation (EU) 2019/125 of the European Parliament and of the Council of 16 January 2019 concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment (OJ L 30, 31.1.2019, p. 1).

countries' own institutions, capacities, expertise and of partner countries' systems and procedures for all aspects of the project cycle for cooperation while ensuring the full involvement of local governments and civil society. The Union should make available information and training on how to apply for Union funding to potential beneficiaries of Union funding.

- (76) Communication fosters democratic debate, reinforces institutional control and scrutiny over Union funding, and contributes to boosting the credibility of the Union. The Union and the beneficiaries of Union funding should enhance the visibility of the Union's action, and communicate adequately on the added value of Union's support. In this regard, in accordance with the Financial Regulation, agreements concluded with recipients of Union funding should contain obligations ensuring appropriate visibility and the Commission should act in an appropriate and timely manner when these obligations are not met.
- (77) Annual or multi-annual action plans and measures referred to in Article 23 constitute work programmes under the Financial Regulation. Annual or multi-annual action plans consist of a set of measures grouped into one document.
- (78) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>39</sup> and Council Regulations (EC, Euratom) No 2988/95<sup>40</sup>, (Euratom, EC) No 2185/96<sup>41</sup> and (EU) 2017/1939<sup>42</sup>, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud,

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<sup>39</sup> 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).

<sup>40</sup> 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).

<sup>41</sup> 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).

<sup>42</sup> OJ L 283, 31.10.2017, p. 1.

corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council<sup>43</sup>. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and 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.

- (79) This Regulation should contribute to the international fight against tax fraud, tax evasion, fraud, corruption and money laundering.
- (80) In order to supplement or amend 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 amending the amount laid down in Article 6(5), the maximum amount for the External Action Guarantee laid down in Article 31(3), the provisioning rates and maximum provisioning amount laid down in Article 31(4), the areas of cooperation and intervention listed in Annexes II, III and IV, the priority areas of the EFSD+ operations listed in Annex V, the indicators in Annex VI as well as in respect of supplementing this Regulation with specific objectives, priority areas of cooperation drawn from common areas of cooperation in Annex II, including a prioritisation, thematic targets and indicative financial allocations, for the sub-regions laid down in Article 4(7), and of supplementing this Regulation with provisions on the establishment of a monitoring and evaluation framework.

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<sup>43</sup> 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).

- (81) 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 182/2011 of the European Parliament and of the Council<sup>44</sup>.
- (82) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making<sup>45</sup>, 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 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 carries out appropriate consultations during its preparatory work, including 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 of 13 April 2016 on Better Law-Making. 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.
- (83) The references to Union external assistance instruments in Article 9 of Council Decision 2010/427/EU<sup>46</sup>, which are replaced by this Regulation, should be read as references to this Regulation. The Commission should ensure that this Regulation is implemented in accordance with the role of the European External Action Service as provided in that Decision.
- (84) Actions and measures as provided for in this Regulation should, where relevant, be complementary to, consistent with and respect the measures adopted by the Union in pursuit of the CFSP objectives within the framework of Chapter Two of Title V TEU and the measures adopted within the framework of Title IV of Part Five TFEU.

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<sup>44</sup> 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).

<sup>45</sup> OJ L 123, 12.5.2016, p. 1.

<sup>46</sup> 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).

- (85) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (86) Decision No 466/2014/EU should be amended and repealed, and Regulations (EU) 2017/1601 and (EC, Euratom) No 480/2009 should be repealed.
- (87) In order to ensure continuity in providing support in the relevant policy area and to allow implementation to start from the beginning of the multiannual financial framework 2021-2027, this Regulation should enter into force as a matter of urgency and should apply, with retroactive effect, from 1 January 2021,

HAVE ADOPTED THIS REGULATION:

## **TITLE I**

### **GENERAL PROVISIONS**

#### *Article 1*

##### *Subject matter*

This Regulation establishes the Programme “Neighbourhood, Development and International Cooperation Instrument” - Global Europe (the ‘Instrument’) for the period of the multiannual financial framework 2021-2027.

This Regulation 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” means an indicative programme covering one country;
- (2) “multi-country programme” means an indicative programme covering more than one country;
- (3) “cross-border cooperation” means cooperation between one or more Member States, and one or more third countries and territories along the external adjacent land and maritime borders of the Union and shall be understood to cover also transnational cooperation over larger transnational territories or around sea basins and interregional cooperation as laid

down in Regulation (EU) 2021/... of the European Parliament and of the Council<sup>47+</sup> [ETC Regulation];

- (4) “regional programme” means 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” means an indicative multi-country programme covering more than one third country from different areas as established in Article 4(2);
- (6) “legal entity” means 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 point (c) of Article 197(2) of the Financial Regulation;
- (7) “civil society organisations” embrace a wide range of actors with multiple roles and mandates, which may vary over time and across institutions and countries, and includes all non-State, not-for-profit independent and non-violent structures, through which people organise to pursue shared objectives and ideals, including political, cultural, religious, environmental, social or economic, operating at local, national, regional or international levels, and comprising urban and rural, formal and informal organisations;
- (8) “local authorities” encompass public institutions with legal personality, component of the State structure, below the level of central government, such as villages, municipalities, districts, counties, provinces or regions, and accountable to citizens, usually composed of a deliberative or policy-making body such as a council or assembly and an executive body such as a mayor or other executive officer, directly or indirectly elected or selected at local level;
- (9) “investment window” means a targeted area for support by the EFSD+ Guarantee to portfolios of investments in specific regions, countries or sectors;
- (10) “additionality” as referred to in Article 209(2) of the Financial Regulation, means the principle according to which, in the context of this Regulation and the IPA regulation, the External Action Guarantee support under the EFSD+ contributes to sustainable development by operations which could not have been carried out without that Guarantee, or which achieve positive results above and beyond what could have been achieved without it. The principle of additionality also means that the operations supported by the External Action Guarantee shall crowd in private sector funding and address 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 External Action Guarantee operations 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 unless duly justified in accordance with the objectives and principles of this Regulation. 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;
- (11) “operations with sovereign counterparts and non-commercial sub-sovereign counterparts” means any operation where the counterpart is either directly a State or a public entity fully backed by an explicit guarantee of the State because it does not have the legal capacity

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<sup>47</sup> Regulation (EU) 2021/... of the European Parliament and of the Council of ... on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (OJ ...).

<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ST 5488/20 [2018/0199 (COD)] and insert the number, date and OJ reference of that Regulation in the footnote.



and/or the financial autonomy/ability to benefit from necessary direct financing;

- (12) “operations with commercial sub-sovereign counterparts” means any operation where the counterpart is a public entity not backed by an explicit guarantee of a State and that is financially able to borrow at its own risk and has the legal capacity to do so;
- (13) “contributor” 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 to the common provisioning fund;
- (14) “partner countries” shall mean countries and territories that may benefit from Union support under this Instrument pursuant to Article 4;
- (15) Where reference is made to human rights, it shall be understood as to include fundamental freedoms.

### *Article 3*

#### *Objectives*

1. The general objective of this Regulation is to uphold and promote the Union’s values, principles and fundamental interests worldwide, in order to pursue 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, thus contributing to the reduction and, in the long term, the eradication of poverty, consolidating, supporting and promoting democracy, rule of law and respect for human rights, sustainable development and the fight against climate change and addressing irregular migration and forced displacement, including their root causes.  
  
This Regulation shall contribute to the promotion of multilateralism, the achievement of the international commitments and objectives that the Union has agreed to, in particular the Sustainable Development Goals (SDGs), the 2030 Agenda and the Paris Agreement. This Regulation shall promote stronger partnerships with third countries, including with the European Neighbourhood based on mutual interests and ownership with a view to fostering stabilisation, good governance and building resilience.
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;
  - (b) to develop special strengthened partnerships and enhanced political cooperation with the European Neighbourhood, founded on cooperation, peace and stability and a shared commitment to the universal values of democracy, rule of law and respect for human rights, and aiming at deep and sustainable democracy and progressive socio-economic integration as well as people-to-people contacts;
  - (c) at global level:
    - to protect, promote and advance human rights, including gender equality and the protection of human rights defenders, including in the most difficult circumstances and urgent situations, democracy and the rule of law, including accountability mechanisms,

- to support civil society organisations,
  - to further stability and peace, prevent conflict, thereby contributing to the protection of civilians,
  - to address other global challenges such as climate change, protection of biodiversity and the environment, as well as migration and mobility.
- (d) to respond rapidly to: situations of crisis, instability and conflict, including those which may result from migratory flows and forced displacement, and hybrid threats; resilience challenges, including natural and man-made disasters, and linking of humanitarian aid and development action; and Union foreign policy needs and priorities.

The achievement of these objectives shall be measured using relevant indicators as referred to in Article 41.

3. At least 93 % 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, thus contributing to Official Development Assistance collective commitments, including on Least Developed Countries. The specificity of the expenditure related to the partner countries listed in Annex I shall be taken into account.

#### *Article 4*

##### *Scope and structure*

1. Union funding under this Regulation shall be implemented through:
  - (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 .../...\* (IPA) and overseas countries and

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\* OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

territories as defined in Decision 2013/755/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).

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.

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;
  - (c) Peace, Stability and Conflict Prevention;
  - (d) Global Challenges.

Thematic programmes may cover all third countries as well as overseas countries and territories as defined in Decision 2013/755/EU.

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, including those which may result from migratory flows and forced displacement;
  - (b) contribute to strengthening the resilience of states, societies, communities and individuals and to linking humanitarian aid and development action and, where relevant, peacebuilding;
  - (c) address Union foreign policy needs and priorities.

Rapid response actions may cover all third countries as well as overseas countries and territories as defined in Decision 2013/755/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 through geographic programmes.

Actions implemented through thematic programmes shall be complementary to actions funded under geographic programmes and shall support global and trans-regional initiatives aimed at achieving internationally agreed goals, in particular the SDGs and the Paris

Agreement, as well as protecting global public goods or addressing global challenges. Actions through thematic programmes may also be undertaken 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.

Rapid response actions shall be complementary to geographic and thematic programmes. These actions shall be designed and implemented to enable, where relevant, their continuity under geographic or thematic programmes.

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 44 to amend Annexes II, III and IV.
7. The Commission shall be empowered to adopt a delegated act in accordance with Article 44 by 31 December 2021, to supplement this Regulation with the provisions determining: specific objectives and priority areas of cooperation drawn from the common areas of cooperation in Annex II, including a prioritisation, for the following sub-regions: Neighbourhood South, Neighbourhood East, West Africa, East and Central Africa, Southern Africa and Indian Ocean, Middle East, Central Asia, South Asia, North and South East Asia, the Pacific, the Americas, the Caribbean; indicative thematic targets for the geographic pillar; and indicative financial allocations for West Africa, East and Central Africa, Southern Africa and Indian Ocean. This delegated act shall be reviewed at the mid-term evaluation referred to in Article 42(2).

#### *Article 5*

##### *Coherence, consistency and complementarity*

1. In implementing this Regulation, consistency, coherence, synergies and complementarity with all areas of Union external action, including other external financing instruments, and with other relevant Union policies and programmes, as well as policy coherence for development shall be ensured.

In this regard, the Union shall take into account the impact of all internal and external policies on sustainable development and shall seek to promote increased synergies and complementarities in particular with trade policy, economic cooperation and other sectorial cooperation.

2. Actions falling within the scope of 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 rules of each contributing Union programme shall apply to its respective contribution to the action. The cumulative funding shall not exceed the total eligible costs of the action and the support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

## *Article 6*

### *Budget*

1. The financial envelope for the implementation of this Regulation for the period 2021 – 2027 shall be EUR 79 462 000 000 in current prices.
2. The financial envelope referred to in paragraph 1 shall be composed of:
  - (a) EUR 60 388 000 000 for geographic programmes:
    - Neighbourhood at least EUR 19 323 000 000,
    - Sub-Saharan Africa at least EUR 29 181 000 000,
    - Asia and the Pacific EUR 8 489 000 000,
    - Americas and the Caribbean EUR 3 395 000 000,
  - (b) EUR 6 358 000 000 for thematic programmes:
    - Human Rights and Democracy EUR 1 362 000 000,
    - Civil Society Organisations EUR 1 362 000 000,
    - Peace, Stability and Conflict Prevention EUR 908 000 000,
    - Global Challenges EUR 2 726 000 000,
  - (c) EUR 3 182 000 000 for rapid response actions.
3. The emerging challenges and priorities cushion of amount of EUR 9 534 000 000 shall increase the amounts referred to in points (a), (b) and (c) of paragraph 2 in accordance with Article 17.
4. The financial envelope referred to in point (a) of paragraph 2 shall correspond to at least 75 % of the financial envelope referred to in paragraph 1.
5. Actions under Article 9 shall be financed up to the amount of EUR 270 000 000. The Commission shall be empowered to amend this amount by delegated act in accordance with Article 44.

## *Article 7*

### *Policy framework*

The association agreements, partnership and cooperation agreements, multilateral agreements to which the Union is a party, and other agreements that establish a legally binding relationship between the Union and partner countries as well as European Council conclusions, Council conclusions, summit declarations or conclusions of meetings with partner countries at the level of heads of state or government or ministers, European Parliament resolutions, communications of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy shall constitute the overall policy framework for the implementation of this Regulation.

## Article 8

### General principles

1. The Union shall seek to promote, develop and consolidate the principles of democracy, good governance, the rule of law, respect for human rights, including their universality and indivisibility, and fundamental freedoms and respect for human dignity, the principles of equality and solidarity on which it is founded, through dialogue and cooperation with partner countries, regions and civil society, including through action in multilateral fora.
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, marginalised and vulnerable people and groups, including persons with disabilities, and to assist partner countries in implementing their international human rights obligations. This approach shall be guided by the principle of leaving no-one behind, equality and non-discrimination on any grounds.
3. This Regulation shall promote gender equality, women's and girls' rights and empowerment and non-discrimination on any grounds, through targeted and mainstreamed actions; and shall also give particular attention to the rights of the child and empowerment of youth.
4. This Regulation shall be implemented in full accordance with the Union commitment to the promotion, protection and fulfilment of all human rights and to the full and effective implementation of the Beijing Platform for Action and the Programme of Action of the International Conference on Population and Development and the outcomes of their review conferences and remains committed to sexual and reproductive health and rights, in this context. Having that in mind, the Regulation shall support the Union commitment to the promotion, protection and fulfilment of the right of every individual to have full control over, and decide freely and responsibly on matters related to their sexuality and sexual and reproductive health, free from discrimination, coercion and violence. It shall also support the need for universal access to quality and affordable comprehensive sexual and reproductive health information, education, including comprehensive sexuality education, and health-care services.
5. The Union shall support, as appropriate, the implementation of bilateral, regional and multilateral cooperation and dialogue, association and trade agreements, partnership agreements and triangular cooperation.

The Union shall promote a multilateral and rules-based and values-based approach to global goods and challenges and shall cooperate with Member States, partner countries, international organisations and other donors in that respect.

The Union shall promote effective multilateralism in fostering cooperation with international organisations and other donors.

In relations with partner countries, their track record in implementing obligations and commitments, including the 2030 Agenda, international human rights conventions, and other conventions, including those on nuclear safety standards, 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 and shall be taken up in the regular political dialogue with these countries.

6. 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. The Union shall promote effective and efficient resource mobilisation and use.

In line with the principle of inclusive partnership and transparency, 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 be adequately involved and play a meaningful role during the design, implementation and associated monitoring processes of programmes. Where appropriate, the Commission shall also ensure that an enhanced dialogue is pursued with the private sector.

In line with the principle of ownership the Commission, where appropriate, shall favour the use of partner countries' institutions and systems for the implementation of programmes.

7. In order to promote the complementarity and efficiency of their action and initiatives, the Union and the Member States shall ensure the coordination of their policies and shall regularly consult each other on their assistance programmes, including in international organisations and during international conferences.

The Union and the Member States shall coordinate their respective support programmes with the aim of increasing effectiveness and efficiency.

The Union shall foster inclusiveness in the implementation of this Regulation and collaboration with Member States, seeking to maximise added value and taking into account experience and capacities, thus reinforcing shared interests, values and common goals. The Union shall encourage the exchange of best practices and knowledge sharing among Member States' bodies and experts.

8. Programmes and actions under this Regulation shall mainstream the fight against climate change, environmental protection, human rights, democracy, gender equality and, where relevant, disaster risk reduction and shall address interlinkages between SDGs, to promote integrated actions that can create co-benefits and meet multiple objectives in a coherent way. These programmes and actions shall be based on a comprehensive multi-disciplinary analysis of context, capacities, risks and vulnerabilities, integrate a resilience approach and be conflict sensitive, taking into account conflict prevention and peacebuilding. They shall be guided by the principles of “do no harm” and of “leaving no one behind”.
9. This Regulation shall promote the use of digitalisation as a powerful enabler for sustainable development and inclusive growth.
10. A more coordinated, holistic and structured approach to migration shall be pursued with partners, taking into account the importance of addressing the root causes of irregular migration and forced displacement. It shall maximise synergies and build comprehensive partnerships, while paying specific attention to countries of origin and transit. This approach shall combine all appropriate tools and the necessary leverage through a flexible incitative approach with, as appropriate within this context, possible changes in allocation of funding related to migration in accordance with the programming principles of this Regulation. It shall take into account effective cooperation and implementation of EU agreements and dialogues on migration. These actions shall be implemented in full respect of international law, including international human rights and refugee law, Union and national competences. The effectiveness of this approach shall be assessed annually or as necessary. Migration-

related actions of this Regulation shall be implemented in support of Union migration policy objectives through a flexible funding mechanism.

11. The Commission shall ensure that actions adopted under this Regulation in relation to the fight against terrorism and organised crime, cyber security and the fight against cybercrime, and capacity building of military actors in support of development and security for development are carried out in accordance with international law, including international human rights and humanitarian law. To this end, the Commission shall establish an appropriate risk assessment and monitoring framework. In this framework, the Commission shall develop operational guidance to ensure that human rights are taken into consideration in the design and implementation of these actions.
12. Security related actions in paragraph 11 shall be based on regular and robust conflict analysis to ensure conflict sensitivity and implement a security sector reform approach that contributes to democratic governance, accountability and human security including benefits for the local population. These measures shall be embedded, where relevant, in the context of a longer term assistance aimed at reforming the security sector.
13. The Commission shall regularly inform the European Parliament and the Council and, at the initiative of any of these institutions, have exchanges of views with them, including on the incentive-based approach responding to performance in key areas, referred to in Article 20. The European Parliament may hold regular exchanges of views with the Commission regarding its own assistance programmes, on matters such as capacity-building, including related mediation and dialogue, and election observation.
14. The Commission shall have regular exchanges of information with civil society.
15. Where appropriate, the Commission shall develop and follow risk management frameworks, including assessment and mitigation measures.
16. Union funding under this Regulation shall not be used to finance the procurement of arms or ammunition, or operations having military or defence implications.

#### *Article 9*

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

1. 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 3, to deliver development activities and security for development activities.
2. 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.
3. 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, including in crises and fragile or destabilised contexts and situations.
4. 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.
5. When designing and implementing 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.

## TITLE II

### IMPLEMENTATION OF THIS REGULATION

## Chapter I

### Programming

#### *Article 10*

#### *Scope of the geographic programmes*

1. 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 and human rights, including gender equality;
  - (b) eradicating poverty, fighting against inequalities and discrimination, and promoting human development;
  - (c) migration, forced displacement and mobility;
  - (d) environment and climate change;
  - (e) inclusive and sustainable economic growth and decent employment;
  - (f) peace, stability and conflict prevention;
  - (g) partnership.
2. Further details of the areas of cooperation referred to in paragraph 1 are set out in Annex II.

*Article 11*  
*Scope of the thematic programmes*

1. Thematic programmes shall cover the following areas of intervention:
  - (a) Human Rights and Democracy: advancing the fundamental values of democracy, the rule of law, the universality, indivisibility and interdependence 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 human rights law.
  - (b) Civil Society Organisations:
    - Inclusive, participatory, empowered and independent civil society and democratic space in partner countries;
    - Inclusive and open dialogue with and between civil society actors;
    - Awareness, understanding, knowledge and engagement of European citizens regarding development issues.
  - (c) Peace, Stability and Conflict Prevention:
    - assistance for conflict prevention, peacebuilding and crisis preparedness;
    - assistance in addressing global and trans-regional threats and emerging threats.
  - (d) Global Challenges:
    - Health;
    - Education;
    - Gender equality and women's and girls' empowerment;
    - Children and Youth;
    - Migration, forced displacement and mobility;
    - Decent work, social protection, inequality and inclusion;
    - Culture;
    - Ensuring a healthy environment and tackling climate change;
    - Sustainable energy;
    - Sustainable and inclusive growth, decent jobs and private sector engagement;
    - Food and nutrition security;
    - Strengthen the role of Local Authorities as actors of development;

- Promote inclusive societies and multi-stakeholder initiatives, good economic governance, including fair and inclusive domestic revenue mobilisation;
  - Support the assessment and documentation of progress in implementing partnership and effectiveness principles.
2. Further details of the areas of cooperation referred to in paragraph 1 are set out in Annex III.

## *Article 12*

### *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;
  - (b) when drawing up the programming documents for countries and regions in crisis, or post-crisis, and for fragile and vulnerable situations, a conflict analysis shall be conducted to ensure conflict sensitivity, and due account shall be taken of the special needs and circumstances of the countries or regions concerned and their population.  
  
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 with the transition from an emergency situation to sustainable development and stable peace, including the prevention of violence;
  - (c) the Union and the Member States shall ensure inclusive consultations with 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 and its implementation shall be flexible, inclusive and driven at country level. Joint programming shall be open to other relevant donors and actors when this is assessed to be relevant by the Union and the Member States. In addition, the Union and the Member States shall, whenever appropriate, seek to support partner countries through joint implementation;
  - (d) the Union shall at an early stage and throughout the programming process encourage a regular multi-stakeholder and inclusive dialogue with other donors and actors, including local authorities, representatives of civil society, foundations and the private sector, where relevant, in order to facilitate their respective contributions, as appropriate, and to ensure they play a meaningful role in programming;
  - (e) the Human Rights and Democracy and Civil Society Organisations thematic programmes referred to in points (a) and (b) respectively of Article 4(3) shall provide assistance independently of the consent of governments and other public authorities of the third countries concerned. These thematic programmes shall

mainly support civil society actors at all levels, taking into account forms and methods of implementation, as referred to in Article 27 (3).

The European Parliament and the Council shall be informed about the outcome of the consultations foreseen under points (c) and (d) of the first subparagraph of paragraph 2.

Programming documents shall be results-based and include, wherever possible, clear targets and indicators. Indicators shall be based, where appropriate, on internationally agreed targets and indicators, 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.

### *Article 13*

#### *Programming principles for geographic programmes*

1. Programming of geographic programmes shall be based on the following principles:
  - (a) without prejudice to paragraph 5, actions shall be based, to the extent possible, on an early, continuous and inclusive dialogue between the Union, the Member States and the partner countries concerned, including national, local and regional authorities, involving civil society organisations, regional, national and local parliaments and other stakeholders, in order to enhance democratic ownership of the process and to encourage support for national and regional strategies;
  - (b) where appropriate, the programming period shall be synchronised and aligned with the strategy cycles of partner countries;
  - (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. Programming of geographic programmes shall provide a specific, tailor-made framework for cooperation based on:
  - (a) the partners' needs, established on the basis of specific criteria, taking into account the population, poverty, inequality, human development, economic and environmental vulnerability, and state and societal resilience and the impact of protracted and recurrent crises;
  - (b) the partners' capacity and commitment to promote shared values, principles and interests, including human rights, fundamental freedoms, democracy, rule of law, good governance, fight against corruption, open civic space and gender equality and to support common goals and multilateral alliances and cooperation, a rules-based international system, as well as the advancement of Union priorities;
  - (c) the partners' commitments, including those jointly agreed with the Union, and performance established on the basis of criteria such as political reform; and economic and social development, environmental sustainability, and the effective use of aid, taking into account the specificities and development level of partner countries;
  - (d) the potential impact of Union funding in partner countries and regions;
  - (e) the partners' capacities to mobilise and make effective use of domestic resources as well as to access financial resources, to manage resources transparently in support of national development priorities and their absorption capacities.

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 and landlocked developing countries, shall be given priority in the resource allocation process.
4. In addition, the Union shall address the specific challenges of Middle Income Countries and in particular countries that graduate from lower income status.
5. Cooperation with industrialised countries shall focus on the promotion of Union and mutual interests and values, as well as commonly agreed objectives and multilateralism.
6. This Regulation shall contribute to actions established under Regulation (EU) No. .../...<sup>+</sup> (Erasmus+). A single programming document shall be drawn up from this Regulation for seven years, including funds from Regulation (EU) No .../...<sup>+</sup> (IPA III). Regulation (EU) No. .../...<sup>\*\*</sup> (Erasmus+) shall apply to the use of these funds.

#### *Article 14*

##### *Programming documents for geographic programmes*

1. The implementation of this Regulation shall be carried out for geographic programmes through multiannual country and multi-country indicative programmes.
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 and, where applicable, the methods of implementation.
3. The multiannual indicative programmes shall be built on:
  - (a) a national or regional strategy in the form of a development plan or a similar document accepted by the Commission as a basis for the corresponding multiannual indicative programme, at the time of adoption of the latter document;
  - (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;
  - (c) a joint document between the Union and the concerned partner or partners setting out common priorities and mutual commitments.
4. To increase the impact of collective cooperation of the Union, where possible and appropriate, 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

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ST 14148/20 [2018/0191(COD)].

<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

<sup>\*\*</sup> OJ: Please insert in the text the number of the Regulation contained in document ST 14148/20 [2018/0191(COD)].

with Article 16 and complies with Articles 12 and 13, contains the elements listed in paragraph 2 of this Article and sets out the division of labour between the Union and Member States.

#### *Article 15*

##### *Programming documents for thematic programmes*

1. The implementation of this Regulation shall be carried out for thematic programmes through multiannual indicative programmes.
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.

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.

#### *Article 16*

##### *Adoption and amendment of multiannual indicative programmes*

1. The Commission shall adopt multiannual indicative programmes referred to in Articles 14 and 15 by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 45(2). 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.
2. When adopting joint multiannual programming documents referred to in Article 14, the Commission decision shall only apply to the Union's contribution to the joint multiannual programming document.
3. Multiannual indicative programmes for geographic programmes shall be reviewed following the mid-term evaluation referred to in Article 42(2), as well as on an ad-hoc basis as necessary for effective implementation, in particular where there are substantive changes in the policy framework referred to in Article 7 or following a crisis or post-crisis situation.
4. Multiannual indicative programmes for thematic programmes shall be reviewed following the mid-term evaluation referred to in Article 42(2), as well as on an ad-hoc basis as necessary for effective implementation, in particular where there are substantive changes in the policy framework referred to in Article 7.
5. On duly justified imperative grounds of urgency, such as crises or immediate threats to peace, democracy, the rule of law, human rights or fundamental freedoms, the Commission may amend multiannual indicative programmes referred to in Articles 14 and 15 of this Regulation by implementing acts adopted in accordance with the urgency procedure referred to in Article 45(4).

*Article 17*

*Emerging challenges and priorities cushion*

1. The amount referred to in Article 6(3) shall be used where most needed and duly justified, *inter alia*:
  - (a) to ensure an appropriate response of the Union in the event of unforeseen circumstances;
  - (b) to address new needs or emerging challenges, such as those at the Union's or its neighbours' borders linked to crisis, either natural or man-made, violent conflict and post-crisis situations or migratory pressure and forced displacement;
  - (c) to promote new Union led or international initiatives or priorities.<sup>2.</sup> The use of these funds shall be decided in accordance with the procedures established in Articles 16 and 25.

## **Chapter II**

### **Specific Provisions for the Neighbourhood**

*Article 18*

*Specific objectives for the neighbourhood area*

In accordance with Articles 3 and 4, Union support under this Regulation in the Neighbourhood area shall have as objectives:

- (a) Promoting enhanced political cooperation and strengthening and consolidating deep and sustainable democracy, stability, good governance, rule of law and the respect for human rights;
- (b) Supporting the implementation of association agreements, or other existing and future agreements, and jointly agreed association agendas and partnership priorities or equivalent documents including through institutional cooperation and capacity building;
- (c) Promoting a strengthened partnership with societies between the Union and the partner countries, and among the partner countries, including through people-to-people contacts, and a wide range of activities with a specific focus on youth;
- (d) Enhancing regional and cross-border cooperation, in particular in the framework of the Eastern Partnership, the Union for the Mediterranean, European Neighbourhood-wide collaboration as well as Black Sea regional cooperation, Arctic cooperation, the Northern Dimension, including in areas such as energy and security;
- (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 norms and standards, and improved market access including through deep and comprehensive free trade areas, related institution building and investment;

- (f) Strengthening partnerships on well-managed and safe migration and mobility and, when applicable and provided that conditions for well-managed and secure mobility are in place, supporting the implementation of existing visa-free regimes, in line with the revised visa suspension mechanism, visa liberalisation dialogues and bilateral or regional agreements and arrangements with third countries, including mobility partnerships;
- (g) Supporting confidence-building and other measures contributing to security, the prevention and settlement of conflicts, including support to affected populations and reconstruction.

## *Article 19*

### *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 the association, partnership and cooperation agreements, jointly agreed association agendas and partnership priorities or other relevant, existing and future, jointly agreed documents referred to in point (c) of Article 14(3), between the Union and the partner countries in bilateral and multilateral formats, including, as relevant, within the Eastern Partnership and the southern dimension of the European Neighbourhood Policy, in accordance with the specific objectives set out in Article 18 and the areas of cooperation set out in Annex II.
2. By way of derogation from Article 13(2) and (3), 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, inequalities and level of development;
  - (b) commitment to and progress in implementing jointly agreed political, economic, environmental and social reform objectives;
  - (c) commitment to and progress in building deep and sustainable democracy, rule of law, good governance, human rights, and the fight against corruption;
  - (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 of this Article shall be reflected in the programming documents referred to in Article 14.

## *Article 20*

### *Incentive-based approach*

1. Indicatively 10 % of the financial envelope set out in the first indent of point (a) of Article 6(2) to supplement the country financial allocations referred to in Article 14 shall be allocated to partner countries listed in Annex I as an incentive towards reforms. Such allocations shall be decided on the basis of their performance and progress towards



democracy, good governance and rule of law including cooperation with civil society, human rights including gender equality, cooperation on migration, economic governance and reforms, in particular those reforms jointly agreed. The progress of partner countries shall be regularly assessed, in particular by means of progress reports which include trends as compared to previous years.

2. This approach shall not apply to support to civil society, conflict prevention and peacebuilding, 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, or an increased risk of conflict, support to these actions shall be increased, where possible and appropriate.

#### *Article 21*

##### *Multi-country programmes*

Multi-country programmes in the Neighbourhood area shall address challenges common to all or a number of partner countries, based on priorities of the Eastern Partnership and the southern dimension of the reviewed European Neighbourhood Policy and taking into account the work carried out in the context of the Union for the Mediterranean, and regional, trans-regional and sub-regional cooperation, primarily between two or more partner countries, including also within the framework of the Northern Dimension and Black Sea Synergy.

#### *Article 22*

##### *Cross-Border Cooperation*

1. Cross-border cooperation, as defined in Article 2(3), shall cover cooperation on external adjacent land and maritime borders, transnational cooperation over larger transnational territories, or around sea-basins, as well as interregional cooperation.
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) 2021/...\*[ETC Regulation]. Up to 5 % 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 Regulation (EU) 2021/...\*\*[ETC Regulation].
4. The Union co-financing rate shall not be higher than 90 % of the eligible expenditure of a cross-border cooperation programme.
5. Pre-financing for cross-border cooperation programmes may exceed the percentage referred to in Article 49 of Regulation (EU) 2021/...\*[ETC Regulation]. At the request of the managing authority, each financial year, the pre-financing rate may be up to 80 % of annual

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\* OJ: Please insert in the text the number of the Regulation contained in document ST 5488/20 [2018/0199 (COD)].

\*\* OJ: Please insert in the text the number of the Regulation contained in document ST 5488/20 [2018/0199 (COD)].

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commitments to the programme.

6. A multiannual indicative strategy document for cross border cooperation, setting out the elements referred to in Article 14(2) of this Regulation, shall be adopted in accordance with Article 10(1) of Regulation (EU) 2021/...<sup>\*\*</sup>[ETC Regulation].
7. Where cross-border cooperation programmes are discontinued in accordance with Article 12 of Regulation (EU) 2021/...<sup>\*\*\*</sup>[ETC Regulation], support from the Neighbourhood envelope to the discontinued programme that remains available may primarily be used to finance other cross-border cooperation programmes or any other activity under the Neighbourhood envelope as appropriate.

## Chapter III

### Action plans, measures and implementing methods

#### *Article 23*

##### *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 take into account the specific context and shall specify for each action the objectives pursued, the expected results and main activities, the methods of implementation, monitoring and evaluation as well as the budget and any associated support expenditures.
2. Action plans shall be based on programming documents, except for cases referred to in paragraphs 3 and 4. Action plans shall be prepared in an inclusive, transparent and timely manner. Whenever appropriate, action plans shall be discussed jointly with Member States in the context of working better together.

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 the programming documents.

3. Annual or multiannual action plans and individual measures may be used to implement rapid response actions referred to in points (b) and (c) of Article 4(4).
4. The Commission may adopt exceptional assistance measures for rapid response actions as referred to in point (a) of Article 4(4).

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,

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<sup>\*\*</sup> OJ: Please insert in the text the number of the Regulation contained in document ST 5488/20 [2018/0199 (COD)].

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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 is essential and cannot be ensured by other means.

#### *Article 24*

##### *Support measures*

1. Union financing may cover support expenditure for the implementation 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, as well as expenditure at headquarters and Union delegations for the administrative and coordination support needed for the programme, and to manage operations financed under this Regulation, including information and communication actions, and corporate information technology systems.
2. When support expenditure is not included in the action plans or measures referred to in Article 23, 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 25*

##### *Adoption of action plans and measures*

1. Action plans and measures shall be adopted in accordance with the examination procedure referred to in Article 45(2).
2. The procedure referred to in paragraph 1 shall not be required for:
  - (a) individual measures for which the Union's funding does not exceed EUR 5 000 000;
  - (b) special and support measures as well as action plans adopted in order to implement rapid response actions for which the Union's funding does not exceed EUR 10 000 000;

- (c) exceptional assistance measures referred to in Article 23(4) for which the Union's funding does not exceed EUR 20 000 000;
- (d) technical amendments to action plans and measures, 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) extensions of the implementation period;
  - (iii) reassignments of funds between actions contained in an action plan;
  - (iv) increases or reductions of the budget of action plans and measures by not more than 20 % of the initial budget and not exceeding EUR 10 000 000;

In case of multiannual action plans and measures, the thresholds referred to in points (a), (b), (c) and (d)(iv) of paragraph (2) 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 45 within one month of their adoption.

3. Before the adoption or extension of exceptional assistance measures not exceeding EUR 20 000 000, the Commission shall inform the Council and the European Parliament of their nature and objectives and of the financial amounts envisaged. The Commission shall inform the Council and the European Parliament before making significant substantive changes to exceptional assistance measures already adopted. The Commission shall take account of the relevant policy approach for the planning and subsequent implementation of such measures, in the interest of consistency of the Union's external action.
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 45(4).
5. Appropriate 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/EU of the European Parliament and of the Council<sup>48</sup> and Council Directive 85/337/EEC<sup>49</sup>, comprising, where applicable, an environmental impact assessment, including the impact on climate change, ecosystems and biodiversity, for environmentally sensitive actions, in particular for major new

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<sup>48</sup> 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).

<sup>49</sup> Council Directive of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment (OJ L 175, 5.7.1985. p. 40).

infrastructure.

Other appropriate ex-ante assessments shall be carried out, proportionate to the objectives and amounts of the envisaged actions and measures, to determine their possible implications and risks with regard to human rights, access to natural resources such as land, and social standards including in the form of impact assessments for major actions and measures that are expected to have a significant impact on these areas.

Where relevant, strategic environmental assessments, including the impact on climate change, shall be used in the implementation of sectoral programmes. The involvement of interested stakeholders in environmental assessments and public access to the results of such assessments shall be ensured.

## *Article 26*

### *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 point (c) of Article 62 (1) 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 point (c) of Article 62(1) of the Financial Regulation and in Article 38(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 financial 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 and duplication of financing is avoided.
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 and technical cooperation measures, as well as building capacity, including to share transitional or reform implementation experiences of Member States, such as decentralised cooperation through partnerships or twinning, between public institutions, including local authorities, public law 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 those for their independent assessment and monitoring, whenever possible by civil society organisations;
  - (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 to actions implemented by Union agencies and bodies, as well as to bodies or persons entrusted with the implementation of specific actions in the Common Foreign and Security Policy pursuant to Title V TEU.

## *Article 27*

### *Forms of Union funding*

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 operations;
  - (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 such as those mentioned in Article 8(6), 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. 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.
3. In addition to 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 to finance urgent protection actions and needs, including through mechanisms for the protection of human rights defenders at risk, as well as to mediators and other civil society actors involved in crisis and

armed conflict related dialogue, conflict resolution, reconciliation and peace-building, where appropriate without the need for co-financing;

- (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, including violation of human rights, threats to democratic institutions, escalation of crisis or 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;
- (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 and human rights defenders from third countries;
- (d) low value grants to civil society organisations using to the extent possible, simplified forms of financing in accordance with Article 125 of the Financial Regulation.

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 the commitment of partner countries, taking into account their record and progress, with regard to universal values, democracy, human rights, the rule of law and aims at strengthening partnerships between the Union and partner countries. It shall include reinforced policy dialogue, capacity building, and improved governance, complementing partners' efforts to collect more and spend better in order to support sustainable, inclusive growth and decent job creation, including for young people, poverty eradication, inequality reduction, and to build and consolidate democracies and peaceful societies. Budget support shall also contribute to gender equality.

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.

- 4. Budget support shall be differentiated in such a way as to respond better to the political, economic, social and environmental 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 and increased transparency and public access to information.

- 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. In accordance with point (a) of the second subparagraph of Article 193(2) of the Financial Regulation, in duly justified cases specified in the financing decision, activities supported under this Regulation and the underlying costs may be considered eligible as of 1 January

2021, even if they were implemented and incurred before the grant application was submitted.

7. Financial instruments, budgetary guarantees and blending operations under this Regulation shall be implemented in accordance with the principles laid down in Article 209(1) of the Financial Regulation and whenever possible 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 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 point (c) of Article 62(1) of the Financial Regulation.

8. Those financial instruments may be grouped into facilities for implementation and reporting purposes.
9. The Union's funding shall not generate or activate the collection of specific taxes, duties or charges.
10. Taxes, duties and charges imposed by partner countries may be eligible for financing under this Regulation.

## *Article 28*

### *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, including civil society organisations, who are nationals of and, in the case of legal persons, who are also effectively established in, the following countries:
  - (a) Member States, beneficiaries of (IPA III) Regulation (EU) 2021/...<sup>+</sup>, 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 OECD Development Assistance Committee, which are not members of the G-20 group, and overseas countries and territories as defined in Council Decision 2013/755/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,

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].



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 in a Least Developed Country or a Highly Indebted Poor Country, as included in the list of Official Development Assistance recipients.
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 the Peace, Stability and Conflict Prevention 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 in direct or indirect management with entities as referred to in point (c)(ii) to (viii) of Article 62(1) of the Financial Regulation, the eligibility rules of those entities shall also apply.
  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 persons 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.
  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 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. Sustainability and due diligence criteria shall be promoted.
  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.

## Article 29

### *Excluded activities*

Union funding under this Regulation shall not support actions and measures that:

- (a) may result in violation of human rights in partner countries;
- (b) are incompatible with the recipient country's Nationally Determined Contribution under the Paris Agreement, or that promote investments in fossil fuels, or that, according to the environmental screening and impact assessment, cause significant adverse effects on the environment or the climate, unless such actions or measures are strictly necessary for achieving the objectives of this Regulation and they are accompanied with appropriate measures to avoid, prevent or reduce and, if possible, off-set these effects, including support to phase out environmentally harmful fossil fuel subsidies.

## Article 30

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

1. In addition to Article 12(4) of the Financial Regulation, unused commitment and payment appropriations under this Regulation shall be automatically carried over and may be respectively committed and used 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 the European Parliament and the Council of carried over commitment appropriations in line with Article 12(6) of the Financial Regulation.

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.
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 and budgetary guarantees 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 31*

#### *Scope and financing*

1. The financial envelope referred to in point (a) of Article (6)(2) shall finance the European Fund for Sustainable Development Plus (EFSD+) and the External Action Guarantee.  

The purpose of the EFSD+ as an integrated financial package supplying financial capacity in the form of grants, technical assistance, financial instruments, budgetary guarantees and blending operations referred to in Article 27(1) of this Regulation shall be to support investments and increase access to financing, as a means of contributing to the achievement of the objectives and principles referred to in Articles 3 and 8 of this Regulation, and, where relevant, the objectives of Regulation (EU) 2021/...\*[IPA III] while maximising additionality and development impact and delivering innovative products, including to micro, small and medium-sized enterprises. The EFSD+ shall in particular foster sustainable and inclusive economic, environmental and social development, transition into sustainable value-added economy, a stable investment environment, and promote socio-economic and environmental resilience in partner countries with a particular focus on the eradication of poverty, contributing to the reduction of socio-economic inequalities, sustainable and inclusive growth, climate change adaptation and mitigation, environmental protection and management, the creation of decent jobs on the basis of the core ILO labour standards, economic opportunities, skills and entrepreneurship, socioeconomic sectors, including social enterprises and cooperatives, micro, small and medium-sized enterprises, sustainable connectivity, the support to vulnerable groups, the promotion of human rights, gender equality and the empowerment of women and young people, as well as addressing specific socioeconomic root causes of irregular migration and root causes of forced displacement, in accordance with the priority areas outlined in Annex V and relevant indicative programming documents. Special attention shall be given to countries identified as experiencing fragility or conflict, Least Developed Countries, and heavily indebted poor countries, including by providing support for institutional capacity building, economic governance, and technical assistance.
2. The External Action Guarantee shall support the EFSD+ operations covered by budgetary guarantees in accordance with Articles 32 to 39 of this Regulation. The External Action Guarantee shall also support macro-financial assistance and loans to third countries referred to in Article 10(2) of Regulation (EU) .../...\*\*(EINS).
3. Under the External Action Guarantee, the Union may guarantee operations, under Guarantee

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

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Agreements signed between 1 January 2021 and 31 December 2027, up to EUR 53 449 000 000.

The Commission shall be empowered to adopt a delegated act in accordance with Article 44 to amend the maximum amount of the External Action Guarantee by up to 20 %.

4. The provisioning rate shall range between 9 % and 50 % depending on the type of operations.

A maximum amount of EUR 10 000 000 000 from the Union budget may be used to provision the External Action Guarantee. The Commission shall be empowered to adopt delegated acts in accordance with Article 44 to amend this maximum amount to ensure that the provisioning amount reflects the amount and the provisioning rates of the External Action Guarantee, taking into account the type of guaranteed operations.

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 at least every three years from the date of application of this Regulation laid down in Article 51. The Commission shall be empowered to adopt delegated acts in accordance with Article 44 to amend these rates.

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 point (a) of Article 6(2) and shall be transferred into the common provisioning fund. The EFSD+ and the External Action Guarantee may also support operations in beneficiaries listed in Annex I of Regulation (EU) 2021/...<sup>+</sup>[IPA III]. The funding for these operations under the EFSD+ and for the provisioning of the External Action Guarantee shall be financed from the Regulation (EU) 2021/...<sup>++</sup>(IPA). The provisioning of the External Action Guarantee for loans to third countries referred to in Article 10 (2) of Regulation (EU) 2021/...<sup>+++</sup>(EINS) shall be financed from Regulation EINS.
7. The provisioning referred to in Article 211(2) of the Financial Regulation shall be constituted on the basis of the Union's total liabilities authorised under the present Regulation. The annual amount of provisioning required may be constituted during a period of up to seven years. The provisioning of guarantees authorised under Regulation (EU) 2017/1601 and of guarantees, financial assistance and Euratom loans to third countries authorised under basic acts whose provisioning is governed by Regulation (EC, Euratom) No 480/2009 shall continue to follow the provisions of those Regulations.
8. The net assets as at the last day of the month following the month of entry into force of this Regulation of the EFSD Guarantee Fund and of the Guarantee fund for external actions

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

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established respectively by Regulation (EU) 2017/1601 and Regulation (EC, Euratom) No 480/2009 shall be transferred into the common provisioning fund for the purpose of provisioning the budgetary guarantees authorised under Regulation (EU) 2017/1601 and the guarantees, financial assistance and Euratom loans to third countries authorised under basic acts whose provisioning is governed by Regulation (EC, Euratom) No 480/2009.

### *Article 32*

#### *Structure of the EFSD+*

1. The EFSD+ shall be composed of regional investment platforms within the regional areas laid down in Article 4(2) of this Regulation and (IPA) Regulation (EU) 2021/...<sup>+</sup> and 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.

### *Article 33*

#### *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 Western Balkans' beneficiaries of Regulation (EU) 2021/...<sup>++</sup> [IPA III], which shall have its specific strategic board.
2. The EFSD+ strategic board shall advise the Commission on the strategic orientation and priorities of External Action Guarantee investments under the EFSD+, including for the windows referred to in Article 36, 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 31. 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 EFSD+ strategic board shall also support overall coordination, complementarity, and coherence between the regional investment platforms, between the three pillars of the External Investment Plan, between the External Investment Plan and the Union's other efforts on migration and on the implementation of the 2030 Agenda, including the fight against climate change, as well as with Union external programmes and financing instruments.
4. The EFSD+ 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 (EIB). The European Parliament shall have observer status. Contributors, eligible counterparts, partner countries, relevant regional organisations and other stakeholders may be given

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

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observer status, where appropriate. The EFSD+ strategic board shall be consulted prior to the inclusion of any new observer. The EFSD+ strategic board shall be co-chaired by the Commission and the High Representative.

5. The EFSD+ 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 EFSD+ strategic board and laid down in its rules of procedure shall apply. The rules of procedure shall set out the framework regarding the role of observers. The minutes and agendas of the meetings of the EFSD+ strategic board shall, following their adoption, be made public.

6. The Commission shall report annually to the EFSD+ strategic board about the progress made in respect of the implementation of the EFSD+. The strategic board covering the Western Balkans shall inform on progress made on the implementation of the guarantee instrument for that region to complement the above mentioned reporting. The strategic board shall examine the evaluations referred to in Article 41(5) and shall take them into account.

The EFSD+ strategic board shall regularly organise a consultation of relevant stakeholders on the strategic orientation and implementation of the EFSD+.

7. The existence of the EFSD+ strategic board and the strategic board covering the Western Balkans does not bear influence on the need to have a single, unified EFSD+ risk management framework.

8. The risk management function for guarantees under EFSD+ shall take into account the objectives and principles of this Regulation. Risk assessment and remuneration methodologies under EFSD+ shall be consistently applied to all investment windows, including those referred to in Article 36. A technical assessment group shall be established. The Commission shall ensure an independent, impartial, and inclusive high-quality function of the technical assessment group and that information and analysis are shared in a timely, transparent, and inclusive manner with all Member States, with due regard to confidentiality issues. The composition, rules of procedure and working methods of the technical assessment group shall be inclusive, open to experts from the EIB, other eligible counterparts and interested Member States, and shall be presented to the EFSD+ strategic board. The Commission shall disclose to the Council and the European Parliament the composition, terms of reference and rules of procedure of the technical assessment group and ensure the impartiality and absence of conflict of interest of its members.

9. 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 purpose, objectives and eligibility criteria set out in Articles 31 and 35 is to be ensured.

#### *Article 34*

#### *Regional operational boards*

The operational boards of regional investment platforms, taking into account the advice of the strategic board and relevant risk assessments, 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+ proposed investment programmes.

*Article 35*

*Eligibility and selection of operations and counterparts for  
the External Action Guarantee under the EFSD+*

1. The financing and investment operations eligible for support through the External Action Guarantee shall be consistent and aligned with Union policies, the relevant programming documents, as well as with the partner countries' strategies and policies. They shall in particular support the objectives, general principles, and policy framework of this Regulation and, where relevant, Regulation (EU) 2021/ ...<sup>+</sup> [IPA III], with due regard to the priority areas laid down in Annex V of this Regulation.
2. The External Action Guarantee shall support financing and investment operations compliant with the conditions set out in points (a) to (e) of Article 209(2) of the Financial Regulation concerning notably the need to achieve additionality, including by addressing market failures or sub-optimal investment situations, avoid distorting competition, alignment of interest of the eligible counterparts and, where appropriate, maximise private investment, and that:
  - (a) undergo, in line with Article 34 of the Financial Regulation, ex ante evaluations which shall be proportionate to the objectives and amounts of the envisaged operations to determine the possible implications and risks of these operations with regard to human rights, environmental, labour and social standards including in the form of impact assessments for major programmes that are expected to have a significant impact on these areas, in line with the purpose of the EFSD+ laid down in Article 31(1) of this Regulation and taking due account of the principle of free and prior informed consent of affected communities in land related investments;
  - (b) ensure complementarity within the different pillars of the External Investment Plan as well as with other initiatives;
  - (c) 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, small island developing states, landlocked developing countries and heavily indebted poor countries which may benefit from more concessional terms;
  - (d) are technically viable and are sustainable from an environmental and social point of view and maximise development impact;
  - (e) do not distort markets in partner countries and regions and do not compete unfairly with local actors;
  - (f) are implemented in accordance with the policy framework referred to in Article 7, applicable environmental, social and labour law obligations and standards and

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

internationally agreed guidelines, principles and conventions on investments, in particular those adopted by the UN and the OECD, with full respect for international human rights law as well as in accordance with the objectives and general principles laid down in Articles 3 and 8.

3. The External Action Guarantee shall be used to cover the risks for the following instruments:
  - (a) loans, including local currency 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 partner countries and third countries contributing to the External Action Guarantee, subject to approval by the Commission in accordance with Article 37 of this Regulation. In addition, and by derogation to point (c) of Article 62(1) of the Financial Regulation, bodies governed by the private law of a Member State, a partner country or a third country which has contributed to the External Action Guarantee in accordance with Article 37 of this Regulation, and which provide adequate assurance of their financial capacity shall be eligible for the purpose of the Guarantee.
5. Eligible counterparts shall comply with the rules and conditions provided for in point (c) of Article 62(1) of the Financial Regulation. In the case of bodies governed by the private law of a Member State, a partner country or a third country which have contributed to the External Action Guarantee in accordance with Article 37 of this Regulation, preference shall be given to those bodies that disclose information related to environment, social, tax and corporate governance criteria.

The Commission shall ensure an effective, efficient, and fair use of available resources among eligible counterparts, including small and medium-sized counterparts, while promoting cooperation between them and taking due account of their capacities, added value and experience.

The Commission shall ensure fair treatment for all eligible counterparts, in accordance with Article 27(7), and shall ensure that conflicts of interest are avoided throughout the implementation period of the EFSD+. In order to ensure complementarity, the Commission may request any relevant information from eligible counterparts about their non-EFSD+ operations.

6. The condition set out in Article 219(4) of the Financial Regulation on contributions with own resources shall apply to each eligible counterpart allocated with a budgetary guarantee under this Regulation on a portfolio basis.
7. 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 operational boards;
  - (b) the objectives of the investment window;



- (c) the experience and risk management capacity of the eligible counterpart;
  - (d) the amount of own and additional resources, as well as private sector co-financing, that the eligible counterpart is ready to mobilise for the investment window taking in due account the size of the investment;
  - (e) the sectoral or geographic expertise of the eligible counterparts;
  - (f) the benefits of promoting collaboration between eligible counterparts.
8. On the basis of the multi-annual indicative programmes and of the advice provided by the EFSD+ strategic board and the strategic board covering the Western Balkans, the Commission shall, after consulting the operational boards and informing the European Parliament and the Council, 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 and an assessment of its alignment with the priorities of this Regulation and, where relevant, Regulation (EU) 2021/...<sup>+</sup> [IPA III]. 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, including micro, small and medium-sized enterprises, of those partner countries. The instruments shall not benefit companies controlled by the military or state security sector, except for duly justified cases.

9. The Commission shall assess the operations supported by the External Action Guarantee against the eligibility criteria set out in paragraphs 1, 2 and 3, where possible drawing on the existing result measurement systems of the Union and of eligible counterparts. The Commission shall establish a checklist of the eligibility criteria listed in Article 31, Article 35 (1) and Article 35 (2) and shall assess and select all proposals to be supported by the External Action Guarantee against this checklist, on the basis of the information provided by the eligible counterparts. If necessary, the Commission shall ask for clarification and modifications to the eligible counterparts. The Commission shall publish these checklists

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

and the results of its assessment for each investment window broken down by country and sector on an annual basis.

10. The Commission shall be empowered to adopt delegated acts in accordance with Article 44 to amend the priority areas in Annex V.

### *Article 36*

#### *Role of the European Investment Bank*

1. The EIB shall be entrusted with the implementation of an exclusive investment window covering a comprehensive risk cover for sovereign and non-commercial sub sovereign operations with an indicative minimum amount of EUR 11 000 000 000 which shall be programmed in accordance with the procedures laid down in chapters I and III of this Title.  
  
The EIB shall have the exclusivity for operations with sovereign and non-commercial sub-sovereign counterparts under this window. Under this exclusive dedicated window, the own resources contribution shall be understood as the assumption of residual risk and the EU guarantee shall cover 65 % of the aggregate amount disbursed and guaranteed under EIB financing operations, less amounts reimbursed, plus all related amounts.  
  
By way of derogation from the second subparagraph, if the EIB cannot carry out or decides not to carry out operations under this exclusive dedicated window, the implementation of these operations shall be open to other eligible counterparts, under the conditions which shall be laid down in the relevant External Action Guarantee Agreements, which shall take into account the conditions offered to the EIB for the same type of operations and the specific needs, circumstances and nature of the eligible counterpart implementing these operations.
2. The EIB shall be eligible for implementing operations with sub-sovereign counterparts not covered under the window referred to in paragraph 1 and operations with the private sector. The procedure defined in Article 35 shall be used to entrust the EIB, if appropriate, with two additional dedicated windows covering:
  - (a) a non-exclusive comprehensive risk cover for operations with commercial sub-sovereign counterparts; and,
  - (b) non-exclusive operations for the promotion of foreign direct investment, trade and the internationalisation of partner countries' economies, providing a political risk cover for private sector operations.
3. The indicative volume for the dedicated windows referred to in paragraphs 1 and 2 shall be

of EUR 26 725 000 000.

In implementing the windows referred to in paragraphs 1 and 2, the EIB shall comply with this Regulation, including its overall objectives and those of the EFSD+ and, where relevant, of Regulation (EU) 2021/...<sup>+</sup> [IPA III], as well as with the relevant programming documents and the reporting obligations.

4. In line with the provisions of point (f) of Article 209(2) of the Financial Regulation, due to the nature and policy objective of the window referred to in paragraph 1 the relevant External Action Guarantee agreement may provide that the Union shall not be remunerated for operations under that window.

5. For the purpose of this Article, sub-sovereign operations shall be considered commercial unless otherwise duly justified by the EIB and confirmed by the Commission.

The operations under the investment window defined in point (b) of paragraph 2 shall be coherent with those of the export credit agencies of Member States.

6. The EIB shall be subject to the opinion of the boards laid down in Articles 33 and 34.

For EIB operations falling under the windows referred to in Article 36, the eligibility assessment laid down in Article 35(9), shall be satisfied within the framework of the procedure provided for in Article 19 of Protocol No 5 on the Statute of the European Investment Bank, annexed to TFEU.

The EIB shall timely provide all information required by the Commission for this purpose. The EIB financing operations falling under these windows shall not be covered by the EU guarantee where the Commission delivers an unfavourable opinion under the procedure provided for in Article 19 of Protocol No 5 on the Statute of the European Investment Bank, annexed to TFEU. All further modalities applicable to the EIB shall be established in the relevant External Action Guarantee agreements.

7. The EIB shall be eligible for implementing activities under other investment windows established under Article 35(8).

8. In compliance with this Regulation, including its objectives and principles, the relevant programming documents as well as, where relevant, Regulation (EU) 2021/...<sup>+</sup>[IPA III], the Commission and the EIB shall conclude dedicated External Action Guarantee agreements for the investment windows referred to in paragraphs 1 and 2.

### *Article 37*

#### *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.

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<sup>+</sup> OJ: Please insert in the text the number of the Regulation contained in document ... [2018/0247(COD)].

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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 EFSD+ Strategic Board and approval by the Commission.

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.

2. Contributions in the form of a guarantee shall not exceed 50 % of the amount referred to in Article 31(3) 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.

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 38*

#### *Implementation of External Action Guarantee agreements*

1. The Commission, on behalf of the Union, shall conclude External Action Guarantee agreements with the eligible counterparts selected pursuant to Article 35. Agreements may be concluded with a consortium of two or more eligible counterparts. In compliance with Article 219(1) of the Financial Regulation, budgetary guarantees shall be irrevocable, unconditional and on demand for the types of operations covered under the External Action Guarantee. When concluding guarantee agreements, the Commission shall take due account of the advice and guidance of the boards and of the technical assessment group.
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 be notified to the European Parliament and to the Council and, upon request, be made available, taking into account the protection of confidential and commercially sensitive information.

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 responsible business conduct, including in particular by respect of internationally agreed guidelines, principles and conventions on investment referred to in point (f) of Article 35(2);
  - (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 more concessional terms in duly justified cases; and, in particular to countries experiencing fragility or conflict, the Least Developed Countries and heavily indebted poor countries;
  - (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) monitoring, reporting, transparency, and evaluation obligations;
  - (h) clear and accessible complaints procedures for third parties that could be affected by the implementation of projects supported by the External Action Guarantee.
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;
  - (b) for equity investments, the amounts invested and their associated financing costs;
  - (c) for other financing and investment operations referred to in Article 35(2), the amounts used and their associated funding costs;
  - (d) all relevant expenses and recovery costs related to an event of default, unless deducted from recovery proceeds.
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 International Public Sector Accounting Standards;
  - (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 selection criteria listed in Article 35 including compliance with human rights, social, labour and environment standards.
8. The Commission shall submit an annual report to the strategic board, to the operational boards, to the European Parliament and to the Council on financial instruments, budgetary guarantees, including those implemented by the EIB, financial assistance in accordance with Article 41 (4) and (5) and Articles 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.

#### *Article 39*

##### *Grievance and redress mechanism and protection of EU financial interests*

1. 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 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 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.
2. Persons and entities implementing financial instruments and budgetary guarantees shall comply with applicable Union law and principles and agreed international and Union standards as laid down in Article 155 (2) and (3) of the Financial Regulation. The Commission shall assess whether the systems, rules and procedures of those persons and entities ensure a protection of the financial interests of the Union equivalent to the one that is provided for when the Commission implements the Union budget, with due regard to the principle of proportionality taking into account the nature of the action and the conditions under which it is implemented.

#### *Article 40*

##### *Capital participation in a development bank*

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

## **Chapter V**

### **Monitoring, reporting and evaluation**

#### *Article 41*

##### *Monitoring and reporting*

1. Indicators to report on progress under this Regulation towards the achievement of the

specific objectives set out in Article 3 are set in Annex VI, in line with the Sustainable Development Goals indicators and shall be used together with data from evaluations and other existing results reporting, as a basis for assessing the extent to which the objectives have been achieved.

2. The Commission shall continuously monitor its actions and, at least on an annual basis, review progress made towards delivering the targets established by this Regulation, as well as expected results, covering outputs and outcomes.

Progress with respect to expected results shall be monitored, in a transparent, and timely manner, on the basis of relevant and, measurable qualitative and quantitative data including, but not limited to those set out in Annex VI. Whenever possible, indicators shall be disaggregated by sex, age and other relevant factors.

3. Joint results frameworks included and agreed within joint programming documents that fulfil the criteria set out in Article 14(4) shall provide, where feasible, the basis for the joint monitoring by the Union and the Member States of their collective support to a partner country.

The performance reporting system shall ensure that data for monitoring programme implementation 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.

4. The Commission shall examine the progress made in implementing this Regulation. Starting from 2022 onwards, the Commission shall, in a timely manner by the end of November each year, submit to the European Parliament and to the Council an annual report on progress towards the achievement of the objectives of this Regulation by means of indicators, including, but not limited to, those set in Annex VI, reporting on the ongoing activities, results delivered and the effectiveness of the Regulation. That report shall also be submitted to the European Economic and Social Committee and to the Committee of the Regions.
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, broken down by type of entity as referred to in Article 62 of the Financial Regulation for both direct and indirect management, as well as the budgetary commitments, including contracted amounts, and payment appropriations, broken down by country, region and cooperation sector. It shall assess the results of the Union funding using, as far as possible, specific and measurable indicators to show progress towards the targets and objectives of this Regulation, as well as the progress made towards mainstreaming issues referred to in Article 8(8). It shall also present a breakdown on the forms of Union funding as defined in Article 27. The report shall contain qualitative and quantitative information including on measures taken pursuant to Article 9 and on the use of the emerging challenges and priorities cushion referred to in Article 17 and on the use of funds dedicated to the incentive-based approach responding to performance in key areas referred to in Article 20. 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.
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 50(2) of this Regulation, including external assigned revenues and contributions to trust funds, guarantees and a breakdown of spending by country, forms of Union funding, as defined in Article 27 of this Regulation, type of entity as listed in Article

62 of the Financial Regulation for both direct and indirect management, 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.

7. 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. It shall include the following elements:
- (a) an assessment of the results contributing to the purpose and objectives of this Regulation and, where relevant, other funding instruments as laid down in Article 31 (6)
  - (b) an assessment, on the basis of indicators in line with Article 31(1) and Article 35(2), of the additionality and added value, the mobilisation of private sector resources including from micro, small and medium-size enterprises, the type of private sector entities supported, the estimated and actual outputs and the outcomes and impact of the financing and investment operations covered by the External Action Guarantee under the EFSD+ on an aggregated basis, including the impact on decent job creation, and the eradication of poverty and on the way in which the specific socioeconomic root causes of irregular migration and root causes of forced displacement are addressed; the assessment shall include an analysis of the risk measures and their impact on the financial and economic stability of the partners and a gender analysis of the operations covered based on evidence and data broken down by gender, country and sector where possible;
  - (c) an assessment of the compliance of the operations supported by the External Action Guarantee under the EFSD+ with the internationally agreed development effectiveness principles;
  - (d) an assessment of the leverage effect achieved by the operations covered;
  - (e) an assessment of the synergies and complementarity between operations covered by the External Action Guarantee under the EFSD+ including those referred to in Article 36 and other pillars of the External Investment Plan 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;
  - (f) an assessment of the remuneration of the guarantees and of the implementation of Article 155(2) and (3) of the Financial Regulation;
8. An annual estimate of the overall spending related to climate action, desertification and biodiversity 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 ('environmental and 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 environmental management and protection, climate action, desertification and biodiversity at the level of the action plans and measures referred to in Article 23 and recorded within



evaluations and the annual report.

The Commission shall make available information on development cooperation in accordance with recognised international standards such as those from the ILO and the OECD and by using the framework for a common standard developed by the International Aid Transparency Initiative.

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 44 to amend Annex VI to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.

#### *Article 42*

#### *Evaluation*

1. The Commission shall evaluate the impact and effectiveness of its actions per area of intervention, and the effectiveness of programming, where appropriate by means of independent external evaluations. Proposals by the European Parliament or the Council for independent external evaluations shall be taken into due account. Where applicable, evaluations shall make use of the good practice principles of the OECD Development Assistance Committee, seeking to ascertain whether the specific objectives, have been met and to formulate recommendations with a view to improving future actions.

The Commission shall communicate the findings and conclusions of the evaluations accompanied by its observations and follow-up, to the European Parliament, to the Council and to the Member States. Evaluations may be discussed at the request of Member States pursuant to Article 45(7). The results shall feed into action design and resource allocation. Evaluations and follow-up shall be made publicly available.

The Commission shall, to an appropriate extent, associate all relevant stakeholders, including beneficiaries, civil society actors and local authorities 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 other partners with close involvement of the partner countries.

2. A mid-term evaluation of this Regulation shall be submitted by the Commission no later than 31 December 2024. It shall cover the period from 1 January 2021 until the launch of the evaluation.
3. A final evaluation of the Regulation shall be carried out by the Commission within the mid-term review of the next financial period. This evaluation shall analyse and assess the Union contribution to the achievement of the objectives of this Regulation, taking into account indicators measuring the results delivered and any findings and conclusions concerning the impact of this Regulation.

The mid-term and the final evaluations shall address efficiency, effectiveness, impact, sustainability, the added value, the scope for simplification, internal and external coherence, including complementarity and synergies, and the continued relevance of the objectives of this Regulation. Evaluations shall identify lessons learned. The evaluations shall assess the maximum amount of the External Action Guarantee laid down in Article 31(3) and include information on the added value of integrating previously separate instruments into one streamlined instrument.

The mid-term and final evaluations shall also contain consolidated information from 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, forms of Union funding, and involvement of Member States and relevant partners, commitments and payments, as well as a breakdown per geographic programmes, thematic programmes and rapid response actions, including the use of funds mobilised from the emerging challenges and priorities cushion, as referred to in Article 6.

The mid-term and final evaluations shall be undertaken for the specific purpose of improving Union funding. They shall inform decisions on the renewal, modification or suspension of the types of actions implemented under this Regulation.

The mid-term evaluation shall be accompanied, if appropriate, by legislative proposals setting out necessary amendments to this Regulation.

4. In line with the specific reporting provisions in the Financial Regulation, by 31 December 2024 and every three years thereafter, the Commission shall evaluate, on the basis of an external evaluation, the use and the functioning of the External Action Guarantee, in particular its contribution to the overall objectives, the achieved results and additionality. 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. The evaluation report and the opinion of the Court of Auditors shall be made publicly available.

### TITLE III

#### FINAL PROVISIONS

##### *Article 43*

##### *Extension of geographic scope*

1. In duly justified cases and where the action to be implemented 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 countries and territories not 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.
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 2013/755/EU [*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 2013/755/EU [*OCT Decision*] and/or Regulation (EU) 2021/...\* [*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 2013/755/EU [*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*

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\* OJ: Please insert in the text the number of the Regulation contained in document ST 5488/20 [2018/0199 (COD)].

*Regulation*].

#### *Article 44*

##### *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. The power to adopt delegated acts referred to in Article 4(6) and (7), Article 6(5), Article 31(3) and (4), Article 35(10) and Article 41(9) shall be conferred on the Commission for the period of validity of this Regulation.
3. The delegation of power referred to in Article 4(6) and (7), Article 6(5), Article 31(3) and (4), Article 35(10) and Article 41(9) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. 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) and (7), Article 6(5), Article 31(3) and (4), Article 35(10) and Article 41(9) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

#### *Article 45*

##### *Committee*

1. The Commission shall be assisted by the Neighbourhood, Development and International Cooperation Instrument committee. This committee shall be a committee within the meaning of Regulation (EU) No 182/2011. The committee may convene in different formats in charge of specific areas of cooperation and intervention, such as geographic, thematic and rapid response actions.
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 EIB shall take part in the Committee's proceedings with regard to

questions concerning the EIB.

7. Member States may request the examination of any other matter concerning the implementation of this Regulation, in particular with regard to multi-annual programming documents including mid-term or ad-hoc reviews and evaluations.

#### *Article 46*

##### *Information, communication and visibility*

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding in particular when promoting and reporting on the actions, and their results by highlighting the support received from the Union in a visible manner on communication material related to the actions supported under this Regulation; and by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Agreements concluded with the recipients of Union funding shall contain obligations in that respect.

2. The Commission shall carry out 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 and reporting on the political priorities of the Union, as far as those priorities are directly related to the objectives referred to in Article 3.
3. This Regulation shall support strategic communication and public diplomacy, including the fight against disinformation, with a view to communicating the values of the Union as well as the added value of, and results achieved by the Union's actions.
4. The Commission shall make publicly available information on actions financed under this Regulation as referred to in Article 38 of the Financial Regulation, including as appropriate through a comprehensive single website.
5. This website shall also include information on financing and investment operations and the essential elements of all EFSD + guarantee agreements, including information on the legal identity of eligible counterparts, expected development benefits and complaints procedures, in accordance with sub-paragraph h) of Article 38(3), taking into account the protection of confidential and commercially sensitive information.
6. 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. Where possible, 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.

#### *Article 47*

##### *Derogation from visibility requirements*

Security issues or 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 48*

##### *European External Action Service clause*

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

#### *Article 49*

##### *Amendment to Decision No 466/2014/EU*

Decision No 466/2014/EU is amended as follows:

- (1) in Article 1, paragraph 5 is replaced by the following:

“5. The EU guarantee shall cover EIB financing operations signed during the period from 1 January 2014 to 31 December 2021.”;
- (2) in Article 20, the second paragraph is replaced by the following:

“By 31 December 2022, the Commission shall present to the European Parliament and to the Council a report on the application of this Decision.”;
- (3) in Annex I, the last three paragraphs of point D are replaced by the following:

“Within the overall fixed ceiling, the EIB governing bodies may decide, after consulting the Commission, to reallocate amounts within and between regions.”.

#### *Article 50*

##### *Repeal and transitional provisions*

1. Without prejudice to Article 31(7), Regulations (EC, Euratom) No 480/2009 and (EU) 2017/1601 are repealed with effect from the first day after the month following the month of entry into force of this Regulation and Decision No 466/2014/EU is repealed with effect from 1 January 2022. The financial envelope for this Regulation shall also finance the provisioning of the budgetary guarantees authorised under Regulation (EU) 2017/1601 and of guarantees and financial assistance authorised under basic acts whose provisioning is governed by Regulation (EC, Euratom) No 480/2009. Provisioning for such guarantees in and financial assistance to beneficiaries listed in Annex I of IPA III shall be financed from IPA III.
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: Regulations (EU) No 230/2014, (EU) No

232/2014, (EU) No 233/2014, (EU) No 234/2014, (EU) No 235/2014, (EU) No 236/2014, (Euratom) No 237/2014, (EC, Euratom) No 480/2009 and (EU) 2017/1601 and Decision No 466/2014/EU.

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 24(1), to enable the management of actions not completed by 31 December 2027.

#### *Article 51*

##### *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.

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

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 as referred to in Article 13(6) and Article 21.

**AREAS OF COOPERATION FOR THE GEOGRAPHIC PROGRAMMES**

For all geographic regions

**PEOPLE**

1. Good governance, democracy, rule of law and human rights, including gender equality.
  - (a) Strengthening and promoting democracy and inclusive democratic processes, the rule of law, fight against corruption, governance and oversight, including transparent, inclusive and credible electoral processes as well as transparent, accountable, effective and inclusive institutions at all levels, including legislative bodies, an independent judiciary, strengthening a meaningful political participation and representation;
  - (b) Strengthening the promotion, protection and fulfilment of human rights and fundamental freedoms in compliance with international human rights law, including the Universal Declaration of Human Rights; supporting and protecting human rights defenders; supporting and monitoring complaint and redress mechanisms with regard to human rights violations and abuses at national and local level; contributing to the implementation of global and regional instruments and frameworks, increasing the capacities of civil society in their implementation and monitoring;
  - (c) Fighting against discrimination in all its forms, and promoting the principle of equality and non-discrimination, in particular gender equality, rights and empowerment of women and girls, the rights of the child, persons with disabilities, persons belonging to minorities, LGBTI persons, and indigenous peoples as set out in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP);
  - (d) Supporting, strengthening and empowering a thriving civil society and its independent, active and multiple roles in political transitions, reform processes and democratic transformations, and promoting an open and enabling space for civil society and citizens' engagement in political life and in scrutiny of decision-making as well as countering the shrinking of democratic space; supporting and promoting the participation of all in political processes and public life;
  - (e) Improving the pluralism, independence and professionalism of a free and independent media, as well as enhancing media literacy and tackling disinformation; strengthening digital rights, including rights to access information; strengthening the right to privacy and data protection;
  - (f) Building resilience of states, societies, communities and individuals to political, economic, environmental, food, demographic and societal pressures and shocks, natural and man-made disasters and health crises including pandemics;
  - (g) Strengthening the development of democratic and inclusive public institutions at international, national and sub-national levels, including local authorities; strengthening the capacity for gender-responsive budgeting and planning; as well as an independent, effective, efficient and accountable judicial system, the promotion of rule of law, international justice, accountability and affordable access to justice for all;



- (h) Supporting public administration reform processes at the national and sub-national levels, including through the use of citizen centred eGovernment systems and other digital solutions for building robust, accountable and transparent public administration and service delivery systems, strengthening legal frameworks and institutional set up, national statistical systems and capacities, including with regard to disaggregating data by income, sex, age and other factors, sound public finance management including external audit, and contributing to the fight against corruption, tax avoidance, tax evasion and aggressive tax planning;
  - (i) Supporting national and local governments and administrations to create the required infrastructure to enable all civil registrations (from birth through to death) to be accurately registered, and officially recognised, and duplicated documents to be published when necessary in order to ensure that all citizens officially exist and are able to exercise their fundamental rights;
  - (j) Promoting inclusive, balanced and integrated territorial, rural and urban policies and development through strengthening public institutions and bodies at the national and sub-national levels, supporting capacity building of local authorities and mobilising their expertise to promote a territorial approach to local development including efficient decentralisation, fiscal decentralisation, and state restructuring processes;
  - (k) Increasing transparency and accountability of public institutions at the national and sub-national levels and publicly-owned enterprises and improving access for all to information on public affairs, strengthening public procurement including encouraging the development of environmental, social and economic sustainability criteria and targets and public finance management at regional, national and local level, supporting the development and deployment of eGovernance systems and strengthening service delivery;
  - (l) Supporting the sustainable, accountable, conflict sensitive and transparent management of natural resource sectors and related revenues, and reforms to ensure fair, just efficient and sustainable tax policies.
2. Eradicating poverty, fighting against inequalities and discrimination, and promoting human development
- (a) Eradicating poverty in all its dimensions, including through public services on health, nutrition, education and social protection, tackling discrimination and inequalities and leaving no-one behind;
  - (b) Supporting sustainable agriculture, forestry and fisheries to increase food security, create economic opportunities and jobs;
  - (c) Enhancing efforts for the adoption of policies and appropriate investment to promote, protect and fulfil the rights of women and girls, young people and children, and persons with disabilities, 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;
  - (d) Promoting the respect, protection and fulfilment of the rights of women and girls and their empowerment, including economic, labour and social rights, land rights, as well as rights referred to in Article 8(4), eliminating sexual and gender-based violence in all forms, including harmful practices such as early, forced and child marriage and female genital mutilation;

- (e) Addressing the linkages of global demographic growth and demographic shifts to sustainable development in all relevant dimensions including gender equality, health, social protection, social cohesion, education and employment;
- (f) Paying special attention to those who are disadvantaged, vulnerable and marginalised, including children and youth, older persons, persons with disabilities, LGBTI persons, persons belonging to minorities and indigenous peoples, refugees, internally displaced people, persons affected armed conflict and stateless persons;
- (g) Promoting an integrated approach to supporting communities, particularly the most marginalised, vulnerable, poorest and hardest to reach persons, including by improving universal access to basic needs and services, including in the health, education, nutrition and social protection fields;
- (h) 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. This includes promoting the transition from institutional to community-based care for children. It also includes 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;
- (i) Supporting universal access to sufficient, affordable, safe and, nutritious food and healthy diets, 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, as well as strengthening food and nutrition resilience and the continuum of care, particularly in countries facing protracted or recurrent crises; prevent stunting, wasting and other forms of malnutrition; fostering multi-sectoral nutrition-sensitive approaches to agriculture;
- (j) Supporting universal access to safe and sufficient drinking water sanitation, and hygiene, and sustainable and integrated water management, in particular at local level;
- (k) Achieving universal health coverage, with equitable access for all individuals and communities to quality and affordable health services, including sexual and reproductive health care services in the context of the implementation of the Beijing Platform for Action and the Programme of Action of the International Conference on Population and Development and the outcomes of their review conferences, 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, medicines 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;
- (l) Supporting universal and equitable social protection and strengthening social safety nets, support networks and systems to guarantee basic income, prevent lapses into extreme poverty and build resilience;
- (m) Promoting inclusive sustainable urban development to address urban inequality, focusing on those most in need;

- (n) Supporting local authorities, including through decentralised cooperation, capacity development and resource mobilisation, to improve in urban and rural areas the localisation of the sustainable development goals through the delivery and responsiveness of basic services and equitable access to food and nutrition security, accessible, decent and affordable housing and the quality of life, in particular for those living in informal settlements and slums, strengthening and promoting accessible participation and complaint mechanisms, especially for disadvantaged and excluded persons and groups;
- (o) Promoting the achievement of internationally agreed goals in education, with particular focus on strengthening free education systems, through inclusive and equitable quality formal, informal and non-formal education and promoting life-long learning opportunities for all, and at all levels, particularly during early childhood and primary years, technical and vocational training, also in emergency and crisis situations, and with special attention to women and girls; and including through training and professional development for teachers, and the use of digital technologies to improve education teaching and learning;
- (p) Supporting actions of capacity building, learning mobility between the Union and partner countries or between partner countries themselves, as well as of cooperation and policy dialogue with institutions, organisations, local implementing bodies and authorities, from those countries;
- (q) Promoting cooperation in the areas of science, technology and research in particular addressing poverty related and societal changes, open data, big data, artificial intelligence and innovation, while preventing the phenomenon of brain drain;
- (r) Stepping up coordination amongst all relevant actors at all levels to help the transition from a natural or man-made emergency situation to the development phase; ensuring joined-up planning and programming of cooperation interventions, that are coherent with humanitarian aid, and, where relevant, peacebuilding actions, on the basis of joint analysis;
- (s) Supporting freedom of thought, conscience and religion or belief, including by means of measures to eliminate all forms of hatred, intolerance and discrimination based on religion or belief and by fostering tolerance and respect for religious and cultural diversity within and among societies;
- (t) Promoting intercultural dialogue and cultural diversity in all its forms, and preserve and promote cultural heritage, and unlocking the potential of creative industries for sustainable, social and economic development;
- (u) 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;
- (v) 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, including at local level.

### 3. Migration, forced displacement and mobility

- (a) Strengthening bilateral, regional and international partnerships on migration, forced displacement and mobility based on an integrated and balanced approach, covering all aspects of migration including assistance in implementing Union bilateral or

regional agreements, dialogues and arrangements, including those on return and readmission, legal pathways and mobility partnerships, in full respect of international law and human rights obligations;

- (b) Supporting sustainable reintegration of returning migrants and their families, as well as safe and dignified returns amongst partner countries in full respect of humanitarian and human rights obligations under international and Union law;
- (c) Addressing and mitigating root causes of irregular migration and forced displacement;
- (d) Tackling irregular migration and forced displacement; reducing the vulnerabilities in the context of migration including those caused by human trafficking and smuggling, as well as including supporting measures to protect victims of exploitation and abuse; and stepping up cooperation on integrated border management in line with international and Union law, human rights law, humanitarian law and data protection standards;
- (e) Strengthening scientific, technical, human and institutional capacity for the management of migration, including human rights trainings, support partner countries' reception, processing, asylum and return procedures; strengthening cross-border cooperation on exchange of information in compliance with data protection standards and obligations related to the right to privacy under international human rights law; and supporting the collection and use of accurate and disaggregated data as a basis for evidence-based policies in order to facilitate orderly, safe, regular and responsible migration and mobility;
- (f) Supporting effective and human rights based migration policies, at all levels, including protection programmes;
- (g) Promoting conditions for facilitating, as appropriate, legal migration and well-managed mobility, while respecting competences of the Member States, and people-to-people contacts, including in education, research and innovation, cultural exchange and intercultural dialogue, including by providing accurate and timely information, maximising the development impact of regular migration;
- (h) Improving a common understanding of the migration–development nexus, recognising that orderly, safe, regular and responsible migration and mobility, peace, good governance, stability, inclusive growth and sustainable development are strongly interlinked, and pursuing synergies within these various dimensions;
- (i) Ensuring the protection, the respect and fulfilment of the human rights of all migrants, refugees, forcibly displaced persons and internally displaced persons, including those displaced due to climate change, paying special attention to vulnerable groups;
- (j) Supporting development oriented solutions for forcibly displaced persons, internally displaced persons and their host communities, including through socio-economic inclusion with access to labour market, decent jobs, education and services, to promote the dignity, resilience and self-reliance of displaced persons;
- (k) Supporting diaspora engagement in countries of origin to contribute to sustainable development, including through the involvement of local authorities and civil society organisations, taking into account their potential for investments, supporting their solidarity and entrepreneurial initiatives;

- (l) Promoting faster, cheaper and safer remittance transfers in both source and recipient countries, thus harnessing their potential for development.

Cooperation in this area will be managed in coherence with migration relevant EU regulations, in full respect of the principle of policy coherence for development.

## PLANET

### 4. Environment and climate change

- (a) Strengthening scientific, technical, human and institutional capacity for climate and environmental management, mainstreaming and monitoring; strengthening regional, national and local climate and environmental governance, and facilitating access to public and private sources for disaster risk reduction, ecosystems and biodiversity conservation and climate finance, as well as insurance;
- (b) Supporting adaptation to climate change, with special emphasis on particularly vulnerable States and populations; contributing to partners' efforts to pursue their commitments on climate change, ecosystems and biodiversity conservation, including at local level, in line with the Paris Agreement on climate change and the Sendai Framework for Disaster Risk Reduction. These efforts include the implementation of Nationally Determined Contributions (NDCs) and mitigation and adaptation plans of action including synergies between adaptation and mitigation, through global initiatives such as the NDC Partnership, 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;
- (c) Developing and/or strengthening sustainable green and blue growth and circular economy in all economic sectors;
- (d) Promoting access to sustainable energy in developing countries; strengthening sustainable renewable energy cooperation, in full compliance with highest international standards including for the assessment of both national and transboundary safety and environmental impacts. Promoting and increasing cooperation on energy efficiency and the production and use of renewable energy sources; promoting access to reliable, secure, affordable, clean and sustainable energy services; supporting, in particular small-scale, mini-grid and off-grid solutions of high environmental and developmental value, and local and decentralized solutions that ensure energy access for people living in poverty and in remote areas;
- (e) 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;
- (f) Promoting the phasing-out of environmentally harmful fossil fuel subsidies, stable and transparent energy markets and the deployment of smart grids and the use of digital technologies for sustainable energy management;

- (g) Promoting corporate social responsibility, due diligence in supply chains, and the consistent application of the “precautionary approach” and the “polluter pays” principle;
- (h) Promoting environmentally sustainable agriculture practices, including agroecology and biodiversity as well as to enhance mitigation and adaptation to climate change and promote environmental and social resilience and healthy ecosystems;
- (i) 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-emission, climate resilient development. Strengthening transport facilitation and liberalisation, improve sustainability, road safety and resilience of transport domains;
- (j) Strengthening the involvement of local authorities and communities and indigenous peoples in climate change responses, the fight against biodiversity loss and wildlife crime, conservation of ecosystems and the conflict sensitive governance of natural resources, including through the improvement of land tenure and water resources management. Promoting sustainable urban development and resilience in urban areas; strengthening and promoting participation and access to complaint and redress mechanisms at national and local level, especially for indigenous peoples as set out in the UNDRIP;
- (k) Promoting education for sustainable development to empower people to transform society and build a sustainable future;
- (l) Promoting the conservation, sustainable and conflict sensitive management and use, and restoration of natural resources, healthy terrestrial and non-terrestrial ecosystems and halting biodiversity loss, protecting wildlife, including combatting poaching and illegal wildlife trafficking; strengthening consultation and promoting regional transboundary cooperation and ensuring free, prior informed consent and effective participation of indigenous peoples as set out in the UNDRIP;
- (m) Promoting integrated, sustainable, participatory and conflict sensitive management of water resources and transboundary water cooperation in accordance with international law, involving where relevant local authorities;
- (n) 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, involving where relevant local authorities;
- (o) Promoting forestation and protection of natural forests; reducing 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, including through subnational governments; supporting the negotiation and the implementation of voluntary partnership agreements;
- (p) Supporting ocean governance, including the protection, restoration and 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);

- (q) Strengthening regional disaster risk reduction, preparedness and resilience, including through investment, and through promoting a community-based and people-centred approach, in synergy with climate change adaptation policies and actions;
- (r) Promoting resource efficiency and sustainable consumption and production, notably throughout the entire supply chain, towards the transition to a circular economy, including by curbing the use of natural resources financing conflicts, and by supporting compliance by stakeholders with relevant initiatives; tackling pollution, reducing air pollutants, notably black carbon and promoting a sound management of chemicals and waste;
- (s) Supporting efforts to improve sustainable economic diversification, competitiveness, local value-added in supply chains and sustainable trade, private sector development with a particular focus on low-emission climate-resilient green growth, microenterprises and SMEs and cooperatives, taking advantage of the benefits of existing trade agreements with the EU for sustainable development;
- (t) Promoting the achievement of commitments regarding biodiversity conservation in international agreements;
- (u) Increasing the integration and mainstreaming of climate change and environmental objectives through support for methodological and research work;
- (v) Addressing global and trans-regional effects of climate change having a potentially destabilising impact on development, peace and security.

## 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, education and vocational training, the improvement of the full application of international labour standards and including social dialogue and the fight against child labour, working conditions in a healthy environment, gender equality, living wages and the creation of opportunities particularly for theyouth as well as women;
- (b) Supporting national and local development paths that maximise positive social outcomes and impacts, reduce the risk of exclusion and marginalisation of certain groups, promoting fair, efficient 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;
- (c) Improving the business environment and investment climate at local and national levels, creating an enabling regulatory environment for economic development and supporting companies, in particular MSMEs, including start-ups, as well as cooperatives, social enterprises and women entrepreneurs in expanding their business and creating jobs, supporting the development of a solidarity economy and enhancing responsible business conduct and private sector accountability;
- (d) 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 with international commitments on business and human rights;

- (e) Strengthening social and environmental sustainability, inclusiveness, corporate social responsibility and responsible business conduct, and respecting and promoting human rights standards and principles throughout the entire value chains, supporting shared value addition and fair trading conditions;
- (f) Increasing relevance, 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;
- (g) Boosting the potential of cities as hubs for sustainable and inclusive growth and innovation;
- (h) Promoting internal economic, social and territorial cohesion, forging stronger links between urban and rural areas and facilitating the development of both creative industries and a sustainable tourism sector as a leverage for sustainable development;
- (i) 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-emission and climate-change-resilient innovations;
- (j) 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, and management of resources, including land and land right, water, other agricultural inputs, and (micro) credit;
- (k) Supporting greater participation of civil society, including at regional level, in particular farmer organisations in policy making and research programmes and increasing their involvement in the implementation and evaluation of government programmes;
- (l) Supporting and promoting sustainable fisheries management and sustainable aquaculture;
- (m) Fostering universal access to affordable, reliable and sustainable energy, promoting a low-emission, climate resilient, resource efficient and circular economy in line with the objectives of the Paris Agreement on climate change and the 2030 Agenda on Sustainable Development;
- (n) Promoting smart, sustainable, inclusive, safe mobility, as well as improving transport connectivity with the Union;
- (o) Promoting accessible, affordable, inclusive, 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;
- (p) Developing and strengthening markets and sectors in a way that would bolster



inclusive, sustainable and climate-resilient growth and fair trade, as well as reduce the socio-economic marginalisation of vulnerable groups;

- (q) Supporting the regional integration agenda and optimal trade policies in support of inclusive and sustainable development, strengthening countries' capacity to trade, and supporting the consolidation and implementation of trade agreements between the Union and its partners, including holistic and asymmetrical agreements with developing country partners, in line with human rights standards; promoting and strengthening multilateralism, sustainable economic cooperation, as well as measures aimed at promoting and strengthening the rules of the World Trade Organisation;
- (r) Promoting cooperation in the areas of science, technology and research, digitalisation, open data, big data and artificial intelligence and innovation, including the development of science diplomacy;
- (s) Promoting intercultural dialogue and cultural diversity in all its forms, developing local crafts as well as contemporary arts and cultural expressions, preserving and promoting cultural heritage, unlocking the potential of creative industries for sustainable, social and economic development, and guaranteeing as well as strengthening rights of indigenous peoples as set out in the UNDRIP, and local communities and their effective participation and empowerment;
- (t) Empowering women to take up a greater economic role and in decision-making, including at local level;
- (u) Improving access to decent work for all in 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 women and youth;
- (v) Promoting fair, sustainable, undistorted, conflict sensitive and non-corrupted access to extractive sectors, while respecting human rights; increasing 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<sup>50</sup>.

## PEACE

### 6. Peace, stability and conflict prevention

- (a) Contributing to peace, the prevention of conflict and therefore to stability through building resilience of states, sub-national governments, societies, communities and individuals to political, economic, environmental, food, demographic, security and societal pressures and shocks, including by countering hybrid threats and supporting resilience assessments designed to identify the local capacities within societies that allow them to withstand, adapt to and quickly recover from these pressures and shocks; addressing political and economic exclusion and other long-term structural and root causes of conflict, insecurity and instability;

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<sup>50</sup> 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, especially as regards the implementation of efficient domestic controls over the production of, and trade in, natural resources (OJ L 130, 19.5.2017, p. 1).

- (b) Promoting a culture of non-violence, including by supporting formal, informal and non-formal peace education;
- (c) Supporting conflict prevention, early warning and peacebuilding through mediation and dialogue, 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;
- (d) Supporting rehabilitation and reintegration of victims of armed conflicts, supporting disarmament, demobilisation and reintegration of former combatants and their families into society and addressing the social effects of restructuring the armed forces, including the specific needs of women;
- (e) Enhancing women's and youth systematic participation, including in decision-making and implementation, in peace negotiations, reconciliation processes, conflict prevention and peacebuilding and their inclusion, meaningful civil and political participation and social recognition in line with UNSCR 1325, in particular in fragile, conflict and post-conflict situations and countries, also in order to address the disproportionate impact of violent conflict on them and better consider their special needs during conflict;
- (f) Preventing all forms of sexual and gender-based violence, including the use of sexual violence as a weapon of war;
- (g) Supporting gender- and conflict-sensitive security sector reform that guarantees the respect, promotion and fulfilment of the Union fundamental values and good governance principles and gradually provides individuals, civil society and the state with more effective, democratic and accountable security capacities and instruments for sustainable development and peace;
- (h) Supporting capacity-building of military actors in support of development and security for development, in accordance with Article 9;
- (i) supporting regional and international disarmament initiatives and arms export control regimes and mechanisms;
- (j) Supporting local, national, regional and international initiatives contributing to security, stability and peace, including disarmament initiatives and arms export control regimes and mechanisms, demining and mine-action as well as linking those different initiatives, and addressing the socio-economic impact on the civilian population, including the needs of women, of antipersonnel landmines, unexploded ordnance or explosive remnants of war;
- (k) Preventing and countering radicalisation leading to violent extremism and terrorism, as well as protecting individuals from such threats, including by means of context-specific, conflict- and gender-sensitive actions;
- (l) Supporting ad hoc, local, national, regional and international tribunals, truth and reconciliation commissions and mechanisms;
- (m) Fighting against any form of violence, corruption and organised crime and money laundering;

- (n) Promoting transboundary cooperation regarding the sustainable, conflict sensitive and participatory management of shared natural resources in accordance with international and Union law and respecting and promoting human rights of affected individuals and groups including indigenous peoples as set out in the UNDRIP and local communities;
- (o) Cooperating with third countries in the peaceful use of nuclear energy in the areas of health, agriculture and food safety, ensuring full compliance with the highest international standards; as well as supporting social actions addressing the consequences on the population in countries exposed to any radiological accident and aiming at improving their living conditions; promoting knowledge-management, training and education in nuclear-related fields. Where applicable, these activities shall be coherent with those of [the European Instrument for Nuclear Safety];
- (p) Enhancing maritime security and safety to allow for safe, secure, clean and sustainably managed oceans;
- (q) Supporting capacity-building in cyber security, resilient digital networks, data protection and privacy, in line with human rights standards and principles.

## PARTNERSHIP

### 7. Partnership

- (a) Enhancing country ownership, partnership and constructive dialogue, including with civil society, 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 and fragility, as well as specific transitional challenges of Middle Income Countries and more advanced developing countries), implementing a rights-based approach to development cooperation, encompassing all human rights and ensuring that no-one is left behind;
- (b) Deepening political, economic, social, environmental and cultural dialogue between the Union and third countries and regional and international organisations, and supporting implementation of bilateral and international commitments;
- (c) Fostering greater inclusiveness and collaboration of all actors in the implementation of development cooperation and external action policies, seeking to share lessons learned, maximise capacities, added value, excellence and experience, thus reinforcing common goals, values and interests and the ambition of working better together;
- (d) Encouraging good neighbourly relations, regional integration, enhanced connectivity, cooperation and inclusive and constructive dialogue, including, inter alia, enhanced regional cooperation in the framework of the EU Strategy for connecting Europe and Asia, the EU Strategy on Central Asia, the EU-Africa partnership, the Black Sea regional cooperation, the Arctic cooperation and the Northern Dimension;
- (e) Supporting and increasing cooperation by partner countries and regions with neighbouring Union outermost regions and with overseas countries and territories covered by the Decision 2013/755/EU<sup>51</sup> on the association of the overseas countries

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<sup>51</sup> Council Decision .../... of ... on the association of the overseas countries and territories with

and territories with the European Union;

- (f) Promoting an enabling environment for civil society organisations and foundations, enhancing their meaningful, continuous and structured participation in domestic and international policies and their capacity to perform their roles as independent development and governance actors; and strengthening multi-stakeholder approaches and new ways of partnering with civil society actors, including women's rights organisations; supporting democracy and expanding civic space; promoting a substantive and structured dialogue with the Union and the effective use and implementation of country roadmaps for EU engagement with civil society;
- (g) Engaging with local authorities and supporting their role as policy and decision-makers to boost local development, including the business environment, and improved governance, as well as development and governance actors; promoting an enabling regulatory and institutional framework allowing local authorities to exercise their mandate, enhancing their meaningful, continuous and structured participation in domestic and international policies; and strengthening multi-stakeholders and multilevel governance approaches and new ways of partnering with local authorities;
- (h) Engaging more effectively with the population, including human rights defenders, in third countries, including by making full use of economic, cultural and public diplomacy;
- (i) 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;
- (j) Encouraging regional integration and cooperation, in a result-oriented way through support for regional integration and dialogue;
- (k) Building partnerships with the private sector for creating jobs and enhancing livelihoods in partner countries.

**AREAS OF INTERVENTION FOR THEMATIC PROGRAMMES**

1. AREAS OF INTERVENTION FOR HUMAN RIGHTS AND DEMOCRACY

The Union shall contribute to advancing the fundamental values of democracy, the rule of law, the universality, indivisibility and interdependence 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 human rights law, mainly in the following areas:

1. Upholding human rights and fundamental freedoms for all, contributing to forging societies in which participation, tolerance, non-discrimination, human dignity, equality, social justice, international justice and accountability prevail. This includes two major axes:
  - (a) Monitoring, promoting and strengthening respect for and observance of all human rights, be they civil and political, as well as economic, social and cultural rights. This shall include, inter alia, actions: to abolish the death penalty, promote the fight against enforced disappearances, to prevent and eliminate torture, ill-treatment and other cruel, inhumane and degrading punishment or treatment, to promote freedom of expression, assembly and association, freedom of thought, conscience and religion or belief; to promote and protect gender equality and women and girls' empowerment in all spheres of life, including in education, health and those areas and rights referred to in Article 8(4), work-life balance, political decision-making and supporting measures to eliminate all forms of violence against women and girls; to promote and protect, the rights of the child, women, youth, lesbian, gay, bisexual, trans and intersex (LGBTI) persons, including measures to decriminalise homosexuality, persons belonging to national or ethnic, religious and linguistic minorities, indigenous peoples as proclaimed in the UN Declaration on the rights of indigenous peoples, and persons with disabilities, and to fight racism, xenophobia and discrimination based on any grounds. Within the specified scope, Union assistance shall particularly address the most context-sensitive human rights issues, respond to the shrinking space for civil society active in the promotion and protection of human rights, as well as counter other emerging and complex challenges;
  - (b) Protecting and empowering human rights defenders worldwide, in particular in countries where disrespect for human rights and fundamental freedoms is particularly pronounced and systematic, including where restrictive measures have been introduced to limit their actions and their action is critical to reinforce the institutional and legal human rights framework. Emergency, medium-term and long-term assistance as well as sustainable measures shall be given to human rights defenders and civil society, in particular local human rights defenders and civil society, including through a dedicated mechanism for the protection of human rights defenders, to carry out their work unhindered.
2. Developing, supporting, consolidating and protecting democracy, addressing all aspects of democratic governance, including reinforcing political pluralism, representation, and accountability, reinforcing democracy at all levels, enhancing citizen and civil society participation, supporting credible, inclusive and transparent electoral processes as well as

supporting citizen capacity in monitoring democratic and electoral systems, through the support to domestic citizen election observation organisations and their regional networks. Democracy shall be strengthened by upholding the main pillars of democratic systems, democratic norms and principles, free, independent and pluralistic media, both online and offline, internet freedom, the fight against censorship, accountable and inclusive institutions including parliaments and political parties, and the fight against corruption. Union assistance shall support civil society action in strengthening the rule of law, promoting the independence of the judiciary and of the legislature, supporting and evaluating legal and institutional reforms and their implementation, monitoring democratic and electoral systems and promoting access to affordable justice for all, including to effective and accessible complaint and redress mechanisms at national and local level.

Election observation shall play 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.

Areas of intervention 1 and 2 shall contribute to strengthening cooperation and partnership with civil society working on human rights and democracy, including in sensitive situations, and fostering new regional and cross-regional synergies, by means of knowledge sharing, including best practices sharing, and networking building among local civil society and between civil society and other relevant human rights bodies and mechanisms to enhance their capacities, including their resilience, and develop a compelling narrative on human rights and democracy with a multiplying effect.

3. Promoting effective multilateralism and strategic partnership, contributing to reinforcing capacities of international, regional and national instruments and mechanisms 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 other relevant international, 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.

## 2. AREAS OF INTERVENTION FOR CIVIL SOCIETY ORGANISATIONS

1. Inclusive, participatory, empowered and independent civil society and democratic space in partner countries
  - (a) Creating an enabling and accessible environment for citizen participation and civil society action, including through foundations by supporting active civil society participation in policy dialogues and the consolidation of dialogue platforms for non-state actors;
  - (b) Supporting and building the capacity of civil society organisations, and foundations, to act as both actors of development and good governance in their own right;
  - (c) Capacity building for civil society organisations for their support of 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;
  - (d) Supporting and empowering women's organisations and other relevant organisations working on gender equality as well as women human rights defenders to have the opportunity to work and be protected against threats and violence;
  - (e) Increasing the capacity of civil society networks, platforms and alliances in partner countries;
  - (f) Enabling civil society to carry out their work, through, inter alia, capacity building, coordination and institutional strengthening for CSOs, taking into account the importance of enabling space for their actions and access to funding, including to engage within their organisations and between different types of stakeholders. Fostering CSO dialogue with governments on public policy.
2. Inclusive and open dialogue with and between civil society actors
  - (a) Promoting inclusive multi-stakeholder dialogue fora, including interaction and coordination between citizens, civil society, local authorities, member states, partner countries, the private sector and other key development stakeholders;
  - (b) Enabling cooperation and exchange of knowledge and experience between and with civil society actors domestically and internationally;

- (c) Fostering cooperation and partnerships of civil society organisations with international intergovernmental organisations, including capacity building aimed at promoting and monitoring the implementation of international and regional instruments, including those concerning human rights, justice, rule of law and democracy;
- (d) Ensuring a substantive and continued structured dialogue and partnerships with the EU.

3. Awareness, understanding, knowledge and engagement of European citizens regarding development issues

- (a) Empowering people to increase their engagement on development issues and the Sustainable Development Goals, including through raising public awareness, promoting formal, informal and non-formal education for development, especially among youth, and promoting knowledge sharing between the relevant actors, focussing on the Union Member States, candidate and potential candidate countries;
- (b) Mobilising public support in the Union, candidate countries and potential candidates for sustainable and inclusive development strategies, including poverty reduction, in partner countries.

3. AREAS OF INTERVENTION FOR PEACE, STABILITY AND CONFLICT PREVENTION

1. Assistance for conflict prevention, peacebuilding and crisis preparedness

The Union shall provide technical and financial assistance covering support for conflict-sensitive measures aimed at building and strengthening the capacity of the partners to analyse risks, 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, civil society and local authorities actors, in relation to their efforts mainly in the following areas, including specific attention to gender equality, ensuring the effective participation and empowerment of women and youth:

- (a) early warning and conflict-sensitive risk analysis in policy-making and the implementation of policy;
- (b) facilitation and building capacity in confidence-building, mediation, dialogue and reconciliation measures, including at community level, with particular regard to emerging inter-community tensions, especially with a view to the prevention of genocide and crimes against humanity;
- (c) conflict prevention;
- (d) strengthening capacities for participation and deployment in civilian stabilisation, peacekeeping and peacebuilding missions;
- (e) improving post-conflict recovery as well as post-disaster recovery, with relevance to the political and security situation;
- (f) supporting stabilisation, safety of individuals and human security restoration measures, including mine action, demining and transitional justice in line with relevant multilateral agreements;
- (g) supporting peace-building and state-building actions, involving, where appropriate, civil society organisations, states and international organisations, as well as strengthening state-society relations;



- (h) contributing to the further development of structural dialogue on peacebuilding issues at various levels, between civil society and partner countries, and with the Union;
- (i) crisis response and preparedness;
- (j) 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 legal acts such as Regulation (EU) 2017/821, especially as regards the implementation of efficient domestic controls over the production of, and trade in, natural resources;
- (k) Capacity Building of military actors in support of development and security for development in accordance with Article 9;
- (l) Supporting actions promoting gender equality and women's empowerment, in particular through implementation of United Nations Security Council Resolutions 1325 and 2250 as well as participation and representation of women and youth in formal and informal peace processes;
- (m) Promoting a culture of non-violence, including by supporting formal, informal and non-formal peace education;
- (n) 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;
- (o) supporting 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;
- (p) supporting measures to combat the illicit use of, and access to, firearms, small arms and light weapons;
- (q) supporting know-how transfer, the exchange of information and best practices, risk or threat assessment, research and analysis, early warning systems, training and service delivery.

## 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:

- (a) threats to law and order, and to the security and safety of individuals including terrorism, radicalisation leading to 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;
- (b) threats to public spaces, critical infrastructure, including international transport, including passenger and freight traffic, energy operations and energy distribution, cybersecurity;
- (c) threats to public health, including sudden epidemics with a potential trans-national impact;

- (d) threats to environmental stability, maritime security threats, threats having a potentially destabilising impact on peace and security, deriving from climate change impacts;
- (e) 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, or explosive remnants of wars and conflicts, 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 and response, and capabilities for clean-up measures.

Where applicable, these activities shall be coherent with those of [the European Instrument for Nuclear Safety];

- (f) Capacity Building of military actors in support of development and security for development, in accordance with Article 9.

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

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.

#### 4. AREAS OF INTERVENTION FOR GLOBAL CHALLENGES

##### A. PEOPLE

##### 1. Health

- (a) Developing crucial elements of an effective and comprehensive health system, including communicable diseases, that are best addressed at a global level to secure equitable, affordable, inclusive and universal access to health services, including those referred to in Article 8(4);
- (b) Promoting, providing and expanding essential services and psychological support services for victims of violence, in particular women and children rape victims;
- (c) 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;
- (d) Addressing global health security and antimicrobial resistance through communicable diseases research, including on poverty-related and neglected and vaccine-preventable diseases and control, combating fake medicines, translating knowledge into safe, accessible and affordable products (including generic medicines) and diagnostics and related health technologies, and policies that tackle the changing disease burden (non-communicable diseases, all forms of malnutrition and environmental risk factors), and shape global markets to improve access to affordable essential health commodities and health services, including those referred to in Article 8(4);
- (e) Supporting global initiatives for the development of safe, efficient and affordable vaccines.

##### 2. Education

- (a) Promoting the achievement of internationally agreed goals in education through joint global efforts for accessible, inclusive and equitable quality education and training, including of teachers, at all levels, for all ages, also in emergency and crisis situations and with a particular priority on strengthening free education systems;
- (b) Strengthening knowledge, skills and values through partnerships and alliances, including support for education data and analysis, research and innovation, knowledge exchange, and education networks, for active citizenship and productive, educated, democratic, inclusive and resilient societies;
- (c) Supporting global action on reducing all dimensions of discrimination and inequalities, such as the gaps between girls/women and boys/men, and between different groups in society, to ensure that everyone has equal opportunity to take part in economic, political, social and cultural life;
- (d) Supporting inclusive and quality education in fragile environments;
- (e) Supporting actions and promoting cooperation in the area of sport to contribute to the empowerment of women and of young people, individuals and communities.

3. Gender equality and women's and girls' empowerment
  - (a) Committing to advance gender equality and girls' and women's empowerment in all spheres; including support to establish a more enabling economic, political and social environment for the fulfilment of girls' and women's rights that will enable them to fully participate in society, have equal opportunities for leadership in social, economic, political and civil life and be a driver of development;
  - (b) Leading and supporting global efforts, partnerships and alliances for the rights of women and girls, 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 discrimination against women and girls, including exclusion that women suffer in the different areas of their private and public lives such as the labour market and access to social and health services;
  - (c) Leading and supporting global efforts, partnerships and alliances for the rights of women to eliminate all forms of violence, harmful practices against women and girls, including physical, psychological, sexual and gender-based violence, female genital mutilation, as well as forced, early and child marriage and economic, political and other types of violence and discrimination, including in crisis situations as well as the exclusion that women suffer in the different areas of their private and public lives;
  - (d) 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;
  - (e) Promoting the protection and fulfilment of all women's and girls' rights, including those referred to in Article 8(4);
  - (f) Promoting the protection and fulfilment of rights of women and girls, including economic, political, labour and social rights and those referred to in Article 8(4).
4. Children and Youth
  - (a) Promoting universal access to all social and health services for children and youth, including the most marginalised, with a focus on health, nutrition, education, social protection, and early childhood development, including through dedicated youth friendly services;
  - (b) 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;
  - (c) Promoting children's and young people's empowerment by opening spaces for their active and meaningful participation in matters that concern them, in particular to political life and to peace process and mediation efforts, by supporting initiatives of inter-cultural dialogue among youth organisations and by preventing marginalisation and exclusion;
  - (d) Stepping up assistance to youth to support them in acquiring relevant skills and in accessing decent and quality jobs through education, vocational and technical training, as well as digital technologies;
  - (e) Promoting youth empowerment and responsible citizenship, by opening spaces for

their active and meaningful participation in political life and in peace process and mediation efforts, by supporting initiatives of inter-cultural dialogue among youth organisations and by preventing marginalisation and exclusion;

- (f) Creating an enabling environment that provides new and innovating opportunities for youth civic engagement, youth entrepreneurship and youth employment.

## 5. Migration, forced displacement and mobility

- (a) Ensure continued EU leadership in shaping the global agenda on migration and forced displacement governance in all its dimensions, particularly to facilitate orderly, safe, regular and responsible migration, in line with human rights, and international refugee law and international humanitarian law;
- (b) Steering and supporting global and cross-regional policy dialogues, including on South-South migration, and exchange and cooperation on migration and forced displacement;
- (c) Supporting the implementation of international and EU commitments on migration and forced displacement, including at UN level;
- (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;
- (e) Boosting strategic partnerships with relevant international organisations to support international cooperation and migration governance according to international human rights law and international refugee law.

Cooperation in this area will be managed in coherence with migration relevant EU regulations, in full respect of the principle of policy coherence for development.

## 6. Decent work, social protection, inequality and inclusion

- (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 in a healthy environment, on the basis of the core ILO labour standards, including on social dialogue, living wages and the fight against child labour, corporate social responsibility, in particular in making global value chains sustainable and responsible, and enhancing knowledge on effective gender-responsive employment policies that respond to labour market needs and promote socio-economic inclusion, including VET and life-long learning;
- (c) supporting global initiatives on business and human rights, including corporate accountability for rights violations and access to remedies;
- (d) Supporting global initiatives on universal social protection that follow the principles of efficiency, sustainability and equity; including support to address inequality in order to enhance gender equality and social cohesion, in particular with the setting-up and strengthening of sustainable social protection systems, social insurance schemes;
- (e) Continuing global research and development through social innovation that enhances social inclusion and addresses the rights and specific needs of the most vulnerable sections of society;
- (f) Promoting and supporting efforts to make social, political and economic life more

inclusive and to address socio-economic drivers of conflict.

## 7. Culture

- (a) Promoting initiatives for cultural diversity, intercultural and interreligious dialogue for peaceful inter-community relations;
- (b) Supporting culture as an engine for sustainable social and economic development and reinforcing cooperation on, and preservation of cultural heritage;
- (c) Developing local crafts, as a means to preserve local cultural heritage and foster sustainable development;
- (d) 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 as set out in the UNDRIP;
- (e) Supporting agreements for the return of cultural property to their countries of origin;
- (f) Supporting cultural cooperation, including through exchanges, partnerships and other initiatives and the recognition of the professionalism of authors, artists and cultural and creative operators;
- (g) Supporting cooperation and partnerships among sport organisations.

## 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;
- (c) Integrating environment, ecosystems and biodiversity conservation, climate change, disaster risk reduction and preparedness objectives in policies, plans and investments including through improved knowledge and information;
- (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 long-term lowemission and 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, promoting forestation and protection of natural forest, addressing deforestation, desertification, land degradation, illegal logging and wildlife trafficking, tackling pollution, including marine litter, and ensuring a healthy environment, addressing climate and environmental issues, including displacement due to natural disasters, promoting resource efficiency, sustainable consumption and production, integrated water resource management and the sound management of chemicals and waste and supporting the transition to lowemission, climate resilient green and circular economies, as well as promoting corporate responsibility and a responsible business conduct;

- (e) 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;
- (f) Implementing international and Union initiatives to address biodiversity loss, promoting the conservation, sustainable use and management of terrestrial and marine ecosystems and associated biodiversity;
- (g) Promoting phase-out of environmentally harmful fossil fuel subsidies, encouraging adoption of cost-reflective tariffs by energy utilities, and exploring more cost-effective and climate-friendly alternatives for social protection.

## 2. Sustainable Energy

- (a) Supporting global efforts, commitments, partnerships and alliances, including sustainable energy transition;
- (b) Promoting energy security for partner countries and local communities, including diversification of sources and routes, considering price volatility issues, emission reduction potential, improving markets and fostering energy and, in particular, electricity interconnections and trade;
- (c) 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 for all that are climate-friendly, affordable, modern, reliable and sustainable, with priority to renewable energy and energy efficiency;
- (d) 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;
- (b) Improving business environment and investment climate, developing a socially and ecologically responsible local private sector, supporting enhanced public-private dialogue, and building capacities of, competitiveness and resilience of local Micro, Small and Medium Enterprises and start-ups, as well as cooperatives and social enterprises, and their integration into the local, regional and global economy;
- (c) 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;
- (d) Supporting the implementation of the Union trade policy and trade agreements, in line with sustainable development; strengthening partner countries' capacities to trade 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, while ensuring as much as possible added value sharing and human rights due diligence in supply chains, taking into account policy coherence for development;

- (e) Promoting an effective policy mix supportive of economic diversification, value addition, and regional integration and sustainable green and blue economy;
- (f) Fostering access to digital technologies, including promoting access to finance and financial inclusion, as well as e-commerce;
- (g) Promoting sustainable consumption and production and innovative technologies and practices for low-emission, resource efficient and circular economy;
- (h) Strengthening social and environmental sustainability, corporate social responsibility and responsible business conduct throughout the entire value chains;
- (i) Combatting money laundering, corruption, illicit financial flows as well as tax evasion and avoidance. Promoting progressive taxation, anti-corruption measures and redistribution public expenditure policies;
- (j) Promoting inclusive growth, including by promoting and supporting women's and youth's participation and by proactively identifying and addressing economic marginalisation of specific groups.

## 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, reducing fragmentation in the global nutrition architecture and contributing to accountability on international commitments on food security, nutrition and sustainable agriculture;
- (b) Improving global public goods pursuing an end to hunger and malnutrition; ensuring equitable access to food including by helping to address the financing gap for nutrition, including through tools such as the Global Network on Food Crises to enhance the capacity to adequately respond to food crises and nutrition;
- (c) 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;
- (d) 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, open source seeds and other agricultural inputs and (micro) credit, mitigating and adapting to climate change, resilience and healthy ecosystems;
- (e) 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.

## D. PARTNERSHIPS



1. Strengthen the role of Local Authorities as actors of development through:
  - (a) Increasing the institutional and operational capacity of European and partner countries' local authorities and their networks and alliances, as development actors and partners in policy-making to contribute to the formulation, implementation and monitoring of policies and agreements with a focus on the interests of local communities; to enhance their role in raising awareness about decentralisation reform, local and urban development; to ensure a substantive and continued structured policy dialogue in the field of development and to promote democratic governance, notably through the Territorial Approach to Local Development including decentralisation processes, participation and accountability;
  - (b) Increasing interactions with European citizens on Development Education and Awareness Raising (including knowledge sharing and engagement), notably in relation to the Sustainable Development Goals, including in the Union and associated territories as well as candidate countries and potential candidate countries.
2. Promote inclusive societies and multi-stakeholder initiatives, good economic governance, including fair and inclusive domestic revenue mobilisation, especially in the context of international tax cooperation by implementing measures against tax avoidance and evasion, transparent public finance management and effective and inclusive public spending in line with human rights obligations and principles of good governance.
3. Support the assessment and documentation of progress in implementing partnership and effectiveness principles.

**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, including those arising from migratory flows and forced displacement.

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

- (a) a situation of urgency, crisis, fragility, hybrid threats, emerging crisis or natural disasters, where relevant for stability, peace and security;
- (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 sexual and gender-based violence in situations of instability;
- (c) a situation threatening to escalate into armed conflict or to severely destabilise the third country or countries concerned.

These actions 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 on women, youth, peace and security;
- (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;
- (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;
- (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) support for measures in response to natural or man-made disasters which pose a threat to stability, and to threats to public health linked to pandemics, in the absence of, or by way of complement to, Union humanitarian and civil protection assistance;
- (s) capacity building of military actors in support of development and security for development, in accordance with Article 9.

2. Actions contributing to strengthening resilience and linking humanitarian aid, development actions and, where relevant, peacebuilding

Rapid response actions referred to in point (b) of Article 4(4) shall be designed to effectively strengthen resilience and to increase coordination, coherence and complementarity between humanitarian aid, development actions and, where relevant, peacebuilding which cannot be swiftly addressed through geographic and thematic programmes.

These actions may cover the following:

- (a) strengthen resilience, tackle factors of fragility and address potential drivers of conflict 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, pandemics and global threats, including by identifying and strengthening their existing capacities; by 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, as well as supporting societies, communities and individuals to manage opportunities and risks in a peaceful and conflict sensitive manner and to build, maintain or restore livelihoods and social services in the face of major pressures by supporting relevant international and multilateral initiatives for the same ends;
- (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 standards 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 and affected populations; this includes addressing the urgent and immediate needs arising from the displacement of people and the communities that host them following natural or man-made disasters;
- (d) assist the region, state, at national or local level, or relevant international or civil society 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;
- (e) support measures operationalising integrated approaches particularly by improving coordination and the application of conflict sensitive approaches by humanitarian, development and, where relevant, peacebuilding actors.

3. Actions addressing Union 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. Those actions 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.

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, such as migration and forced displacement, climate change and security issues, including mediation, and exploiting windows of opportunity in this regard;
- (b) support for Union trade policy and the negotiation, implementation and enforcement of trade agreements; 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 and

protecting intellectual property rights, by means of economic diplomacy, business and regulatory cooperation, with the adaptations necessary for the specific situation of the partner country, taking into account the principle of policy coherence for development as laid down in Articles 208 and 212 TFEU and the international commitments referred to in Article 3(1) of this Regulation;

- (c) 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 as well as supporting regulatory convergence;
- (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 execute 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.

**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 the following priority areas:

- (a) provide finance and support to private and cooperative sector development compliant with the conditions set out in Article 209(2) of the Financial Regulation and in line with the purpose of Article 31(1), with a particular focus on local companies and micro, small and medium-sized enterprises, on promoting decent job creation on the basis of the core ILO labour standards and encouraging the contribution of European companies to the EFSD+ purpose;
- (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, sustainable forest management and landscape restoration, social infrastructure, health, and human capital, in order to improve the socioeconomic environment;
- (e) contribute to climate action and environmental protection and management;
- (f) contribute by promoting sustainable development, to addressing specific socioeconomic root causes of irregular migration and root causes of forced displacement, and contributing to the sustainable reintegration of returned migrants in their countries of origin, as well as fostering the resilience of transit and host communities, with due regard to the strengthening of the rule of law, good governance and human rights.

**LIST OF KEY PERFORMANCE INDICATORS**

In coherence with the Sustainable Development Goals, the following non-exhaustive list of key performance indicators shall be used to help measure the Union's contribution to the achievement of the specific objectives of this Regulation: (1) Rule of Law score in relation to countries benefiting from EU assistance

- (2) Proportion of population below the international poverty line by sex, age, employment status and geographical location (urban/rural)
- (3) Number of women of reproductive age, adolescent girls, and children under 5 reached by nutrition programmes with Union support
- (4) Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land
- (5) Number of 1-year olds fully immunised with Union support
- (6) Number of students enrolled in education: a) primary education b) secondary education; and number of people who have benefitted from institution or workplace-based VET / skills development interventions, supported by the EU
- (7) Greenhouse gas emissions avoided (Ktons CO<sub>2</sub>eq) with Union support
- (8) Area of marine, terrestrial and freshwater ecosystems protected and/or sustainably managed with Union support
- (9) Leverage of investments and multiplier effect achieved
- (10) Number of individuals directly benefiting from EU supported interventions that specifically aim to support civilian post-conflict peace building or conflict prevention.
- (11) Number of processes related to partner country practices on trade, investment and business, or promoting the external dimension of EU internal policies or EU interest, which have been influenced
- (12) Number of individuals with access to improved drinking water source and/or sanitation facilitation with Union support
- (13) Number of migrants, refugees and internally displaced people or individuals from host communities protected or assisted with Union support
- (14) Number of countries and cities with climate change and/or disaster risk reduction strategies a) developed or b) under implementation with Union support
- (15) Number of micro, small and medium sized enterprises applying sustainable consumptions and productions practice with Union support
- (16) Renewable energy generation capacity installed (MW) with Union support
- (17) Proportion of EU funded cooperation promoting gender equality and women's empowerment
- (18) Number of victims of human right violations directly benefitting from assistance funded by the EU
- (19) Number of EU funded initiatives supporting the implementation of political, economic

and social reforms and joint agreements in partner countries.

All indicators referring to individuals shall be disaggregated, whenever possible, by sex, in particular to monitor progress towards gender equality, and age.

All indicators shall be disaggregated by the Instrument's geographic areas whenever possible.