Instrument for Stability 2007-2013

2004/0223(COD) - 28/09/2010 - Follow-up document

This document comprises the 2009 Annual Report from the European Commission on the Instrument for Stability. This third Annual Report is submitted in compliance with the reporting requirement set out in Article 23 of Regulation (EC) N°1717/2006 of the European Parliament and the Council of 15 November 2006 establishing an Instrument for Stability (the IfS Regulation). The practice established by the Commission since 2007 is to inform the Council as well as the European Parliament of Exceptional Assistance Measures about to be supported under the IfS as part of the EU's crisis response. In order to also present information on downstream progress of adopted measures, the Annual Report is complemented by a Commission staff working document providing for a global implementation update on on-going measures.

Background: since its inception in 2007, and its endowment with some €2 billion over the period 2007-2013, the Instrument for Stability has responded to conflict and crisis on a global level, by taking actions to address security threats on a national and regional level, and by building capacity to respond to crises and to prevent conflict. Thus, the Instrument for Stability has enabled the EU to work across the conflict cycle with timely, efficient and complementary interventions. The Stability Instrument 'crisis response' component represents the bulk of the IfS budget (€1.4 billion for the period 2007-2013). The IfS can be used to anticipate or respond to political crisis, violent conflict or natural disasters, and is designed to ensure the delivery of timely, flexible, integrated and politically sensitive assistance to third countries.

The IfS also contains a **longer term dimension** covering three components, which are programmable, providing for 'assistance in the context of stable conditions for cooperation', for measures addressing safety and security threats, risk mitigation related to chemical, biological, radiological and nuclear materials as well as for crisis preparedness purposes.

The main EU partners in this context are the UN agencies. Some 48% of IfS funds are implemented through these agencies, which in many cases have existing field structures able to deliver first responses in crisis and conflict-affected countries. The Commission Services responsible for IfS crisis response activities have also paid specific attention to building on expertise available within the growing network of international and local NGOs specialised in conflict prevention and peace building. The remainder has been delivered through private operators, EU Member States' agencies, and in some cases through government country systems.

Stability instrument budgetary execution in 2009: on the 2009 budget, a total of €182,442,000 was committed and €132,822,913 was paid under the three budget headings for the short- and long-term components of the IfS (19.06 01, 19.06 02 and 19.06 03).

On Crisis Response and Preparedness (budget heading 19.06 01), commitments at year-end showed an execution rate of 100%. Out of the total amount, €5 million were committed for crisis preparedness under the Annual Action Programme 2009 of the IfS Peacebuilding Partnership. The remainder of €130 million was committed for Crisis Response. Payments for crisis response and preparedness amounted to €113 million. **The execution of payment appropriations at year-end reached more than 90%.** This represents a further increase over 2008 (86%) and 2007, when payment execution reached 68%. Another indicator for further improvement in timely delivery of crisis response is the fact that 92% of the 2009 commitments were contracted, and 2/3 of the contracted funds disbursed, all within the same year.

The 2009 budget of €47 million for the remaining long-term part of the IfS (budget headings 19.06 03 and 19.06 02) was also fully committed at 100%, with almost half of the funds contracted within the same year.

Main conclusions: the Instrument for Stability has considerably matured over the first three years since its inception, in terms of political relevance, strategic focus, overall coherence, but also regarding improved operational and budgetary performance.

A new comparative review of the Instrument for Stability, the UN Peacebuilding Fund, and the World Bank's Statebuilding and Peacebuilding Fund confirms this view. The Review, commissioned by the UK Department for International Development, and supported by a donor group (Canada, Japan, the Netherlands, Norway and Sweden), concluded that the IfS enables the EU:

- **to contribute in fragile post-conflict transitions,**
- **to complement (its) broader institutional capacity and engagement in such contexts**.

The potential of (the IfS) to mobilise significant technical and financial resources in support of state-building and peace-building processes and reconstruction efforts, including the strengthening of key institutions and systems, and to link up to longer term development programmes is a clear comparative advantage. Its governance and decision-making systems appear to be effective and strongly linked to the high-level decision-making processes. The IFS headquarter-level **governance structure also appears to enable strategic decision-making**, including its handling of highly sensitive political issues and the management of risks associated with working in volatile environments.

This is a solid basis on which the IfS can further contribute to joined-up delivery by the European External Action Service under the High Representative/Vice-President of the Commission of comprehensive EU responses to crises and conflicts, together with relevant Community Instruments, CSDP and other EU crisis management policy tools.