

European Neighbourhood Instrument 2014-2020

2011/0405(COD) - 07/12/2011 - Legislative proposal

PURPOSE: to establish a new European Neighbourhood Instrument 2014-2020 in the framework of the reform of the EU external action financial instruments and following on from [the European Neighbourhood and Partnership Instrument](#) 2007-2013.

PHILOSOPHY AND ACTION PLAN FOR EXTERNAL AID 2014-2020: what happens outside the borders of the EU can and does directly affect the prosperity and security of EU citizens. It is therefore in the interest of the EU to be actively engaged in influencing the world around us, including through the use of financial instruments. The Lisbon Treaty marks, in this regard, a new departure in the EU's relations with the rest of the world.

The EU's engagement needs to be **tailored to individual circumstances**. Its partners range from development economies to the least developed countries in need of specific assistance from the EU.

In general, the overall objective for external action for the period 2014-2020 may be summarised as follows:

- long-term commitment to establishing an area of stability, prosperity and democracy in its own neighbourhood;
- facilitating the EU's engagement with third countries on issues that are of global concern, such as climate change, environmental protection, irregular migration and regional instabilities, and
- allowing the EU to respond rapidly and effectively to natural and manmade disasters around the world.

A major rationalisation of the instruments took place in 2003 and has begun to deliver more effective results. **The Commission does not consider that another major alteration of the legislative architecture is necessary for the next MFF period**, although some improvements are being proposed and the overall investment is being stepped up.

The Commission proposes to allocate **EUR 70 billion for the 2014-2020 period for external instruments broken down as follows:**

- [Financing instrument for development cooperation](#)
- [Partnership instrument for cooperation with third countries](#)
- [Instrument for Pre-accession Assistance \(IPA II\)](#)
- The present European Neighbourhood Instrument
- [Instrument for nuclear safety cooperation](#)
- [Instrument for Stability](#)
- [Financing instrument for the promotion of democracy and human rights worldwide](#)

In parallel and for the first time, the Commission proposes a single horizontal [regulation establishing common rules and procedures for the implementation](#) of the Union's instruments for external action.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: the European Neighbourhood Policy (ENP) was developed in 2004 and covers 16 partners to the East and South of the EU's borders. Under the ENP the EU offers its neighbours a privileged

relationship, building upon a mutual commitment to values and principles such as democracy and human rights, the rule of law, good governance, market economy principles and sustainable development, including climate action. The policy also provides for political association and deeper economic integration, increased mobility and enhanced people-to-people contacts.

Arab Spring: changes to the EU's relationship with its neighbours and developments since the ENP was set up have been analysed and assessed as part of the ENP Strategic Review. As a result, a new ENP vision has been developed as outlined in the Joint Communication of the High Representative of the EU for Foreign Affairs and Security Policy and the European Commission '[A new response to a changing Neighbourhood](#)'. The new approach calls notably for greater support to partners committed to **building democratic societies and undertaking reforms**, in line with the "more for more" and "mutual accountability" principles, and provides the strategic policy framework for the EU relations with the neighbours.

Reform of the ENPI: although the ENPI has been widely recognized as a successful Instrument to accompany the EU's policy towards its neighbours, the ENP policy review and other assessments, lessons learned and public consultations have all identified a number of issues to tackle in the future by adapting the Instrument to make the EU's response even more effective, in particular:

- application of the "more for more" principle;
- complexity and length of the programming process;
- scope of the Instrument;
- partly outdated implementation provisions and lack of coherence between the external instruments;
- Cross-Border Cooperation (CBC) provisions;
- linkages with internal instruments/policies;
- evolving relationship with Russia.

The future European Neighbourhood Instrument should be aligned to the new ENP vision and address the specific challenges and issues as identified above.

IMPACT ASSESSMENT: the impact assessment reviewed the following four options:

- **Option 0: 'No EU action'**. The EU stops providing financial support through a dedicated Instrument for Neighbourhood countries;
- **Option 1: 'No change'**. Cooperation with the countries concerned remains strictly in the framework of the existing ENPI Regulation;
- **Option 2: 'Adapting the current set-up'**. The future legislative proposal should be based on the current ENPI Regulation with a number of substantial amendments, responding to the new policy context and specific objectives. Under this Option there are a number of sub-options referring to: the differentiation principle; the programming process; scope of the Instrument and coherence between policy and assistance; Cross-Border Cooperation rules; implementation provision, notably to allow for greater flexibility; linkages with internal policies and instruments and geographic scope of the ENI.
- **Option 3: 'Tabling a completely new Instrument'** with a different geographic scope and focussing on objectives broader than or different from those of the ENP.

Based on the analysis, **Option 2** would have the highest potential to yield a positive impact and to adapt the current cooperation framework to the new policy context, ENP objectives and challenges identified through evaluations and lessons learned. This is therefore the **preferred option**.

LEGAL BASIS: Article 209(1) and Article 212(2) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: with this proposed Regulation, the Commission proposes to establish assistance to the partner countries listed below with the aim of establishing an area of prosperity and good neighbourliness at the EU's borders.

Partner countries:

- Algeria
- Armenia
- Azerbaijan
- Belarus
- Egypt
- Georgia
- Israel
- Jordan
- Lebanon
- Libya
- The Republic of Moldova
- Morocco
- occupied Palestinian territory (oPt)
- Syria
- Tunisia
- Ukraine
- as well as Russia in accordance with specific provisions.

Specific objectives of Union's support: support under this Regulation shall promote enhanced political cooperation and progressive economic integration between the Union and the partner countries and,

in particular, the implementation of partnership and cooperation agreements, association agreements or other existing and future agreements, and jointly agreed action plans.

Union support should target in particular:

- promoting human rights and fundamental freedoms, the rule of law, principles of equality, establishing deep and sustainable democracy, promoting good governance and developing a thriving civil society including social partners;
- achieving progressive integration into the Union internal market and enhanced sector and cross-sectoral co-operation including through legislative approximation and regulatory convergence towards Union and other relevant international standards, related institution building and investments, notably in interconnections;
- creating conditions for well managed mobility of people and promotion of people-to-people contacts;
- sustainable and inclusive development in all aspects, poverty reduction, including through private-sector development; promotion of internal economic, social and territorial cohesion, rural development, climate action and disaster resilience;
- promoting confidence building and other measures contributing to security and the prevention and settlement of conflicts;
- enhancing sub-regional, regional and Neighbourhood wide collaboration as well as Cross-Border Cooperation.

Union support may also be used in other areas when this is consistent with the overall objectives of the European Neighbourhood Policy.

The achievement of these objectives shall be measured using notably the relevant EU periodic reports on the implementation of the policy and the relevant indicators established by international organisations and other relevant bodies.

Framework strategy: the key elements of the proposal (as compared to the current set-up) and their rationale are the following:

- apply the principle of “**more for more**” and mutual accountability in line with the new vision of the ENP, notably through specific provisions on differentiation for **financial allocations and for the programming process**, as required;
- address the complexity and length of the programming process in order to streamline, shorten and better focus the process, especially for ENP partners that have jointly agreed with the EU strategic priorities in Action Plans or equivalent documents;
- **streamline the scope of the Instrument**, striking a balance between flexibility of the Instrument and focus on the policy objectives and key areas of cooperation;
- adapt the implementation provisions and improve coherence between the external instruments;
- improve the provisions on the **Cross-Border Cooperation** to facilitate effective and fast implementation of the programmes;
- promote closer links with EU internal instruments and policies, including by stepping up cooperation with the Commission at the programming stage and, where relevant, promote mechanisms to pool funds from internal and external headings of the EU budget;
- respond to the **evolving relationship with Russia** by amending provisions on Russia’s eligibility for ENI funding to reflect the specific status of Russia as an EU neighbour and strategic partner.

Strategic framework and indicative programming: the scope of the Instrument has been streamlined by bringing down the 29 thematic areas that feature in the current ENPI Regulation to six specific objectives. A new, simplified programming tool for most of the neighbouring countries (Single Support Framework) has been introduced. This new programming document will be shorter than the Strategy Papers

and Multiannual Indicative Programmes, will prevent duplication of information contained in the legal /political documents that underpin EU relations with its neighbours, and should help shorten the programming process, therefore reducing administrative costs.

The new article that allows funds from the ENI and the relevant internal Heading of the EU budget to be pooled with a single set of rules for measures addressing notably cross-border challenges will substantially improve efficiency and reduce the administrative costs of implementing such measures.

Simplified implementation: to implement the new ENI Regulation, simplified and flexible procedures should lead to swifter adoption of implementing measures and swifter delivery of EU assistance, in particular in situations of crises or threats to democracy, the rule of law, human rights and fundamental freedoms, or natural or man-made disasters. Revision of the Financial Regulation, which has particularly substantial provisions on external action, will also help facilitate the participation of civil society organisations and small businesses in funding programmes. The Commission intends to implement this Regulation using the new flexible procedures provided for in the new Financial Regulation.

Furthermore additional simplification will also be achieved through the development of [one horizontal framework regulation comprising all general and recurring provisions](#), providing for increased coherence between the external actions instruments.

Coherence and complementarity: in implementing this Regulation, coherence shall be ensured with other areas of the Union external action as well as other relevant Union policies. Other measures are provided to ensure donor coordination.

BUDGETARY IMPLICATIONS: the European [Commission](#) in its Communication of 29 June 2011 entitled “A Budget for Europe 2020” proposed allocating to the ENI **EUR 18 182 300 000** (current prices) for the period 2014-2020.

DELEGATED ACTS: delegated powers to adopt acts in accordance with Article 290 of the Treaty of the Functioning of the European Union should be conferred to the Commission for adopting the specific implementing measures required for the Cross-Border Cooperation mechanisms established in Title III of this Regulation. The Commission, when preparing and drawing-up delegated acts, should further ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.

In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Taking into account the nature of those implementing acts, in particular their policy orientation nature or their financial implications, the examination procedure should in principle be used for their adoption, except for measures of a small financial scale.