

Instrument contributing to stability and peace (2014-2020)

2011/0413(COD) - 07/12/2011 - Legislative proposal

PURPOSE: to establish a new financing instrument for stability 2014-2020 in the framework of the reform of the EU external action financial instruments and following on from the [Instrument for Stability](#) 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 \(IPA II\)](#)
- [European Neighbourhood Instrument](#)
- [Instrument for nuclear safety cooperation](#)
- This 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: crises and conflicts affect countries world-wide and pose a risk to global security and stability. Conflicts are often linked to state fragility and exacerbated by weak governance and poverty. In addition, some of the most critical security challenges have a worldwide scope, impacting on both developing and industrialized countries. Natural and man-made disasters, drug trafficking, organized crime, terrorism, cyber security challenges and threats and related disruptions increase insecurity, hamper development, weaken the rule of law and contribute to instability. The increasing challenge of climate change is a multiplier of existing threats that add a new dimension of man made natural hazards and security risks.

Responding to these structural challenges requires a significant collective effort, based on strong partnerships with other States, civil society actors, multilateral and regional partners to create the conditions for supporting countries to avoid the relapse into conflict.

A comprehensive EU response to international crises beyond humanitarian assistance is therefore required in which EU capacity for crisis preparedness, preventive and response actions is fostered. Furthermore, a capacity to deploy experts for various civilian missions based on inter-operability among EU Member States and other international actors alongside a dialogue with non-state actors needs to be developed.

The new Treaty on the European Union (Article 21) has defined common overarching principles and objectives for the external action of the Union, inter alia to “preserve peace, prevent conflicts and strengthen international security”. The Commission also prepared in 2011 an [implementation plan for the EU Strategy for supporting Disaster Risk Reduction in developing countries](#), which identify the development of Post Disaster Needs Assessments (PDNAs) as a priority to integrate disaster risk reduction into the recovery frameworks of the affected countries and encourage resilience and crisis preparedness.

Accordingly, the new Instrument for Stability replacing the earlier Regulation which expires on 31 December 2013, should capitalise on the opportunities presented for advancing coordinated EU efforts in all of the above areas.

IMPACT ASSESSMENT: the Commission carried out an Impact Assessment (IA) that considered 4 basic policy alternatives:

- **Option 0:** discontinuing the IfS;
- **Option 1:** maintaining the scope without any amendment;
- **Option 2:** revising the Instrument to increase its flexibility provisions;
- **Option 3:** a new Instrument or new Instruments (s) incorporating the following considerations (a) to tackle separately crisis response and preparedness issues and security-related issues - terrorism, trans-regional threats and CBRN issues – (b) to encompass EU external actions tools currently carried out under other instruments (e.g. EU Electoral Observation Missions or the African Peace Facility).

Option 2, to retain the main features and characteristics of the Instrument while streamlining its provisions to increase its flexibility was the **preferred choice** as it enables the EU to respond more effectively and rapidly to future international peace and security challenges.

LEGAL BASIS: Articles 209(1) and Article 212(2) of the Treaty on the Functioning of the European Union (TFEU). The Instrument has worldwide scope, a double Treaty legal basis (“*development cooperation*” and “*economic, financial and technical cooperation with third countries*”) and not being bound to ODA-eligibility criteria, allows the EU to properly tackle the security and development nexus.

CONTENT: with this proposed Regulation, the Commission establishes development cooperation measures, as well as financial, economic and technical cooperation measures with third countries, regional and international organisations and other state and non state actors.

In accordance with the objectives of such cooperation, the specific aims of this Regulation shall be:

- **in a situation of crisis or emerging crisis**, to swiftly contribute to stability by providing an effective response to help preserve, establish or re-establish the conditions essential to the proper implementation of the Union's development and cooperation policies;
- **to prevent conflicts**, ensure preparedness to address pre- and post-crisis situations and build peace;
- **to address specific global and trans-regional threats** having a destabilising effect, including **climate change**.

The proposal details the types of assistance which may be financed:

1. **assistance in response to situations of crisis or emerging crisis to prevent conflicts**: in response to a situation of urgency, crisis or emerging crisis, a situation posing a threat to democracy, law and order, the protection of human rights and fundamental freedoms, or the security and safety of individuals, or a situation threatening to escalate into armed conflict or severely to destabilise the third country or countries concerned. Such measures may also address situations where the Union has invoked the essential elements clauses of international Agreements in order to suspend, partially or totally, cooperation with third countries;
2. **assistance for conflict prevention**, crisis preparedness and peace-building;
3. **assistance in addressing global and trans-regional threats**.

Exceptional Assistance Measures and Interim Response Programmes: the Commission may adopt Exceptional Assistance Measures in a situation of crisis, as well as in exceptional and unforeseen situations, where the effectiveness of the measures is dependent on rapid or flexible implementation. Such measures may have duration of up to 18 months. Measures may be extended twice in duration by a further six months (up to maximum of 30 months) in the case of objective and unforeseen obstacles to their implementation.

General framework for programming and implementation: Union assistance shall be implemented in accordance with the Common Implementing Regulation and through the following programming documents and financial implementation measures:

- Thematic Strategy Papers and Multiannual Indicative Programmes;
- Exceptional Assistance Measures and Interim Response Programmes;
- Annual Action Programmes and Individual Measures;
- Special Measures.

The proposal details the general framework on implementation and the procedure applicable in each of the cases. Simplification of rules and procedures for the delivery of EU assistance is proposed, notably for derogation from comitology for the adoption of a **second Exceptional Assistance Measure** and an additional new provision enabling the Commission to adopt Exceptional Assistance Measures up to EUR 3 million without prior information to Council.

Coherence and complementarity: measures taken under this Regulation may be complementary to, and shall be consistent with measures adopted under Title V of the Treaty on European Union and Title V of the Treaty on the Functioning of the European Union. It shall be provided only to the extent that an adequate and effective response cannot be provided under those instruments.

Implementation: the implementation has been greatly simplified as an Article stipulates that the decision shall be implemented in accordance with the [future Regulation](#) establishing common implementation rules for external relations financing instruments.

Furthermore, the revision of the Financial Regulation, which is particularly substantial with regard to the special provision on external actions, will contribute to facilitate the participation of civil society organisations in funding programmes, for example by simplifying rules, reducing the costs of participation and accelerating award procedures.

BUDGETARY IMPLICATIONS: in accordance with the [Multiannual Financial Framework](#) establishing the budget for the implementation of the Europe 2020 Strategy, the Commission proposes to allocate € 2.828,9 million for the IfS for the 7 year period.

DELEGATED ACTS: in order to adapt the scope of this Regulation to the rapidly evolving reality, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the detailed areas of technical and financial assistance provided in the Annexes to this Regulation, and to adopt additional procedures for exchanging information and cooperation.

Taking into account the nature of those implementing acts, in particular their policy orientation nature or budgetary implications, the examination procedure should in principle be used for their adoption, except for measures of a small financial scale. The Commission should adopt immediately applicable implementing acts where in duly justified cases relating to the need for a swift response from the Union, imperative grounds of urgency so require.