

# Implementation of the Union's instruments for financing external action (2014-2020)

2011/0415(COD) - 11/03/2014 - Final act

**PURPOSE:** to establish common rules and procedures for the implementation of the Union's instruments for external action.

**LEGISLATIVE ACT:** Regulation (EU) No 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.

**BACKGROUND:** this Regulation forms part of the new Multiannual Financial Framework ([MFF](#)) 2014-2020 in the field of the Union's external relations and cooperation with third countries. The relevant instruments are as follows:

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

All the procedures applicable to the implementation of these financial instruments will be governed by this single Regulation.

**CONTENT:** this Regulation lays down the rules and conditions for the provision by the Union of financial assistance to actions, including action programmes and other measures, under the above-mentioned instruments for financing external action for the period from 2014 to 2020.

**Democratic principles:** the Union's action on the international scene is to be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world, namely democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principle of equality and solidarity, and respect for the principles of the United Nations Charter and international law.

**Adoption of action programmes, individual measures and special measures:** the Regulation contains provisions on such measures and actions. These will be adopted in accordance with the **examination procedure** except for:

- individual measures for which the Union's financial assistance does not exceed EUR 5 million;

- special measures for which the Union's financial assistance does not exceed EUR 10 million;
- technical amendments to action programmes, individual measures and special measures.

**Support measures:** union financing may cover expenditure for the implementation of the Instruments and for the achievement of their objectives, including administrative support associated with the preparation, follow-up, monitoring, audit and evaluation activities directly necessary for such implementation.

**General financing provisions:** a series of provisions deal with financing rules on:

- grants;
- procurement contracts for services, supplies or works;
- general or sector budget support;
- contributions to trust funds set up by the Commission;
- financial instruments such as loans, guarantees, equity or quasi-equity, investments or participations, and risk-sharing instruments regarding implementation of external policy.

General or sector **budget support** may only be granted after an assessment of the partner country's commitment and progress in promoting democracy, human rights and the rule of law. The general or sector budget support shall be differentiated in such a way as to respond better to the political, economic and social context of the partner country, taking into account situations of fragility.

**Visibility of EU aid:** when providing the Union's financial assistance, the Commission shall, where appropriate, take all necessary measures in order to ensure the visibility of the Union's financial support.

**Most efficient use of resources:** 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 and complementarity between the Union's instruments for external action, as well as the creation of synergies between the Instruments and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the Instruments, and, where appropriate, the use of financial instruments that have a leverage effect.

**Specific provisions:** the Union's assistance shall not generate or activate the collection of specific taxes, duties or charges. Furthermore, there are specific financing provisions regarding certain financial instruments not detailed here.

There are also provisions on:

- protection of the financial interests of the Union;
- rules on nationality and origin for public procurement, grant and other award procedures ;
- rules on eligibility for European funds for each of the instruments on external policy.

**Monitoring and evaluation of actions:** the Commission shall regularly monitor its actions and review progress made towards delivering expected results, covering outputs and outcomes. It shall also evaluate the impact and effectiveness of its sectoral policies and actions and the effectiveness of programming, where appropriate by means of independent external evaluations.

**Annual report:** the Commission shall examine the progress made in implementing the measures of the Union's external financial assistance and, from 2015 onwards, shall submit to the European Parliament and to the Council an annual report on the achievement of the objectives of each Regulation **by means of indicators, measuring the results delivered and the efficiency of the relevant Instrument.**

An **annual estimate of the overall spending related to climate action and biodiversity** shall be made on the basis of the indicative programming documents adopted.

**Mid-term review:** no later than 31 December 2017, a mid-term review report shall be submitted by the Commission on the implementation of each of the Instruments and of this Regulation. The report shall focus on the achievement of the objectives of each Instrument. It shall be undertaken for the specific purpose of improving the implementation of the Union's assistance. It shall inform decisions on the renewal, modification or suspension of the types of actions implemented under the Instruments. The report shall be submitted to the European Parliament and to the Council, and shall be accompanied, if appropriate, by legislative proposals.

**Involvement of civil society:** whenever possible and appropriate, relevant stakeholders of beneficiary countries, including civil society organisations and local authorities, must be duly consulted in particular the preparation, implementation, monitoring and evaluation of measures taken under the Regulation.

**Suspension of assistance:** joint declarations as well as bilateral and unilateral ones of the European institutions accompany the Regulation. A unilateral declaration by Parliament refers to the possibility of suspending assistance in cases where a beneficiary country fails to observe the basic principles of democracy, rule of law and respect for human rights. Parliament considers that any suspension of assistance under these instruments would modify the overall financial scheme agreed under the ordinary legislative procedure and it is therefore entitled to fully exercise its prerogatives in that regard in accordance with the Treaty.

**ENTRY INTO FORCE :** 16.03.2014. The Regulation is applicable from 01.01.2014 until 31.12.2020.