Instrument for Stability 2007-2013

2004/0223(COD) - 15/11/2006 - Final act

PURPOSE: to establish an Instrument for Stability to tackle crises and instability in third countries or to help them maintain stability in post-conflict situations.

LEGISLATIVE ACT: Regulation (EC) No 1717/2006 of the European Parliament and of the Council establishing an Instrument for Stability.

BACKGROUND: following the adoption of the new financial framework 2007-2013, a series of new instruments for economic, financial and technical assistance for third countries were adopted, consolidating, reforming and improving the procedures governing access to and planning of assistance granted under the **Community's external policy**.

The different funding instruments of the external policy are now as follows:

- an Instrument for Development Cooperation (DCI);
- a European Neighbourhood and Partnership Instrument (ENPI) covering all external policy on cooperation and economic assistance (excluding development aid);
- an Instrument for Stability to combat serious crises in third countries;
- an Instrument for Nuclear Safety Cooperation, supplementary to the Instrument for Stability;
- an Instrument for Pre-Accession Assistance (IPA);
- an Instrument for the promotion of democracy and human rights world-wide;
- an Instrument for co-operation with industrialised and other high income countries and territories.

This Instrument for Stability is part of this new structure, streamlining existing assistance measures into one single instrument and replacing several other EU geographical and thematic programmes.

Furthermore, note that this Instrument included in its initial version the objectives of the current Instrument for Nuclear Safety Cooperation which is complementary to it. In the end, the two instruments were split into two separate instruments during the legislative procedure, for mainly legal reasons and following the adoption of the Interinstitutional Agreement (IIA) on financial perspectives 2007-2013. The legal basis of the Instrument for Nuclear Safety Cooperation is Article 203 of the Treaty establishing the European Atomic Energy Community (contrary to the Instrument for Stability which comes under the remit of development cooperation).

CONTENT: this Instrument, to the amount of **EUR 2.062 million for the period 2007-2013**, aims to undertake development cooperation measures, as well as financial, economic and technical cooperation measures with third countries. These measures will take the form of:

1. aid to respond 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 to the security and safety of individuals, or a situation threatening to escalate into armed conflict or to severely destabilise the third country or countries concerned;
2. aid in the context of stable conditions for the implementation of Community cooperation policies in third countries, in order to strengthen the stability of the countries concerned before or after a conflict.

(1) Assistance in response to situations of crisis or emerging crisis: while assistance is aimed at a country in a crisis situation or an emerging crisis, Community support may also be used for: (i) the efforts

undertaken by state and non-state actors in promoting confidence-building, mediation, dialogue and reconciliation; (ii) the establishment and the functioning of interim administrations mandated in accordance with international law; (iii) the development of democratic, pluralistic state institutions, including support for good governance and judicial authorities; (iv) international criminal tribunals, including truth and reconciliation commissions, and mechanisms for the legal settlement of human rights claims; (v) measures necessary to start the rehabilitation and reconstruction of key infrastructure (housing, essential productive capacity, etc.); (vi) the demobilisation and reintegration of former combatants into civil society (including child soldiers); (vii) restructuring of the armed forces; (viii) measures to address the socio-economic impact on the civilian population of anti-personnel landmines, unexploded ordnance or explosive remnants of war (including stockpile destruction); (ix) the fight against the illicit use of and access to firearms and for victim assistance (note that assistance shall not include support for measures to combat the proliferation of arms); (x) measures to ensure that the specific needs of women and children in crisis and conflict situations are adequately met; (xi) the rehabilitation and reintegration of the victims of armed conflict; (xii) measures to promote and defend respect for human rights and fundamental freedoms; (xiii) socio-economic measures to promote equitable access to natural resources in a situation of crisis; (xiv) socio-economic measures to address the impact of sudden population movements; (xv) measures to promote the participation of civil society in the political process; (xvi) measures in response to natural or man-made disasters and threats to public health in the absence of, or to complement, Community humanitarian assistance.

In **exceptional and unforeseen situations**, the Community may also provide assistance. This assistance shall be limited to a period of 18 months and shall fall within the framework set out in the Regulation.

(2) Assistance in the context of stable conditions for cooperation: while assistance is aimed at a country in the context of stable conditions for cooperation, the Community shall provide assistance in the following areas:

- **threats to law and order**, to the security and safety of individuals, to critical infrastructure and to public health: (i) strengthening the capacity of law enforcement and judicial and civil authorities involved in the **fight against terrorism and organised crime**; (ii) support for measures to address threats to international transport, energy operations and critical infrastructure (particularly in the fields of risk awareness, vulnerability analysis, emergency preparedness, alert and consequence management); (iii) support to be prepared for epidemics (emergency-planning and management of vaccine stockpiles). Note that no more than 7% of the financial envelope of the Instrument for Stability shall be allocated to measures in this paragraph;

- risk mitigation and preparedness relating to **chemical, biological, radiological and nuclear materials or agents**. Assistance shall cover: (i) the promotion of civilian research activities as an alternative to defence-related research; (ii) support for measures to enhance safety practices related to civilian facilities; (iii) support for the establishment of civil infrastructure necessary for the dismantlement, remediation or conversion of weapons-related facilities and sites; (iv) strengthening the capacity of the competent civilian authorities involved in the enforcement of effective control of illicit trafficking in chemical, biological, radiological and nuclear materials or agents; (v) the development of the legal framework for the enforcement of effective export controls on dual-use goods; (vi) the development of effective civilian disaster-preparedness. Note that no more than 15% of the financial envelope of the Instrument for Stability shall be allocated to measures in this paragraph.

- **pre- and post-crisis capacity building**: this involves supporting efforts in: (i) promoting early warning, mediation and reconciliation, and addressing emerging inter-community tensions; (ii) improving post-conflict and post-disaster recovery (including financial assistance for the implementation of the UN Recommendations for peace). Note that no more than 5% of the financial envelope of the Instrument for Stability shall be allocated to measures in this paragraph.

All the measures provided for under this Instrument may be complemented by complementary and coherent measures taken under the CFSP, pursuant to heading V and VI of the TEU.

Complementarity of Community assistance: assistance shall be provided only to the extent that it cannot be provided by other Community instruments for external assistance, thereby avoiding duplication.

Programming and allocation of funds: the Regulation specifies the conditions of adoption of financing decisions by the Commission for each type of action proposed, whether in the framework of exceptional measures, strategy documents, multiannual indicative programmes or thematic actions, annual action programmes or special measures:

- **for exceptional assistance measures and interim response programmes**, the Commission shall define a framework for the implementation of assistance and keep the Council informed, taking account of its opinion. In principle, exceptional assistance may not cost more than EUR 20 million; at as early a stage as possible, the Commission shall report to the European Parliament on any measure taken in this context;
- **for multi-country strategy papers, thematic strategy papers and multi-annual indicative programmes**, the Commission shall proceed in stages and establish the framework for multiannual interventions as well as financial allocations with the support of partner countries and regions. These documents shall describe the priority measures to be taken in the countries concerned;
- **for annual action programmes**, the Commission describes the operations to be financed and the amounts allocated for each operation and establishes an indicative implementation timetable;
- **for special measures**, the Commission adopts a specific framework of actions not provided for by any aforementioned document and specifies the objectives pursued, the areas of activity, the expected results, the management procedures used and the total amount of financing planned (in principle, no more than EUR 5 million).

Implementing measures: the Regulation provides a general framework for the implementation of measures and projects as well as technical procedures for the management of measures. It lists, in particular:

- eligible bodies: traditional entities, bodies and institutions for development cooperation;
- types of measures financed: projects, programmes and budget support to the States concerned provided that the management of the country's public funds so permits, grants, etc., including support measures;
- the rules applied to cofinancing from other donors (including Member States);
- management procedures that the Commission must use to implement the measures decided upon;
- technical rules on budget commitments;
- anti-fraud and procurement measures (in accordance with the untying of aid policy);
- rules on funds made available to the European Investment Bank or other financial intermediaries;
- regular evaluation of assistance: the Commission shall monitor and evaluate the implementation of assistance programmes. It shall submit an annual report to the European Parliament and to the Council on the results of the Regulation. The Commission shall submit, by 31 December 2010, a report evaluating the implementation of this Regulation in the first three years, if appropriate with a legislative proposal introducing the necessary modifications. The measures are also evaluated annually and the European Parliament is informed.

ENTRY INTO FORCE: the Regulation enters into force on 14.12.2006. From the date of entry into force, a series of financial instruments applicable to cooperation policy shall be repealed. The Regulation shall apply from 1 January 2007 until 31 December 2013.