

# External assistance: a financing instrument for cooperation with industrialised countries and territories and other high-income countries and territories

2006/0807(CNS) - 21/12/2006 - Final act

**PURPOSE:** to establish a new financing instrument for cooperation with industrialised and other high-income countries and territories (2007-2013).

**LEGISLATIVE ACT:** Council Regulation (EC) No 1934/2006 establishing a financing instrument for cooperation with industrialised and other high-income countries and territories.

**BACKGROUND:** with the adoption of the [financial perspectives for 2007 -2013](#), a new framework for planning and delivering external assistance to third countries has been adopted the purpose of which is to make the Community's assistance more effective and streamlined. This new framework repeals a plethora of existing legislative acts and replaces them with more concise, focused legislation. The other recently approved Instruments are:

- [An Instrument for Pre-Accession](#)
- [The European Neighbourhood and Partnership Instrument](#)
- [An Instrument for development co-operation](#)
- [An Instrument for Stability](#)
- [An Instrument for the promotion of democracy and human rights world-wide](#)
- The present Instrument for co-operation with industrialised and other high income countries and territories.

To recall, this instrument is the result of the splitting of proposal establishing a financing instrument for development and economic cooperation (please refer to the initial proposal for details).

**CONTENT:** over the past decade, the Community has consistently strengthened its bilateral relations with a broad range of industrialised and other high-income countries and territories across different regions of the world, primarily in North America, East Asia and Australasia, but also in South-East Asia and the Gulf region. It is the Community's interest to further deepen its relations with industrialised countries and territories with which it often shares similar political, economic and institutional structures and values and which are important bilateral political and trading partners as well as players in multilateral fora and in global governance. The European Union and industrialised and other high income countries and territories have agreed to strengthen their relationship and to cooperate across the areas in which they have shared interests through a variety of bilateral instruments such as agreements, declarations, action plans and other similar documents.

**Objective:** Community financing shall support **economic, financial and technical cooperation** and other forms of cooperation falling within its spheres of competence, with industrialised and other high-income countries and territories. The primary objective shall be to provide a specific response to the need to strengthen links and to engage further with them on a bilateral, regional or multilateral basis in order to create a more favourable environment for the development of the relations of the Community with these countries and territories and promote dialogue while fostering Community's interests.

By implementing this Regulation, the European Union seeks to promote commitment to the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law in partner countries through dialogue and cooperation. A **differentiated approach** in designing cooperation with partner countries shall be pursued, where appropriate, to take account of their economic, social and political contexts as well as of the Community's specific interests, strategies and priorities. Measures financed under this Regulation shall cover areas of cooperation set out notably in the instruments, agreements, declarations and action plans between the Community and the partner countries as well as areas pertaining to the Community's specific interests. For measures financed under this Regulation, the Community shall aim to ensure coherence with other areas of its external action as well as other relevant Community policies. This shall be ensured by formulating policy, strategic planning and the programming and implementation of measures.

**Beneficiary countries:** Australia; Bahrain; Brunei; Canada; Chinese Taipei; Hong-Kong; Japan; Republic of Korea; Kuwait; Macao; New Zealand; Oman; Qatar; Saudi Arabia; Singapore; United Arab Emirates; United States. However, in duly justified circumstances and in order to foster regional cooperation, the Commission may decide when adopting action programmes that countries not listed above are eligible, where the project or programme to be implemented is of regional or cross border nature. This list may be amended in accordance with regular OECD/DAC reviews.

**Areas of cooperation:** measures financed under this Regulation shall cover areas of cooperation set out notably in the instruments, agreements, declarations and action plans, between the Community and the partner countries as well as areas pertaining to the Community's strategic interests. Community assistance shall support cooperation actions consistent with the Regulation and shall be consistent with its overall purpose, scope, objectives and general principles. Specific attention shall be paid to actions in the following areas of cooperation: 1) the promotion of cooperation, partnerships and joint undertakings between economic, academic and scientific actors in the Community and partner countries; 2) the stimulation of bilateral trade, investment flows and economic partnerships; 3) the promotion of dialogues between political, economic and social actors and other nongovernmental organisations in relevant sectors in the Community and partner countries; 4) the promotion of people-to-people links, education and training programmes and intellectual exchanges and the enhancement of mutual understanding between cultures and civilisations; 5) the promotion of cooperative projects in areas such as research, science and technology, energy, transport and environmental matters, customs and any other matter of mutual interest between the Community and the partner countries; 6) the enhancement of awareness about and understanding of the European Union and of its visibility in partner countries; 7) support for specific initiatives, including research work, studies, pilot schemes or joint projects destined to respond in an effective and flexible manner to cooperation objectives arising from developments in the Community's bilateral relationship with the partner countries or aiming to provide impetus to the further deepening and broadening of bilateral relationships with them.

**Programming and allocation of funds:** actions to promote cooperation under this Regulation shall be carried out in the framework of multi-annual cooperation programmes covering cooperation with all or with a selection of the partner countries. The Commission shall draw-up the multi-annual cooperation programmes and specify their scope.

Multi-annual cooperation programmes shall cover no more than a maximum of 7 years. They shall set out the Community's strategic interests and priorities, the general objectives and the expected results. They shall also set out the areas selected for financing by the Community and outline the indicative financial allocation of funds, overall, per priority area and per partner country or group of partner countries for the period concerned.

**Implementation:** the Regulation details the conditions of adoption of financing decisions by the Commission for each type of action proposed (multiannual cooperation programmes or annual action programmes). The Regulation also lays down provisions on the following issues:

- **Eligibility:** entities and bodies, institutions, companies and NGOs.
- **Types of financing:** cooperation projects and programmes will be financed by the general budget of the European Union either in totality or in the form of co-financing with other sources (see cofinancing below). Financing for the implementation of action programmes may take the legal form of a grant agreement (including scholarships); procurement contracts; employment contracts; or financing agreements.
- **Cofinancing:** measures shall be eligible for co-financing inter alia with: Member States, their regional and local authorities, and in particular their public and parastatal agencies; partner countries; international organisations and regional organisations, including international and regional financial institutions; companies, firms, other private organisations and businesses, and other non-state actors; partner countries in receipt of funding, and other bodies eligible for funding.
- **Management:** the management of this instrument must meet the requirements of the protection of the Community's financial interests.
- **Evaluation:** the Commission shall regularly evaluate the actions and programmes financed under this Regulation. It will submit a report covering the first three years of the implementation not later than 31 December 2010. Amendments are to be proposed to this Regulation, if necessary.
- **Financial envelope:** the instrument is allocated a budget of EUR 172 million for the period 2007-2013.

**ENTRY INTO FORCE:** 31.12.2006. It shall apply from 1 January 2007 to 31 December 2013. As for the date of entry into force, [Regulation \(EC\) No 382/2001](#) concerning the implementation of projects promoting cooperation and commercial relations between the EU and the industrialised countries of North America, the Far East and Australasia as amended by Regulation (EC) No 1900/2005, shall be repealed.