



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 19 July 2012**

**12745/12**

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**Interinstitutional File:  
2011/0415 (COD)**

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**RELEX 707  
FIN 573  
DEVGEN 214  
ACP 142  
CODEC 1943  
CADREFIN 359  
COHOM 186  
COEST 266  
COLAT 37  
COMAG 82  
ASIE 84  
COASI 133  
COWEB 123  
ELARG 81  
ATO 113  
PE 364**

**NOTE**

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from:	General Secretariat
to:	Delegations
No. prev.doc.:	11059/12
Subject:	Proposals for external financing instruments under Heading 4 of the Multiannual Financial Framework 2014-2020 – Partial General Approach = Draft Regulation of the European Parliament and of the Council establishing common rules and procedures for the implementation of the Union's instruments for external action

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Delegations will find at annex the text of the above-mentioned partial general approach which was adopted by the Council (Foreign Affairs) on 25 June 2012.

**DRAFT**

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  
establishing common rules and procedures for the implementation of the Union's instruments  
for external action**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 209(1) and 212(2) thereof,

Having regard to the proposal from the Commission,

After transmission of the draft legislative act to the national Parliaments,

Acting in accordance with the ordinary legislative procedure,

Whereas:

**[The recitals have not been discussed]**

**New recital**

- x. On 14 May 2012, the Council adopted Conclusions on “The Future Approach to EU budget Support to third Countries”. In these conclusions, the Council stated its commitment to use budget support effectively to support poverty reduction and the use of country systems, make aid more predictable and strengthen partner countries’ ownership of development policies and reforms, in line with the European Consensus on Development, the Agenda for Change, as well as the international aid effectiveness agenda.

HAVE ADOPTED THIS REGULATION:

## **TITLE I**

### **IMPLEMENTATION**

#### *Article 1*

#### **Subject matter and principles**

1. This Regulation establishes the rules and conditions for providing the Union's financial assistance to actions, including action programmes and other measures, under the following Instruments: the Development Cooperation Instrument ('DCI'), the European Instrument for Democracy and Human Rights ('EIDHR'), the European Neighbourhood Instrument ('ENI'), the Instrument for Stability ('IfS'), the Instrument for Pre-accession Assistance ('IPA') and the Partnership Instrument ('PI'), hereinafter also referred to jointly as 'the Instruments' and singly as 'the applicable Instrument'.
2. The Commission shall ensure that actions are implemented in accordance with the objectives of the applicable Instrument, and in conformity with an effective protection of the financial interests of the Union. The financial assistance provided on the basis of the Instruments shall be consistent with the rules and procedures laid down in the Financial Regulation, which provides the basic financial and legal framework for their implementation.
3. In applying this Regulation, the Commission shall use the most effective and efficient implementation methods. Where possible and appropriate in light of the nature of the action, the Commission shall also favour the use of the most simple procedures.

## *Article 2*

### **Adoption of action programmes, individual measures and special measures**

1. The Commission shall adopt annual action programmes, where required based on the indicative programming documents referred to in the applicable Instrument. The Commission may also adopt multi-annual action programmes:
  - a) for a period of up to three years in the case of recurrent actions;
  - b) for the IPA in accordance with the provisions of Article 6(3) and (4).

Action Programmes shall specify for each action the objectives pursued, the expected results and main activities, methods of implementation, budget and indicative timetable, any associated support measures and performance monitoring arrangements.

When necessary, an action may be adopted as an individual measure before or after the adoption of annual or multi-annual action programmes.

In the event of unforeseen and duly justified needs or circumstances, and when they cannot be funded from more appropriate sources, the Commission may adopt special measures not provided for in the indicative programming documents, including to ease the transition from emergency aid to long-term development operations or measures to better prepare people to deal with recurring crises.

2. Action programmes, and individual and special measures provided for in paragraph 1 shall be adopted in accordance with the examination procedure referred to in Article 15(3).

- 2a. The procedure referred to in paragraph 2 shall not be required for:
- (i) individual measures for which the Union's financial assistance does not exceed EUR 5 million,
  - (ii) special measures for which the Union's financial assistance does not exceed EUR 10 million,
  - (iii) non-substantial amendments to annual action programmes, individual measures and special measures. Non-substantial amendments are technical adjustments such as extending the implementation period or reassigning funds within action programmes, individual and special measures by not more than 20 % of the initial budget but not exceeding EUR 10 million, provided these amendments do not substantially affect the objectives of the measure.

Measures adopted under this paragraph shall be communicated to the European Parliament and to the Member States through the relevant committee referred to in Article 15 within one month of their adoption.

- 2b. The provisions of paragraphs 1, 2 and 2a relating to action programmes and individual measures shall not apply to ENI cross border cooperation.
3. On duly justified imperative grounds of urgency, such as crises or immediate threats to democracy, the rule of law, human rights or fundamental freedoms, the Commission may adopt individual or special measures or amendments to existing action programmes and measures, in accordance with the procedure referred to in Article 15(4).

4. Appropriate environmental screening, including for climate change and biodiversity impacts, shall be undertaken at project level including where applicable environmental impact assessment (EIA) for environmentally sensitive projects, in particular for major new infrastructure. Where relevant, strategic environmental assessments (SEA) shall be used in the implementation of sectoral programmes. The involvement of interested stakeholders in environmental assessments and public access to the results shall be ensured.

### *Article 3*

#### **Support measures**

1. 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, as well as expenditure at Union delegations on the administrative support needed to manage operations financed under the Instruments.
2. Provided that the activities listed in points (a), (b) and (c) are related to the general objectives of the applicable Instrument implemented through the action, Union financing may cover:
  - (a) studies, meetings, information, awareness-raising, training, publication activities and any other administrative or technical assistance expenditure necessary for the management of the actions,
  - (b) research activities and studies on relevant issues and the dissemination thereof,
  - (c) expenditures related to the provision of information and communication actions, including corporate communication of the political priorities of the Union.
3. Support measures may be financed outside the scope of indicative programming documents. Where applicable, the Commission shall adopt support measures in accordance with the examination procedure referred to in Article 15(3).

## TITLE II

### Provisions on the financing methods

#### *Article 4*

#### *General financing provisions*

1. The Union's financial assistance may be provided, inter alia, through the following types of financing envisaged by the Financial Regulation:
  - (a) grants;
  - (b) procurement contracts for services, supplies or works;
  - (c) general or sector budget support.

EU Budget support is based on mutual accountability and shared commitments to universal values and aims at strengthening contractual partnerships between EU and partner countries in order to promote democracy, human rights and the rule of law, support sustainable economic growth and eradicate poverty.

Any decision to provide budget support shall be based on budget support policies agreed by the EU, a clear set of eligibility criteria and a careful assessment of the risks and benefits.

One of the key determinants of this decision shall be an assessment of the commitment, record and progress of partner countries with regard to democracy, human rights and the rule of law. Budget support shall be differentiated to better respond to the political, economic and social context of the partner country, taking into account situations of fragility;

- (d) [contributions to trust funds set up by the Commission;]<sup>1</sup>

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<sup>1</sup> Not part of the partial general approach - pending the outcome of negotiations on the Financial Regulation

- (e) financial instruments such as loans, guarantees, equity or quasi-equity, investments or participations, and risk-sharing instruments, whenever possible under the lead of the EIB, or a multilateral European financial institution such as the EBRD or a bilateral European financial institution, e.g. bilateral development banks, possibly pooled with additional grants from other sources.

Any actor implementing EU financial instruments referred to in (e) above shall fulfill the requirements of the financial regulation, and ensure the appropriate EU visibility and compliance with EU standards and policies.

The Union's financial assistance may also be provided, in accordance with the Financial Regulation, through contributions to international, regional or national funds, such as those established or managed by the European Investment Bank, Member States or by partner countries and regions or by international organisations, for attracting joint financing from a number of donors, or to funds set up by one or more donors for the purpose of the joint implementation of projects.

- 2. [For the implementation of financial instruments referred to in point (e) above and in accordance with Article 18(4) of the Financial Regulation, revenues and repayments generated by one financial instrument shall be assigned to the corresponding financial instrument as internal assigned revenue. For financial instruments set up during the Multi-annual Financial Framework 2007-2013, these revenues and repayments shall be assigned to the equivalent new financial instrument in the period 2014-2020.]<sup>2</sup>

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<sup>2</sup> Not part of the partial general approach - pending the outcome of negotiations on the Financial Regulation



3. The Union's financial assistance shall be implemented by the Commission as provided for by the Financial Regulation, directly by Commission departments, Union delegations and by executive agencies, by shared management with Member States or indirectly by entrusting budget-implementation tasks to the entities listed in the Financial Regulation. These entities shall ensure consistency with the EU's external policy and may entrust budget implementation tasks to other entities under conditions similar to those applying to the Commission.
4. The types of financing referred to in paragraph 1 and in Article 6(1), and the methods of implementation referred to in paragraph 3, shall be chosen on the basis of their ability to achieve the specific objectives of the actions and their ability to deliver results, taking into account, inter alia, the costs of controls, the administrative burden, and the expected risk of non-compliance. For grants, this shall include a consideration of the use of lump sums, flat rates and scales of unit costs.
5. Actions financed under the Instruments may be implemented with parallel or joint co-financing.

In the case of parallel co-financing, an action is split into a number of clearly identifiable components which are each financed by the different partners providing co-financing in such a way that the end-use of the financing can always be identified.

In the case of joint co-financing, the total cost of an action is shared between the partners providing the co-financing and the resources are pooled in such a way that it is no longer possible to identify the source of financing for any given activity undertaken as part of the action.

6. While having recourse to a type of financing referred to in paragraph 1 or Article 6(1), cooperation between the Union and its partners may take the form, inter alia, of:
- (a) triangular arrangements by which the Union coordinates with any third country its assistance to a partner country or region,
  - (b) administrative cooperation measures such as twinning between public institutions, local authorities, national public bodies or private law entities entrusted with public service tasks of a Member State and those of a partner country or region, as well as cooperation measures involving public-sector experts dispatched from the Member States and their regional and local authorities
  - (c) contributions to the costs necessary to set up and administer a public-private partnership,
  - (d) sector policy support programmes, by which the Union provides support to a partner country's sector programme
  - (e) in the case of the IPA and the ENI, contributions to the countries' participation in Union programmes and agencies,
  - (f) support under thematic programmes,
  - (g) interest rate subsidies.
7. The Commission shall take into account the specificities of local actors and their prominent role for the development policy of the Union when defining the modalities of financing, the type of contribution, the modalities of award and the administrative provisions for the management of grants. Specific modalities shall be encouraged in accordance with the Financial Regulation such as partnership agreements, authorisations of subgranting, direct award or eligibility-restricted calls for proposals or lump sums.

8. In implementing its support to transition and reform in partner countries the Union will draw on and share the experiences of Member States and lessons learned.

#### *Article 5*

#### **Taxes, duties and charges**

Union assistance shall not generate or activate the collection of specific taxes, duties or charges.

Where applicable, appropriate provisions shall be negotiated with third countries in order to exempt from taxes, custom duties and other fiscal charges the actions implementing Union's financial assistance. Otherwise, such taxes, duties and charges shall be eligible under the conditions laid down in the Financial Regulation.

#### *Article 6*

#### **Specific financing provisions**

1. In addition to the types of financing referred to in Article 4(1), the Union's financial assistance under the following Instruments may be provided in accordance with the Financial Regulation also through the following types of financing:
  - (a) under the DCI and under the ENI, debt relief, under internationally agreed debt relief programmes;
  - (b) under the DCI and under the IfS, in exceptional cases, sectoral and general import programmes, which may take the form of:
    - (i) sectoral import programmes in kind;
    - (ii) sectoral import programmes providing foreign exchange to finance imports for the sector in question; or
    - (iii) general import programmes providing foreign exchange to finance general imports of a wide range of products;

- (c) under the EIDHR direct award of:
- (i) low-value grants to human rights defenders to finance urgent protection actions;
  - (ii) grants to finance actions in the most difficult conditions or situations referred to in Article 2(4) of the EIDHR where the publication of a call for proposals would be inappropriate. Such grants shall not exceed EUR 2 000 000 and shall have a duration of up to 18 months, which may be extended by a further six months in the case of objective and unforeseen obstacles to their implementation.
  - (iii) grants to
    - the Office of the UN High Commissioner for Human Rights;
    - the European Inter-University Centre for Human Rights and Democratisation, providing a European Master's Degree in Human Rights and Democratisation and an EU-UN Fellowship Programme, and its associated network of universities delivering human rights post-graduate diplomas, fully accessible to nationals of third countries.
2. Under the IPA and the ENI, Cross Border Cooperation programmes shall in particular be implemented in shared management with Member States or in indirect management with third countries or international organisations. Detailed rules and in particular the rules for decommitment shall be laid down in implementing acts adopted on the basis of the IPA and of the ENI.
3. For actions under the IPA and the ENI extending over more than one year, budgetary commitments may be broken down over several years into annual instalments. Where multiannual commitments are made, they shall contain provisions indicating that, for years other than the initial commitment year, the commitments are indicative and dependent on the future annual budgets of the Union.
4. Under the IPA, multiannual programmes may be adopted for a period up to 4 years, and up to 7 years for cross border cooperation.

## *Article 7*

### **Protection of the financial interests of the Union**

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery or, where appropriate, the restitution of the amounts wrongly paid and, where appropriate, by effective, proportionate and dissuasive administrative and financial penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit and verification, on the basis of documents and on the spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds under the Regulation.
3. The European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract funded under the Programme.
4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and with international organisations, contracts, grant agreements and grant decisions, resulting from the implementation of this Regulation shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot checks and inspections, according to their respective competences.

## *Article 8*

### **Common rules**

1. Participation in the award of procurement contracts, grant and other award procedures for actions financed under this Regulation for the benefit of third parties shall be open to all natural persons who are nationals of, and legal persons which are effectively established in, an eligible country as defined for the applicable Instrument in the following Articles of this Title, and to International Organisations.
2. In the case of actions jointly co-financed with a partner or other donor or implemented through a Member State in shared management, countries which are eligible under the rules of that partner, other donor or Member State shall also be eligible.  
In the case of actions implemented through one of the entrusted bodies in indirect management within a category listed in points (ii) to (viii) of Article 55(1) (b) of the Financial Regulation, countries which are eligible under the rules of that body shall also be eligible.
3. In the case of actions financed by one of the Instruments and, in addition, by another instrument for external action, including the European Development Fund, the countries identified under any of these Instruments shall be considered eligible for the purpose of that action.  
In the case of actions of a global, regional or cross-border nature financed by one of the Instruments, natural and legal persons from countries, territories and regions covered by the action may participate in the procedures implementing such actions.

4. All supplies and goods purchased under a procurement contract, or in accordance with a grant agreement, financed under this Regulation shall originate from an eligible country. However, they may originate from any country when the use of the competitive negotiated procedure is allowed by the Financial Regulation. For the purposes of this Regulation, the term ‘origin’ is defined in section 1 of chapter 2 of Title II of Regulation EC 450/2008 laying down the Community Customs Code (Modernised Customs Code).<sup>3</sup>
5. The rules under this Title do not apply to, and do not create nationality restrictions for, natural persons employed or otherwise legally contracted by an eligible contractor or, where applicable, subcontractor.
6. Where the Financial Regulation provides for discretion in the choice of the contractor, priority shall be given where appropriate to local and regional procurement.
7. By way of derogation from all other rules, eligibility as defined in this Title may be restricted with regard to the nationality, localisation or nature of applicants, where required by the nature and the objectives of the action and as necessary for its effective implementation. Such restrictions may apply in particular to the participation in awarding procedures in the case of cross-border cooperation actions.<sup>4</sup>
8. Tenderers, applicants and candidates who have been awarded contracts shall respect applicable environmental legislation including multilateral environmental agreements as well as internationally agreed core labour standards

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<sup>3</sup> Agreement on this paragraph is provisional and Member States reserve their right to come back to the text once the Commission has tabled its proposal for the ENI Cross-Border Cooperation Implementing Rules.

<sup>4</sup> Agreement on this paragraph is provisional and Member States reserve their right to come back to the text once the Commission has tabled its proposal for the ENI Cross-Border Cooperation Implementing Rules.

**Eligibility for DCI, ENI and PI**

1. Tenderers, applicants and candidates from the following countries shall be eligible to funding under the DCI, the ENI and the PI:
  - (a) Member States, beneficiaries covered by the IPA, and members of the European Economic Area;
  - (b) for the ENI, partner countries covered by the ENI and the Russian Federation when the relevant procedure takes place in the context of the multi-country and cross-border co-operation programmes in which it participates;<sup>5</sup>
  - (c) developing countries and territories, as defined as defined by the Development Assistance Committee of the Organisation for Economic Cooperation and Development ('OECD-DAC'), which are not members of the G-20 Group, and overseas countries and territories covered by Council Decision (2001/822/EC of 27 November 2001);
  - (d) developing countries as defined by OECD-DAC, which are member of the G-20 Group, and other countries and territories, when they are beneficiaries of the action financed by the Union under the instruments covered by this Article;
  - (e) countries for which reciprocal access to external assistance is established by the Commission. Reciprocal access may be granted, for a limited period of at least one year, whenever a country grants eligibility on equal terms to entities from the Union and from countries eligible under the Instruments covered by this Article. The Commission shall decide on the reciprocal access and on its duration in accordance with the advisory procedure referred to in Article 15(2), and after consultation of the recipient country or countries concerned; and
  - (f) a Member State of the OECD-DAC, in the case of contracts implemented in a Least Developed Country, as defined by the OECD-DAC and Highly Indebted Poor Countries, as defined by the International Monetary Fund and the World Bank.

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<sup>5</sup> Agreement on this paragraph is provisional and Member States reserve their right to come back to the text once the Commission has tabled its proposal for the ENI Cross-Border Cooperation Implementing Rules.



2. Tenderers, applicants and candidates from non eligible countries or goods from non eligible origin may be accepted eligible by the Commission in the case of:
  - (a) countries having traditional economic, trade or geographical links with neighbouring beneficiary countries, or
  - (b) urgency or of unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of a project, a programme or an action impossible or exceedingly difficult.
3. For actions implemented in shared management, the relevant Member State to which the Commission has delegated implementation tasks is entitled to accept as eligible, on behalf of the Commission, tenderers, applicants and candidates from non eligible countries within the meaning of paragraph 2, or goods from non eligible origin within the meaning of Article 8(4).<sup>6</sup>

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<sup>6</sup> Agreement on this paragraph is provisional and Member States reserve their right to come back to the text once the Commission has tabled its proposal for the ENI Cross-Border Cooperation Implementing Rules.

*Article 10*  
**Eligibility for IPA**

1. Tenderers, applicants and candidates from the following countries shall be eligible for funding under the IPA:
  - (a) Member States, beneficiaries covered by the IPA, members of the European Economic Area and partner countries covered by ENI, and
  - (b) countries for which reciprocal access to external assistance is established by the Commission under the conditions laid down in Article 9(1)(e).
2. Tenderers, applicants and candidates from non eligible countries or goods from non eligible origin may be accepted eligible by the Commission in the case of urgency or of unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of a project, a programme or an action impossible or exceedingly difficult.
3. For actions implemented in shared management, the relevant Member State to which the Commission has delegated implementation tasks is entitled to accept as eligible, on behalf of the Commission, tenderers, applicants and candidates from non eligible countries within the meaning of paragraph 2, or goods from non eligible origin within the meaning of Article 8(4).

**Eligibility for IfS and EIDHR**

1. Without prejudice to the limitations inherent to the nature and the objectives of the action as provided for in Article 8(7), participation in the award of procurement contracts or grants, as well as the recruitment of experts, shall be open without limitations under the IfS and EIDHR.
2. Under the EIDHR the following bodies and actors shall be eligible for funding in accordance with Articles 4(1) and 6(1) (c):
  - (a) civil society organisations, including non-governmental non-profit organisations and independent political foundations, community based organisations and private sector non-profit agencies, institutions and organisations and networks thereof at local, national, regional and international level;
  - (b) public sector non profit-agencies, institutions and organisations and networks at local, national, regional and international level;
  - (c) national, regional and international parliamentary bodies, when this is necessary to achieve the objectives of the instrument and the proposed measure cannot be financed under another Union external assistance instrument;
  - (d) international and regional inter-governmental organisations;
  - (e) natural persons, entities without legal personality and, in exceptional and duly justified cases, other bodies or actors not identified in this paragraph, when this is necessary to achieve the objectives of the instrument.

## *Article 12*

### **Monitoring and evaluation of actions**

1. The Commission shall regularly monitor its actions and review progress made towards delivering expected results. The Commission will also conduct evaluations of the impact and effectiveness of its sectoral policies and actions, and the effectiveness of programming, where appropriate by means of independent external evaluations. Evaluations should be based on OECD-DAC good practice principles, seeking to ascertain whether the specific objectives, where applicable taking into account gender equality, have been met and to formulate recommendations with a view to improving future operations.
2. The Commission shall send its evaluation reports to the European Parliament and to the Member States through the relevant committee. The evaluation reports shall be discussed in the relevant Committee referred to in Article 15. The results shall feed back into programme design and resource allocation.
3. The Commission shall associate to an appropriate extent all relevant stakeholders in the evaluation phase of the Union assistance provided under this Regulation, and may, where appropriate, seek to undertake joint evaluations with EU Member States and development partners.
4. The report mentioned in Article 13 shall reflect the main lessons learned and the follow-up to the recommendations of the evaluations of the previous years.

## **TITLE IV**

### **OTHER COMMON PROVISIONS**

#### *Article 13*

##### **Annual report**

1. The Commission shall examine the progress made in implementing the measures of financial assistance taken in external action and shall submit to the European Parliament and to the Council a report every year starting in 2015 on the implementation and results and, as far as possible, on the main outcomes and impacts of the Union's financial assistance. This report shall also be submitted to the European Economic and Social Committee and to the Committee of the Regions.
2. The annual report shall contain information relating to the previous year on the measures financed, the results of monitoring and evaluation exercises, the involvement of the relevant partners, and the implementation of budgetary commitments and of payments appropriations broken down by country, region and cooperation sector. It shall assess the results of the Union's financial assistance, using as far as possible, specific and measurable indicators of its role in meeting the objectives of the Instruments.

#### *Article 14*

##### **Climate action and biodiversity expenditure**

An annual estimate of the overall spending related to climate action and biodiversity shall be made on the basis of the adopted indicative programming documents. The funding allocated in the context of the Instruments shall be subject to an annual tracking system based on the OECD methodology ('Rio markers'), without excluding the use of more precise methodologies where these are available, integrated into the existing methodology for performance management of EU programmes, to quantify the expenditure related to climate action and biodiversity at the level of the action programmes, individual and special measures referred to in Article 2(1), and recorded within evaluations and the annual report.

## ***FINAL PROVISIONS***

### *Article 15*

#### **Committees**

1. The Commission shall be assisted by the committees established by the Instruments.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
4. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 5 thereof, shall apply.

The adopted decision shall remain in force for the duration of the adopted or modified document, action programme or measure.

5. An observer from the European Investment Bank shall take part in the committee's proceedings with regard to questions concerning the Bank.

## *Article 16*

### **Mid-term and final review and evaluation of the Instruments**

1. No later than 31 December 2017, a report shall be established by the Commission on the achievement of the objectives of each of the Instruments by means of result and impact indicators measuring the efficiency of the use of resources and the European added value of the Instruments, in view of a decision on the renewal, modification or suspension of the types of actions implemented under the Instruments. The report shall, in addition, address the scope for simplification, internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities for smart, sustainable and inclusive growth. It shall take into account any findings and conclusions on the long-term impact of the Instruments.  
A final evaluation report shall be established by the Commission no later than 2021.
2. This report shall be submitted to the European Parliament and to the Council, and shall be accompanied if appropriate, by legislative proposals introducing the necessary modifications to the Instruments. Any programming or reviews of programmes taking place after the publication of the report shall take into account the results, findings and conclusions of it.
3. The values of the indicators on 1 January 2014 shall be used as a basis for assessing the extent to which the objectives have been achieved.
4. Partner countries shall be required by the Commission to provide all the data and information necessary, in line with the international commitments on aid effectiveness, to permit the monitoring and evaluation of the concerned measures.
5. The longer-term outcomes and impacts and the sustainability of effects of the Instruments shall be evaluated in accordance with the monitoring, evaluation and reporting rules and procedures applicable at that time.

*Article 17*

**Entry into force**

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

It shall apply from 1 January 2014 until 31 December 2020.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*