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INFORMATION NOTE

from: General Secretariat
to: Permanent Representatives Committee/Council
Subject: Proposal for a Regulation of the European Parliament and of the Council
establishing a European Neighbourhood Instrument
- Outcome of the European Parliament's first reading
(Strasbourg, 9 to 12 December 2013)

I. INTRODUCTION

In accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure ¹, a number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this dossier at first reading, thereby avoiding the need for second reading and conciliation.

¹ OJ C 145, 30.6.2007, p. 5.

In this context, the rapporteur, Mr. Eduard KUKAN (EPP, SK), presented a report on behalf of the Committee on Foreign Affairs, containing one compromise amendment (amendment 1) to the proposal for Regulation. This amendment had been agreed during the informal contacts referred to above. No other amendments were tabled.

The proposal is part of the package on External Financing Instruments together with six other proposals for Regulations that were all on the agenda of this plenary sitting: Common Implementing Rules (CIR), Instrument for Stability (IfS), Instrument for Pre-Accession Assistance (IPA II), Partnership Instrument for co-operation with third countries (PI), Instrument for Democracy and Human Rights (EIDHR) and Instrument for Development co-operation (DCI)¹.

II. VOTE

When it voted on 11 December 2013, the plenary adopted the single compromise amendment (amendment 1) to the proposal for a Regulation.

The Commission's proposal as thus amended and the legislative resolution constitute the European Parliament's position at first reading. It reflects what had been previously agreed between the three institutions. The Council should therefore be in a position to approve the position of the European Parliament, once the Legal/Linguistic Experts have examined the text. The legislative act would then be adopted in the wording which corresponds to the position of the Parliament at first reading.

The text of the amendment adopted and the European Parliament's legislative resolution are set out in the Annex. The amendment is presented in the form of a consolidated text, where changes to the Commission's proposal are highlighted in *bold and italics*. The symbol "■" indicates deleted text.

¹ Documents 17508/13, 17512/13, 17520/13, 17525/13, 17631/13 and 17632/13.

European Neighbourhood Instrument ***I

European Parliament legislative resolution of 11 December 2013 on the proposal for a regulation of the European Parliament and of the Council establishing a European Neighbourhood Instrument (COM(2011)0839 – C7-0492/2011 – 2011/0405(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0839),
 - having regard to Article 294(2) and Articles 209(1) and 212(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0492/2011),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 14 November 2012¹,
 - having regard to the opinion of the Committee of the Regions of 9 October 2012²,
 - having regard to the undertaking given by the Council representative by letter of 4 December 2013 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Foreign Affairs and the opinions of the Committee on Development, the Committee on International Trade, the Committee on Budgets, the Committee on Employment and Social Affairs, the Committee on Industry, Research and Energy, the Committee on Regional Development, the Committee on Culture and Education and the Committee on Women's Rights and Gender Equality (A7-0449/2013),
1. Adopts its position at first reading hereinafter set out;
 2. Approves the statement by Parliament annexed to this resolution;
 3. Takes note of the Commission declarations annexed to this resolution;
 4. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 5. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 11, 15.1.2013, p. 77.

² OJ C 391, 18.12.2012, p. 110.

Position of the European Parliament adopted at first reading on 11 December 2013 with a view to the adoption of Regulation (EU) No .../2014 of the European Parliament and of the Council establishing a European Neighbourhood Instrument*

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 Article 209 (1) and 212 (2) thereof,

Having regard to the proposal from the European Commission,

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

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

* TEXT HAS NOT YET UNDERGONE LEGAL-LINGUISTIC FINALISATION.

¹ OJ C 11, 15.1.2013, p. 77.

² OJ C 391, 18.12.2012, 110.

³ Position of the European Parliament of 11 December 2013.

Whereas:

- (1) This Regulation ***should establish the European Neighbourhood Instrument (ENI)*** as one of the instruments providing direct support for the European Union's external policies. It will replace the Regulation ***(EC) No 1638/2006*** of the European Parliament and of the Council¹ which expires on 31 December 2013.
 - (2) Article 8 of the Treaty on European Union provides for the development of a special relationship with neighbouring countries, with the aim of establishing an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation.
- █
- (4) Since it was launched, the European Neighbourhood Policy has █ strengthened relations with partner countries and brought tangible benefits to both the Union and its partners, ***including the launch of regional initiatives and support to democratisation in the region. A number of major developments in the European Neighbourhood has triggered a revised vision of the European Neighbourhood Policy (ENP) set out in 2011 as a result of a comprehensive Strategic Review. It provides inter alia for greater support to partners committed to building democratic societies and undertaking reforms in line with the "more for more" and "mutual accountability" principles, partnership with societies and a more differentiated and tailor-made approach towards the individual partner countries. This regulation establishes clear links between the European Neighbourhood Policy framework and the support to be provided under the instrument established by this Regulation.***

¹ ***Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (OJ L 310, 9.11.2006).***

- (5) Under the European Neighbourhood Policy, the Union offers European Neighbourhood countries a privileged relationship, building upon a mutual commitment to and promotion of the values of democracy and human rights, the rule of law, good governance and the principles of market economy, and sustainable *and inclusive* development. ***It further provides, where appropriate, a framework for enhanced mobility and people-to-people contacts, particularly through visa facilitation and readmission agreements, and, on case-by-case basis, through visa liberalisation.***
- (6) ***The ENI supports the implementation of political initiatives that have contributed to shape the European Neighbourhood Policy: the Eastern Partnership between the Union and its Eastern neighbours, the Partnership for Democracy and Shared Prosperity and the Union for the Mediterranean in the Southern Neighbourhood.*** These initiatives are ***all strategically important and offer equally*** meaningful political frameworks for deepening relations with and among partner countries, based on principles of ***mutual accountability***, shared ownership and responsibility.
- (6a) ***The objectives of this Regulation should be pursued with an appropriate involvement of external action partners, including civil society organisations and local authorities, in preparing, implementing and monitoring Union support, given the importance of their roles. The ENI should also support the strengthening of the capacity of civil society organisations to guarantee effective domestic accountability and local ownership, and to be full actors in the democratisation processes.***
- (6b) ***The ENI also supports the implementation of regional cooperation throughout the neighbourhood, inter alia in the framework of the Northern Dimension policy or the Black Sea Synergy, as well as, primarily in the case of Cross-Border Cooperation, the external aspects of relevant macro-regional strategies.***

- (6c) ***This Regulation acknowledges the specific status of the Russian Federation as both a Union neighbour and a strategic partner in the region.***
- (8) Support under ***both*** the ENI and the European Regional Development Fund should be provided for the Cross-Border Cooperation programmes ***between on the one hand Member States and on the other hand partner countries and/or the Russian Federation ("other Cross-Border Cooperation participating countries")*** along the external borders of the Union ■ to promote integrated and sustainable regional development ***and cooperation*** between neighbouring border ***areas*** and harmonious territorial integration across the Union and with neighbouring countries. ***To secure efficient implementation of Cross-Border Cooperation it is important to harmonise procedures with the European Territorial Cooperation, where applicable.***
- (9) Furthermore, it is important to foster and facilitate cooperation for the common benefit of the Union and its partners, ***and other participating countries***, notably through ***the best and most effective coordination of resources provided and the pooling of contributions from internal and external instruments of the Union budget, in particular for the benefit of Cross-Border Cooperation and regional co-operation projects***, infrastructure projects of Union interest ***involving neighbouring countries***, and other areas of cooperation.
- (10) ***Territorial units along the borders ■ that belong to countries of the European Economic Area (EEA) and the ■ relevant ■ territorial units in the beneficiaries listed in Annex I to the Instrument for Pre-accession Assistance can also participate in Cross-Border Cooperation.*** Participation of the European Economic Area countries in the ***Cross-Border Cooperation*** programmes should continue to be based on their own resources.

- (11) It is expected that the Member States, *partner countries* and *other participating countries* taking part in Cross -Border *Cooperation and in regional cooperation* will provide co-financing. This will strengthen country ownership, increase the financial resources at the disposal of the programmes and facilitate the participation of local *stakeholders*.

(11a) *For the purpose of harmonising the terminology used in this Regulation with that of the European Territorial Co-operation, the implementation documents for the Cross-Border Cooperation programmes should be called joint operational programmes.*

- (13) Support to be provided to neighbouring developing countries within the framework established by the European Neighbourhood Policy should be coherent with the objectives and principles of the Union's external policies and in particular its development, **and the Union's Common Foreign and Security Policy. Coherence with the external dimensions of Union's internal policies and instruments should also be ensured.**

(13a) *The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. This should be achieved through coherence and complementarity between the Instruments for external action, as well as the creation of synergies between the ENI, other Instruments for external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under those Instruments.*

- (14) The Joint EU – Africa Strategy is of relevance for relations with the Mediterranean neighbours from North Africa.

- (15) The Union and its Member States should improve the coherence, *effectiveness* and complementarity of their respective policies on cooperation with neighbouring countries. To ensure that the Union's cooperation and that of the Member States complement and reinforce each other, it is appropriate to provide for joint programming which should be implemented whenever possible and relevant, *while proper cooperation and coordination with other non-Union donors should also be ensured.*
- (16) Union support under this Regulation should in principle be aligned to corresponding national or local strategies and measures of partner countries *and, where relevant, also to those of the Russian Federation.*
- (17) In European Neighbourhood countries where alignment to Union rules and standards is one of the key policy objectives, the Union is best placed to deliver this support. Certain specific support can only be provided at Union level. *Member States' transition experience can also contribute to the success of reforms in European Neighbourhood countries and to promoting universal values in the European Neighbourhood.*
- (18) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States *but can rather*, by reason of the scale of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty *on European Union*. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

- (19) ■ The Commission must ■ seek the most efficient use of available resources by using financial instruments with leverage effect. Such effect could be increased by enabling the use and re-use of funds invested and generated by financial instruments.
- (20) Fighting climate change is one of the great challenges which the Union faces and urgent international action is needed. In accordance with the intent stated in the Commission June 2011 MFF Communication of increasing the climate related proportion of the Union budget to at least 20%, this Regulation should contribute to that goal.
- (20a) *A stable framework of cooperation with neighbouring countries in the area of energy and resources, consistent with the Union's internal market rules, contributes to enhancing the Union's security in that area.*
- (21) Gender equality, *the rights of persons belonging to minorities and the fight against discrimination* ■ *and inequalities are* cross-cutting *objectives* in all actions undertaken under this Regulation.
- (22) *In relations with its partners worldwide, the* Union is committed to promote decent work, *social justice*, as well as ratification and effective implementation of the internationally recognised labour standards, *including the eradication of child labour*, and multilateral *environmental* agreements ■ .
- (22a) *This act lays down a financial envelope for the entire duration of the ENI which is to constitute the prime reference amount, within the meaning of Point 17 of the Interinstitutional Agreement of ... 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, for the European Parliament and the Council during the annual budgetary procedure.*

- (23) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties. These measures *should* be carried out in accordance with the applicable agreements concluded with international organisations and third countries.

- (25) In order **to adapt Union support**, 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 **amending the content of the Annex II** to this Regulation. *It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should further ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.*
- (26) Regulation (EU) No .../... of the European Parliament and of the Council of (hereinafter "the Common Implementing Regulation") establishes common rules and procedures for the implementation of the Union's instruments for external action.
- (27) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.
- (28) The implementing powers relating to Article 7 (1), (2), and (3), to Article 9(1) *and to Article 12(1)* should be exercised in accordance with Regulation (EU) No 182/2011¹.

¹ *Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).*

- (28a) *The examination procedure should in principle be used for the adoption of implementing acts*, taking into account the nature of those implementing acts, in particular their policy orientation nature or their financial implications, except for measures of a small financial scale.
- (29) The organisation and functioning of the European External Action Service (*EEAS*) is *established* in Council Decision 2010/427/EU¹
- (29a) *It is appropriate to align the duration of this Regulation with the Council Regulation laying down the multiannual financial framework for the years 2014-2020. Therefore, this Regulation should apply as from 1 January 2014.*

HAVE ADOPTED THIS REGULATION:

¹ *Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).*

TITLE I

OBJECTIVES AND PRINCIPLES

Article 1

Overall objective and scope

1. **This Regulation establishes a European Neighbourhood Instrument (ENI) with a view to advancing further towards an area of *shared* prosperity and good neighbourliness involving the Union and the countries and territories listed in the Annex to this Regulation ("the partner countries") by developing a special relationship *founded on cooperation, peace and security, mutual accountability and shared commitment to universal values of democracy, the rule of law and respect for human rights in accordance with the Treaty on European Union.***
2. Union support under this Regulation shall be used for the benefit of partner countries and *the areas involved in the Cross-Border Cooperation. It* can also be used for the common benefit of *the Union* and partner countries.
3. Union funding may also be used for the purpose of enabling the Russian Federation to participate in Cross-Border Cooperation and in *regional cooperation with Union participation and in* relevant multi-country programmes, ***including in cooperation on education, in particular student exchanges.***

- 3a. *The Union promotes, develops and consolidates the values of liberty, democracy, universality and indivisibility of, and respect for, human rights and fundamental freedoms, and the principles of equality and the rule of law, on which it is founded, through dialogue and cooperation with third countries and in compliance with principles of international law. Accordingly, funding under this Regulation shall comply with these values and principles, as well as with the Union's commitments under international law, taking into account relevant Union policies and positions.*

Article 2

Specific objectives of Union's support

1. Support under this Regulation shall ***focus on promoting*** enhanced political cooperation, ***deep and sustainable democracy, progressive economic integration and a strengthened partnership with societies*** between the Union and the partner countries and, in particular, the implementation of partnership and cooperation agreements, association agreements or other existing and future agreements, and jointly agreed action plans ***or equivalent documents***.
2. Union support ***shall*** target in particular:
 - (a) promoting human rights and fundamental freedoms, the rule of law, principles of equality ***and fight against discrimination in all its forms***, establishing deep and sustainable democracy, promoting good governance, ***fight against corruption, strengthening institutional capacity at all levels*** and developing a thriving civil society including social partners;
 - (b) achieving progressive integration into the Union internal market and enhanced sector and cross-sectoral ***cooperation*** including through legislative approximation and regulatory convergence towards Union and other relevant international standards ***and improved market access including through deep and comprehensive free trade areas***, related institution building and investments, notably in interconnections;

- (c) creating conditions for *the better organisation of legal migration and the fostering of* well managed mobility of people, *for the implementation of existing or future agreements concluded in line with the Global Approach to Migration and Mobility, and for* promotion of people-to-people contacts, *in particular in relation to cultural, educational, professional and sporting activities;*
- (d) *supporting smart*, sustainable and inclusive development in all aspects; poverty reduction, including through private-sector development *and reduction of social exclusion; promotion of capacity building in science, education and in particular higher education, technology, research and innovation;* promotion of internal economic, social and territorial cohesion; rural development; *public health; environmental protection*, climate action and disaster resilience;
- (e) promoting confidence building, *good neighbourly relations* and other measures contributing to security *in all forms* and the prevention and settlement of conflicts, *including protracted conflicts;*
- (f) enhancing sub-regional, regional and Neighbourhood wide collaboration as well as Cross-Border Cooperation.

3. The achievement of *those specific* objectives shall be measured using notably the relevant *Union* periodic reports on the implementation of the policy, and for paragraphs 2(a), (d) and (e), the relevant indicators established by international organisations and other relevant bodies; for paragraphs 2(b), (c) and (d) *the extent of* the uptake of the *Union* regulatory framework by the partner countries as relevant; for paragraphs 2(c) and (f), the number of relevant agreements and cooperation actions. The indicators will *be predefined, clear, transparent and, where appropriate, country specific and measurable, and will* include, among others, adequately monitored democratic elections, *respect for human rights and fundamental freedoms, independent judiciary, cooperation on justice, freedom and security issues*, level of corruption, trade flows, *gender equality and* indicators enabling measuring internal economic disparities, including employment levels.

4. Union support may also be used in other *relevant* areas when this is consistent with the overall objectives of the European Neighbourhood Policy.

Article 3
Policy framework

1. The partnership and cooperation agreements, the association agreements and other existing or future agreements that establish a relationship with partner countries, corresponding Communications, *European Council conclusions, and Council conclusions* ■ as well as relevant *summit declarations or* conclusions of ministerial meetings with the partner countries *of the European Neighbourhood Policy including in the context of the Eastern Partnership and the Union for the Mediterranean and also relevant European Parliament resolutions, shall, while respecting the principle of ownership,* constitute the overall policy framework ■ of this Regulation *for programming and implementing Union support under this Regulation.*
2. ■ *Action* plans or other equivalent *jointly agreed* documents *such as the association agendas* between the partner countries and the Union *in bilateral and multilateral formats, including as relevant within the Eastern Partnership and the Southern dimension of the European Neighbourhood Policy,* shall provide the key point of reference for setting the priorities for Union support *and for the assessment of progress outlined in Article 2(3).*
3. Where no agreements, as mentioned in paragraph 1, between the Union and partner countries exist, Union support may be provided when it proves useful to pursue Union policy objectives, and shall be programmed on the basis of such objectives taking into account the needs of the country concerned.

Article 4
Differentiation, partnership and co-financing

1. Union support provided *to each partner country* under *Article 6(1) (a)* shall be *incentive-based and differentiated in form and amounts*, *taking into account all the elements listed below, reflecting the partner country's*:
- a) *needs, using indicators such as population and level of development;*
 - b) *commitment to and progress in implementing commonly agreed political, economic and social reform objectives;*
 - c) *commitment to and progress in building deep and sustainable democracy;*
 - d) *partnership with the Union, including the level of ambition for that partnership;*
 - e) *absorption capacity and the potential impact of Union support.*

This support shall be reflected in the multi-annual programming documents specified in Article 7 of this Regulation.

- 1a. *Following the adoption of the programming documents specified in Article 7 of this Regulation, and without prejudice to the other elements outlined in paragraph 1 of this Article, the share of available resources offered to partner countries shall be adapted primarily according to their progress in building and consolidating deep and sustainable democracy and in implementing agreed political, economic and social reform objectives, in line with the incentive-based approach.*

For multi-country umbrella programmes, that share shall be determined according to the progress made by partner countries in building deep and sustainable democracy, also taking into account their progress in implementing agreed reform objectives contributing to that goal.

Partner countries' progress shall be regularly assessed, notably by means of European Neighbourhood Policy progress reports which include trends as compared to previous years.

Support may be reconsidered in the event of serious or persistent regression.

1b. *The incentive-based approach shall not apply to support to civil society, people-to-people contacts, including cooperation between local authorities, support for the improvement of human rights, or crisis-related support measures. In the event of serious or persistent regression, such support may be increased.*

1c. *The incentive-based approach under this Regulation will be the subject of regular exchanges of views in the Council and in the European Parliament.*

2. Union support under this Regulation shall, in principle, be established in partnership with the beneficiaries. That partnership shall involve as appropriate, **■** *the following* stakeholders **■** in preparing, implementing and monitoring Union support :

i) national and local authorities;

(ii) civil society organisations;

including through consultation and timely access to relevant information allowing them to play a meaningful role in that process.

3. Union support under this Regulation shall in principle be co-financed by the partner **countries and other participating** countries through public funds, contributions from the beneficiaries or other sources. **■** Co-financing requirements may be waived in duly justified cases and when this is necessary to support the development of civil society and non-state actors, *especially small-scale civil society organisations*, without prejudice to compliance with the other conditions set out in the Financial Regulation.

Article 5
Coherence and Donor Coordination

1. In implementing this Regulation, coherence shall be ensured with **all** areas of the Union external action as well as other relevant Union policies. To this end, measures financed under this Regulation, including those managed by the European Investment Bank (EIB), shall be based on the cooperation policy documents described in Article 3(1) and (2) as well as on the Union's specific interests, policy priorities and strategies. Such measures shall respect the commitments under multilateral agreements and international conventions to which the Union and partner countries are parties.
2. The **Union**, the Member States and the EIB shall ensure coherence between support provided under this Regulation and other support provided by the Union, the Member States and **the** European **financial institutions**.
3. The Union and the Member States shall coordinate their respective support programmes with the aim of increasing effectiveness and efficiency in the delivery of support and policy dialogue **and preventing overlapping of funding** in line with the established principles for strengthening operational coordination in the field of external support, and for harmonising policies and procedures. Coordination shall involve regular consultations and frequent exchanges of relevant information during the different phases of the support cycle, in particular at field level. **Joint programming shall be implemented whenever possible and relevant. When this can not be achieved, other arrangements, such as delegated cooperation and/or transfer arrangements, shall be considered to ensure the highest degree of coordination. The Commission shall report on joint programming with Member States within the report referred to in Article 16 of Regulation EU No .../... of the European Parliament and of the Council¹*, and shall include recommendations in cases, where joint programming was not fully achieved.**

¹ **Regulation (EU) .../... of the European Parliament and of the Council of ... establishing common rules and procedures for the implementation of the Union's instruments for external action (OJ L ...).**

* **OJ: please insert the number in the text as well as the date and the OJ publication reference in the footnote of the Regulation in document 2011/0415 (COD).**

4. The Union shall, in liaison with the Member States, take the necessary steps, ***including consultations at an early stage of the programming process***, to ensure ***complementarity***, proper coordination and cooperation with multilateral and regional organisations and entities, including European financial institutions, international financial institutions, United Nations agencies, funds and programmes, private and political foundations and non- ■ Union donors.
- 4a. ***The documents referred to in Article 7(1) and (2) shall also, to the extent possible, refer to the activities of other Union donors.***

TITLE II

INDICATIVE PROGRAMMING AND ALLOCATION OF FUNDS

Article 6 Type of programmes

1. Union support under this Regulation shall be programmed through:
 - (a) bilateral programmes covering support to one partner country;
 - (b) multi-country programmes which address challenges common to all or a number of partner countries, ***based on priorities of the Eastern Partnership and Southern Dimension of the European Neighbourhood Policy and taking into account the work carried out in the context of the Union for the Mediterranean***, and regional and sub-regional cooperation, ***primarily*** between two or more partner countries, ***including also in the framework of the Northern Dimension and Black Sea Synergy. This may involve the Russian Federation in accordance with Article 1(3)***;
 - (c) Cross-Border Cooperation programmes addressing cooperation between one or more Member States on the one hand and one or more partner countries and/or the Russian Federation ("***other Cross-Border Cooperation participating countries***") on the other hand taking place along their shared part of the external border of the **Union**.

Priorities for Union support are set out in Annex II.

2. Union support under this Regulation shall be implemented in accordance with Regulation (EU) No .../... * ***and for the programmes referred to in the Article 6 (1)(c) of this Regulation also in accordance with the ENI Cross-Border Cooperation Implementing Rules.***

* ***OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).***

Article 7
Programming and indicative allocation of funds
for country and multi country indicative programmes

-1a. *Indicative financial allocations for country programmes shall be determined on the basis of criteria set out in Article 4(1).*

1. For countries ***for which*** documents referred to in Article 3(2) ***of this Regulation*** exist, a comprehensive multi-annual Single Support Framework shall be adopted in accordance with the examination procedure referred to in Article 15(3) of Regulation (EU) No. ... *. The Single Support Framework shall

- (i) review the progress made in relation to the policy framework and ***the achievement of previously agreed objectives and take stock of the state of play as regards the relations between the Union and the partner country, including the level of ambition for the partner country's partnership with the Union;***
- (ii) ***set out the objectives and*** ■ ***priorities of the support*** ■ , mainly selected from those included in the documents referred to in Article 3(2) ***of this Regulation*** and in partner countries' strategies or plans ***where this is consistent with the overall policy framework***, and for which the Union's regular assessment has shown the need for support;
- (iii) ***indicate expected results; and***
- (iv) ■ ***set out*** ■ ***the indicative level of funding broken down by priority.***

Indicative financial allocations for each Single Support Framework will be given in the form of a range of not more than 20%.

The duration of the Single Support Framework shall ***in principle*** correspond to the duration of the relevant document referred to in Article 3(2) ***of this Regulation***.

* ***OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).***

2. For countries *for which* documents referred to in Article 3(2) do not exist, a comprehensive programming document including a *strategy* and *multi*-annual indicative programme shall be adopted in accordance with the examination procedure referred to in Article 15(3) of Regulation (EU) No. ... *. It shall:

- (i) define a Union response strategy on the basis *of* an analysis of *the* situation of the country concerned, **█** of its relations with the Union, *and of* the partner *countries'* strategies or plans *where this is consistent with the overall policy framework*;
- (ii) *set out the objectives and* **█** priorities for Union support;
- (iii) *indicate expected results*; and
- (iv) *set out the* indicative level of funding broken down by priority.

Accompanying indicative financial allocations will be given in the form of a range of not more than 20%. The programming document shall have an appropriate multi-annual duration.

3. For multi-country programmes, a comprehensive programming document including a *strategy* and a *multi*-annual indicative programme shall be adopted in accordance with the examination procedure referred to in Article 15(3) of Regulation (EU) No. ... *. It shall :

- (i) define *the objectives and* **█** priorities for Union support towards the region or the sub-region, *reflecting where applicable the priorities decided upon within the framework of the Eastern Partnership or the Union for the Mediterranean*;
- (ii) *indicate expected results*; and
- (iii) *set out* the indicative level of funding broken down by priority.

* *OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).*

* *OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).*

It shall have an appropriate multi-annual duration.

Indicative financial allocations for multi-country programmes shall be determined on the basis of transparent and objective criteria.

4. The Single Support Framework documents referred to in paragraph ***1 of this Article*** shall be reviewed when necessary, ***including in the light of the relevant Union periodic reports and taking account of the work of the joint bodies established under the agreements with partner countries***, and may be revised in accordance with the examination procedure referred to in Article 15(3) of Regulation (EU) No. ... *. The programming documents referred to in paragraphs ***2 and 3 of this Article*** shall be reviewed at their mid-term or whenever necessary and may be revised in accordance with the same procedure.

4a. To facilitate the implementation of the incentive-based approach referred to in Article 4(1a), in the range of 10% of the ENI budget will be allocated to multi-country umbrella programmes that will supplement the country financial allocations referred to in Article 7(1) and (2). The relevant Commission decisions establishing these umbrella programmes will specify the countries that may receive allocations, with the actual allocations to be decided on the basis of progress towards deep and sustainable democracy and implementation of agreed reform objectives contributing to that goal.

6. When it is necessary to implement more effectively measures for the common benefit of the Union and partner countries, in areas such as transnational ***cooperation*** and inter-connections, funding under this Regulation can be pooled together with funding covered by other relevant Union Regulations establishing financial instruments. In this case, the Commission shall decide which single set of rules ***shall*** apply to implementation.

* ***OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).***

7. **Member States shall be involved in the programming process, in accordance with Article 15(3) of Regulation (EU) No. ... *.** Those Member States and other donors that have committed to jointly programme their support with the **Union** shall be **particularly closely** involved **■**. The programming documents may also cover their contribution as appropriate.
8. **Where** Member States and other donors have committed to jointly programme their support, a joint multi-annual programming document may replace the Single Support Framework referred to in paragraph **1** and the programming documents referred to in paragraphs **■ 2 and 3**, on condition that it meets the requirements set out in these provisions.
9. In the event of crises or threats to democracy, the rule of law, human rights and fundamental freedoms, or of natural or man-made disasters, an *ad hoc* review of the programming documents may be conducted. Such emergency review shall ensure that coherence between **Union policies**, Union support provided under this Regulation and support provided under other Union financial instruments is maintained. An emergency review may lead to the adoption of revised programming documents. Where this is the case, the Commission shall send the revised programming documents to the European Parliament and to the Council for information **no later than** within one month of their adoption.
10. **Any programming or reviews of programmes taking place after the publication of the Mid-term report referred to in Article 16 of Regulation (EU) No. ... * shall take into account the results, findings and conclusions of it.**

* **OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).**

* **OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).**

TITLE III

CROSS-BORDER COOPERATION

Article 8 Geographical eligibility

1. The Cross-Border Cooperation programmes referred to in Article 6(1)(c) can be established:
 - (a) for land borders, covering the territorial units corresponding to *Nomenclature of territorial units for statistics (NUTS)* level 3 or equivalent along the land borders between Member States and *the other Cross-Border Cooperation participating countries without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation action, and in line with the provisions of Article 9(4)*;
 - (b) for maritime borders, covering the territorial units corresponding to NUTS level 3 or equivalent along maritime borders between Member States and *the other Cross-Border Cooperation participating countries* ■ , separated by a maximum of 150 km, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation action;

- (c) around a sea basin, covering the coastal territorial units corresponding to NUTS level 2 or equivalent facing a sea basin common to Member States and ***the other Cross-Border Cooperation participating countries*** ■ .
2. In order to ensure the continuation of existing cooperation schemes and in other justified cases, ***and with a view to contribute to the programme's objectives***, territorial units adjoining to those referred to in paragraph 1 may be allowed to participate in Cross-Border Cooperation. ***The conditions under which adjoining territorial units may participate in cooperation will be laid down in the Joint Operational Programmes.***
3. In duly justified cases, major social, economic or cultural centres ***in the Member States or in other Cross-Border Cooperation participating countries*** that are not adjoining to eligible territorial units may be included on condition that such participation contributes to the objectives laid down in the programming document. ***The conditions under which such centres may participate in cooperation will be laid down in the Joint Operational Programmes.***
4. When programmes are established pursuant to paragraph 1(b), the Commission may, in agreement with the ***participants***, propose that the geographical eligibility be extended to the whole NUTS level 2 territorial unit in whose area the NUTS level 3 territorial unit is located.
- 4a. Cross-Border Cooperation shall aim to be coherent with the objectives of existing and future macro-regional strategies.***

Article 9
Programming and allocation of funds for Cross-Border Cooperation

1. A programming document shall be prepared for the purpose of defining the:
 - (a) strategic objectives to be pursued by Cross-Border Cooperation, ***and the priorities and expected results of that cooperation***;
 - (b) list of the joint operational programmes to be established;
 - (c) indicative breakdown of resources between land and maritime border programmes referred to in Article 8(1)(a) and (b) and sea basin programmes referred to in Article 8(1)(c);
 - (d) indicative multi-annual allocations to each joint operational programme;
 - (e) territorial units eligible to participate in each joint operational programme, and the ***territorial units*** and centres indicated in Article 8(2), 8(3) and 8(4);
 - (f) indicative allocation to support, as appropriate, horizontal capacity building actions, networking and exchange of experiences among programmes;

- (g) contributions to the transnational programmes established under Regulation (EU) No ... of the European Parliament and the Council^{1*}, *in* which partner countries and/or the Russian Federation participate.

The programming document shall cover a period of seven years and shall be adopted by the Commission in accordance with the examination procedure referred to in Article 15(3) of Regulation (EU) No. ... **. It shall be reviewed at mid-term or whenever necessary and may be revised in accordance with the same procedure referred to in that Article *of that Regulation*.

2. The joint operational programmes shall be co-financed by the European Regional Development Fund. The overall amount of the contribution from the European Regional Development Fund shall be determined pursuant to Article 4(4) of Regulation (EU) No... **. The provisions of this Regulation shall apply to the use of this contribution.
3. The Instrument for Pre-Accession may co-finance joint operational programmes to which *beneficiaries listed in Annex I to that Instrument* participate. The provisions of this Regulation shall apply to the use of this co-financing.
4. The indicative allocations of funds to the joint operational programmes shall be based **█** on *objective criteria, in particular* the population of the eligible *territorial units as defined in Article 8 (1) (a), (b) and (c)*. When determining the indicative allocations, adjustments may be made to reflect the need for a balance between the contributions from the European Regional Development Fund and the contributions provided under the budget of this Instrument as well as other factors affecting the intensity of cooperation, such as the specific characteristics of border areas and their capacity to manage and absorb Union support.

¹ *Regulation (EU) No .../2013 of the European Parliament and of the Council of ... on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal (OJ L ...).*

* *OJ: please insert the number in the text as well as the date and the OJ publication reference in the footnote of the Regulation in document PE-CONS 81/13.*

** *OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).*

*** *OJ: please insert the number in the text of the Regulation in document PE-CONS 81/13.*

Article 10
Joint operational programmes

1. Cross-Border Cooperation shall be implemented through multi-annual joint operational programmes covering cooperation for a border or a group of borders and comprising multi-annual measures that pursue a consistent set of priorities and that may be implemented with Union support. Joint operational programmes shall be based on the programming document referred to in Article 9. They shall include a summary description of the management and control systems covering the elements referred to in Articles 11(2) and **Article 12 (2)**.
2. Joint operational programmes for land and maritime borders shall be established for each border at the appropriate territorial level and shall include eligible territorial units belonging to one or more Member States and one or more ***other Cross-Border Cooperation participating*** countries **■** .
3. Joint operational programmes ***around*** sea basins shall be multilateral, established at the appropriate territorial level and include eligible territorial units facing a common sea basin belonging to several participating countries, including at least one Member State and one ***other Cross-Border Cooperation participating country***. They may include bilateral activities supporting cooperation between one Member State and one ***other Cross-Border Cooperation participating country***.
4. Within one year of approval of the programming document referred to in Article 9, ***and after the adoption of the Cross-Border Cooperation Implementing rules***, the participating countries shall jointly submit proposals for joint operational programmes to the Commission. The Commission shall adopt each joint operational programme after assessing its consistency with this regulation, the programming document and the implementing rules ***within a deadline set in the implementing rules***. ***The Commission shall present the joint operational programmes to the European Parliament and the Member States for information within one month of the adoption of the programmes.***

5. **Areas** ■ in countries other than ■ Member States *or other Cross-Border Cooperation participating countries*, which are adjoining to eligible **areas** ■ as defined in Article 8(1) (a) and (b) or face a common sea basin where a joint operational programme is being established may be covered by a joint operational programme and benefit from Union support under the conditions set out in the programming document referred to in Article 9.
6. The Commission and the participating countries shall take the appropriate measures to ensure that *Cross-Border Cooperation programmes, in particular for* sea basin ■, established under this Regulation and transnational co-operation programmes established under Regulation (EU) No [...] * and that have a partially overlapping geographical coverage will be fully complementary and mutually re-enforcing.
7. Joint operational programmes may be revised at the initiative of the participating countries or the Commission for reasons such as:
 - a) changes in cooperation priorities, socio-economic developments,
 - b) results of implementing the measures concerned and those produced by the monitoring and evaluation process;
 - c) the need to adjust the amounts of available funds and reallocate resources.

* **OJ: please insert the number in the text of the Regulation in document PE-CONS 81/13**

8. ***By the end of the calendar year following the year of adoption of the joint operational programmes at the latest, the Commission shall conclude a financing agreement with the other Cross-Border Cooperation participating countries*** . The financing agreement shall include the legal provisions necessary to implement the joint operational programme and may be *co*-signed by the other participating countries and by the Managing Authority referred to in Article 12(2)(c) ***or by the country hosting the Managing Authority***.

Where necessary, ***an agreement (e.g. in the form of a memorandum of understanding)*** shall be concluded between the participating countries and the Managing Authority to set out the specific financial ***responsibilities and programme implementation modalities of the countries concerned, including their management and administrative tasks and responsibilities***.

9. A joint operational programme involving more than one ***other Cross-Border Cooperation participating*** country is established if at least one ***other Cross-Border Cooperation participating*** country signs the financing agreement. Other ***Cross-Border Cooperation participating*** countries covered by an established programme can join the programme at any time by signing the financing agreement.
10. If a participating country undertakes to co-finance a programme, the joint operational programme shall clarify the arrangements ***and necessary safeguards*** for ***auditing, providing, using and monitoring the co-financing***. The related financing agreement shall be signed by all participating countries ***and programme's Managing Authority or by the country hosting the Managing Authority***.
11. Joint operational programmes may also provide for a financial contribution from and to instruments with which grants could be combined, subject to the rules of these instruments, provided that this contributes to achieving the programmes' priorities.

12. Following the principle of partnership, participating countries ***and their local authorities, where applicable***, shall jointly select actions for Union support that are consistent with the priorities and measures of the joint operational programme.
13. In specific and duly justified cases, where:
- (a) a joint operational programme cannot be submitted owing to problems arising in relations between participating countries or between the European Union and ***an other Cross-Border Cooperation participating*** country; ***or***
 - (b) by 30 June 2017, at the latest, the participating countries have not yet submitted to the Commission a joint operational programme; ***or***
 - (c) none of the ***other Cross-Border Cooperation participating*** countries ***in*** the programme have signed the relevant financing agreement by the end of the year following the adoption of the programme; ***or***
 - (ca) ***the joint operational programme cannot be implemented owing to problems arising in relations between participating countries***, the Commission, following consultations with the Member State(s) concerned, shall take the necessary steps to allow the Member State(s) concerned to use the contribution from the European Regional Development Fund to the joint operational programme pursuant to Article 4(7) and (8) of Regulation (EU) No ...* .
14. Budget commitments for ***Cross-Border Cooperation*** actions or programmes extending over more than one financial year may be broken down over several years into annual instalments.

* ***OJ: please insert the number in the text of the Regulation in document PE-CONS 81/13.***

Article 11
Management of joint operational programmes

1. Joint operational programmes shall *usually* be implemented in shared management with Member States. *However, participating* countries may propose implementation in indirect management, by an entity listed in the Financial Regulation and in accordance with the *implementing rules* referred to in Article 12(2) *of this Regulation*.
2. The Commission shall satisfy itself on the basis of available information that the Member State in case of shared management, or the *other Cross-Border Cooperation participating* country or the international organisation in case of indirect management, have set up and operate management and control systems that comply with the Financial Regulation, this Regulation, and its implementing rules referred to in Article 12(2) *of this Regulation*.

Member States, *other Cross-Border Cooperation participating* countries and international organisations concerned shall ensure the effective functioning of their management and control system, the legality and regularity of the underlying transactions and the respect of the principle of sound financial management. They shall be responsible for the management and control of the programmes.

The Commission may require the Member State or the *other Cross-Border Cooperation participating* country or the international organisation concerned to examine a complaint submitted to the Commission concerning the selection or implementation of operations supported under this Title or the functioning of the management and control system.

3. In order to allow the joint operational programmes to prepare adequately for implementation, expenditure incurred after the submission of the joint operational programmes to the Commission shall be eligible ■ from 1 January 2014.
4. Where eligibility is restricted in accordance with Article 8(7) of the ■ Regulation (EU) No. ...*, the entity referred to in paragraph 1 *of this Article*, which may launch calls for proposals and tenders, is entitled in such case to accept as eligible tenderers, applicants and candidates from non eligible countries, or goods from non eligible origin, in accordance with *Articles 8(2) and 9(3)* of Regulation (EU) No. ...*.

Article 12
Implementing rules for Cross Border Cooperation

1. Implementing rules laying down specific provisions for the implementation of this Title shall be adopted ■ in accordance with *the examination procedure referred to in Article 15(3) of Regulation (EU) No. ...**.
2. Matters covered by the Implementing Rules shall include *detailed* provisions on, *inter alia*:
 - (a) the rate and methods of co-financing;
 - (b) the *content*, preparation, modification and closure of joint operational programmes;
 - (c) the role and function of the programme structures, *e.g.* Joint Monitoring Committee, Managing Authority and its Joint Technical Secretariat, ■ including their standing, effective identification, accountability and responsibility, description of Management and Control Systems, and conditions on the technical and financial management of Union support, including eligibility of expenditure;

* *OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).*

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- (d) recovery procedures *in all participating countries*; the monitoring and evaluation;
- (e) the visibility and information activities
- (f) shared and indirect management as referred to in Article 6(1a) of Regulation (**EU**)
No. ... *

* *OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).*

TITLE IV FINAL PROVISIONS

Article 13

■ *Delegation of power to the Commission*

■
The Commission shall be empowered to adopt delegated acts in accordance with Article 14 to amend the Annex II. In particular, following the publication of the Mid-term report, as referred to in Article 16 of Regulation (EU) No. ..., and based upon the recommendations contained in the Mid-term review report, the Commission shall adopt a delegated act amending Annex II by 31 March 2018.*

Article 14

Exercise of the delegation

-1a. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

1. The power *to adopt delegated acts* referred to in Article ■ 13 shall be conferred *on the Commission until 31 December 2020* .
2. The delegation of power *referred to in Article 13* may be revoked at any time by the European Parliament or by the Council. A decision *to revoke* shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
3. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and *to* the Council.

* *OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).*

4. A delegated act adopted *pursuant to Article 13* shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of **two** months of notification of *that* act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by **two** months at the initiative of the European Parliament or the Council.

Article 15
█ Committee

The Commission shall be assisted by the European Neighbourhood Instrument Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Article 16
Participation by a third country not *covered by Article 1*

1. In duly justified circumstances and *in order* to ensure the coherence and effectiveness of Union financing or to foster regional or trans-regional cooperation, the Commission may decide, *on a case by case basis*, to extend the eligibility of *specific* actions *in accordance with Article 2 of the Regulation (EU) No...** to countries, territories and █ *areas* which otherwise would not be eligible for financing. Notwithstanding the provisions of Article 8(1) of Regulation (EU) No. ...*, natural and legal persons from countries, territories and █ *areas* concerned may participate in the procedures implementing such actions.
2. Provision may be made for this possibility in the programming documents referred to in Article 7.

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* *OJ: please insert the number in the text of the Regulation in document 2011/0415 (COD).*

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Article 18
Financial *envelope*

1. The financial envelope available for *the implementation of* this Regulation *for* the period 2014 to 2020 *is set at* EUR 15 432 634 000 *at* current prices. Up to 5% of the financial envelope shall be allocated to the Cross-Border Cooperation programmes referred to in Article 6(1) (c).
2. Annual appropriations shall be authorized by the *European Parliament and the Council* within the limits of the *multiannual* financial framework.
3. As referred to in Article 13(2) of **■** Regulation (EU) No ... of the European Parliament and of the Council^{1*}, in order to promote the international dimension of higher education, an indicative amount of EUR 1 680 000 000 from the different external instruments, *namely* Development Cooperation Instrument, *ENI*, Instrument for Pre-accession Assistance *II and* Partnership Instrument **■** , will be allocated to actions of learning mobility to or from non EU countries and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of Regulation (EU) No ... ^{**} will apply to the use of those funds.

The funding will be made available through *two* multiannual allocations only covering the first *four* years and the remaining *three* years respectively. This funding will be reflected in the multiannual indicative programming of these instruments, in line with the identified needs and priorities of the countries concerned. The allocations can be revised in case of major unforeseen circumstances or important political changes in line with the *Union* external priorities.

¹ *Regulation (EU) No .../2013 of the European Parliament and of the Council of ... establishing "Erasmus+": the Union programme for education, training, youth and sport and repealing Decisions Nos 1719/2006/EC, 1720/2006/EC and 1298/2008/EC (OJ L ...).*

* *OJ: please insert the number in the text as well as the date and the OJ publication reference in the footnote of the Regulation in document PE-CONS 63/13.*

** *OJ: please insert the number in the text of the Regulation in document PE-CONS 63/13.*

Article 19
European External Action Service

The application of this Regulation shall be in accordance with Decision (EU) No 2010/427/EU, establishing the organisation and functioning of the *EEAS* .

Article 20
Entry into force

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

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

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

Done at

For the European Parliament

For the Council

The President

The President

ANNEX I

Partner countries referred to in Article 1 *are*:

Algeria

Armenia

Azerbaijan

Belarus

Egypt

Georgia

Israel

Jordan

Lebanon

Libya

The Republic of Moldova

Morocco

occupied Palestinian territory (oPt)

Syria

Tunisia

Ukraine

■

ANNEX II

Priorities for Union support under this regulation

To support the specific objectives provided for in Article 2, also taking into account jointly agreed documents as set out in Article 3(2), Union funding may address the following priorities.

Some of the priorities may be relevant for more than one type of programmes. Possible amendments to this indicative list of priorities shall respect the principle of shared ownership.

Cross-cutting issues, including deep and sustainable democracy, human rights, gender equality and fight against corruption and environment will be addressed within these different priorities.

1. Union support at bilateral level shall, as appropriate, address inter alia the following priorities:

- human rights, good governance and the rule of law, including reform of justice, of the public administration and of the security sector;*
- institutional cooperation and capacity development including for the implementation of EU agreements;*

- *support to actors of the civil society and to their role in reforms processes and democratic transitions;*
- *sustainable and inclusive economic development, including at regional and local level and territorial cohesion;*
- *development of the social sectors in particular for the youth, with a focus on social justice and cohesion and employment;*
- *trade and private sector development, including support to small and medium-sized enterprises, employment and implementation of deep and comprehensive free trade areas;*
- *agriculture and rural development, including food security;*
- *sustainable management of natural resources;*
- *energy sector with a focus on energy efficiency and renewable energy;*
- *transports and infrastructure;*
- *education and skills development, including vocational education and training;*
- *mobility and migration management, including migrants protection;*
- *confidence building and other measures contributing to the prevention and settlement of conflicts, including support to affected populations and reconstruction.*

Those priorities may contribute to more than one objective of this Regulation.

2. *Union support at multi-country level shall, as appropriate, address inter alia the following priorities:*

- *human rights, good governance and the rule of law;*
- *institutional cooperation and capacity development;*
- *regional cooperation, in particular in the framework of the Eastern partnership, Union for the Mediterranean and the Partnership for Democracy and Shared Prosperity;*
- *higher education and skills development, students and staff mobility, youth and culture;*
- *sustainable economic development, trade and private sector development and support to small and medium-sized enterprises;*
- *energy sector, including energy networks;*
- *transport and infrastructure interconnections;*
- *sustainable management of natural resources, including water, green growth, environment and climate change adaptation and mitigation;*
- *support to civil society;*
- *mobility and migration management;*
- *confidence building and other measures contributing to the prevention and settlement of conflicts.*

Those priorities may contribute to more than one objective of this Regulation.

3. *Union support through Cross-Border Cooperation programmes shall, as appropriate, address the following priorities:*

- *Economic and social development ;*
- *Environment, public health, safety and security;*
- *Mobility of persons, goods and capital.*

Those priorities reflect common challenges. They constitute the framework for the identification of specific priorities with the Cross-Border Cooperation participating countries. Civil society organisations will be involved in the development of the programmes and will be, together with local and regional authorities, their main beneficiaries.

Financial allocations per type of programmes

Bilateral programmes: up to 80%

Multi-country programmes: up to 35%

Cross-Border Cooperation: up to 5%

ANNEX TO THE LEGISLATIVE RESOLUTION

STATEMENT BY THE EUROPEAN PARLIAMENT ON THE SUSPENSION OF ASSISTANCE GRANTED UNDER THE FINANCIAL INSTRUMENTS

The European Parliament notes that the Regulation establishing a financing instrument for development cooperation, the Regulation establishing a European Neighbourhood Instrument, the Regulation establishing a Partnership Instrument for cooperation with third countries and the Regulation on the Instrument for Pre-accession Assistance do not contain any explicit reference to the possibility of suspending assistance in cases where a beneficiary country fails to observe the basic principles enunciated in the respective instrument and notably the principles of democracy, rule of law and the respect for human rights.

The European Parliament considers that any suspension of assistance under these instruments would modify the overall financial scheme agreed under the ordinary legislative procedure. As a co-legislator and co-branch of the budgetary authority, the European Parliament is therefore entitled to fully exercise its prerogatives in that regard, if such a decision is to be taken.

COMMISSION DECLARATION ON THE STRATEGIC DIALOGUE WITH THE EUROPEAN PARLIAMENT¹

On the basis of Article 14 TEU, the Commission will conduct a strategic dialogue with the European Parliament prior to the programming of the ENI and after initial consultation of its relevant beneficiaries, where appropriate. The Commission will present to the Parliament the relevant available documents on programming with indicative allocations foreseen per country/region, and, within a country/region, priorities, possible results and indicative allocations foreseen per priority for geographic programmes, as well as the choice of assistance modalities*. The Commission will present to the Parliament the relevant available documents on programming with thematic priorities, possible results, choice of assistance modalities*, and financial allocations for such priorities foreseen in thematic programmes. The Commission will take into account the position expressed by the European Parliament on the matter.

The Commission will conduct a strategic dialogue with the European Parliament in preparing the Mid Term Review and before any substantial revision of the programming documents during the period of validity of this Regulation.

The Commission, if invited by the European Parliament, will explain where Parliament's observations have been taken into consideration in the programming documents and any other follow-up given to the strategic dialogue.

¹ The Commission will be represented at the responsible Commissioner level

* Where applicable

COMMISSION DECLARATION CONCERNING THE USE OF IMPLEMENTING ACTS FOR THE SETTING OF THE SPECIFIC PROVISIONS FOR THE IMPLEMENTATION OF CERTAIN RULES IN THE EUROPEAN NEIGHBORHOOD INSTRUMENT AND THE INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II)

The Commission considers that the rules for implementing cross-border cooperation programmes as set out in Regulation (EU) No [XXX] of the European Parliament and of the Council (CIR) and other specific, more detailed implementing rules in Regulation (EU) No [XXX] of the European Parliament and of the Council on the Instrument for Pre-accession assistance (IPA II), *aim at supplementing the basic act and should therefore be delegated acts to be adopted on the basis of article 290 TFEU. The Commission will not stand against the adoption of the text as agreed by the co-legislators. Nevertheless, the Commission recalls that the question of delimitation between Articles 290 and 291 TFEU is currently under examination by the Court of justice in the "biocides" case.*