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| From: | Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director |
| date of receipt: | 20 June 2024 |
| To: | Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union |
| No. Cion doc.: | COM(2024) 401 final/ANNEX 4 - PART 2/2 |
| Subject: | ANNEX to the REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS Annual Management and Performance Report for the EU Budget - 2023 financial year |

Delegations will find attached document COM(2024) 401 final/ANNEX 4 - PART 2/2.

Encl.: COM(2024) 401 final/ANNEX 4 - PART 2/2



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EUROPEAN
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Brussels, 19.6.2024
COM(2024) 401 final

ANNEX 4 – PART 2/2

**ANNEX**

***to the***

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS**

**Annual Management and Performance Report for the EU Budget - 2023 financial year**



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# *Programme in a nutshell*

## Concrete examples of achievements (*)

| | | | |
|---|---|---|---|
| **5.8 million** | **344 000** | **20.3 million** | **19.3%** |
| farmers benefited from direct payments in the 2022 calendar year. | farmers benefited from the 'young farmers' scheme in the 2022 calendar year. | beehives were supported in 2022. | of agricultural land was covered by management contracts contributing to biodiversity in 2022. |
| **4.57 million** | **2.36 million** | **1.35 million** | **2.49 million** |
| hectares were under land-management contracts targeting the reduction of greenhouse gases or ammonia emissions in 2022. | hectares of agricultural and forest land were covered by management contracts contributing to carbon sequestration or conservation in 2022. | hectares of irrigated land had switched to more efficient irrigation systems in 2022. | beneficiaries received vocational training in agriculture in 2022, the 2025 target being 3.9 million. |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

## Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 377 738.2 |

| | |
|---|---|
| **NextGenerationEU** | 8 070.5 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **385 808.7** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The EU’s common agricultural policy (CAP) is a partnership between agriculture and society, and between Europe and its farmers. It aims to:

- support farmers and improve agricultural productivity, ensuring a stable supply of affordable food;
- safeguard European Union farmers to make a reasonable living;
- help tackle climate change and the sustainable management of natural resources;
- maintain rural areas and landscapes across the EU;
- keep the rural economy alive by promoting jobs in farming, agri-food industries and associated sectors.

The CAP is a common policy for all EU countries. It is  under shared management and funded at European level from the resources of the EU’s budget.

# CHALLENGE

Europe needs a smart, resilient, sustainable and competitive agricultural sector in order to ensure the production of safe, high-quality, affordable, nutritious and diverse food for its citizens and a strong socio-economic fabric in rural areas.

EU agriculture has to develop in a new international context with new international commitments on Climate Change and on Sustainable Development Goals, also characterised by a shift from multilateral to bilateral and regional trade agreements in which sustainable production methods play a more prominent role.

Internally, the European Green Deal reinforced the need to support the transition towards a knowledge-based fully sustainable agricultural sector. In that context, EU's agriculture and rural areas face challenges related to:

- the economic health of the farm sector, both at the level of income and competitiveness, in the current uncertain global context;

- the need to preserve natural resources in a context of biodiversity loss and climate change (requiring action both regarding mitigation and adaptation); and

- the need to preserve the economic and social fabric for the EU's rural areas.

The CAP had to be reformed to meet these challenges and be even more coherent with other EU policies to maximise its contribution to the Sustainable Development Objectives. The new CAP, agreed in 2021, will enhance its European added value by reflecting a higher level of environmental and climate ambition and addressing citizens' expectations for their health, the environment and the climate.

## MISSION

The global and cross-border nature of the challenges faced by the EU agricultural sector and rural areas requires a strong common policy at EU level. EU Budget support from the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) aims to further improve the sustainable development of farming, food and rural areas and shall contribute to achieving the following EU objectives, defined for the 2023-2027 period:

- to foster a smart, competitive, resilient and diversified agricultural sector ensuring long-term food security;

- to support and strengthen environmental protection, including biodiversity, and climate action and to contribute to achieving the environmental- and climate-related objectives of the EU, including its commitments under the Paris Agreement;

- to strengthen the socio-economic fabric of rural areas.

## OBJECTIVES

Ten key objectives are the basis upon which the future common agricultural policy (CAP) strategic plans are built and which are the cornerstone of a more results-oriented policy. The objectives are:

a) to support viable farm income and resilience of the agricultural sector across the EU in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the EU;

b) to enhance market orientation and increase farm competitiveness both in the short and long term, including greater focus on research, technology and digitalisation;

c) to improve the farmers’ position in the value chain;

d) to contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy;

e) to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency;

f) to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes;

g) to attract and sustain young farmers and new farmers and facilitate sustainable business development in rural areas;

h) to promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry;

i) to improve the response of EU agriculture to societal demands on food and health, including high-quality, safe and nutritious food produced in a sustainable way, to reduce food waste, as well as to improve animal welfare and to combat antimicrobial resistance;

k) to modernise agriculture and rural areas by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas and by encouraging their uptake by farmers, through improved access to research, innovation, knowledge exchange and training.

## ACTIONS

As from 2023, the implementation by the Member states of bulk of the measures under the Common Agricultural Policy takes place in the form of 28 different CAP strategic plans (one for each Member State except Belgium, where there is one for Wallonia and one for Flanders). These plans are programming instruments where Member States present their proposed interventions to achieve the EU specific objectives.

The interventions include actions funded by both the EAGF and the EAFRD. CAP strategic plans were assessed and formally adopted by the European Commission and Member States will periodically report on the progress made in the implementation using a system of common indicators.

The EAGF under the CAP strategic plans funds the following types of interventions:

1. direct Payments: a) Decoupled direct payments: the basic income support for sustainability; the complementary redistributive income support for sustainability; the complementary income support for young farmers; the schemes for the climate and the environment; b) Coupled direct payments;

2. sectoral interventions: a) fruit and vegetables sector; b) apiculture products sector; c) wine sector; d) hops sector; e) olive oil and table olives sector; f) other sectors (from 2024).

The EAFRD funds the following types of interventions:

(a) environmental, climate and other management commitments; (b) natural or other area-specific constraints; (c) Area-specific disadvantages resulting from certain mandatory requirements; (d) investments; (e) installation of young farmers and rural business start-up; f) risk management tools; g) cooperation; h) knowledge exchange and information.

The implementation of the new CAP strategic plans begins as of 2023. All plans were adopted in time for the start in 2023.

A number of schemes financed from EAGF continue to be implemented outside the CAP strategic plans, i.e.: private and public storage measures, exceptional measures; EU school scheme; information and promotion measures and support for the outermost regions and smaller Aegean islands.

For financing the private and public storage and exceptional measures, the new EU agricultural reserve is in place since 2023.

# STRUCTURAL SET-UP OF THE PROGRAMME

The implementation of the programme is in shared management. DG Agriculture and Rural Development is the lead for the Commission. It is aiming to simplify CAP governance with more subsidiarity to rebalance responsibilities between the EU and its Member States, and to shift the policy focus from compliance to performance.

The CAP is a European policy with a single European budget. The objectives of the CAP are laid out in Article 39 of the Treaty of the Functioning of the European Union (TFEU).

The CAP is financed through two funds:

- the European Agricultural Guarantee Fund (EAGF) and

- the European Agricultural Fund for Rural Development (EAFRD).

The EAGF preserves a level playing field in the single market for agricultural products and enables a stronger common position in trade negotiations. Moreover, it responds more effectively and efficiently to cross-border challenges such as underpinning food security, mitigating and adapting to climate change, caring for natural resources such as soil and water, restoring biodiversity and strengthening economic and social cohesion. The EAGF supports balanced territorial development and encourages smart, sustainable and inclusive growth: analysis shows that less or no EAGF support would result in a higher concentration of agricultural production, meaning that small farmers and farmers in less profitable areas would go out of business and larger farms would become even bigger and more intensive. This would have a negative effect on jobs in rural areas (especially where job creation is difficult) and on the environment and the climate due to intensification.

The EAFRD finances rural development programmes that make a vital contribution to the economic, social and environmental performance of the EU in rural areas. Rural development programmes take into account national and regional specificities and ensure a consistent, coherent and result-oriented approach to a number of cross-border issues. The performance and results of the EAFRD are enhanced by the European Network for Rural Development, which allows for the exchange of experiences and best practices between national and regional authorities.

Regulation (EU) 2021/2115 lays down rules on general and specific objectives to be pursued with the support granted under the common agricultural policy (CAP), through the CAP strategic plans; types of intervention and common requirements for Member States to pursue those objectives as well as the related financial arrangements; CAP strategic plans, which are to be drawn up by Member States and which set targets, specify conditions for interventions and allocate financial resources, according to the specific objectives and identified needs; coordination and governance as well as monitoring, reporting and evaluation.

Regulation (EU) 2021/2116 lays down rules on the financing of expenditure under the CAP; the management and control systems to be put in place by the Member States; clearance and conformity procedures.

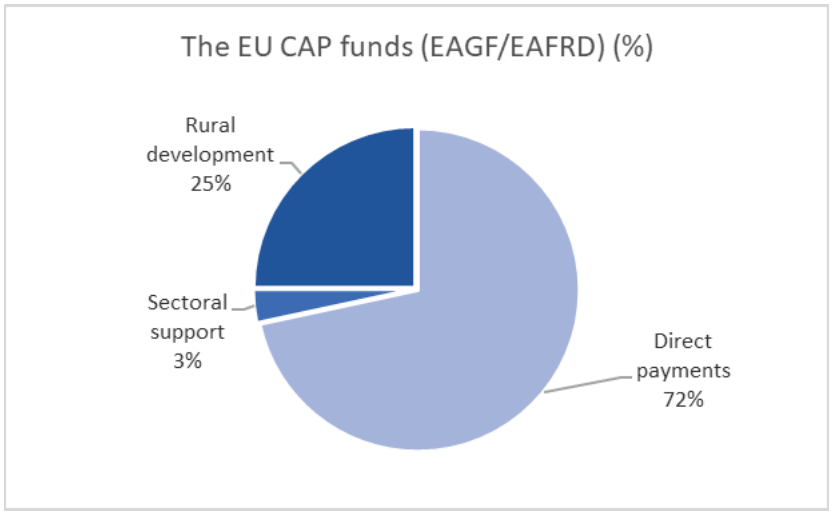
Regulation (EU) 1308/2013 establishes a common organisation of the markets for agricultural products, as listed in Annex I to the Treaties (with the exception of the fishery and aquaculture products).

Regulation (EU) 2021/2117 of the European Parliament and of the Council of 2 December 2021 amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union.

# VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP

**Common Agricultural Policy**



| Types of intervention | | |
|---|---|---|
| **EAGF** | **Direct payments**<br>EUR 189.1 billion | • Basic income support for sustainability (BISS) 51.1%<br>• Coupled income support (CIS) 12.2%<br>• Complementary income support - young farmers (CIS-YF) 1.8%<br>• Complementary redistributive income support for sustainability (CRISS) 10.6%<br>• Schemes for the climate, environment and animal welfare (Eco-schemes) 23.6%<br>• Payment for cotton 0.7% |
| | **Sectoral support**<br>EUR 8.9 billion | • Apiculture 3%<br>• Olive 2%<br>• Wine 47%<br>• Hops 0.1%<br>• Fruit and vegetables 47%<br>• Other sectors 1% |
| **EAFRD** | **Rural development**<br>EUR 66 billion | • Environmental, climate-related and other management commitments (AECC) 30.7%<br>• Areas facing natural constraints (ANC) 16.1%<br>• Natura 2000, Water Framework Directive payments (Natura/WFD) 0.8%<br>• Investments 27.9%<br>• Setting up of young farmers, new farmers and rural business start-up 5.2%<br>• Risk management 4.1%<br>• Cooperation 10.7%<br>• Knowledge exchange, information 1.7%<br>• Technical assistance 2.8% |

* State of play of the plans at their adoption

## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The application of the previous CAP regulations continued through the end of 2022 within the budgetary framework of the 2021-2027 multiannual financial framework. The current CAP implemented from 2023 has been designed to address the challenges identified for the 2021-2027 period. The central element of the CAP is the new performance-based delivery model, focusing on results rather than compliance and 28 national CAP strategic plans (one for each Member State except Belgium, where there is one for Wallonia and one for Flanders).

## FURTHER INFORMATION

– Programme website:
  - Common agricultural policy (europa.eu)
– Impact assessment:
  - The impact assessment of the EAGF and EAFRD was carried out in April 2018. Please see https://europa.eu/!Rd79mr

– Relevant regulation:

  - See section ‘structural set up of the programme’ above.

– Evaluations:

2014-2022 programme

Completed evaluations and synthesis studies of Member States evaluations:

Synthesis ex-ante evaluations on rural development programmes 2014-2020

Summary Report 'Synthesis of the evaluation components of the 2017 enhanced AIRs'

Payments for agricultural practices beneficial for the climate and the environment ('greening')

Forestry measures under Rural Development

Summary Report 'Synthesis of the evaluation components of the 2019 enhanced AIRs'

Marketing standards contained in the CMO regulation, the 'Breakfast Directives' and CMO secondary legislation

CAP measures applicable to the wine sector

EU agricultural promotion policy – internal and third country markets

Impact of the Common Agricultural Policy on generational renewal, local development and jobs in rural areas

Impact of the CAP measures towards the general objective ‘viable food production’

Impact of the CAP on climate change and greenhouse gas emissions

Mandatory indication of country of origin labelling for certain meats

Impact of the CAP on sustainable management natural resources (biodiversity, soil and water)

Impact of the CAP on territorial development of rural areas: socioeconomic aspects

The CAP´s impact on knowledge exchange and advisory activities

Information policy on the common agricultural policy

Geographical indications and traditional specialities guaranteed protected in the EU

Synthesis of evaluation reports from Member States regarding their national strategies for sustainable 2013-2018 operational programmes in the fruit and vegetables sector

The effects of exceptional market measures for the dairy sector during the 2014–2016 market disturbance

Evaluation report on the EU school fruit, vegetables and milk scheme (not published yet)

Ongoing evaluations:

Evaluation report on the impact of LEADER towards the general CAP objective ‘balanced territorial development’ (SWD planned for Q2 2024)

Evaluation of the Common Agriculture Policy measures in the outermost regions (POSEI) and the smaller Aegean islands (SWD planned for Q3 2024)

Evaluation report on unfair trading practices in business-to-business relationships in the agricultural and food supply chain (SWD planned for Q2 2025)

2023-2027 programme

Synthesis of ex ante evaluations of CAP post 2020

Other:

2014-2022 programme

Report from the Commission to the European Parliament and the Council on the implementation of the Common Monitoring and Evaluation Framework and first results on the performance of the Common Agricultural Policy (COM(2018) 790 final).

Report from the Commission to the European Parliament and the Council on the implementation of the common monitoring and evaluation framework including an assessment of the performance of the common agricultural policy 2014-2020 (COM(2021) 815 final).

2023-2027 programme

Taking stock of how CAP Strategic Plans contribute to the objectives of the long-term vision for the EU's rural areas

Report from the Commission to the European Parliament and the Council: "Summary of CAP Strategic Plans for 2023-27: joint effort and collective ambition"(COM(2023) 707 final)

Establishing an operational programme: supporting the producer organisations to contribute to strengthening farmer's position in the agri-food supply chain and improving

The complete list of completed studies can be found in the Interinstitutional Database of EU Studies or on the Europa webpage on the Common monitoring and evaluation framework.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 55 712.9 | 53 096.6 | 53 626.9 | 53 673.1 | 53 754.9 | 53 872.9 | 54 000.9 | 377 738.2 |
| NextGenerationEU | 2 365.7 | 5 688.5 | 0.3 | 16.1 | 0 | 0 | 0 | 8 070.5 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0 |
| Contributions from other countries and entities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | 58 078.6 | 58 785.0 | 53 627.2 | 53 689.2 | 53 754.9 | 53 872.9 | 54 000.9 | 385 808.7 |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

# - EUR 794.0 million (- 0%)

compared to the legal basis.*

* Top-ups pursuant to Art. 5 MFF regulation are excluded from financial programming in this comparison.

The financial programming is set in regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027.

Regulation (EU) 2020/2220 ensured the continuity in granting income support to farmers and in supporting rural development measures in 2021 and 2022.

Transfers between funds are possible according to Regulation (EU) 2021/2115, Article 103

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 168 985.2 | 377 738.2 | 44.7% |
| **Payments** | 166 658.5 | | 44.1% |

Voted budget implementation (million EUR)(*):Voted budget implementation (million EUR)(*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 55 018.2 | 55 712.9 | 53 937.4 | 55 368.7 |
| **2022** | 52 604.1 | 53 096.6 | 53 680.5 | 55 065.9 |
| **2023** | 53 308.5 | 53 626.9 | 54 569.9 | 55 785.4 |

(*) Voted appropriations (C1) only.(*) Voted appropriations (C1) only.

As regards the EAGF:

- As to the direct payments, Commission services have assisted Member States in preparing and implementing the direct payments; implementation of payments has thus gradually reached a high level and is consistently above 99% of the voted appropriations, supporting stability in farmers income.
- Sector-specific support programmes, implementing the market expenditure, are operating at various points in their respective life cycle, for example, programmes for support to producer organisations in the fruit and vegetable sector.

As regards the EAFRD:

- The implementation of the 2014-2022 rural development programmes continues at a satisfactory pace. The implementation of the rural development types of interventions under the CAP Strategic Plans started at a relatively slow pace. This is mostly due to the fact that Member States concentrate their efforts on finalising the implementation of EAFRD 2014-2022 programmes, to avoid decommitments. A number of initiatives were launched to improve efficiency and effectiveness of EAFRD expenditure and to ensure a smooth transition to the CAP strategic plans. Examples of these are reductions in the administrative burden (Simplified Cost Options), the sharing of best practices and experience between stakeholders (European Network for Rural Development) and *ex ante* assessments of the rural development measures by Member States. In order to respond to the impact of the crisis arising from the COVID-19 outbreak and of the Russia's invasion of Ukraine on the Union's agricultural and food sectors, exceptional and temporary measures have been provided through amendments of Regulation 1305/2013 to address the liquidity problems that put at risk the continuity of farming activities and of small businesses active in processing, marketing or development of agricultural products. However, measures in the form of investments take longer to be fully implemented compared to annual measures, which explains to a large extent the persistent gap vis-à-vis the targets.

The Commission has adopted the following exceptional measures in 2023 to support EU farmers. These measures were financed under the agricultural reserve:

- Avian flu – exceptional market support measures for the eggs and poultrymeat sectors in Poland,
- Emergency support measure for the cereal and oilseed sectors in Bulgaria, Poland and Romania ("1st package"),
- Exceptional market support measures for the eggs and poultrymeat sectors in Italy,
- Emergency support measure for the cereal and oilseed sectors in Bulgaria, Hungary, Poland, Romania and Slovakia ("2nd package") and
- Emergency financial support for the agricultural sectors affected by specific problems impacting the economic viability of agricultural producers ("3rd package").

The exceptional measures adopted in financial year 2023 were responding to a large diversity of challenges for EU agricultural markets and farmers (impact of imports of grains from Ukraine, high input prices, impact of food inflation, extreme adverse weather events like droughts and floods and avian influenza.)

The first three exceptional measures were entirely funded from the 2023 agricultural reserve. The last two exceptional measures are partially financed from the 2023 and partially from the 2024 agricultural reserve as the eligibility date for payments fell under financial year 2024.

Altogether, around EUR 510 million was spent for the exceptional measures adopted in financial year 2023. Thus, the average execution rate is very high, 96%. The execution rate is almost 100% for the emergency support measures (Packages 1 to 3) and lower for avian flu in Italy (61%) and avian flu for Poland (83%). The

mixed results for the avian flu measures are due to elements of the design and implementation of the measures by the Member States (low level of support and time elapsed between incurred losses and available support respectively).

Financial instruments

Financial instruments are a key tool for providing access to finance for the farming sector and the rural economy. Through their leverage effect and revolving factor, they can also complement the rural development budget. By the end of 2023, in total 32 EAFRD managing authorities in 13 Member States have programmed EUR 638 million EAFRD resources (EUR 819 million total public) for financial instruments in their 2014-2022 rural development programmes. In total, EUR 443 million are already declared as expenditure by Member States. At the same time, by end 2023, 12 Member States planned new financial instruments in their CAP strategic plans (EUR 627 million of EAFRD financing and a total public budget of EUR 999 million).

The technical assistance programme fi-compass is implemented in co-operation with the EIB, which operates under a new contract and a work programme for the new programming period. In total, 41 cases of targeted coaching on financial instruments for EAFRD managing authorities were carried out in the period 2016-2023. In 2023 alone, the flagship annual conference on EAFRD financial instruments took place in Brussels. Two surveys covering access to finance for EU farmers and EU agro-food SMEs were completed and supplemented by detailed analytical reports and factsheets. A feasibility study analysing the new combination option between grants, including technical assistance, and financial instruments in a single operation and potential synergies with EIB financing, was launched for Greece, alongside the preparation work for 2 studies and 4 surveys to be launched in 2024. The communication activities continued to promote financial instruments through social media, newsletter articles, videos and a new case study developed for a newly launched financial instrument under the Greek rural development programme.

Justification of the level of appropriations requested in DB 2025

Justification of changes to the financial programming and/or to the performance information for market measures.

| 08 02 01 – Agricultural reserve | (appropriations - EUR 66.5 million) |
|---|---|
| Appropriations in 2024 budget: | 516.5 |
| Appropriations requested in 2025 DB: | 450.0 |

This Article finances private and public storage measures and exceptional measures as of 16 October 2022. The amount of EUR 450.0 million is in line with Article 16(2) of EU Regulation 2021/2116.

| 08 02 02 – Types of interventions in certain sectors under the CAP strategic plans | (appropriations + EUR 450 million) |
|---|---|
| Appropriations in 2024 budget: | 1 294.2 |
| Appropriations requested in 2025 DB: | 1 744.2 |

This Article finances interventions for the fruit and vegetables, apiculture, wine, hops, olive oil and table olives and 'other sectors' under the CAP strategic plans. The appropriations increase as a result of higher amounts planned by Member States in their CAP strategic plans from 2024.

| 08 02 03 – Market-related expenditure outside the CAP strategic plans | (appropriations – EUR 459.6 million) |
|---|---|
| Appropriations in 2024 budget: | 1 481.6 |
| Appropriations requested in 2025 DB: | 1 022 |

This budget article finances market related expenditure outside the CAP strategic plans. It finances support for fruit and vegetables and wine sectors, the outermost regions (POSEI), smaller Aegean islands, agricultural information and promotion actions as well as the school scheme. Furthermore, it finances remaining expenditure for previous measures in the olive oil and apiculture sectors as well as for previous public and private storage and exceptional measures.

The 2025 Draft budget appropriations for agricultural markets amounts to EUR 3 216.2 million, representing a decrease of EUR 76.1 million compared to budget 2024. As usual, the Commission will update its estimates in an Amending Letter to the Draft Budget 2025, which will take into account latest market developments and perspectives.

Justification of changes to the financial programming and/or to the performance information for direct payments:

| 08 02 – Direct payments | (appropriations + EUR 355 million) |
|---|---|

| 08 02 04 – Direct payment types of interventions under the CAP strategic plans | |
|---|---|
| Appropriations in 2024 budget: | 36 396 |
| Appropriations requested in the 2025 DB: | 36 751 |
| Estimated assigned revenue available in 2025 DB: | 342.1 |

These amounts also include the Direct payment share of item 08 02 99 01 'Completion of previous EAGF measures under shared management', which covers, among other things, late payments of previous years of direct payments.

| 08 02 05 – Direct payments outside the CAP strategic plans | |
|---|---|
| Appropriations in 2024 budget | 444 |
| Appropriations requested in the 2025 DB | 444 |

For direct payments, the budget for 2025 is the second budget to cover expenditure planned in the CAP strategic plans that were introduced with Regulation (EU) 2021/2115 of 2 December 2021. Budget and expenditure for the direct payment interventions of the plans refer to article 08 02 04, whereas direct payments regarding POSEI/SAI (not covered by the plans) remain under article 08 02 05.

The maximum amount of direct payment which a Member State may pay per year is limited by a regulatory ceiling; these ceilings are set in Annex V to Regulation (EU) 2021/2115 (not including POSEI/SAI). The overall initial ceiling for calendar year 2024 was 38 715 million.

With the submission of their CAP strategic plans, Member States communicated their decisions to transfer amounts between direct payments and rural development, and from direct payments to other sectors. These transfers overall result in a net decrease of EUR 1 155 million of the direct payments ceiling for calendar year 2024, and the adjusted ceiling is therefore EUR 37 560 million.

Compared to the 2024 budget, total direct payment needs of the 2025 budget decrease by 43 million to an amount of 37 537 million ([1]). Requested appropriations increase by EUR 355 million to EUR 37 195 million, taking into account EUR 342.1 million of assigned revenue to be available to finance item 08 02 04 01 'Basic income support for sustainability'.

Direct payments are paid for different intervention types as specified in the CAP strategic plans of each Member State, and each intervention type is matched by an item under article 08 02 04. Member States set in their plans an indicative financial allocation per intervention type, based on the individual Member State's policy decisions and its forecasts for the expected uptake.

The intervention types (Basic income support for sustainability, Schemes for the climate and the environment etc.) cannot be directly compared to the direct payment schemes of the CAP 2015-2022, and the historical execution of the previous budget lines can therefore not be used directly for forecasting the expenditure in financial year 2025. As for the implementation of the budget 2024, direct payments execution is only at a very early stage.

The budgetary needs per line have been established taking into account the total indicative financial allocation per intervention type and the expectations for the uptake and execution of each type. For the overall direct payment needs, a continuation of previous years' high execution rate is expected, especially having in mind the increased flexibility of implementation that Member States have under the new policy.

| 08 02 06 – Policy strategy, coordination and audit | |
|---|---|
| Appropriations in 2024 budget: | 379.4 |
| Appropriations requested in 2025 DB: | 114.7 |

This budget article finances financial corrections in favour of Member States following Clearance of accounts and Conformity clearance Decisions, the Settlement of disputes and the EAGF Operational Technical Assistance.

Compared to the 2024 budget, the appropriations requested in the 2025 budget have decreased by EUR 264.7 million to an amount of EUR 114.7 million in commitment appropriations. The reduction is the net effect of a lower amount envisaged for financial corrections in favour of Member States (decreased by EUR 237.8 million) and a decrease in needs for actions under the Operational Technical Assistance (reduced

([1]) Including amounts on item 08 02 04 Direct payments types of interventions under the CAP strategic plans, item 08 02 05 Direct payments outside the CAP strategic plans and the direct payments part of item 08 02 99 01 'Completion of previous EAGF measures under shared management', which covers late payments of previous years of direct payments.

by EUR 26.9 million to reflect the need for savings emerged during the 2021 – 2027 MFF mid-term revision) compared to Budget 2024.

EAFRD

The EAFRD funding in budget year 2025 is implemented under the CAP strategic plans (Regulation (EU) 2021/2112). However, payments are also envisaged for the pre-2023 commitments that are governed by the EAFRD 2014-2020 (Regulation 1305/2013) and CAP transitional rules (Regulation (EU) 2020/2220). The latter extended the EAFRD rural development programmes by 2 years, whereby the extended programmes followed the legal framework of Regulation 1305/2013. Furthermore, the transitional regulation also set out the legal basis to introduce the part of the European Union Recovery Instrument earmarked to be implemented via the EAFRD into the rural development programmes in 2021 and 2022. These additional financial resources are implemented through rural development programme measures that are directed at addressing the impact of the COVID-19 crisis. EURI payments will continue until budget year 2026.

The total EAFRD budget request for 2025 amounts to EUR 13.2 billion in commitment appropriations and EUR 10.5 billion in payment appropriations to finance EAFRD support under the CAP strategic plans and the rural development programmes. A minor part of these amounts also covers the technical assistance at the initiative of the Commission (EUR 28.3 million in commitment appropriations and EUR 20.0 million in payment appropriations).

As from 2023, only payment appropriations in the form of external assigned revenues stemming from the European Union Recovery Instrument are to be requested in line with the n+3 rule applicable to those funds. For 2025, an amount of EUR 1.4 billion is envisaged.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** | **Total** | **% of the total envelope** |
| **Climate mainstreaming** | 17 210.5 | 17 559.5 | 13 086.8 | 24 467.2 | 24 494.4 | 24 520.6 | 24 519.2 | 145 858.2 | 39% |
| **Biodiversity mainstreaming** | 9 943.2 | 9 236.2 | 9 033.8 | 8 791.1 | 9 105.3 | 9 105.3 | 9 105.3 | 64 320.1 | 17% |
| **Clean air** | 98.0 | 78.0 | 94.5 | 379.0 | 379.0 | 379.0 | | 1 786.5 | 0% |

Taxonomy

Agriculture is not part of the taxonomy and thus most of the activities funded by the CAP are not covered by it. Taxonomy criteria have been developed only for some activities that are eligible for support under the CAP, namely forestry measures and certain measures related to environmental protection and restoration are relevant.

As mentioned in the official Commission replies to the special report of the European Court of Auditors on sustainable finance, there is a fundamental difference between the EU taxonomy criteria only focusing on activities performing above the substantial contribution criteria and other EU policies. The CAP covers a broader eligibility spectrum for financial support, with a level of ambition that is not necessarily lower than that of the taxonomy. Hence, this diversity is reflected in the climate tracking of expenditure. The EU climate coefficients, which are used to measure climate expenditure in the 2021-2027 multiannual financial framework and NextGenerationEU, are aligned to the maximum extent possible with the technical screening criteria under the EU taxonomy's first delegated act, which lacks criteria for agriculture. The EU climate coefficients and climate tracking methodology for the EU budget also recognise efforts and investments that are not covered by the taxonomy or not entirely in line with it, if they nevertheless produce a beneficial climate effect or are relevant for the green transition.

The rules set out in EU legislation cover the funding programmes to be appropriate for addressing the policy objectives, and the EU taxonomy criteria were initially developed for private financing. The roles of public and private finance differ. The CAP has treaty objectives to fulfil, such as ensuring food security and ensuring a fair standard of living for the agricultural community.

Finally, there are also technical and practical obstacles to the reporting of CAP expenditure on the basis of the taxonomy criteria:

- CAP is a shared management programme and the detailed information needed to assess the compliance with the EU taxonomy criteria is neither available nor required to be delivered by the Member States; Member States are in charge of selecting the detailed eligible investments within the interventions in their CAP strategic plan;

- the assessment at the policy level (CAP strategic plan regulation) is not possible either, as there is not enough granularity in the conditions of the different types of interventions.

Climate

EU greenhouse gas emissions from agriculture have fallen by more than 20% since 1990 and have stagnated since 2010, while agricultural production has continued to grow. Although this shows progress in terms of climate footprint per unit of output, there is a need to reduce total emissions further to achieve the EU's ambitious climate targets for 2030. Based on the EU climate tracking methodology, the CAP contribution to climate action is estimated at 26% for the 2014-2020 period (EUR 103 198 million), which is above the 25% commitments: EUR 45 504 million for EAGF (15%) and EUR 57 694 million for EAFRD (58%). Because of its nature, the CAP has better addressed the reduction of emissions for managed agricultural soils than for livestock, thanks to increased carbon sequestration and protection of carbon stocks. The good agricultural and environmental conditions and the voluntary green schemes play a major role in protecting permanent grasslands and the EU soil carbon stock. Good agricultural and environmental conditions include obligations to protect wetlands and peatlands, maintain a minimum share of permanent grasslands, keep a minimum soil cover, maintenance of soil organic matter through appropriate practices, including banning the burning of arable stubbles, and appropriate land management. These measures also significantly contribute to improving the adaptation of soils to changing climatic conditions. Voluntary schemes supported under the CAP strategic plans cover a wide array of farming practices beneficial for climate and environment. Several measures have significant effects on adaptation and mitigation.

According to the CAP strategic plan regulation, over the 2021-2027 period (from 2023 onwards), actions under the CAP are expected to contribute 40% of the overall financial envelope of the CAP to climate-related objectives at the EU level. Using information provided by Member States, the Commission will account for the CAP contribution using the EU climate coefficients. This climate-relevant expenditure serves as input to monitor progress on the goal for climate mainstreaming across all EU programmes, with a target of 25% of EU expenditure contributing to climate objectives.

Biodiversity

Protecting biodiversity and strengthening the resilience of ecosystems are indispensable for achieving our sustainable growth objectives. As provided in the Commission communication 'A budget for Europe 2020', financing the EU biodiversity strategy to 2020 and its objective to halt and reverse the decline of biodiversity in the EU requires the mainstreaming of biodiversity throughout the EU budget, both within the EU via the main domestic funding instruments and through external action funding.

Thanks to its enhanced green architecture, the CAP for 2023-2027 has a range of instruments that can contribute to supporting biodiversity. This is in line with the CAP specific objective to contribute to halting and reversing biodiversity loss, enhancing ecosystem services and preserving habitats and landscapes. The enhanced green architecture strongly reinforces conditionality (previously cross-compliance and greening) that links area- and animal-based support to the respect of a number of statutory management requirements and nine standards for good agricultural and environmental conditions. Conditionality is also the baseline for other incentive measures supported by the CAP. Two good agricultural and environmental conditions have biodiversity protection as their main objective: GAEC 8 concerns the protection of non-productive and biodiversity relevant areas and features, while GAEC 9 sets a ban on converting and ploughing environmentally-sensitive permanent grasslands in Natura 2000 sites. Other GAECs also contribute importantly to biodiversity even if it is not their primary role (maintenance of permanent grassland, protection of peatland and wetlands, establishment of buffer strips along water courses, crop rotation, soil cover). The wide area coverage and the compulsory nature of conditionality amplify its positive effects.

In addition, a new policy instrument developed under the CAP 2023-2027 – eco-schemes – contributes to biodiversity. Eco-schemes represent at least 25% of the direct payments, and Member States have proposed many eco-schemes targeting biodiversity issues.

Moreover, rural development measures such as agri-environment-climate commitments, organic farming and Natura 2000 payments make an important contribution to biodiversity objectives. They have significant effects in encouraging farmers to reach ambitious biodiversity goals through support for biodiversity-friendly agricultural practices such as maintaining semi-natural habitats and landscape features, and creating new habitats beneficial for biodiversity. The potential of other relevant rural development measures should not be underestimated. For instance, non-productive investments that help establish and/or restore landscape features such as hedgerows, stonewalls and wetlands can also play an important role. So do measures for knowledge-building, innovation and cooperation. Training and provision of farm advice also play a significant role in promoting biodiversity-friendly farming practices.

The new methodology developed to track the biodiversity contribution of the CAP 2023-2027 takes into account the new CAP architecture and its increased green ambition, which is implemented through the national CAP strategic plans. As from the draft budget 2024, the contribution of the CAP to biodiversity is estimated by the Commission through the application of EU coefficients (100%, 40% and 0%) and weighting factors (100%, 70% and 50%) that aim to reflect the differentiated contribution of each type of intervention towards the biodiversity objective. This includes direct and indirect contributions, including whether the support is subject to conditionality.

For eco-schemes and rural development interventions (other than the payments for natural or other area-specific constraints), the methodology is based on the links between each intervention and the three environmental and climate specific objectives referred to in points (d), (e) and (f) of Article 6(1) of Regulation (EU) 2021/2115, the CAP strategic plans regulation, i.e.:

> (d) to contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy; [hereafter SO4]
>
> (e) to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency; [hereafter SO5])
>
> (f) to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes.' [hereafter SO6] ([2])

Member States were asked to make such links for each intervention in their CAP strategic plans. Based on these links, several categories of spending are distinguished.

Interventions for which Member States have flagged the 'biodiversity' objective (SO6) ([3]).

- Interventions linked only to SO6 have only the objective to contribute to biodiversity. Therefore, an EU coefficient of 100% is applied to 100% of the financial allocations ([4]).
- Interventions linked to both SO6 and SO4 and/or SO5 also aim to contribute to climate- and other environment-related objectives. The fact that biodiversity has not been flagged as the only objective is reflected by a weighting factor: as a rule of thumb, the EU coefficient of 100% is applied to only 70% of the financial allocations.
- Interventions linked to SO6 and other SOs (other than SO4 and SO5) are considered to contribute only partly to biodiversity. Therefore, as a rule of thumb, the EU coefficient of 100% is applied to 50% of the financial allocations.

Interventions for which Member States have not flagged the 'biodiversity' objective (SO6).

- Interventions linked to SO4 and/or SO5 (but not SO6) have not been flagged by Member States as contributing to biodiversity, but they can nevertheless provide a useful contribution to it by addressing drivers of biodiversity loss such as those linked to climate change and water, soil and air pollution. They are, therefore, considered to make an indirect contribution to biodiversity. This is reflected by applying an EU coefficient of 40% to 100% of the financial allocations.
- For interventions linked to SO4 and/or SO5 and other SOs, an EU coefficient of 40% is applied to 50% of the financial allocations.

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([2]) All 10 specific objectives can be found in Article 6(1) of Regulation (EU) 2021/2115 (see above under the section 'Objectives').

([3]) The link to SO1 'to support viable farm income and resilience of the agricultural sector across the EU in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the EU' is not taken into account for eco-schemes, as it reflects that eco-schemes are a type of direct payments.

([4]) As direct payments are annual, the tracking is based on the annual planning of financial allocations within the CAP strategic plans for 2024, while the following years are based on average values for the programming period. Rural development commitments are multiannual and therefore the calculation is based on the average for the programming period.

Direct payments other than eco-schemes (included under the previous part of the methodology) and payments for natural or other area-specific constraints (ANC) are considered to contribute to biodiversity objectives because they are subject to conditionality. Moreover, payments for natural or other area-specific constraints limit land abandonment, which can indirectly contribute to preserving farmland biodiversity. The EU decided to allow derogations from the first requirement of GAEC 8 and to the full GAEC 7 (rotation) obligations in 2023([5]) as part of the measures taken to address the unprecedented uncertainties related food security, triggered by the war of aggression in Ukraine. To take account of the reduced scope of the GAECs in 2023, an EU coefficient of 2% is applied to these financial allocations in the draft budget 2024. From calendar year 2024/financial year 2025, this coefficient is brought to 3% following a partial derogation to GAEC 8 in 2024 (and no derogation from GAEC 7) instead of the 4% planned for the situation without any derogation – and instead of the 2% planned in 2023 for the full derogation of GAEC 8 first requirement and of GAEC 7. The adoption of a simplification package on certain GAECs for the rest of the period will only partly impact 2024, and, apart from the deletion of GAEC 8 first requirement, consists essentially of adjustments with limited impacts.

For 2021-2023, the contribution to biodiversity was calculated as follows.

2021-2022

EAGF:

- marker of 40% applied to the payment for agricultural practices beneficial for the climate and the environment (budget item 08 02 05 05);
- marker of 40% applied to 10% of the remaining direct payments to reflect the biodiversity contribution of cross-compliance (i.e. 4% of budget article 08 02 05) without payments for agricultural practices beneficial for the climate and the environment and without payments for the small farmers scheme which were not subject to cross-compliance.

EAFRD:

- marker of 100% applied to the annual commitments in priority area 4 ‘Restoring, preserving and enhancing ecosystems related to agriculture and forestry’ with the exception of the amounts for the areas facing natural constraints;
- marker of 40% of the annual commitments in focus area 5E ‘Fostering carbon sequestration in agriculture and forestry’.

2023

EAGF: same method as for 2014-2022, as the amounts for direct payments in the draft budget 2023 were based on the envelopes for calendar year 2022 of Regulation EU 2013/1307.

EAFRD: in the absence of an agreed method at the time, the biodiversity contribution was established by applying the share for biodiversity from 2021 and 2022 to the annual commitments for the draft budget 2023, i.e. extrapolating the contribution based on the shares from previous years.

Clean air

From 2024, the methodology for tracking the contribution to clean air of the CAP interventions is built - to some extent - on the approach used under biodiversity tracking, i.e. considering the links in the CAP strategic plans (CSP) interventions with the relevant specific objectives. In the CSPs, several instruments have the potential to contribute to tackling air pollution. Investments are important interventions for

([5]) Area-based payments for claim year 2023 are, as a rule, financed by the 2024 budget.

reducing air pollution, in particular productive investments in improved manure storage (supported in 21 CSPs) with regards to emissions from livestock farming, and in improved fertilisation techniques including precision farming with regards to emissions from arable farming. Other interventions are improved feeding management as well as implement sustainable grazing management.

The CAP has several objectives including climate change, biodiversity and environment (air, soil, water, etc). However as there is no specific objective on air quality, the methodology for clean air tracking is built as a starting point on the Result indicators (RI), in particular R.13 (Reducing emissions in the livestock sector: share of livestock units (LU) under supported commitments to reduce emissions of greenhouse gases (GHG) and/or ammonia, including manure management) and R. 20 (Improving air quality: share of utilised agricultural area (UAA) under supported commitments to reduce ammonia emissions) as set up by Regulation on CAP strategic plans (Regulation EU nº 2021/2115).

All the interventions where Member States have selected R13 and R20 have been selected and analysed. It should be noted that MS could link a measure to several RI as the measures can have synergies and complementary effects, eg: injection of slurry is a measure that is designed to contribute to clean air but will also contribute to water and soil protection. Moreover, some RI are of horizontal nature and are not linked to specific farming practices. The fact that that several RIs are selected does not per se mean that the intervention is not contributing principally to air quality.

A verification was carried out for each of the preselected interventions. The interventions contributing principally to air quality were allocated 100% and the interventions contributing significantly to air quality 40%. The interventions get a 0% if following the verification it is confirmed they do not contribute to clean air, neither principally nor significantly.

The methodology for years 2021-2023 follows the previous approach: 40% of the expenditure of Focus Area 5B (energy efficiency) plus 40% of expenditure of Focus Area 5D (reducing greenhouse gases and ammonia emissions from agriculture).

**Contribution to gender equality (million EUR)** (*)**:**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | 55 018.2 | 52 604.1 | 53 308.5 | 160 930.8 |
| 0 | | | | |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- N/A

Rural development policy contributes to gender equality, as the gender perspective is considered during the preparation and implementation of the rural development programmes. Under priority 6 of the rural development policy, the CAP supports social inclusion, poverty reduction and economic development in rural areas. Under this priority, the EAFRD supports, inter alia, the development of basic services in rural areas and local initiatives; it finances the launch of non-agricultural and agricultural activities and promotes cooperation between local actors. This can help to address the specific challenges that women sometimes face in rural areas and in the agricultural sector, such as the lack of quality basic services in some rural areas (e.g. childcare services, broadband and transport). Moreover, all rural development measures have the potential to contribute to gender equality to various extents, for example by providing support to improve skills and facilitate business development. Besides that, gender equality is specifically sought in the rural development policy through:

- the possibility to submit thematic subprogrammes for women in rural areas (although no Member States have done so);
- the possibility to target rural development support to women through the application of selection criteria; and
- the obligation to respect *ex ante* conditionality on gender equality.

It is currently not possible to establish accurate data on the gender breakdown of the beneficiaries of CAP funding, as a number of the beneficiaries have a legal rather than natural identity. Moreover, at present, the data is not disaggregated by sex, especially in the case of EAGF and direct payments. For the regional development programmes (2014-2022) the breakdown was not requested. For the CAP strategic plans, disaggregation has been required for several result indicators but Member States are not required to report on them until 2025.

For the 2023-2027 CAP, Regulation (EU) 2021/2115 requires Member States to establish a partnership that includes relevant bodies, including those responsible for gender equality and non-discrimination. DG Agriculture and Rural Development insisted on this during the assessment and approval of the CAP strategic plans. Furthermore, under the leader programme, the DG insisted on the inclusion of women in the management boards of local action groups. Some of these groups have not yet been selected and not all local development strategies have been approved, so data are not yet available. Other Member States have included specific provisions for women in the interventions for generational renewal, while others have committed to addressing gender under the leader programme via the local development strategies.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | 66.8 | 61.7 | 69.2 | 197.6 | 0% |

Figures for 2021-2023: declared expenditure for focus area 6C on enhancing the accessibility, use and quality of information and communication technologies in rural areas (United Kingdom excluded).

Broadband access in rural areas continues to improve, with an increase of 54.9 percentage points in 9 years, but is still lagging behind urban areas. In 2022, 72.9% of rural households had next-generation access compared to 91.5% of total EU households. This is the second year in a row with a clear improvement and a sustained reduction of the gap between urban and rural areas, in particular in the case of the fibre-to-the-premises coverage, which is the best technology available. Nonetheless, the connectivity gap remains a challenge for rural areas. The level of broadband access depends significantly on general developments in telecoms markets and financing from other policy tools, in particular the Recovery and Resilience Fund. The CAP plays its part by offering explicit support for setting up, expanding and improving broadband infrastructure, and for the provision of broadband internet access (i.e. improved connections to infrastructure). Based on the latest updates of the rural development programmes, the CAP will have helped nearly 13 million people living in rural areas to benefit from improved access to information and communication technology services and infrastructure over the course of the current programming period. In 2023, DG Agriculture and Rural Development continued to work closely with DG Regional and Urban Policy, DG Communications Networks, Content and Technology and DG Competition to further develop the network of Broadband Competence Offices in Member States and their regions, including a renewed Brussels-based support facility, contracted and managed by DG Agriculture and Rural Development. By the end of 2023, the broadband competence office network was comprised of 27 national and 113 offices in the EU, six offices in the western Balkan countries and one in Norway. In 2023, DG Agriculture and Rural Development continued its application of the rural proofing checklist in cases where Member States requested programming changes to broadband funding. 2023 was a year of very intensive training activities, including the annual meeting of the Broadband Competence Offices and the European Broadband Awards, and a meeting in Berlin.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress | Target | Results | Assessment |
|---|---|---|---|---|---|
| To increase agricultural factor income | 2013: 102<br>(2015: 100) | **100%** (*) | Overall increase in the long term | Index above the baseline each year from 2014 to 2023. 2023 index value: 135 | On track |
| To increase agricultural productivity | 2010: 100 | **100%** (*) | Overall increase in the long term | Index above the baseline each year from 2014 to 2023. 2023 index value: 109.7 | On track |

| | | | | | |
|---|---|---|---|---|---|
| To increase the rural employment rate | 2013: 63% | **100%** (**) | Overall increase in the long term | Index above the baseline each year from 2014 to 2022. 2022 index value: 70% | On track |
| Support for investment in restructuring | 0% | **77%** (**) | 3.4% in 2025 | Support reached 2.56% of agricultural holdings out of 3.4% | On track |
| Business development plan for young farmers | 0% | **89%** (**) | 2.0% in 2025 | Support reached 1.78% of agricultural holdings out of 2.0% | On track |
| Contributing to biodiversity and landscapes – agricultural land | 0% | **> 100%** (**) | 19% in 2025 | 19.3% of agricultural land reached, compared to a target of 19% | On track |
| Improving water management – agricultural land | 0% | **97%** (**) | 16.6% in 2025 | 16.2% of agricultural land reached, out of 16.6% | On track |
| Preventing soil erosion and improving soil management – agricultural land | 0% | **> 100%** (**) | 15.5% in 2025 | 15.8% of agricultural land reached, compared to a target of 15.5% | On track |
| New or improved services/infrastructure | 0% | **> 100%** (**) | 20.4% in 2025 | 24.1% of rural population reached, out of 20.4% | On track |

(*) % of target achieved by the end of 2023.
(**) % of target achieved by the end of 2022.

The new delivery model of the CAP 2023-2027 puts a strong emphasis on results and performance. The policy focuses on 10 specific objectives, linked to common EU goals for social, environmental, and economic sustainability in agriculture and rural areas. These objectives are the basis upon which Member States designed their CAP strategic plans. EU Member States contributed to the objectives by designing intervention strategies with a toolbox of broad instruments defined in the CAP legislation, which are shaped to address specific national circumstances and needs. The plans contribute to the EU's environmental and climate objectives and targets set out in or stemming from the relevant legislation and to the ambitions of the European Green Deal.

The CAP therefore facilitates synergies by designing interventions that contribute to multiple horizontal priorities simultaneously. For example, the CAP may support the adoption of precision agriculture technologies, which not only improve the digitalisation of the agricultural sector but also contribute to more sustainable and efficient farming, thus benefiting both digital and environmental and climate priorities.

Furthermore, the CAP requires and further incentivises sustainable soil management. These requirements and interventions not only contribute to climate objectives by sequestering carbon in soil or reducing greenhouse gas emissions linked to soil management, but also promote

biodiversity and ecosystem resilience, addressing priorities related not only to natural resources, but also to climate and the protection of biodiversity. Sustainable soil management practices help preserve soil fertility and thus reduce the need for synthetic fertilisers, improving farms' input autonomy and reducing their need for imports.

The CAP catalogue on interventions presents a complete overview of the planned interventions, expenditure and outputs at the EU level and per CAP plan, when relevant.

The CAP has helped to support and stabilise farm income. Between 2014 and 2023, the average EU factor income per worker increased by 35% in real terms, mainly due to major gains in labour productivity and high agricultural output prices in 2022. DG Agriculture and Rural Development ensures the implementation of a consistent system of direct payments to farmers. The delivery modes related to direct support are in place at all levels (EU and national), which ensures that income support is delivered to farmers in a consistent, efficient and regular way and in a timely manner. DG Agriculture and Rural Development develops the necessary tools to ensure a fairer and more effective and efficient targeting of direct payments towards the CAP objectives, in close cooperation with Member State authorities.

Overall, since 2014, EU price volatility has been lower than price volatility on the international markets for all products. This overall picture hides variations between different regions in the EU. For example, direct payments and rural development support represent close to 50% of farmers' income in mountain areas, and CAP funding helps to make farms viable in the most remote rural areas. Nevertheless, the high level of total income support in mountain areas does not fully compensate for the income gap with non-mountain areas.

The backdrop of the global economic disruptions stemming from the COVID-19 pandemic and the Russian unprovoked invasion of Ukraine had negative implications for the supply of key agricultural commodities and inputs. The European Commission put forward a number of measures to safeguard global food security, and supporting EU farmers and consumers most affected by Russia's invasion of Ukraine (see 'budget implementation').

The CAP continued to make a significant contribution to food security by achieving productivity gains and resilience in trade markets. It also provided support to improve supply-chain organisation. The EU accounted for 17.6% of global agri-food exports in 2022, despite a challenging international context.

As to the objective of promoting food-chain organisation, Member States reported several achievements, such as better integration in the food supply chain and the introduction of quality schemes, increased quality of food production, promotion of local markets and short supply, increased participation of farms in risk prevention and management schemes and greater prevention of risks from flooding.

Pressures on the EU agricultural resources have increased due to growing food and industrial demand, which is driven by changes in the demographics and disposable income. On the supply side, there is growing competition for the same production factors (land, labour, capital) and growing pressure on the use of natural capital (with impact on the environment and climate). Increasing agricultural productivity in a sustainable way is essential to meet the challenges of higher demand in a resource-constrained and climate-uncertain world. EU agricultural productivity is already high, partly due to increased labour productivity. However, stagnation in recent years is associated with challenges that both the agricultural sector and EU civil society have to face, such as rising food prices, climate change and loss of biodiversity. A number of drivers and policy tools are available to trigger productivity gains in EU agriculture, such as research and innovation programmes, new technologies, rural development and infrastructure, efficient advisory systems and continuous training for farm managers.

The CAP aims to facilitate job creation and maintenance by supporting investments in rural businesses and infrastructure and skills acquisition through innovation support, training and giving advice, all while paying specific attention to the nature of agricultural activity, which results from the social structure of agriculture and from structural and natural disparities between the various agricultural regions. There are also certain challenges linked to a development gap in rural areas, which are often less well-served by essential infrastructure and services (e.g. limited access to public transport and broadband, remote health care services) and need to be prioritised, also using other EU policies. Rural development supports all entities operating in rural areas to foster sustainable and inclusive growth in the EU and to address the rural/urban divide. Various measures under rural development programmes and CAP strategic plans contribute to this objective, including investments (providing basic services), cooperation and the exchange of knowledge and information, promoting innovation and access to training and advice.

The CAP supports young farmers via dedicated 'young farmers' schemes under both the EAGF and rural development. Indirectly, the CAP facilitated generational renewal by supporting the economic sustainability of jobs in rural areas. While it mainly supports farming, evidence shows significant spill-over effects on the wider rural economy, because it boosts local spending and provides employment. CAP support can be key to improving infrastructure, services and connectivity, especially in remote areas, and can also help slow the rate of depopulation and land abandonment in the EU. However, CAP support is insufficient on its own to remove the main entry barriers to farming, namely limited access to land and capital and the (perceived) disadvantages of the working and living conditions of rural areas.

In the objective of promoting social inclusion, poverty reduction and economic development in rural areas, several achievements relating to small enterprises and jobs have been reported, such as diversification, the creation and development of small enterprises and job creation and maintenance in rural areas. There has also been progress in terms of the development of and access to services and local infrastructure in rural areas, participation in local development strategies, employment opportunities created via local development strategies, broadband expansion and better use of information and communications technology in rural areas. The indicator value for services/infrastructures is relatively low, partly since many of these projects are large and may require several years to be implemented.

Under the CAP 2014-2022 rules, the EAGF provided an extensive level of 'baseline protection' for the environment via mandatory cross-compliance and greening obligations, which together comprised more than 80% of the EU's agricultural land. Support was decoupled from production and linked to compliance with standard environmental and climate practices, and was therefore not an incentive to increase production intensity. Since CAP payments are conditional to respecting a basic set of environment-related rules, the CAP helps enforce the implementation of existing legislation that is relevant for the environment.

The 'greening' scheme brought in by the 2013 CAP reform was successful in preventing further environmental damage. Although the greening scheme had the potential to promote environmental and climate practices, the choices made by Member States and farmers did not fully unlock this potential.

The CAP also provided for more targeted but voluntary commitments under rural development, such as agri-environment climate measures and organic farming. In fact, the largest share of the EAFRD fund is allocated to the objective of restoring, preserving and enhancing ecosystems. Here, reported achievements include an increased area of agricultural and forest land covered by management contracts to enhance biodiversity and landscapes; restoring, preserving and enhancing biodiversity; the improvement of water quality and management; the prevention of soil erosion and improvement of soil management; and the preservation of genetic species in grasslands and livestock. Given their tailored and targeted design, these measures were most effective in encouraging the sustainable management of natural resources. But implementation choices greatly influenced the overall impact of these measures and their uptake was limited, notably due to complex eligibility conditions and premiums too low to stimulate change, particularly in certain productive areas.

The Commission already adopted a partial derogation to the conditionality rule on non-productive areas, and on changing the rules for permanent grassland to alleviate certain difficulties.

The Commission also adopted a regulation containing substantial and targeted measures, which will amend the CAP strategic plan regulation and the horizontal regulation. The set of limited adjustments of the CAP regulations will address difficulties in the implementation of conditionality and management of the strategic plans. For farmers, these proposals will greatly reduce the burden related to controls and will facilitate compliance with certain environmental conditionalities. National administrations will also benefit from more flexibility to apply certain standards in a way that is more compatible with farming realities.

The Commission has also revised its methodology for the Area Monitoring System quality assessment, and will clarify possibilities for using geo-tagged photos and review the requirements linked to geo-tagging. It

will work with Member States to determine possible ways of rationalising the controls, including by the possibility for farmers to correct an unintentional error the first time without penalty.

For the objective of promoting resource efficiency and supporting the shift towards a low-carbon and climate-resilient economy, uptake was generally lower than planned. This was due to the nature of the interventions, as investment projects can take some time to materialise. Implementation delays have been the subject of continuous dialogue with the Member States.

Overall, the 2014-2022 CAP provided a wide range of tools for the sustainable management of natural resources and climate action, but Member States did not seize all opportunities to improve the environmental sustainability of farming and to step up climate action. The policy could have been more effective with a more strategic approach, more targeted measures and funding, and had beneficiaries been more ambitious in the implementation of these measures rather than minimising changes. These weaknesses are addressed in the CAP for the 2023-2027 period: national CAP strategic plans are crucial in guaranteeing the CAP contribution to address climate change, the protection of natural resources and biodiversity, and to supporting sustainable farming, farm incomes and food security. Before approving them, the Commission assessed whether the CAP strategic plans contribute to, and are consistent with, EU legislation and commitments in relation to climate and the environment, including those laid out in the farm-to-fork and biodiversity strategies (https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en).

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | Yes | The CAP is reducing inequalities between territories (indicator: level of rural poverty split by territory). The CAP is also reducing inequalities between groups. (Indicator: Poverty index in rural areas.) |

| | | |
|---|---|---|
| SDG2 | Yes | The CAP is supporting productivity and efficiency gains and thereby contributing to SDG 2.3 (By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment).<br><br>The EU school scheme supports the distribution of fruit, vegetables and milk to schools across the European Union as part of a wider programme of education about European agriculture and the benefits of healthy eating. The consumption of fresh fruit and vegetables and of milk in the EU does not meet the international or national nutritional recommendations while that of processed food that is often high in added sugar, salt, fat or additives is on the rise. Unhealthy diets, together with low physical activity, result in overweight and obesity. This is why the EU takes action to help children follow a healthy diet and lead healthy lifestyles. |
| SDG3 | | |
| SDG4 | Yes | The CAP is enhancing Agricultural Knowledge and Innovation Systems and strengthening links with research. It is also strengthening farm advisory services within the Agricultural Knowledge and Innovation Systems. |
| SDG5 | | |
| SDG6 | Yes | EU Member States have outlined measures in the CAP strategic plans to reduce nutrient losses and pesticide use by 50% by 2030, thereby protecting water resources. |
| SDG7 | Yes | CAP strategic plans are outlining various measures to increase the production of renewable energy, e.g. biogas. |
| SDG8 | Yes | The CAP fosters income, value added and employment in rural areas. |
| SDG9 | Yes | The CAP offers explicit support for setting up, expanding and improving broadband infrastructure, as well as for the provision of broadband internet access (i.e. improved connections to infrastructure), and access to e government.<br><br>According to targets aggregated from the 2014-2020 rural development programmes (covering the current 2014-2022 extended programming period), the CAP will help nearly 13 million people living in rural areas to benefit from improved access to information and communication technology services and infrastructure. |
| SDG10 | | |

| | | |
|---|---|---|
| SDG11 | | |
| SDG12 | Yes | Through demand driven production models and support to processing and preservation technology the CAP helps to reduce food loss and waste. |
| SDG13 | Yes | The CAP supports carbon storage (carbon farming measures, peatland restoration, etc.) and contributes to prevention and reduction of GHG emissions. GHG emissions from agricultural production decreased from 582 million tons in 1990 to 414 million tons in 2021. |
| SDG14 | | |
| SDG15 | Yes | Recent production and market trends show the importance that organics has gained over the last decade. Organic farming responds to a specific consumer demand for sustainable food products, promoting more sustainable farming practices and contributing to the protection of the environment and improved animal welfare.<br>For the 2014-2020 period, the rural development support planned for organic farming amounts to EUR 11.2 billion.<br>The share of the EU’s utilised agricultural area with organic farming has increased from 5.6% in 2012 to 9.1% in 2020. corresponding to an increase from 10.05 to 14.7 million hectares. |
| SDG16 | | |
| SDG17 | | |

# EMFAF

EUROPEAN MARITIME, FISHERIES AND AQUACULTURE FUND

# *Programme in a nutshell*

## Concrete examples of achievements

It is too early in the programming cycle to report on key achievements for the 2021-2027 (European Maritime, Fisheries and Aquaculture Fund – EMFAF) programming period. The figures below are in respect of the 2014-2020 (European Maritime and Fisheries Fund – EMFF) period.

| | | |
|---|---|---|
| 23 626<br>fishing vessels (about 32% of the EU fleet) benefited from the EMFF between 2014 and 2022. 58% of the vessels supported belonged to the small-scale coastal fishing fleet. | 187 648<br>fishers benefited from the EMFF between 2014 and 2022. | 111 555<br>operations were selected to receive funding under the EMFF between 2014 and 2022, almost 87 000 of which were addressed to small and medium-sized enterprises or natural persons. |
| 11 713<br>projects addressing the environment and resource efficiency were selected between 2014 and 2022, with an EMFF contribution of EUR 1 854 million. | 10 427<br>operations were supported relating to better management of Natura 2000 and other marine protected areas between 2014 and 2022, with an EMFF contribution of EUR 525 million. | 105 174<br>employees of processing companies benefited from the EMFF between 2014 and 2022. |

## Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | **5 981.1** |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **5 981.1** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The EMFAF supports the common fisheries policy, the EU maritime policy and the EU agenda for international ocean governance.

## CHALLENGE

As a global ocean actor and a major producer of seafood, the EU has a responsibility to protect and sustainably use the oceans and their resources. This is also in its socioeconomic interest regarding the availability of food supplies, the competitiveness of the maritime economy and the livelihood of coastal communities.

In this respect, the EMFAF for 2021-2027 supports the common fisheries policy, the EU maritime policy and the EU's international commitments for international ocean governance. Such support is an enabler of sustainable fisheries and the conservation of marine biological resources, of food security through the supply of seafood products, of the growth of a sustainable blue economy and of healthy, safe, secure, clean and sustainably managed seas and oceans. It also contributes to the achievement of the United Nations' sustainable development goal (SDG) 14 ('conserve and sustainably use the oceans, seas, and marine resources'), to which the EU is committed.

## MISSION

The EMFAF provides EU financial support for the objectives of the common fisheries policy, which seeks to manage the EU fishing fleet and fish stocks efficiently and sustainably. It also supports the implementation of the EU's maritime policy and the strengthening of international ocean governance. A sustainable blue economy boosts investment, jobs and growth, fosters research and innovation and contributes to energy security through ocean energy. Moreover, safe and secure seas and oceans are essential for efficient border control and for the global fight against maritime crime, thereby addressing citizens' security concerns.

The EMFAF also contributes to the implementation of the European Green Deal, and in particular the farm-to-fork strategy and the EU biodiversity strategy for 2030, along with the EU strategy for adaptation to climate change.

## OBJECTIVES

The EMFAF supports the common fisheries policy, the EU maritime policy and the EU agenda for international ocean governance under the following four priorities:

1. fostering sustainable fisheries and the restoration and conservation of aquatic biological resources;
2. fostering sustainable aquaculture activities and processing and marketing fisheries and aquaculture products, thus contributing to food security in the EU;
3. enabling a sustainable blue economy in coastal, island and inland areas and fostering the development of fishing and aquaculture communities;
4. strengthening international ocean governance and enabling seas and oceans to be safe, secure, clean and sustainably managed.

The EMFAF also contributes to the implementation of the European Green Deal, in particular to the farm-to-fork strategy and the EU biodiversity strategy for 2030, including their external dimension, but also for the preparation of the EU strategy for adaptation to climate change.

## ACTIONS

The EMFAF regulation defines four distinct priorities for the programme.

Under priority 1, the EMFAF should ensure that fishing activities are environmentally sustainable in the long term and managed in a way that is consistent with the objectives of achieving economic, social and employment benefits and of contributing to the availability of food supplies. In particular, it aims to achieve and maintain sustainable fishing based on the maximum sustainable yield and to minimise the negative impacts of fishing activities on the marine ecosystem. This support includes innovation and investment in low-impact, climate-resilient and low-carbon fishing practices and techniques.

Under priority 2, the fund may support the promotion of sustainable aquaculture and the marketing, quality and added value of fishery and aquaculture products, along with the processing of these products.

Under priority 3, it may support action that contributes to enabling sustainable blue economies in coastal, island and inland areas and to fostering the sustainable development of fishing and aquaculture communities.

Under priority 4, the EMFAF may support actions to strengthen international ocean governance and enable safe, secure, clean and sustainably managed seas and oceans through the promotion of marine knowledge, maritime surveillance and coastguard cooperation.

## STRUCTURAL SET-UP OF THE PROGRAMME

The EMFAF runs from 2021 to 2027 and supports the EU common fisheries policy, the EU maritime policy and the EU agenda for international ocean governance.

It provides support for developing innovative projects ensuring that aquatic and maritime resources are used sustainably.

As a global ocean actor and a major producer of seafood, the EU has a responsibility to protect and sustainably use the oceans and their resources. It is also in the EU’s socioeconomic interest to guarantee the availability of food supplies, the competitiveness of the maritime economy and the livelihood of coastal communities.

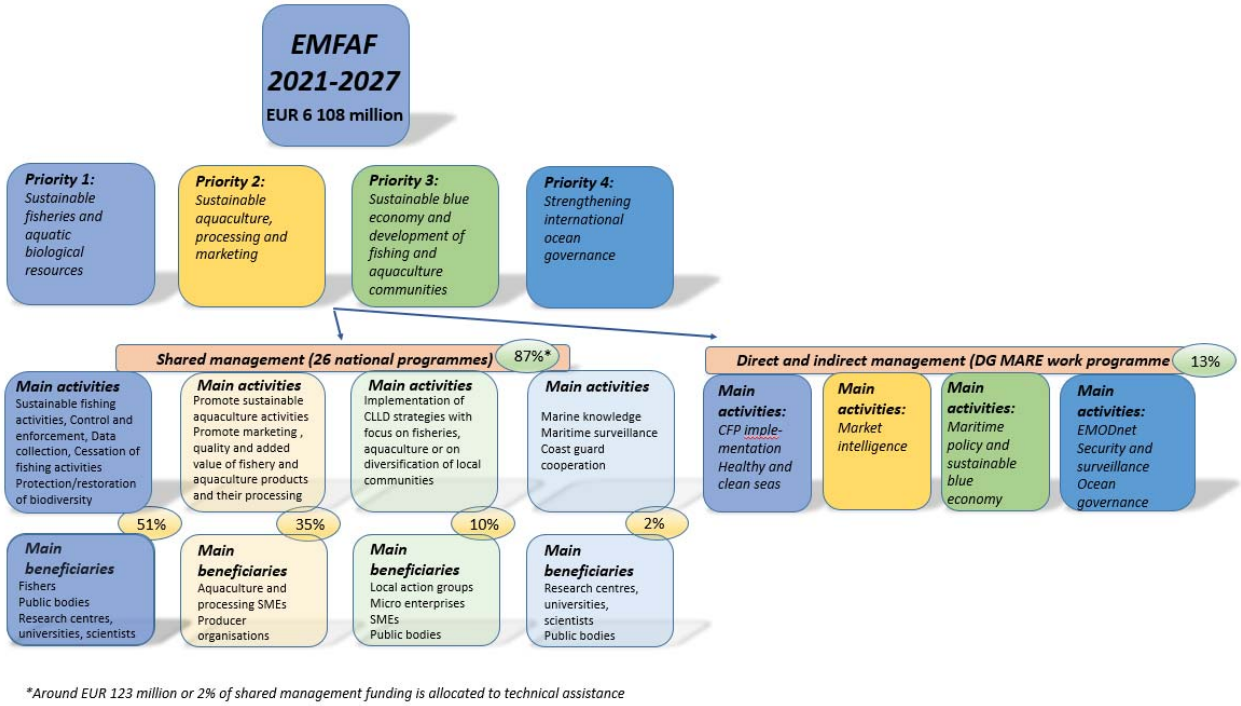
The fund helps achieve sustainable fisheries and conserve marine biological resources. This leads to food security through the supply of seafood products, the growth of a sustainable blue economy and healthy, safe and sustainably managed seas and oceans. It also helps achieve the UN's SDG 14 ('conserve and sustainably use the oceans, seas and marine resources'), to which the EU is committed. Furthermore, the EMFAF helps fulfil the objectives of the European Green Deal, the road map for the EU's climate and environmental policies.

The EMFAF is managed mainly under shared management (87% of the budget allocation), under the rules of the common provisions regulation ([6]). Thus, the EMFAF shares common rules with the other EU Structural and Investment Funds covered by the regulation, providing for common objectives, principles and rules relating to planning, programming, monitoring and reporting. The EMFAF further specifies details within this framework, including the common result indicators, types of interventions and climate coefficients that must be used when planning and reporting.

The remaining part of the financial envelope (13%) is implemented through direct or indirect management modes. The direct management part of the fund is either managed directly by the European Commission or delegated to an executive agency. This part of the fund finances common-fisheries-policy-related projects, market intelligence, scientific advice, a sustainable blue economy and international ocean governance, along with contributions to international organisations or to the functioning of the advisory councils. The budget under direct management has the same set of common result indicators and principles as shared management, to allow full and consistent reporting on the achievements of the EMFAF.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP

([6]) Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy.




*Around EUR 123 million or 2% of shared management funding is allocated to technical assistance

## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

For the 2021-2027 period, the EMFAF builds on the experience of the EMFF for 2014-2020, with a simplified structure, while giving Member States more control and more flexibility in the directly and indirectly managed component with a new focus on strengthening international ocean governance.

## FURTHER INFORMATION

- Programme website:
  - https://oceans-and-fisheries.ec.europa.eu/funding/emfaf_en.
- Impact assessment:
  - the impact assessment for the Commission's proposal for the 2021-2027 EMFF was carried out in 2018;
  - for further information please consult: https://europa.eu/!Un66pR.
- Relevant regulation:
  - Regulation (EU) 2021/1139 of the European Parliament and of the Council.
- Evaluations:
  - the Commission has carried out a midterm evaluation of the direct management component of the EMFF ([7]).

([7]) Commission staff working document – Interim evaluation of the direct management component of the European Maritime and Fisheries Fund (EMFF) (SWD(2020) 221 final).

- the Commission will carry out an *ex post* evaluation of the EMFF by the end of 2024 to examine the EMFF's effectiveness and efficiency, coherence with other policies, relevance and EU added value. It aims to identify:
  - how the fund achieved the objectives for each EU priority;
  - how well it responded to crises and market disruptions; and
  - the factors that contributed to the success or failure of its investments.

  The study underpinning this evaluation is in progress;
- the Commission will also carry out a midterm evaluation of the EMFAF by the end of 2024 to examine the effectiveness, efficiency, relevance, coherence, and EU added value of the fund. The study underpinning this evaluation is in progress.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 109.1 | 1 134.4 | 1 103.1 | 1 070.2 | 946.6 | 804.2 | 813.6 | 5 981.1 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **109.1** | **1 134.4** | **1 103.1** | **1 070.2** | **946.6** | **804.2** | **813.6** | **5 981.1** |

(*) Only Article 15(3) of the financial regulation.



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Financial programming:

## – EUR 103.8 million (– 2%)

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

Though the financial envelope in the adopted EMFAF legal act is EUR 6 108 million, EUR 26 million has been diverted to finance the needs of the European Fisheries Control Agency. In addition, the amount of EUR 14 million was transferred from the Cohesion Fund (DG Regional and Urban Policy) to EMFAF in accordance with the adopted partnership agreement C(2022)4777. Also, the amount of EUR 11.2 million was transferred from EMFAF to the Border Management and Visa Instrument (DG Migration and Home Affairs) according to the adopted partnership agreement C(2021)5617. And finally, in early 2024, following the political agreement on the midterm revision of the multiannual financial framework, the amount of EUR 105 million has been redeployed from EMFAF direct management (the total EMFAF financial envelope has been reduced by EUR 105 million).

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 2 344.0 | 5 981.1 | 39.2% |
| **Payments** | 225.8 | | 3.8% |

Voted budget implementation (million EUR):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 106.5 | 760.7 | 11.1 | 53.0 |
| **2022** | 1 131.4 | 971.9 | 109.8 | 111.7 |
| **2023** | 1 103.1 | 1 100.7 | 103.0 | 91.5 |

(*) Voted appropriations (C1) only.

Implementation of the EMFAF:

– Up to 30 June 2023, EUR 328 million of EMFAF support (6%) has been committed for 1 767 operations implemented under shared and (in)direct management. 96% of all operations are implemented under EMFAF priorities 1 and 2. However, priorities 3 and 4 have a relatively higher proportion of their allocations already committed (19% and 21% respectively).

– With regard to shared management, the EMFAF regulation and the common provisions regulation were both adopted in mid-2021. In total, 25 of the 26 EMFAF programmes of the Member States were adopted by the end of 2022, with commitment and pre-financing in the same year. The 26th and final EMFAF programme was adopted in March 2023, completing the adoption process for all Member States.

– In 2023, a total of EUR 43.1 million had been paid by the Commission to the Member States under share management (EUR 26.7 million of pre-financing and EUR 16.4 million of payments related to cost claims).

– When it comes to direct and indirect management, all commitment appropriations in the year 2023 from the European Commission voted budget representing EUR 94 million have been implemented. This has resulted in various initiatives being launched in the fields of maritime policy, scientific advice, international ocean governance, voluntary contributions to regional fisheries organisations and contributions to the initiatives managed by the United Nations agencies.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 35.0 | 598.4 | 586.3 | 566.1 | 503.3 | 422.3 | 428.8 | 3 140.2 | 53% |
| **Biodiversity mainstreaming** | 52.5 | 339.0 | 331.9 | 320.9 | 282.7 | 242.1 | 245.5 | 1 814.7 | 30% |
| **Clean air** | | | | | | | | | |

EMFAF programmes do not finance taxonomy-relevant expenditure, as the programmes focus on the fisheries and aquaculture sector and the marine environment, with no corresponding fisheries category covered by the taxonomy regulation. However, the EMFAF is strongly linked with the preservation and restoration of marine biodiversity for healthy ecosystems, and makes an expected contribution of 30% to biodiversity. Furthermore, the EMFAF is structured in such a way that all operations financed fall under the ’do no significant harm’ principle on which the taxonomy is based.

Contribution to green budgeting priorities.

– As of June 2023, approximately 449 operations under shared management worth EUR 100 million (71% of EMFAF support) dealt with climate change and mitigation. The

contribution of the EMFAF to EU climate and environmental objectives is tracked through the application of environmental and climate markers and reported on regularly within the monitoring framework of the fund.

– From all EMFAF contributions covered by the above table, the estimated amounts stemming from operations under direct and indirect management account for EUR 216 690 771 for climate change (in 2021-2027) and EUR 331 801 897 for biodiversity (in the same period).

No EMFAF data are available in respect of clean air.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | 20.6 | 20.0 | 40.6 |
| 0 | 106.5 | 1 110.8 | 1 083.1 | 2 300.4 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender-disaggregated information.

- N/A

– A score of 0* is assigned. Of the EMFAF support provided as of June 2023 (EUR 328 million), 97% (EUR 319 million) was provided to legal persons. The EUR 9 million in support to natural persons comprised EUR 4.7 million for those who defined themselves as male, EUR 3.1 million for non-defined and EUR 0.13 million for female, with EUR 1.2 million attributable to multiple individuals. In terms of the number of operations, however, slightly more than one third were attributed to natural persons, with a predominance of male beneficiaries.

– The contribution to gender equality is estimated at EUR 106.5 million under the EMFAF (2021-2027 programming period).

– Fishing and fish processing are male-dominated activities in Europe ([8]). Men provide the main labour force on board fishing vessels, and most fishing boats and aquaculture farms are owned by men ([9]).

– However, women play an important role in the fisheries sector, especially in small-scale family businesses. Either they are involved in the fishing activity itself – on board or on foot as shellfish gatherers – or they support the business through onshore activities such as fishing-gear preparation and maintenance, transporting fish to auctions, sales, administration, logistics or even the development of tourist activities ([10]). This work is not always recognised. According to a study ([11]) for the European Commission, the share of unpaid women in fisheries (6.6%) is almost double their share of total employment (3.8%). However, this level of employment is an underestimate, as the existing statistical data show employment within the fisheries sector only if this employment is declared and remunerated.

– Gender inequality in the fisheries sector is influenced by the following set of factors ([12]):

  o participation of women and men in fisheries subsectors;

  o women's invisible work in the fisheries sector;

  o women's participation in decision-making.

– The EU's fisheries policy promotes sustainable fish stocks and sustainable marine ecosystems as a precondition for a competitive European fishing industry. Although the gender-equality dimension is not present in the EMFAF in the form of gender-specific objectives and measurable gender commitments, the fund covers broader gender-related aspects in line with the equality provisions set out in the common provisions regulation.

– Under direct management, the EMFAF currently supports two 'women in the blue economy' projects aiming to (1) increase women's participation in blue economy sectors, (2) improve data collection on gender distribution, (3) increase visibility, awareness and recognition of women's role in the blue economy and (4) strengthen women's leadership, to the amount of EUR 2.5 million. The projects WIN-BIG and Winblue ([13]) were launched in May 2023.

– Furthermore, in accordance with Article 46 of the EMFAF regulation on the monitoring and evaluation framework, the managing authority provides the Commission with relevant operation-level implementation data, including key characteristics of the beneficiary (name, type of beneficiary, size of enterprise, gender and contact details). Commission Implementing Regulation (EU) 2022/79 sets out the format: for each operation, a specific data field covering gender for natural persons must be filled in. One code must be selected from a list. This *ex post* submission can be used to estimate an approximate financial contribution relevant to gender and to identify examples of operations Member States consider to be gender relevant in the area of fisheries, in line with the relevant requirements of the common provisions regulation. The current score of 0* will be reassessed as such data become available.

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([8]) https://www.europarl.europa.eu/doceo/document/A-7-2014-0070_EN.html?redirect.

([9]) https://eige.europa.eu/gender-mainstreaming/policy-areas/maritime-affairs-and-fisheries.

([10]) https://epthinktank.eu/2021/10/15/women-in-fisheries/.

([11]) https://stecf.jrc.ec.europa.eu/documents/43805/2485408/STECF+19-03+-+Social+data+in+EU+fisheries+sector.pdf/401568fd-3e48-4ddf-aabf-801cea045dce.

([12]) https://eige.europa.eu/gender-mainstreaming/policy-areas/maritime-affairs-and-fisheries.

([13]) Project websites: Winblue – https://winblue-project.eu/; WIN-BIG https://winbigproject.eu/.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | 4.5 | 95.1 | 92.1 | 191.7 | 8% |

– The following types of intervention have been identified under EMFAF shared management as contributors to the digital transition: control and enforcement; data collection and analysis; and promotion of marine knowledge, maritime surveillance and security. Under direct and indirect management there are two contributors: control and enforcement; and market intelligence. All contributors have a contribution rate of 40% of their respective financial envelope.

– The digital contribution envisaged for the EMFAF programmes (shared management component) amounts to EUR 464 million, or 9%, of the total allocation to the Member States (for the 2021-2027 programming period). The digital contribution relating to EMFAF operational expenditure under direct and indirect management is estimated at EUR 30 million (for the same period).

– Under the shared management mode, the digital contribution is linked to three specific types of intervention: 10 (‘Control and enforcement’); 11 (‘Data collection and analysis, and promotion of marine knowledge’); and 12 (‘Maritime surveillance and security’). All have been assigned a digital coefficient of 40%.

– As of 30 June 2023, EUR 82.7 million had been committed (type of intervention 10 – EUR 15.5 million; type of intervention 11 – EUR 67.2 million) and EUR 6.3 million paid (type of intervention 10 – EUR 1.8 million; type of intervention 11 – EUR 4.5 million). Following the methodology, the EMFAF digital contribution under shared management thus far amounts to EUR 33 million (in commitments) and EUR 2.5 million (in payments).

– A further EUR 16.7 million in respect of control and enforcement has been committed under (in)direct management, of which EUR 11.6 million has been paid. This would add a further EUR 6.7 million (commitments) and EUR 4.6 million (payments) to the digital contribution.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target (**) | Results (**) | Assessment |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Businesses created | 0 | 0% | 491 in 2029 | No results | No data |
| Jobs maintained | 0 | 0% | 17 266 in 2029 | No results | No data |
| Persons benefiting | 0 | 0% | 4.8 million in 2029 | 1 964 compared to a target of 4.8 million | No data |
| Actions contributing to good environmental status, including nature restoration, conservation, protection of ecosystems, biodiversity, animal health and welfare | 0 | 0% | 22 010 in 2029 | 15 compared to a target of 22 010 | No data |
| Energy consumption leading to cardon dioxide emissions reductions | 0 | 0% | 16 500 in 2029 | No results | No data |
| Number of small and medium-sized enterprises supported | 0 | 1% | 14 000 in 2029 | 172 compared to a target of 14 000 | No data |
| Number of small-scale coastal fisheries vessels supported | 0 | 0% | 7 000 in 2029 | No results | No data |

(*) % of target achieved by the end of 2022.

(**) Targets and results presented in the above table correspond to data provided by the EU Member States

– As regards synergies between funds, the primary aim is to help fishing communities strengthen their resilience, to innovate and to adapt. This includes making better use of the support available through EU funding instruments, in particular support for innovation and the diversification of economic activities, support for the energy transition and increasing gear selectivity. The funds to be used for that purpose are primarily the EMFAF and the LIFE programme. They have a central role in supporting the policy objectives for climate and biodiversity. Moreover, the Commission works closely with Member States to make sure that each programme contributes to achieving the horizontal targets set out in the multiannual financial framework for these objectives.

– As regards synergies between political priorities, of the 16 types of intervention set out in Annex IV of the EMFAF regulation, three (numbers 10, 11 and 12) simultaneously cover climate, biodiversity and digital priorities. A further eight cover both climate and biodiversity (with identical coefficients). As of June 2023, approximately 70% of the

EMFAF amounts committed, and 60% of the EMFAF amounts paid, were within the scope of these priorities.

  - Other (potential) sources of funding include Horizon Europe, the European Regional Development Fund (including Interreg), the European Social Fund Plus, the European Agricultural Fund for Rural Development, the Connecting Europe Facility and the Recovery and Resilience Facility. Member States should use these strategically, increase national funding and encourage investment from the private sector to channel support for the transition, for example smart specialisation strategies for a sustainable blue economy. Furthermore, targeted training and upskilling programmes run with EU support under Erasmus+, EMFAF or the European Social Fund Plus could also help build bridges with other blue economy sectors, such as algae production and regenerative sea farming, renewable energy and sustainable aquaculture.
  - An initial picture of EMFAF performance is beginning to emerge. Based on the position as at 30 June 2023 (the most recent validated information available), EUR 328 million (6.1% of the total EMFAF allocation) of EMFAF support has already been committed to 1 767 operations implemented under shared management (12 Member States) and direct and indirect management.
  - At the level of EMFAF priorities, the highest commitment rates can be observed for EMFAF priorities 3 (‘Enabling a sustainable blue economy in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities’) and 4 (‘Strengthening international ocean governance and enabling seas and oceans to be safe, secure, clean and sustainably managed’), with commitments in euro of 18.6% and 21.1% respectively of the total available allocations for these priorities (shared and (in)direct management combined).
  - For shared management at the level of specific objectives the highest commitment rates can be observed for specific objectives 5.1 ‘Technical assistance’ and 1.4 ‘Control and data collection’, with 8.8% and 7.4% respectively of the total available allocations to these specific objectives.
  - Expenditure (and thus performance) remains limited at this early stage in the EMFAF operational cycle.
  - With regard to direct and indirect management, as the initiatives implemented since 2021 provide for smooth continuity from the EMFF to and throughout the EMFAF, the following assessment covers both EMFF and EMFAF activities without distinction.

- **Priority 1 (fostering sustainable fisheries and the restoration and conservation of aquatic biological resources).** Scientific advice is an essential element to assist in decision-making under the common fisheries policy. The provision of scientific advice to the relevant EU bodies and institutions and some regional fisheries management organisations (notably the North East Atlantic Fisheries Commission) has been ensured by renewing the various contractual and administrative arrangements in place with the International Council for the Exploration of the Sea, the Scientific, Technical and Economic Committee for Fisheries and the Joint Research Centre.

Regional fisheries management organisations are key vectors for the promotion of sustainable fisheries under international law. Among other things, voluntary contributions to regional fisheries management organisations of which the EU is a member assisted in the development of scientific knowledge and science-based management decisions; promoted compliance and the fight against illegal, unreported and unregulated fishing; and further improved fisheries governance in the various regions and the performance of those organisations.

- **Priority 2 (fostering sustainable aquaculture activities and processing and marketing of fishery and aquaculture products, thus contributing to food security in the EU).** The Commission has financed several initiatives, including a new aquaculture assistance mechanism, that assist the Commission in implementing the strategic aquaculture guidelines, and further developed the EU Aquaculture Assistance Mechanism website ([14]) created in 2022 as a central repository and one-stop shop for knowledge on and support for aquaculture in the EU. It also financed a contract for the continuation of the operations of the European Market Observatory for Fisheries and Aquaculture Products, which provides market intelligence for the EU fisheries and aquaculture sectors as requested under the common market organisation regulation. These initiatives are ongoing, and continually provide the Commission and our stakeholders with relevant data, analyses and advice focusing on economic, operational and social aspects of the fisheries and aquaculture sector, thereby contributing to the sustainable development of its operators and the maritime economy and fully achieving their objectives.
- **Priority 3 (enabling a sustainable blue economy in coastal, island and inland areas and fostering the development of fishing and aquaculture communities).** In 2023, the fund financed three cross-border maritime spatial planning projects in the EU, with the goal of supporting the adaptation of Member States' maritime spatial plans to new needs and challenges, in particular integrating into their plans the European Green Deal and related initiatives in areas such as biodiversity, food, energy and mobility. By launching the Blue Forum for sea users in May 2023, the Commission aimed to increase stakeholder involvement in maritime spatial planning and coordinate the dialogue between stakeholders in different blue economy sectors to develop synergies between their activities and reconcile competing uses of the sea. In September 2023, the Commission launched the MSPglobal 2.0 project, through indirect management with the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization, to advance maritime spatial planning processes worldwide. Since 2021, European Maritime Day, a flagship event on the sustainable blue economy, has gathered together a wide range of European stakeholders to discuss matters of common interest.

  The European Marine Observation and Data Network has continued to provide marine data on a findable, accessible, interoperable, reusable basis, resulting in annual benefits of between EUR 150 million and EUR 400 million ([15]) through increased productivity and innovation for users of the data and reduced uncertainty on the state and dynamics of our seas and oceans.

  In 2023, the Commission also financed an initiative in the blue economy called the 'blue economy observatory', which has recently become operational and will continue to provide relevant economic analysis, data and knowledge in the years to come.

  The Commission continued to finance the consolidated assistance mechanism to support regional cooperation in the Atlantic, the Black Sea and the western Mediterranean to support the implementation of the three EU sea basin strategies, building on best practices and lessons learned from the past service contracts and encouraging synergies between the various sea basins. Since 2021, the Commission has also funded the operation of the Union for the Mediterranean's Working Group on Sustainable Blue Economy through a dedicated grant, thus contributing to the development of related projects in the wider Mediterranean region. During the same period, the programme renewed support for the ocean literacy initiative EU4ocean and, through indirect management by the

([14]) https://aquaculture.ec.europa.eu/.

([15]) Commission staff working document – Interim evaluation of the direct management component of the European Maritime and Fisheries Fund (EMFF) (SWD(2020) 221 final).

Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization, supported ocean literacy at the international level. Through EMFAF calls for proposals, the Commission has provided support on a wide range of blue economy topics and sectors. In 2021, it launched a first call for proposals supporting flagship projects to achieve the goals of the relevant sea basin strategy.

Through EMFAF calls for proposals published in 2022, it awarded grants to projects relating to women in the blue economy, targeting gender inequalities in the different sectors of the blue economy. The same year, the Commission also launched a call for blue careers, aiming to further support skills associated with the sustainable development of the blue economy, and a second call for regional flagship projects to support cooperation on EU sea basins, which started its activities in autumn 2023.

The fund continued to support investment in the sustainable blue economy in the EU via the BlueInvest platform, which provides investment-readiness and fundraising assistance to innovative blue-economy small and medium-sized enterprises and start-ups.

Additionally, since 2021, EMFAF has contributed a thematic financial instrument blended with guarantees under the investEU programme and contributions from the European Investment Bank family for a sustainable blue economy. It is expected to leverage substantial equity investment from other private and public investors for European blue-economy entrepreneurs by 2028.

Most of the initiatives under this priority have started recently, and will be rolled out in the medium term, which does not allow for a meaningful assessment of their achievements and performance at this point. However, as regards the continuation of existing activities, significant and positive results have already been achieved. Some examples of these achievements are as follows: providing investment readiness assistance and support to dozens of innovative small and medium-sized enterprises and start-ups in the blue economy and connecting them with prospective investors; successful and continued support for regional cooperation in the Atlantic, Black Sea and western Mediterranean via sea basin strategies; contributions to ocean literacy and the promotion of sustainable management of the ocean via EU4ocean coalition. Where relevant, all these new or continued EMFAF initiatives build on previous achievements and lessons learnt.

- **Priority 4 (strengthening international ocean governance and enabling seas and oceans to be safe, secure, clean, and sustainably managed).** The programme continued to promote the objectives of the EU's international ocean governance agenda by providing support to international organisations, regional and sectoral bodies, and entities that are active in promoting the conservation and sustainable use of the oceans.

  The initiatives strengthened the engagement of the EU in the Arctic region and in the EU Ocean Partnership with Canada and the Ocean Partnership Forum with China. They also continued targeting important scientific gaps identified through work and policies on the deep seas (sustainable seabed knowledge initiative).

  The second Marine Regions Forum conference, held in Tanzania in November 2023, aimed to support the implementation of SDG 14 in the western Indian Ocean and advance dialogue between regional actors. This conference focused on various themes, such as tackling the triple planetary crisis, fostering the sustainable blue economy, implementing global goals at the regional level (the Kunming–Montreal Global Biodiversity Framework, the Agreement under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction) and strengthening regional ocean governance.

  In line with the EU's international ocean governance objectives, under which the EU is committed to encourage the creation of an intergovernmental science–policy interface for

ocean sustainability, the Commission has commissioned a study to map existing science-policy organisations, processes and global ocean assessments that support the sustainable management of the ocean in line with SDG 14. The main results of the study are that ocean knowledge production is distributed across processes and organisations in a fragmented manner, and the connection between the scientific and policymaking communities, and civil society, remains surficial. This is a key inhibitor to agile responses for the ocean, including SDG 14. The study concludes that such a science–policy interface could provide a new catalytic mechanism to inform public and private decision-makers about sustainable use and protection of the ocean.

The continued support provided for the development and maintenance of the European Marine Observation and Data Network has resulted in steady progress in terms of users and products since 2018, reaching the level of an operational service and making it a valuable EU asset, offering thousands of datasets across seven thematic disciplines (bathymetry, biology, chemistry, geology, seabed habitats, physics and human activities) to a variety of users, reaching an average of more than 12 000 users per month in 2023. This network, in collaboration with Copernicus marine, will be the backbone of the European Digital Twin Ocean, a platform to revolutionise the use of marine knowledge for policymaking, blue economy development and societal ocean literacy.

In October 2022, a grant (for a period of 24 months) was awarded to a consortium of eight Member States (with France as the lead, along with Bulgaria, Greece, Italy, the Netherlands, Portugal, Slovenia and Finland), including several maritime sectors (customs, navies, maritime safety, coastguard authorities, data providers, hydrographic offices), to work with the objective of shifting the common information sharing environment from the transitional phase to the operational phase. Service identification and definition have been accomplished, while service implementation is progressing on the basis of eight scenarios identified by participants. Trials (operational validation) are expected to start in April 2024, and the results are expected to be delivered by October 2024.

The Commission also launched a flagship call in 2023 on submerged munitions in the Baltic Sea to prepare the ground for concrete actions to mitigate the threat to human health and safety, and the environment. Since 2021, the Commission has also been funding two annual grants, one of which supports the chairmanship of the European Coastguard Functions Forum and the other the Mediterranean Coastguard Functions Forum.

# 2014-2020 multiannual financial framework – European Maritime and Fisheries Fund

The EMFF is the fund for the EU's maritime and fisheries policies for 2014 to 2020, and is one of the five complementary European Structural and Investment Funds promoting a growth- and jobs-based recovery in the EU. The fund helps fishers in the transition to sustainable fishing, supports coastal communities in diversifying their economies, finances projects that create new jobs and improve quality of life along EU coasts and makes it easier for applicants to access financing.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 6 368.7 | 6 381.6 | 99.8% |
| **Payments** | 4 113.7 | | 64.5% |

- By the end of December 2020, all appropriations available under the EMFF had been successfully committed. As of January 2021, no further commitments were possible for the EMFF. The implementation of the programme was at full speed in 2023, in terms of both the part of the fund executed under direct management action and the part implemented by the Member States.
- Payments claimed by beneficiaries continued to advance financing by the end of 2022 approximately 112 000 operations. DG Maritime Affairs and Fisheries continues to monitor the implementation closely and encourages the Member States to accelerate the fund absorption.
- The cumulative EMFF amount decommitted between 2018 and 2022 totals EUR 131.6 million.

## Performance assessment

### KEY PERFORMANCE INDICATORS

| | Baseline | Progress | Target | Results | Assessment |
|---|---|---|---|---|---|
| Value of aquaculture production in the EU (billion EUR) | 0 (**) | 88% (*) (**) | EUR 4.43 billion in 2022 (excluding the United Kingdom) | EUR 3.9 billion compared to a target of EUR 4.43 billion | On track |

| | | | | | |
|---|---|---|---|---|---|
| Number of small-scale coastal fishing vessels supported | 0 | N/A | N/A | 13 624 | N/A |
| Number of small and medium-sized enterprises supported | 0 | N/A | N/A | 86 969 | N/A |
| Level of employment maintained with support from the EMFF (number of jobs) | 0 | > 100% (***) | 41 665 in 2023 | 61 521 jobs compared to a target of 41 665 | Achieved |

(*) % of target achieved by the end of 2020.

(**) The value of aquaculture annual production in the EU in 2013 was EUR 3.85 billion. The baseline is considered to be zero for the calculation of progress towards the target.

(***) % of target achieved by the end of 2022.

– The challenges posed by COVID-19 and the war in Ukraine have not prevented an increase in jobs maintained (both actual and planned) in the aquaculture sector. The EMFF regulation was modified twice to provide exceptional crisis support to the operators from the seafood supply chain.

– There has been a significant increase in the number of small-scale vessels supported, from 7516 to 13 684. A similarly encouraging increase is also seen in the number of SMEs supported (2022 – 86 969; 2021 – 69 585). The level of employment (jobs) maintained with support in the EMFF reached 61 521 in 2022, comfortably exceeding the target of 41 665.

– For initiatives implemented under direct and indirect management, see the 'Performance assessment' section for the EMFAF above.

– The initiatives under shared management continue to help improve the sustainability of fishing and aquaculture, to maintain and protect the natural environment, to encourage innovation and the adoption of new technology and to increase cooperation and partnerships between businesses, thus contributing to the achievement of these objectives. Examples are provided below.

    • For the objective of promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture, the programme financed an on-farm aquaculture system designed to reduce the environmental impact of food production, cut greenhouse gas emissions, and integrate crop production. The company supplies spawning fish to the farm and then buys back mature fish to either fillet, mince, or smoke them in their own facilities. It is possible to produce sustainable food in a circular process, where waste from the fish is used as fertiliser on the surrounding fields;

    • For the objective of fostering the implementation of the common fisheries policy, the programme financed a project to develop an AI-based tool for the fully documented fisheries project, which can improve the processing of catches on board, reduce the workload of the crew and lessen the

administrative burden. It can also monitor total catches in real time by size, species and weight, and generate detailed data that can be used for scientific purposes, stock estimates, research and fisheries policy.

- For the objective of promoting a balanced and inclusive territorial development of fisheries and aquaculture areas, the programme financed a project which promoted the consumption of underused species, thereby increasing local fishers' incomes.

– For the objective of fostering the development and implementation of the EU's integrated maritime policy in a manner complementary to cohesion policy and the common fisheries policy, the programme financed a project which provided vital information about two MPAs and about the presence as well as distribution of both indigenous and non-indigenous species. The survey design ensured a representative spatial coverage of the two research areas and sufficiently covered all the habitat types: soft substrate (sandy expanses), hard substrate (reefs) and seagrass meadows (i.e. *Posidonia oceanica*).

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | Yes | The EMFF contributes to SDG 1 by contributing to the improvements of the economic results of the EU fisheries sector, and to the improvements of the living standards of the coastal populations which depend on that sector; allowing operators to modernise their productive tools, to diversify their sources of income or to switch to alternative economic activities. E.g. a Danish producer organisation and its members want to ensure that their label is a success and that it benefits small-scale coastal fishers as much as possible. Their main goal is to ensure the future of Denmark's small-scale, low-impact coastal fishery and create better access to the market for sustainably caught fish. |
| SDG2 | Yes | By promoting the conservation of the marine living resources and the protection of the marine ecosystem, the EMFF contributes to the sustainability of the production of the EU fisheries sector of healthy quality food, and thus to SDG 2 and SDG 3. E.g. in the Vigo-A Guarda FLAG area, shellfish gatherers are working with local wine producers and a forestry association to turn seaweed – once a nuisance to their activity – into a valuable and sustainable resource: quality compost. This project has improved the working conditions of seafaring labour through mechanisation. It also provided an opportunity for a variety of local stakeholders to cooperate in the transformation of unvalued, raw material into an eco-friendly solution for local farmers, creating a potential new income source for local shellfish and wine producers. |
| SDG3 | Yes | See above, SDG 2. |
| SDG4 | No | |
| SDG5 | Yes | See the section on gender equality above |
| SDG6 | No | |
| SDG7 | No | |

| | | |
|---|---|---|
| SDG8 | No | |
| SDG9 | No | |
| SDG10 | No | |
| SDG11 | No | |
| SDG12 | No | |
| SDG13 | No | |
| SDG14 | Yes | The main objective of the EMFF is to support the implementation of the common fisheries policy and the integrated maritime policy, thereby contributing first and foremost to SDG 14. The EMFF funds projects on preserving the marine environment and ensuring better resource efficiency, and operations related to better management of Natura 2000 areas. E.g. The Mondego Mar FLAG financed a project to bring some unused saltpans back into use to produce an aquaculture product which is highly coveted by restaurateurs: the sea urchin, also known as ‘Portuguese caviar’. |
| SDG15 | No | |
| SDG16 | No | |
| SDG17 | No | |

# RFMOs/SFPAs

REGIONAL FISHERIES MANAGEMENT ORGANISATIONS AND SUSTAINABLE FISHERIES PARTNERSHIP AGREEMENTS

## *Programme in a nutshell*

### Concrete examples of achievements (*)

| | | | |
|---|---|---|---|
| 88% | 18 | 15 000 | 30% |
| of conservation measures adopted by RFMOs in 2023 for the management of the stocks under their purview were in line with scientific advice. | out of 20 tuna and tuna-like stocks targeted by the EU fleet in 2023 were fished at a sustainable level. | jobs are created or maintained through SFPAs each year (6 000 direct, 9 000 indirect). | of estimated spending in the context of SFPAs was used direcly to support sustainable fisheries policies in non-EU countries. |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | **1 095.1** |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **1 095.1** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The programme promotes sustainable development for fisheries management and maritime governance outside EU waters, in line with the objectives of the common fisheries policy, and ensures that fishery resources are maintained above or restored above levels capable of producing maximum sustainable yield and the conservation of marine ecosystems. The programme contributes to achieving this through active involvement in regional fisheries management organisations (RFMOs) and agreements, and through bilateral Sustainable Fisheries Partnership Agreements (SFPAs) with partner countries.

## CHALLENGE

While 79% of all EU catches are taken in EU waters, 13% come from the international high seas and 8% are caught in the exclusive economic zones within 200 nautical miles of partner countries' waters.

The EU action to promote the sustainabilty of its long-distance fleet is twofold:

1) The EU fishing in the high seas is regulated through regional RFMOs and arrangements. RFMOs are international bodies set up to promote the conservation and sustainability of straddling and highly migratory fish stocks; and
2) in the 200 nautical miles partner countries' waters, EU fishing preferably takes place through SFPAs negotiated by the EU with partner countries.

## MISSION

The EU is present in all of the world's oceans through its fleets, and is therefore committed to contributing to global ocean and fisheries governance through determined and ambitious action at the multilateral, regional and bilateral levels through our duty of cooperation as enshrined by the United Nations Convention on the Law of the Sea to cooperate with other parties by participating in such organisations.

The EU negotiates, concludes and implements bilateral SFPAs with non-EU countries. Within the framework of SFPAs, the Commission maintains a political dialogue on fishery-related policies with a number of third countries, in line with the principles governing the common fisheries policy and the commitments under other relevant EU policies. In addition, SFPAs provide a financial contribution, the aims of which is to support the sustainable development of the fisheries sector in partner countries and to contribute to the better governance of their fisheries. This includes, in particular, improving the scientific and technical knowledge of relevant fisheries; contributing to control and surveillance and to the fight against illegal, unreported and unregulated fishing; and supporting small scale and artisanal fisheries.

Through its membership of internatational organisations dealing with fisheries management and RFMOs, the EU is committeed to the long-term sustaniblity of the stocks under their purview. The EU pays compulsory annual budget contributions deriving from its membership of international bodies, including various RFMOs. The EU implements in those organisations its objective to support the implemeation of Green Deal and Biodiversity Strategy and the external dimension of the CFP, including the long-term sustainability of the stocks, support to science and scientific-based management decisions, a culture of compliance, the fight against IUU fishing and the undertaking of regular performing reviews to ensure that RFMOs continue to be fit for purpose.

## OBJECTIVES

The main objective of the programme is to promote sustainable fisheries worldwide and improved international ocean governance, which includes:

- promoting, through active involvement in international organisations, and in line with the objectives of the Green Deal and the common fisheries policy, the conservation and sustainable management of the stocks under their purview and their ecosystem;
- establishing, through SFPAs, a legal, economic and environmental governance framework for fishing activities carried out by European Union fishing vessels in third country waters, in line with international standards, the principles of the Common Fisheries Policy (CFP) and other EU policies.

## ACTIONS

The programme pursues the above objectives by (1) supporting the negotiation, conclusion and implementation of bilateral SFPAs and (2) paying the compulsory annual contributions deriving from the EU's membership of international bodies.

## STRUCTURAL SET-UP OF THE PROGRAMME

Payments under SFPAs and RFMOs and agreements are managed under direct management. The Directorate-General for Maritime Affairs and Fisheries is in the lead DG for the Commission.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP

No visual

## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

During 2021-2027, the Commission will continue its membership of RFMO organisations and continue to ensure the timely renewal of SFPAs and their protocols and carefully monitor their implementation. Emphasis will be put on appropriate reporting of activities financed under the SFPA sectoral support component, raising awareness of concrete action achieved.

## FURTHER INFORMATION

- Programme website:
  - SFPA
  - RFMO
- Impact assessment: n/a
- Relevant regulation:

- Regulation (EU) No 1380/2013 of the European Parliament and of the Council.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 151.6 | 159.3 | 116.8 | 162.8 | 156.7 | 172.2 | 175.6 | 1 095.1 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **151.6** | **159.3** | **116.8** | **162.8** | **156.7** | **172.2** | **175.6** | **1 095.1** |

(*) Only Article 15(3) of the financial regulation.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 427.6 | 1 095.1 | 39.1% |
| **Payments** | 424.9 | | 38.8% |

Voted budget implementation (million EUR)(*):Voted budget implementation (million EUR)(*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | Voted budget implementation | Initial voted budget | Voted budget implementation | Initial voted budget |
| **2021** | 151.5 | 73.5 | 149.5 | 72.9 |
| **2022** | 159.3 | 159.2 | 159.1 | 166.4 |
| **2023** | 116.8 | 162.0 | 116.3 | 151.1 |

(*) Voted appropriations (C1) only.(*) Voted appropriations (C1) only.

– 4.9% of the 2023 commitments (all of which have now been paid) went towards paying membership fees to RFMOs. The rest of the appropriations were spent on fishing access for the EU fleet to the waters of non-EU countries, mostly in West Africa and in the Indian and Pacific Oceans, and contributing to the sustainable development of their local fishing activities.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 15.7 | 17.7 | 10.1 | 11.7 | 11.1 | 18.1 | 18.2 | 102.5 | 9% |
| **Biodiversity mainstreaming** | 18.8 | 21.1 | 13.3 | 15.3 | 14.8 | 21.9 | 22.0 | 127.2 | 12% |
| **Clean air** | | | | | | | | | |

Climate change

The actions financed by the European Commission support, in RFMOs, the integration of climate change considerations in the management of the marine biological resources and their ecosystems – with the final objective of promoting their adaptation and resilience to climate change, at a bilateral level, through SFPAs.

Climate change considerations are, where appropriate and available, incorporated into the scientific and stock management discussions in RFMOs. They are also incorporated into SFPAs, as they follow the management decisions of RFMOs.

In total, in the 2021-2027 period, SFPAs and RFMOs will contribute an estimated EUR 102 million to this priority. The contribution of the SFPAs represents 40% of the sectoral support, whereas the contribution of the RFMOs represents 40% of the total amount allocated.

### Biodiversity

The actions financed by the European Commission in RFMOs are consistent with the objectives of the EU biodiversity strategy to conserve marine stocks, prevent the loss of biodiversity and protect fragile ecosystems. RFMOs promote the sustainability of the stocks and their ecosystem. This includes not only the sustainable management of targeted species, but the implementation of mitigation measures for by-catch species (turtles, vulnerable shark species, rays, seabirds, etc.) and the protection of vulnerable marine ecosystems (e.g. corals).

An area where the EU actions on climate change and biodiversity come together is the support to the development of management procedures and management strategy evaluation frameworks for key fish stocks, that are robust to uncertainties including those introduced or exacerbated by climate change. In that regard, the EU will promote the development dedicated robustness tests that could provide meaningful proxies for designing future management procedures that are resilient to stressors driven by climate change.

Likewise, SFPAs support some actions to enhance the scientific capacity of non-EU countries in areas covering both the conservation of marine resources and the assessment of the effect of climate change, with concrete measure regarding for example the management of marine protected areas.

In addition, actions supported through the sectoral support component of SFPAs promote long-term resource conservation, ecosystem protection measures, the fight against illegal fishing and the sustainable development of our partners' local fisheries sector, with a positive effect on biodiversity.

In total, in the 2021-2027 period, SFPAs and RFMOs will contribute an estimated EUR 127 million to this priority. The contribution of the SFPAs represents 40% of the sectoral support, whereas the contribution of the RFMOs represents 100% of the total amount allocated.

**Contribution to gender equality (million EUR)** (*)**:**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | | | |
| 0 | 151.5 | 159.3 | 116.8 | 427.6 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- N/A

The actions under this programme are related to negotiating, concluding and implementing international agreements relating to fisheries and paying compulsory annual budget contributions. These actions were not designed with gender equality in mind. However many actions do benefit women, who represent an important part of the workforce in the fish processing sector. These actions include, training, acquisition of small equipment and building capacity, which contribute to reinforcing gender equality in the fishing sector. The financial contribution of these actions, however, is not quantifiable as there is no agreed methodology to define, identify and monitor such actions in the sectoral support programmes of the various partner countries

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

RFMOs and SFPAs do not target projects with a digital component.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Sustainable fisheries agreements in force | 12 | **43%** | 15 annually from 2026 to 2027 | Milestones achieved for 2021, 2022 and 2023 | On track |
| Fishing possibilities for EU vessels – tuna | 129 | **29%** | 150 annually from 2026 to 2027 | Milestones achieved for 2021 and 2022. Milestone not achieved for 2023. | On track |



www.parlament.gv.at

| | | | | | |
|---|---|---|---|---|---|
| Fishing possibilities for EU vessels – mixed | 264 | **43%** | 300 annually from 2026 to 2027 | Milestones achieved for 2021, 2022 and 2023 | On track |
| Conservation measures based on scientific advice adopted, for all species under the purview of RFMOs of which the EU is a member | 0 | **29%** | 95% annually from 2024 to 2027 | Milestones achieved for 2021 and 2022. Milestone not achieved for 2023. | On track |
| Sustainable management of emblematic tuna and tuna-like species as per relevant scientific advice; in particular, highly significant tuna and tuna-like species are fished at sustainable levels | 17 | **100%** (**) | 18 in 2024 | 18 compared to a target of 18 | Achieved |

(*) % of years for which the milestones or target have been achieved during the 2021-2027 period.

(**) % of target achieved by the end of 2023.

– Overall, the EU remains one of the key drivers of progress in RFMOs, increasing their performance with concrete proposals. The EU's voluntary contributions (grants) to RFMOs played a key role in allowing them to provide scientific advice. The Commission continued to deliver on its commitment to achieve more sustainable fisheries worldwide: 88% of all conservation measures adopted in 2023 by RFMOs of which the EU is a member were in line with scientific advice.

– Regarding the number of conservation measures adopted based on scientific advice, for the current reporting period, 36 out of 41 conservation measures adopted by RFMOs for the management of the stocks under their purview were in line with scientific advice (i.e. 88% of all conservation measures adopted). This outcome is less positive than the results achieved in 2022 (97%), which were above the target of 95%, but is similar to the result achieved in 2019 (88%) and above that of 2020 (74%). More importantly, while this clearly shows the difficulty to achieve the 95% target, the outcome maintains an upward trend for the period, as close as possible to the target. The outcome for 2023 of 88% does not include three conservation measures that have been adopted but will only enter into force once new scientific advice is available.

– Regarding the first indicator, 18 out of 20 tuna and tuna-like stocks fished by the EU fleet are in good shape. In 2022, 85%of the total commercial tuna catch worldwide came from stocks at 'healthy' levels of abundance. This is because skipjack stocks contribute more than one half of the global catch of tunas, and they are all in a healthy

situation. By contrast, bigeye and yellowfin in the Indian Ocean are currently overfished, despite the efforts from the EU to reverse the trend.

– Regarding SFPAs, the general objective has been to implement and renew the network of agreements and active protocols to ensure continuity in the activities of the EU's long-distance fishing fleet in non-EU-country waters, strictly respecting the sustainability and surplus principles.

– On some occasions, negotiations took more time than expected because the financial expectations of the non-EU countries could not be met. As a result, shipowners had to stop fishing or modify their strategies, in the context of sharp global competition between various long-distance fishing fleets. Shipowners were generally able to find other fishing grounds in countries benefiting from an SFPA, or sometimes in other countries.

– In the context of the implementation of the protocols, which is an important part of programme's performance and concerns both access conditions for EU vessels and the monitoring of sectoral support, joint committee meetings were held regularly with all partner countries.

– Direct employment generated by SFPAs includes crew on board EU vessels benefiting from fishing opportunities in SFPAs and covers both EU and non-EU nationals. As for indirect jobs, they are mostly in the processing sector and are to a large extent occupied by women. The employment of local crew also contributes to enhancing the levels of qualification and experience of employed seamen to the benefit of local fleets, and SFPA protocols have reinforced the provisions regarding the social dimenstion of fishing and the social rights benefiting fishers.

– Most catches made in the framework of SFPAs land in non-EU countries, where they are processed, thus generating added value for the local economy and job opportunities. SFPAs also generate additional jobs for the partner country in sectors such as shipyards and port activities (together with the elements mentioned above, they contribute to sustainable fisheries with partner countries).

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | | |
| SDG10 | | |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | YES | The programme promotes the conservation and sustainable use of the oceans, seas, and marine resources for example by improving management measures adopted following scientific advice and by promoting healthy tuna stocks in the Atlantic and Indian Oceans, and through the governance framework established by SFPAs with a number of non-EU countries. |
| SDG15 | | |
| SDG16 | | |
| SDG17 | | |

# LIFE

PROGRAMME FOR THE ENVIRONMENT AND CLIMATE ACTION

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| 1 700 000<br>people are expected to be less vulnerable to the adverse effects of climate change as a result of 16 projects funded in 2021. | More than 2 700<br>gigawatt hours per year of energy savings are expected to be unlocked as result of 80 LIFE projects funded in 2021. | More than 5 000<br>tonnes per year of waste are expected to be managed better as result of 20 projects financed in 2021. | More than 100<br>species are improving their conservation status as result of 31 LIFE projects funded in 2021. |
| A 65 000 kg<br>per year reduction in the amount of hazardous chemicals produced is expected as result of 11 LIFE projects financed in 2021. | More than 1 500 hectares<br>of soil are being improved as result of seven LIFE projects financed in 2021. | About 450<br>LIFE projects financed in 2021 and 2022 have the potential for a catalytic effect on the ground through replication or finance mobilisation, or by triggering the large-scale deployment of successful technical and policy-related solutions. | 204<br>LIFE-funded projects are included in the innovation radar in 2024, recognising their high potential for innovation. |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | **5 437.4** |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 3.6 |
| **Total budget 2021-2027** | **5 441.0** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The programme for the environment and climate action (LIFE) aims to facilitate the shift towards a sustainable, circular, energy-efficient, renewable energy-based, climate-neutral and climate-resilient economy. LIFE will contribute to reduce greenhouse gas emissions and our vulnerability to the harmful effects of climate change, to protect, restore and improve the quality of the environment – including air, water and soil – and to halt and reverse biodiversity loss. Moreover, it will tackle the degradation of ecosystems, including through supporting the implementation and management of the Natura 2000 network, thereby contributing to sustainable development.

## CHALLENGE

Our environment and climate are under threat by the cumulative impact of human activities. The EU is committed to protect the environment and its biodiversity, ensure the quality of the air that we breath, carefully manage water resources and waste, increase our reliance on clean energy and mitigate and adapt to climate change dynamics.

Over the years, environmental, nature and biodiversity, climate and energy legislation and policy of the EU have delivered substantial improvements to establish the appropriate enabling framework to protect the environment, fight biodiversity loss and climate change and preserve our economies. However, major challenges remain, which, if left unaddressed, might have significant negative consequences for the well-being of European citizens.

A healthy and sustainable environment are public goods shared by all Europeans, as well as climate action and a sustainable, efficiency and renewable-based energy system. When a Member State decides how much to invest in these areas, it may fail to consider the benefits that such investments bring to other Member States. This means that intervention and investments also need to take place at the EU level.

## MISSION

LIFE aims to contribute to:

- shift towards a sustainable, circular, energy-efficient, renewable energy-based, climate-neutral and resilient economy;
- protecting, restoring and improving the quality of the environment, including the air, water and soil;
- halting and reversing biodiversity loss and tackling the degradation of ecosystems.

## OBJECTIVES

LIFE is designed to support the objectives of EU legislation and policy on the environment – including nature and biodiversity – and on climate action, including the transition to renewable energy and increased energy efficiency through:

– developing and promoting innovative techniques and approaches and contributing to the knowledge base and to the application of best practices and disseminating knowledge and best practices, including through the support of the Natura 2000 network;

– improving governance at all levels, in particular through enhancing capacities of public and private entities and the involvement of civil society;

– developing, implementing, monitoring and enforcement of relevant EU legislation and policy on the environment, climate action and energy transition, in particular by enhancing the capacities of public and private actors and the involvement of civil society;

– catalysing the large-scale deployment of successful technical and policy-related solutions by integrating related objectives into other policies and public and private sector practices, mobilising investment, and improving access to finance.

Being implemented by DG Environment, DG Climate Action and DG Energy, the LIFE programme is in a unique position to closely support the implementation of the EU environment, climate action and clean energy legislation and policies. The overall structure of the LIFE programme is in fact designed to support the implementation of the European Green Deal on the ground, while ensure close alignment with the EU environment, climate action and clean energy legislation and policy priorities.

## ACTIONS

LIFE comprises four subprogrammes: (1) nature and biodiversity; (2) circular economy and quality of life; (3) climate change mitigation and adaptation; and (4) clean energy transition.

In these subprogrammes, LIFE finances activities such as:

– **strategic nature projects** that support the achievement of EU nature and biodiversity objectives, by implementing coherent action programmes in Member States in order to mainstream the objectives and priorities into other policies and financing instruments;

– **strategic integrated projects** that implement – on a regional, multiregional, national or transnational scale – environmental or climate strategies or action plans developed by Member State authorities and required by specific EU environmental, climate or relevant energy legislation or policy;

– **standard action projects** are projects pursuing the testing of innovative solutions and/or the promotion of best practices on environment, nature and biodiversity and climate change mitigation and adaptation;

– **other projects including** grants for Coordination and Support Actions under the LIFE clean energy transition subprogramme supporting capacity buildings, technical assistance and the enabling framework for renewable energy and energy efficiency uptake;

– **procurement and other actions** (e.g. studies to support the evaluation and monitoring of policies, technical assistance to support Member States in the implementation and monitoring

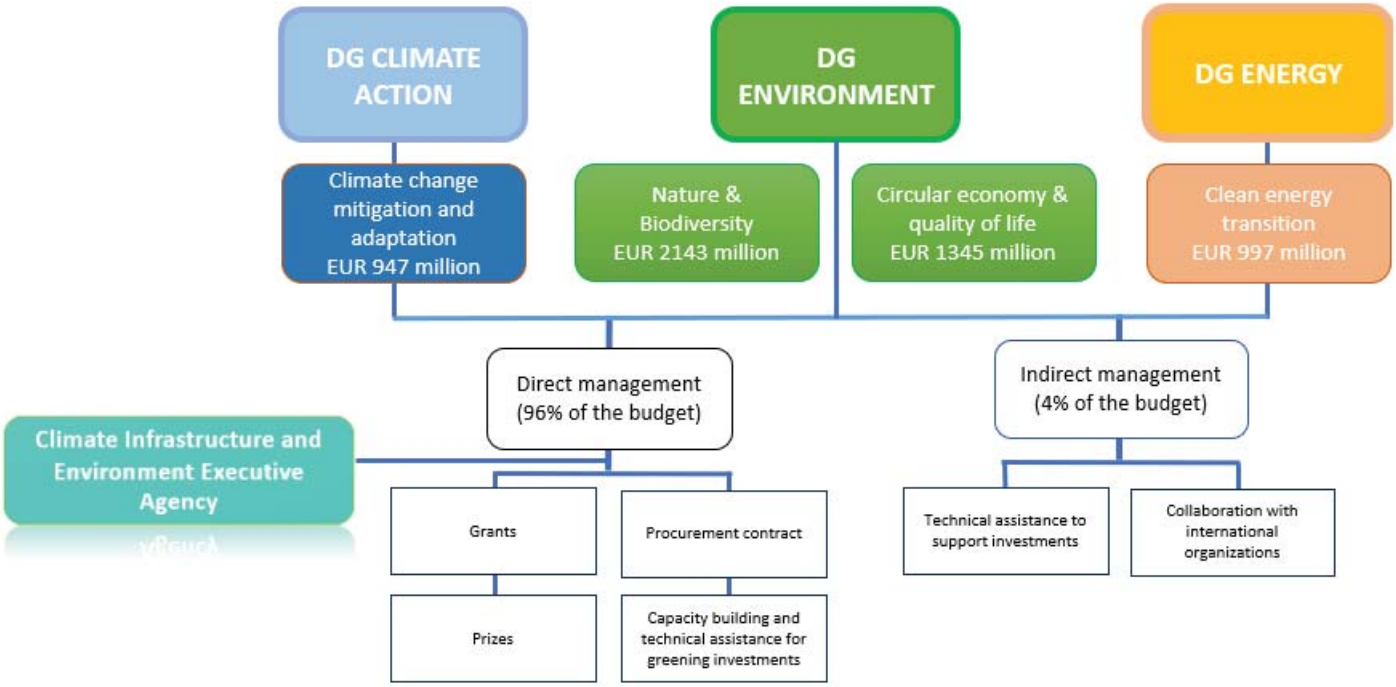
of environmental and climate policies, information and communication activities), technical assistance for supporting green investments, prizes, etc.

## STRUCTURAL SET-UP OF THE PROGRAMME

LIFE is implemented through direct management (grants, procurement, prizes and technical assistance to support investments) and indirect management for specific activities, including with the European Investment Bank to support the mobilisation of investments in line with the objective of the LIFE programme.

Within the Commission, DG Environment is the lead, with DG Energy and DG Climate Action as associated directorates-general. Each directorate-general is responsible for specific subprogrammes. The European Climate, Infrastructure and Environment Executive Agency manages the bulk of the grants, few procurement activities, and a technical assistance scheme to support green investment and the greening of other investments (green assist).

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK



www.parlament.gv.at

The number of subprogrammes has increased from two (environment and climate action) to four (nature and biodiversity, circular economy and quality of life, climate change mitigation and adaptation, and clean energy transition).

The clean energy transition subprogramme has an incorporated actions for capacity building supporting energy, efficiency and renewable energy previously funded under Horizon 2020 (until 2020).

Building on the strategic integrated projects first launched under the 2014-2020 LIFE programme, the 2021-2027 LIFE programme will continue to support strategic integrated projects (to a slightly greater scale than previously) and has introduced a dedicated source of funding to support strategic nature projects under the nature and biodiversity subprogramme.

### FURTHER INFORMATION

- Programme website:
    - The main website of the LIFE programme provides information on the programme itself, funding opportunities, project management and links to the database including information on all LIFE projects ('LIFE public database'), the best LIFE projects ('Best projects and LIFE awards') and publications ('LIFE publications').
- Impact assessment:
    - The impact assessment of LIFE was carried out in 2018.
- Relevant regulation:
    - Regulation (EU) 2021/783 of the European Parliament and of the Council.
- Evaluations: the *ex post* evaluation of the 2014-2020 LIFE programme is being finalised and outcomes are expected in the second quarter of 2024. The midterm evaluation of the 2021-2027 LIFE programme is also ongoing, and outcomes are expected by the end of 2024.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 738.8 | 755.5 | 758.4 | 764.9 | 771.0 | 802.9 | 845.7 | 5 437.4 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 1.1 | 1.1 | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 3.6 |
| **Total** | **740.0** | **756.6** | **759.8** | **764.9** | **771.0** | **802.9** | **845.7** | **5 441.0** |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

+ EUR 5.4 million (+ 0%)

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

The top up is the result of multiple interventions on the budget programming of the LIFE programme, mainly linked to the annual increases decided by the Budget Authorities minus the reductions due to the transfer of funds to other budget line (e.g. for the European Environmental Agency).

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 2 255.9 | 5 441.0 | 41.5% |
| **Payments** | 598.1 | | 11.0% |

Voted budget implementation (million EUR) (*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 738.7 | 738.5 | 22.8 | 43.5 |
| **2022** | 755.4 | 755.5 | 260.5 | 232.0 |
| **2023** | 758.3 | 755.5 | 302.5 | 301.7 |

(*) Voted appropriations (C1) only.

The bulk of 2023 appropriations – more than 80% of the budget – is used to finance different types of projects submitted by EU private and public organisations.

Approximately 17% of the budget is for the financing of procurement contracts to support the work on environment, climate and energy legislation and policies and 3% of the budget is devoted to the provision of technical assistance for facilitating green investments.

Procurement activities supports the development, monitoring, evaluation and enforcement of environmental and climate policies and legislation, including the support to EU Member States for their implementation. The cumulated budget programme implementation rate for the 3 years is 100%.

In 2023, EUR 683 million of the LIFE 2022 budget have been awarded to 205 LIFE projects on climate change mitigation and adaptation, nature and biodiversity, renewables energy, energy efficiency, zero pollution and circular economy.

They include 10 strategic integrated projects that will support the implementation of air quality plan in Poland, addressing the issues of energy poverty, a pioneering cross-border climate change adaptation strategy in France and Spain, a climate change mitigation plan in Finland, a national water sector plan in Lithuania, a network of marine protected areas in Ireland, sustainable urban mobility plans in Bulgaria, a peatland strategy in Austria, etc.

In 2023, the calls for proposals were received with great interest confirmed both by the number of organisations involved (about 3 000 applicant organisations) as well as by the high number of submitted proposals (over 900 proposals received with about EUR 2 billion of total requested budget).

About EUR 1.4 billion of projects could not be financed in 2023 of the calls for proposals launched in 2022 because of the budget limitations. The large majority (about 40%) is under the circular economy and quality of life subprogramme – covering resource efficiency and zero pollution – followed by climate change mitigation and adaptation (18%), nature and biodiversity (10%) and clean energy transition (9%). The first data available on the results of the calls for proposals 2024 show that the situation is the same for the calls for proposals launched in 2023, with EUR 1.1 billion of projects that could not be financed under the various subprogrammes (above EUR 300 million each under circular economy and quality of life and clean energy transition and about EUR 250 million each under climate adaptation and mitigation and nature and biodiversity). Still these data do not include the results of the calls for proposals for the strategic integrated projects financed under the climate action mitigation and adaptation, nature and biodiversity and circular economy and quality of LIFE subprogrammes,

Considering the planned co-financing, they would have represented an overall investment amount on environmental and climate action of almost EUR 0.5 billion.

LIFE has confirmed its capacity to attract a wide range of applicants, both private organisations (about 63% of the total, of which 55% are private commercial organisations) and public organisations (36% of the total). The participation of public and private research institutes and higher education institutions is also noticeable (25% of the total).

- Under the circular economy and quality of life subprogramme, the programme co-financed projects in the area of resource efficiency, including circular economy (e.g. recovery of critical raw materials), and water resilience, and projects for a toxic-free environment, among others on clean air, water, soils and/or to reduce hazardous chemicals. They contribute to the zero pollution action plan or the circular economy action plan.
- LIFE provides a unique contribution to nature and biodiversity by funding projects, in particular in the areas of biodiversity, habitats and species, which primary objective is nature conservation. It has supported projects that contribute to the implementation of the EU birds and habitats directives, in particular the development and management of the Natura 2000 network, and the invasive alien species regulation; and to the objectives of the EU biodiversity strategy for 2030.
- Under the climate change mitigation and adaptation subprogramme, LIFE projects contribute to the climate neutrality and climate resilience objectives of the European Climate Law. In particular, the subprogramme co-finances projects that are demonstrating innovative approaches and best practices in several areas: renewable energy and energy efficiency; phase-out of F-gases; enhancing carbon removal through peatland restoration, carbon farming and durable harvested wood products; reducing greenhouse gas emissions in the sectors covered by the EU emissions trading system; the development and implementation of national energy and climate plans; climate resilience and nature-based solutions for adaptation in urban, rural and coastal areas; improving knowledge and capacity of public authorities and citizens on climate adaptation and mitigation. These projects contribute to, among other things, the objectives and targets of the repowerEU plan, the energy efficiency and renewable energy directives, the F-gases regulation, the land use, land-use change and forestry regulation, the effort-sharing regulation, the legislative proposal on a EU certification framework for carbon removals and the regulation on the governance of the energy union and climate action, along with the functioning of the EU emissions trading system and the EU climate adaptation strategy.
- Under the clean energy transition subprogramme, the calls for proposals targeted enabling and support actions in line with the implementation of the energy efficiency, renewable energy and energy transition legislation in the fit-for-55 package to deliver on the European Green Deal and the repowerEU plan to phase-out EU dependence on Russian fossil fuels imports. The clean energy transition subprogramme focuses in supporting capacity buildings, project development assistance, investment mobilisation and citizens' engagement in the energy transition. In this regard, among others, it supports the establishment of a one-stop shop for energy renovations, the deployment of energy communities, the modernisation of district heating systems, and the development and implementation of local and regional strategies and investment plans for the energy transition. In 2022, in line with the priority to phase-out fossil fuels use, the LIFE clean energy transition programme has strengthened its contribution to the area of decarbonisation of heating supply, by introducing topics specifically targeted to heat-pumps deployment and district heating system modernisation. In terms of the project portfolio, the clean energy transition subprogramme, under LIFE and precedent Horizon 2020 legacy frameworks, have now supported the establishment of over 41 one-stop shops for energy renovations accessible by over 190 million EU citizens, supported 750 renewable energy communities, developed over 700 local authorities sustainable energy and climate action plans and more than 200 investment plans, launched over 64 investment projects in energy efficiency and integrated renewables with a pipeline of EUR 1.75 billion, and supported Member States in

their efforts to upskill building professionals through build up skills (14 active national roadmaps and networks).

In 2024, more than EUR 600 million will finance about 250 projects on nature and biodiversity (38% of the budget), on circular economy and zero pollution (25%), on climate change mitigation and adaptation (18%) and on sustainable energy (18%).

Approximately 3% of the budget will support technical assistance services for 'green solutions', where a lack of capacity to access funding is the main barrier for the large-scale deployment of a technology, approach or policy which has proven to be effective. This kind of support is implemented via different technical assistance facilities: by the European Investment Bank within the framework of InvestEU and by the Climate, Infrastructure and Environment Executive Agency through green assist.

The required payment funds will mainly be used to finance ongoing projects and relevant contracts. Most of the projects and contracts are multiannual and payments are made in instalments.

# Contribution to horizontal priorities

**Contribution to green budgeting priorities (million EUR):**

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 441.1 | 438.0 | 553.3 | 439.4 | 453.3 | 474.0 | 493.0 | 3 292.0 | 61% |
| **Biodiversity mainstreaming** | 353.3 | 382.6 | 357.1 | 378.1 | 379.7 | 403.1 | 433.5 | 2 687.4 | 49% |
| **Clean air** | 128.7 | 138.0 | | | | | | 266.6 | 5% |

The contributions of the programme to climate mainstreaming and biodiversity for 2023 are estimates, as the bulk of the projects are under evaluation and have not started yet.

Given that the contributions to clean air, gender and digital economy are based on specific projects, data may only be available in the year *n* + 2.

In 2024 LIFE is expected to support about:

- 200 projects that will contribute to climate mainstreaming;
- 140 projects that will contribute to nature and biodiversity;
- 130 projects that will contribute to clean air.

The following projects contribute, for example, to climate mainstreaming.

- The LIFE + A_greenet project aims to reduce the vulnerability of cities along the coastline of the middle Adriatic Sea to rising temperatures and heatwaves. The project will seek to achieve this by implementing adaptation measures in urban areas and improving the governance and management of green areas through the development of supporting tools and participatory processes.

- The LIFE Reptes project aims to demonstrate a new circular model, applicable to wastewater treatment plants, that will integrate the production of biohydrogen from pre-treated lignocellulosic crop by-products and sludge from wastewater treatment plants by means of an innovative dark fermentation process. The fermented liquid stream will be used for biogas production through its use as an anaerobic digestion co-substrate.

The following projects contribute, for example, to nature and biodiversity.

- The LIFE restore for Mura-Drava-Danube Rivers project focuses on the conservation and restoration of the largest contiguous riparian forest system in the Danube River basin. For 5 years, 17 partners from Austria, Croatia, Hungary, Serbia and Slovenia will collaborate on the restoration of the largest riparian forest system in the Danube River basin, a biodiversity hotspot with over 5 000 animal species, including 70 different varieties of fish, and more than 1 500 plant species.
- The Woodmeadowlife project is restoring a significant proportion of the wooded meadows in Estonia and Latvia, to establish long-term arrangements and infrastructure on private land for their future management and to highlight their ecosystem services, ecological functions and unique heritage value.

The following projects contribute, for example, to clean air.

- The I-Share LIFE project contributes to the implementation of EU legislation on air quality. It demonstrates innovative electric car-sharing models to reduce air pollution and greenhouse gas emissions from passenger vehicles in small to medium-sized urban areas, namely in Bergamo, Como, Bollate and Busto Arsizio in Italy and Osijek in Croatia, each of which has 35 000 to 120 000 inhabitants.
- The LIFE green-stove project will produce an innovative pellet stove that can significantly reduce pollutant emissions and optimise the use of biomass as an alternative to fossil fuels for residential heating, providing 92% efficiency and cleaner combustion.

**Taxonomy-relevant expenditure**

The objectives of the LIFE programme are similar to the six environmental objectives defined in the taxonomy regulation. Most LIFE activities under all four subprogrammes aim to contribute to one or more of the environmental objectives set out in the taxonomy regulation, and could be taxonomy eligible, as they have direct and measurable environmental benefits.

Still, LIFE finances multiple activities- such as standard action projects, integrated projects, technical assistance, awareness-raising activities and access to justice - therefore it is necessary to differentiate the types of activities and their alignment with the taxonomy criteria.

While all of the activities financed follow the objectives of the taxonomy regulation, only standard action projects provide a substantial direct contribution to these objectives. Therefore, we will consider all standard action projects as a first approximation to LIFE expenditure that is relevant to taxonomy. Based on a high-level analysis, LIFE standard action projects are assumed to be compliant with the four criteria defined below.

LIFE focuses on supporting projects with the highest level of environmental ambition that aim either to substitute environmentally harmful activities or to decrease considerably the footprint of environmentally harmful activities that cannot be substituted. Therefore, it is reasonable to assume that all LIFE-funded projects go beyond compliance with environmental legislation and intend to operate at a substantial contribution level. Standard action projects implement concrete improvements at the regional or local level with a direct benefit, such as projects implementing new climate-neutral farming models, demonstrating

innovative methods of large-scale underground energy storage or applying a new solution for the management of mixed plastic waste. Integrated projects have a more complex intervention logic, as they support Member States in the implementation of environmental plans and strategies. A project in Estonia supports the implementation of the 2015-2021 river basin management plan of the East Estonia River Basin District, which will improve the status of surface and groundwater bodies and increase know-how and long-term capacity among all stakeholders involved. An integrated project in Slovenia supports the implementation of the EU waste framework directive, and aims to increase recycling rates and create more than 6 000 jobs relating to the circular economy and waste management. Since the integrated projects also create benefits that are not covered by the taxonomy regulation (implementation of legislation, increased stakeholder involvement), and the differentiation of the allocated budget is complicated, these have not been considered for the approximation of taxonomy-relevant expenditure.

All LIFE projects have to demonstrate that they do not significantly harm any of the other environmental objectives of the LIFE programme. LIFE projects are required to measure, against a defined baseline situation, their specific contributions to the environmental objectives of the taxonomy regulation.

Every project is carried out in compliance with the relevant law and regulations, thus they respect the minimum safeguards set out in the taxonomy regulation.

Based on this assessment, it is assumed that the standard action projects in the area of nature and biodiversity, circular economy and quality of life, climate mitigation and climate adaptation are taxonomy relevant. To fully understand the alignment with the taxonomy technical criteria, an analysis at project level would be necessary. This is complex, and is not possible under the current time and resource constraints.

To sum up, for the estimation of taxonomy-relevant expenditure under the LIFE programme, only standard action projects under the named subprogrammes are considered. These have direct and measurable benefits for the environmental objectives of the taxonomy regulation. Standard action projects that target climate and environment governance and information are not included. Furthermore, other project categories, such as technical assistance projects and operating grants, and all other projects, including coordination and support actions under clean energy transition, are not included.

Moreover, to avoid an overestimate, the amounts for strategic integrated and strategic nature projects will be excluded, given that they create benefits not covered under the taxonomy regulation.

| **LIFE contributions (EUR) to the following projects** | **2021** | **2022** | **Total** |
|---|---|---|---|
| Standard action projects for climate change mitigation and adaptation, excluding climate governance and information projects | 60 554 600 | 57 056 129 | 117 610 729 |
| Standard action projects for nature and biodiversity, excluding governance and information projects | 168 005 105 | 166 387 132 | 334 392 238 |
| Standard action projects for resource efficiency, circular economy and zero pollution, excluding governance and information projects | 93 163 702 | 92 629 138 | 185 792 841 |
| Total amounts | | | **637 795 808** |

The total amount of EU funding assumed to be taxonomy relevant is thus EUR 637 795 808 (based on data extracted from the European Climate, Infrastructure and Environment Executive Agency project dashboard on 19 March 2024).

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | 2.1 | 2.4 | 1.0 | 5.5 |
| 0* | | | | |
| 0 | 736.6 | 753.0 | 758.4 | 2 248.0 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

The LIFE programme does not directly target gender equality, since its main objective is linked to climate and environment spending. Still, a gender dimension is considered in some areas of intervention to identify how men and women relate to the environment and to climate action in different ways, thus addressing specific gender vulnerabilities (e.g. inherent to harmful chemicals such as endocrine disruptors and persistent organic pollutants).

The links between gender and chemicals are also outlined in the EU chemicals strategy for sustainability towards a toxic-free environment. Ongoing work in this area relates to the reinforcement of the legal framework – namely the regulation on the registration, evaluation, authorisation and restriction of chemicals and the classification, labelling and packaging regulation – to support innovation for safe and sustainable chemicals and to promote better knowledge of factors justifying a gender-differentiated approach in sound chemical management. Recurrent LIFE-funded activities are the annual forum on endocrine disruptors, meetings and round-table discussions on the implementation of the chemicals strategy for sustainability and other activities in the area of chemicals and their impact on health. Other ad hoc activities include the development of the inter-organization programme for the sound management of chemicals toolbox for decision-making in chemicals management and the EU common data platform on chemicals.

A gender perspective is also included, where relevant, at the project level, often as a component of multidimensional projects. For example, the project LIFE22-CET-TOP clever aims to empower construction professionals and workers with the skills needed to face the challenges of the whole-life carbon and circular approach throughout a building's life cycle, to also support the implementation of the level framework by all actors in the value chain. It will give a voice to female professionals and workers to raise awareness in relation to equal opportunities in the field.

Considering the level of granularity of the data, the limited size of the LIFE programme and its bottom-up approach, it is not appropriate to provide annual estimates of the project components contributing to gender equality in line with the principle of proportionality.

The above figures can therefore be considered a *de minimis* contribution.

Most key performance indicators under LIFE target natural resources and not people, such as the area of land on which soil quality is improving, increased efficiency in water management, improvements in waste management, reductions in the use of dangerous chemicals and additional annual renewable energy production. For those key performance indicators targeting people, numbers are collected at an aggregated level and differentiation between genders is difficult, for example population benefiting from an improvement in air quality, population benefiting from a reduction in noise pollution, population benefiting from a reduction in vulnerability to the adverse effects of climate change.

Generally, LIFE does not meet the conditions for either score 1 ('A firm commitment toward gender equality of the programme, which has positive effects *ex post*, proven by quantitative or qualitative analysis') or score 2 (the top-level ambition of the project/programme is to advance gender equality and/or women's empowerment), since its primary objective is climate action and the environment. It would therefore be appropriate to move to score 0.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | 11.8 | 7.6 | | 19.4 | 1% |

– The digital perspective of the LIFE programme is essentially within the LIFE clean energy transition subprogramme, which supports coordination and initiatives to deploy smart solutions to advance the clean energy transition; increase energy efficiency in buildings and enterprises; and contribute to system-integrating energy services and smart technologies for energy management systems.

– This subprogramme supports actions in the area of the digitalisation of the energy system – in line with the EU action plan for the digitalisation of energy – in particular with regard to digital tools and data supporting decision-making for energy-efficiency-related interventions, for example in building renovation projects. More specifically, the selected projects support the reliability of the key instrument of energy performance certificates, their integration with the smart readiness indicator and the automated issuing and roll-out of the building renovation passport.

– As part of the 2021 LIFE clean energy transition call for proposals, five grant agreements were signed in relation to smart buildings and smart energy services for a total EU budget contribution of about EUR 11 million. As part of the 2022 LIFE clean energy transition call for proposals, four grant agreements were signed addressing smart buildings and digital solutions for energy performance certificates and building renovations for a total EU budget contribution of about EUR 7.6 million.

Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Population benefiting from an improvement in air quality | 2.5 million | **17%** | 4.6 million in 2030 | 2.9 million compared to a target of 4.6 million | On track |
| Reduction in greenhouse gas emissions | 12 million | **18%** | 16.5 million in 2030 | 12.8 million compared to a target of 16.5 million | On track |
| Population benefiting from a reduction in their | 1.7 million | **> 100%** | 3.1 million in 2030 | 3.4 million compared to a target of 3.1 million | Achieved |

| | | | | | |
|---|---|---|---|---|---|
| vulnerability to the adverse effects of climate change | | | | | |
| Additional annual renewable energy production (gigawatts per year) | 0 | **18%** | 4 463 in 2030 | 819 gigawatts compared to a target of 4 463 | On track |
| Habitats where loss of biodiversity is being halted or reversed (hectares) | 1.6 million | **29%** | 3.1 million in 2030 | 2 million compared to a target of 3.1 million | On track |
| Additional annual primary energy savings (gigawatt per year) | 0 | 33% | 8 344 in 2030 | 2 739 compared to a target of 8 344 | On track |
| Reduction in the production and use of dangerous chemicals | 300 000 | **26%** | 543 121 in 2030 | 363 916 compared to a target of 543 121 | On track |
| Area of land with improving soil quality | 4 200 | **47%** | 7 500 in 2030 | 5 735 compared to a target of 7 500 | On track |

(*) % of target achieved by the end of 2023.

It was initially planned that reporting on the programme's performance would only start in 2025 with new data coming from the 2021 call for proposals. As most of the results are already available, it has been decided to bring this forward by 1 year, even if not all the results expected from the 2021 projects have been validated and are, thererefore, included.

The implementation of the programme is largely on track to reach its milestones and targets. For some indicators the results exceed the milestones. This is due to the number and/or scope of the financed projects, which go beyond expectations. The LIFE programme has a bottom-up approach, and the choice of projects (and their contribution to a specific indicator) cannot be defined in advance. If these data are confirmed in the coming years, the milestones and targets will need to be increased.

All LIFE projects provide a direct contribution to various aspects of the European Green Deal: from biodiversity to climate mitigation and adaptation, and from zero pollution to the clean energy transition.

While LIFE activities tackle certain problems directly on the ground, the programme's main impact is indirect through its catalytic role: support for small-scale actions intended to initiate, expand or accelerate sustainable production, distribution and consumption practices by supporting:

- the development and exchange of best practices and knowledge;
- the building up of capacities and the speeding up of the implementation of environmental and climate legislation and policies;
- the testing of small-scale technologies and solutions; and
- the mobilisation of funding from other sources.

The following LIFE activities make relevant contributions along these lines.

- The new green assist initiative has been designed to support capacity building and investment.
- Over 200 LIFE projects that began in 2023 are implementing innovative solutions on the ground to facilitate the shift towards a sustainable, circular, energy-efficient, renewable, energy-based, climate-neutral and climate-resilient economy and to protect, restore and improve the quality of the environment, including nature and biodiversity. This number includes projects that support the development and demonstration of innovative clean technologies, such as solar power and hydropower, thermal energy storage and heat pumps, contributing to the objectives of the proposed Strategic Technologies for Europe Platform.
- A total of 10 strategic integrated and strategic nature projects began in 2023. These projects are designed to support the implementation of plans and strategies required by EU legislation (e.g. air-quality plans, circular economy strategies, climate adaptation strategies) and to mobilise and coordinate additional funds coming from different sources, including national and private funding, to meet environmental and climate objectives.

Considering the various implementation periods, 200 000 hectares of land have been purchased across the EU under the nature and biodiversity subprogramme, which are now protected indefinitely.

The LIFE projects that started in 2023 are expected to contribute to the implementation of several EU legislative acts and policies on the environment, on climate action and on the clean energy transition. The projects will, for example, support the implementation of the zero-pollution action plan, the circular economy action plan, the EU birds and habitats directives, the invasive alien species regulation, the EU biodiversity strategy for 2030, the repowerEU plan, the energy efficiency, renewable energy and energy performance of buildings directives, the eco-design and energy labelling regulations, the F-gases regulation, the land use, land-use change and forestry regulation, the effort-sharing regulation, the legislative proposal on an EU certification framework for carbon removals and the regulation on the governance of the energy union and climate action, along with the functioning of the EU emissions trading system and the EU climate adaptation strategy.

Beyond projects, the LIFE programme financed several activities supporting the development of environmental, climate and energy legislation and policies, including the following.

- The repowerEU plan to phase out EU dependence on Russian fossil fuels imports by accelerating the clean energy transition.

– The implementation of the fit-for-55 climate and energy transition legislation and of the 2023 update of the integrated national energy and climate plans.
– The activities of the expert group supporting the development of methodologies for the certification of carbon removals, under the proposal for a regulation establishing an EU certification framework for carbon removals.
– The communication 'Securing our future Europe's – 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society', which recommended a 90% reduction in net greenhouse gas emissions by 2040, and the accompanying impact assessment on possible pathways to reach climate neutrality by 2050, which will inform the debate and the future legislative and policy choices.
– The communication 'Managing climate risks – Protecting people and prosperity', which set out how the EU and its Member States can prepare and implement policies to better anticipate, understand and address growing climate risks.
– The proposal for the new soil monitoring law, which provides a legal framework to help achieve healthy soils by 2050.
– The restriction of microplastics intentionally added to products, under the EU regulation on the registration, evaluation, authorisation and restriction of chemicals and the environmental standards to make food and feed industrial plants greener.
– One association agreement with non-EU countries was signed, with North Macedonia. Entities from that country, along with Iceland, Moldova and Ukraine, are eligible for funding under the LIFE programme.

**Synergies in the LIFE programme with horizontal priorities and within the programme**

The LIFE programme contributes to the political priorities of the European Green Deal. This is also demonstrated by its financial contribution to biodiversity and the climate target.

LIFE projects are encouraged to pursue a multipurpose approach with respect to the objectives of the programme. This is promoted through a bonus that rewards projects that demonstrate important synergies between the various areas of the programme and its subprogrammes.

As an example, the Vitisom LIFE project contributed to the protection of the environment and the reduction of carbon dioxide emissions, with positive impacts on biodiversity. The project aimed to introduce an innovative organic fertilisation system as a strategy to enhance vineyard soil protection. The project developed 'variable-rate technology' for organic fertilisation in vineyards. These also increase the carbon content of soil, and thus carbon sequestration. A range of environmental impacts was monitored, including the impact on the soil, the amount of greenhouse gas emissions produced and carbon dioxide flows into the atmosphere. The project team recorded increases in the organic matter in soils and a reduction in greenhouse gas emissions and nitrogen pollutants in the vineyards. Specifically, over a period of 5 years following the end of the project, the following results were forecast:

- a 30% reduction in the use of chemical fertilisers;
- a 20% reduction in the quantity of organic matter distributed in organic vineyards;
- a 5% average increase in organic matter in the soils;
- a 5% increase in soil biodiversity in terms of the presence of arthropods;
- a 10% reduction in emissions from vineyard soils in terms of carbon dioxide equivalent; and
- a 10% reduction in odour emissions from the distribution of fertilisers.

Several projects **reduce both greenhouse gas emissions and air pollution** (e.g. the CMCD project, the I-Share LIFE project).

Some projects address both **biodiversity conservation and the reduction of air pollution**. For example, LIFE Airfresh focuses on reforestation policies in cities and the creation of urban forests, which help biodiversity and reduce air pollution. By 2030, four reforested areas will contribute to enhancing biodiversity by providing habitat and food for pollinators and supporting native pollinator communities within cities. The City Biodiversity Index has already improved by + 2.4 compared to the 2020 baseline.

The following projects create synergy between **biodiversity and both climate mitigation and adaptation**: The integrated 'living rivers' project contributes to the implementation of the third river basin management plan for the Danube River by implementing measures to eliminate hydromorphological pressures and supporting ecological targets through the management of protected areas and sustainable forestry, land and fishery management. This will help, for example, to implement nature-based solutions and green infrastructure principles to increase climate resilience, improve water retention in the river basin, enhance biodiversity and reduce flood risk. The integrated 'waters of life' project aims to support the implementation of measures to protect and enhance high-status waters in Ireland. The project will focus on land-use pressures at a landscape- and catchment-wide scale, which may lead to a reduction in the amount of high-status waters. The integrated LIFE IP IRIS Austria project develops and implements river development and risk management concepts for flood protection and ecological river restoration. Pilot measures will remove four transverse structures and thus restore longitudinal continuity on a stretch of river about 85 km long. Improved water retention measures are applied over a 37 km stretch, and thus the risk of flooding will be reduced. Some 272 000 people will benefit from the project.

# 2014-2020 multiannual financial framework – LIFE

The 2014-2020 LIFE programme aims to facilitate the shift towards a sustainable, circular, energy-efficient, renewable energy-based, climate-neutral and climate-resilient economy. LIFE 2014-2020 has contributed to reduce greenhouse gas emissions and our vulnerability to the harmful effects of climate change to protect, restore and improve the quality of the environment – including air, water and soil – and to halt and reverse biodiversity loss. Moreover, it has tackled the degradation of ecosystems, including through supporting the implementation and management of the Natura 2000 network, thereby contributing to sustainable development.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 3 464.4 | 3 466.4 | 99.9% |
| **Payments** | 2 223.4 | | 64.1% |

– The required payment funds will mainly be used to finance ongoing projects and relevant contracts. Most of the projects and contracts are multiannual and payments are made in instalments.

## Performance assessment

### KEY PERFORMANCE INDICATORS

| | Baseline | Progress | Target | Results | Assessment |
|---|---|---|---|---|---|
| Implementation of the seventh environment action programme | 0 | > 100% (*) | 1 700 in 2020 | 2 999 interventions compared to a target of 1 700 | Achieved |
| Population benefiting from improved air quality | | > 100% (**) | 1.4 million in 2020 | 1.9 million people compared to a target of 1.4 million | Achieved |

(*) % of target achieved by the end of 2021.

(**) % of target achieved by the end of 2020.

- The programme is on track as regards the 2014-2020 activities, the implementation of which will continue during 2023.
- In terms of outputs, in the 2014-2020 period the LIFE programme financed more than 1 400 projects that have contributed to the European Green Deal by mainstreaming nature and biodiversity and/or zero pollution and/or circularity and/or climate action goals.
- About one third of these projects are developing, demonstrating and promoting innovative techniques and approaches to achieve synergies between climate neutrality/adaptation and zero pollution, biodiversity or circular economy goals, thus contributing to promote a holistic vision of the environment.
- With the 11 additional integrated projects financed in 2021, the total financing for integrated projects in LIFE 2014-2020 amounts to EUR 110 000 000. These projects should facilitate the coordinated use of more than EUR 10 billion of complementary funding. This implies that for each euro financed by the LIFE programme in the years 2014-2020, an additional EUR 90 is expected to be financed from other sources for the implementation of the targeted plans. Experience shows that the amount of additional funds mobilised by the integrated projects tends to increase during the project lifetime.
- In particular, the 2014-2020 LIFE programme has already exceeded the 2020 targets related to a large number of indicators. Figures could slightly change, following the validation of performance data for ongoing and recently completed projects.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | End poverty in all its forms everywhere | The LIFE programme does not aim to directly address poverty. However, some projects may include activities directed at not leaving anyone behind and/or to promote social justice in reaching climate neutrality. |

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| SDG2 | End hunger, achieve food security and improved nutrition and promote sustainable agriculture | In LIFE, the promotion of sustainable agriculture is pursued in the framework of the nature and biodiversity projects and in the projects pursuing resource efficiency, clean water and water savings, soils, carbon farming and climate adaptation solutions.<br>An example is the LIFE Innocereal, awarded in 2022, it will facilitate connections between the links of the cereals value chain by creating certification systems for low emission production, demonstrating its benefits for all the supply chain, and increasing the final product's added value (bread, pasta, beer). In addition to increasing the production of cereals, LIFE Innocereal is expected to improve soil health and reduce greenhouse gas emissions, thanks to decreased $CO_2$ emissions as a result of 25% reduced use of nitrogenated fertilisers, 75% reduced use of phosphorous fertilisers, 45% reduced use of fossil fuels and a 50% decrease in herbicide use. |
| SDG3 | Ensure healthy lives and promote well-being for all at all ages | LIFE funds projects that work on improving air quality and addressing specific air pollutants, and projects setting out solutions to heatwaves and other extreme weather events and their impacts on health. An example is the CityTRAQ project that will contribute to bringing together regional and local authorities to strengthen the capacity of local policymakers and to adopt adequate measures to improve air quality. The project aims to enhance the planning capacity of local and regional authorities through tools and processes identifying challenges and facilitating the development of solutions and policy plans. The project demonstrates the applicability of air quality traffic data, models and tools in diverse city use-cases and engages schools and the wider public in setting up monitoring networks to raise awareness. |
| SDG4 | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | Recurrent activities in the LIFE funded projects include knowledge sharing, awareness raising and training activities, allowing to promote new sustainable practices and develop green skills.<br>As an example, LIFE21-CET-BUILDSKILLS supported rebooting 13 Build-Up Skills National Platforms and Roadmaps for reskilling and upscaling building renovations workforce and professionals in line with the clean energy transition agenda. LIFE CET 2021 Build-Up Skills Call topic has financed 13 single-country projects in AT, BG, HR, CZ+SK, FR, EL, HU, IR, LT, NL, PL, RO, ES. |
| SDG5 | Achieve gender equality and empower all women and girls | Some LIFE projects have a gender dimension, in particular linking with the One Health approach, and addressing environment and health. |

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| SDG6 | Ensure availability and sustainable management of water and sanitation for all | LIFE projects help to prevent pollution, ensure climate-resilient, sustainable use and management of water, and improve the ecological status of water bodies. For example the ongoing LIFE REMEMBRANCE project produces and commercialises safe and innovative granules and cartridges for the removal of PFAS from drinking water and at the same time recycles high-value industrial waste coming from the production of HFM filters. This project might help to find a method to eliminate water contamination by PFAS by up to 100%. |
| SDG7 | Ensure access to affordable, reliable, sustainable, and modern energy for all | The LIFE programme 2021-2027 includes a dedicated subprogramme: LIFE clean energy transition. Moreover, some aspects of sustainable energy have been considered under the subprogrammes on circular economy and climate change mitigation and adaptation.<br><br>An example is the ‘one-stop shop’ project, which will set up a comprehensive one-stop shop in Czechia for the renovation of residential buildings. It will stimulate demand for building renovations and energy performance improvements via a new comprehensive service covering the whole 'customer journey', from the pre-consultancy phase to monitoring. In addition, the project will launch an interactive online building renovation calculator, which will support homeowners in their building renovation design. The one-stop shop will work closely with local construction companies, architects, engineers and financiers to increase high quality building renovations. The project will also build expertise and provide training, primarily for blue-collar professionals. It will ultimately help dwellers to live in more energy efficient, warmer and comfortable homes.<br><br>LIFE OwnYourSECAP aims to involve, train, and assist more than 110 municipalities and 1500 public officers in 11 counties for the implementation of Sustainable Energy and Climate Action Plan (SECAP). Such a plan for each municipality is key to climate and energy policy and are crucial to achieving local policy objectives, stakeholder, and citizen engagement, building capacity, and implementing carbon reduction measures. LIFE OwnYourSECAP supports the implementation of the plans via energy management systems, innovative engagement approaches, and training those responsible for action plans. |

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| SDG8 | Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all | LIFE is a catalyst for investments in innovative green businesses that will help generate more jobs, both directly and indirectly.<br><br>An example is the LIFE CARBON2MINE, awarded in 2022, proposes an innovative solution to contribute to climate change mitigation, focusing on one of the most economically depressed regions in Europe: the Asturian mining areas, directly affected by coal mine closures and the phase out of coal power plants. In this context, CARBON2MINE will restore mining areas through silvicultural models that improve carbon storage and sequestration capacity, biodiversity, and the supply of ecosystem services in this territory. The project will also contribute to a cleaner energy production and circular economy by using forest biomass and studying new silvicultural models aimed at producing primary and secondary forest biomass and by incorporating combustion ashes (residues) from nearby bioenergy production processes as fertilisers to forest plantations. CARBON2MINE is expected to launch a new model of economic reactivation, based on the promotion of business activities framed within the forestry field with a remarkable capacity to generate employment, attract population and stimulate the local economy, particularly in rural areas.<br><br>LIFE21-CET-AUDITS-AUDIT-TO-MEASURE: Leading business towards climate neutrality by speeding up the uptake of energy efficiency measures from the energy audits. The LIFE 2021 project Audit-to-Measure is one example for the LIFE CET projects focusing on energy efficiency in enterprises and on the uptake of energy audits recommendations, to advance toward climate neutrality and increase EU competitiveness via energy efficiency measures. |
| SDG9 | Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation | LIFE promotes sustainable industry processes such as reduction of waste, water use, $CO_2$ emissions, etc.<br><br>An example is the LIFE@F-Gases project that aims to validate at industrial scale a new technique for separating, by distillation, the molecules composing F-gases, thereby introducing the principle of circular economy for gases that are not reusable today. This project is also a good example of how LIFE can help to uptake research and innovation. |

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| SDG10 | Reduce inequalities within and among countries | The LIFE programme provides support adequate policies, laws and regulations are in place to prevent or redress environmental harms and to respond to the environment, climate and energy emergencies tackling economic and social injustice.<br><br>An example is the LIFE21-CET-COALREGIONS-JUSTEM: Justice in Transition and Empowerment against energy poverty. The JUSTEM project awarded in 2021 is one example of the LIFE CET projects addressing specifically EU coal regions and their specific challenges to engage local communities and citizens in the just and clean energy transition, while taking attention to reduce inequalities. |

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| SDG11 | Make cities and human settlements inclusive, safe, resilient and sustainable | LIFE supports cities in their ambitions towards better health, increased sustainability, or improved resiliency to climate change. Projects pursue different aims, ranging from improvements in air quality, including the transition to carbon neutrality, to sustainable management of water, to the integration of biodiversity conservation in urban landscape.<br><br>The LIFE SNEAK project aims at the reduction of noise from roads in the densely populated urban area of Florence, where traffic noise and vibrations' combine to cause severe disturbance to the population. This will be achieved by means of low-noise/vibration surfaces and retrofitting solutions.<br><br>The LIFE AIRFRESH project aims to estimate the air pollution (PM, NO2, CO2 and O3) removed by urban forests and shrubs in Florence (Italy) and Aix-en-Provence (France), using reforested test areas. The project, which is running until 2024, reforests two urban areas with 1000 tress and quantifies the benefits of urban forests.<br><br>The main objective of the LIFECOOLCITY project, awarded in 2022, is to increase the resilience of Estonian and Latvian urban areas to extreme weather events by focusing on 4 specific objectives: nature-based solutions, digital change, quality of planning and engaged communities with skilled enablers. The project is expected to increase the adaptive capacity of at least 10 000 EU cities in 23 EU Member States by implementing two innovative IT systems for the management of blue-green infrastructure (BGI). The EUROPE system, based on satellite data, will be implemented in the 10 000 selected EU cities to develop ranking of the BGI status. The CITY system, based on airborne data, will be implemented in the city of Wroclaw to precisely identify areas with the highest priority for action, link them to most effective Nature-based Solutions (NBS) interventions and monitor their performance after implementation. Based on the CITY system's recommendations, the project will protect greenery, review management procedures and build blue-green infrastructures. The EUROPE and CITY systems will be commercialised and replicated during and after the project among the target group cities.<br><br>The In-Plan project awarded in 2021 is instead one examples of the LIFE CET Local projects dedicated to cities and regions, for their designing and implementation of local transition plans. The In-Plan project in particular aims to bridge and integrate energy, climate, and spatial planning in cities.<br><br>The 2021 CondoReno project is an example of support provided by LIFE CET for the deployment of Integrated Home Renovation Services/OSS for energy renovations of |

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| | | buildings, increasing energy efficiency and integrating renewable energy. CondoReno address the more challenging market of multi-apartment buildings renovations by deploying 4 OSS and developing two different models of services, one supported by local authorities and the other by market actors. |
| SDG12 | Ensure sustainable consumption and production patterns | LIFE contributes to the shift towards a sustainable, circular, and climate-neutral economy by financing: innovative solutions to support value-added recycled materials, components, or products; the implementation of business and consumption models or solutions to support value chains, in particularly under the EU Action Plan for the Circular Economy; the identification, tracking, separation, prevention and decontamination of waste containing hazardous substances.<br><br>An example is the CARBIP-LIFE project, which aims to demonstrate the industrial scale application of new, sustainably produced and circular composite aerogel-based insulation materials in the construction sector. In practice, the project demonstrates the system of insulated double walls, which are designed for disassembly. By demonstrating the application of new insulation materials, which are 100% recoverable upon deconstruction, the project supports circularity of the final product, while ensuring the use of products from natural sources of silica (including sand, olivine and bio-based resources), thus avoiding expensive and hazardous organosilanes, and saving energy during production.<br><br>The LIFE-IP C-MARTLIFE project implements Flemish Waste Management policy, with a specific focus on accelerating and reinforcing the Plastics Action Plan. This will be achieved with innovative and effective approaches that prevent the loss of recyclable plastic in household and industrial waste, developing a strong collaboration between all waste stakeholders.<br><br>The ongoing LIFE WASTE2BUILD project develops new circular construction and public works streams, and to prevent at source construction and public works waste based on local resources. This is done by using the levers of public ordering and refurbishment policies. The project sets up an innovative system to optimise resources and recover waste from the local construction and public works sector. |

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| SDG13 | Take urgent action to combat climate change and its impacts | Although all LIFE subprogrammes contribute to prevent and mitigate the adverse effects of climate change, one LIFE subprogramme is fully dedicated to climate change mitigation and adaptation. The clean energy transition subprogramme focuses specifically on fostering the transition to more sustainable forms of energy consumption. Given that 75% of greenhouse gas emitted in the EU coming from energy consumptions, clean energy transition is a most fundamental area to address climate change.<br><br>An example is the LIFE Agrestic project aims to foster the adoption by EU farmers of innovative and efficient cropping systems that have a high potential for climate change mitigation. The project distributes innovative tools and knowledge for climate change ready and resource-efficient agriculture. The proposed experimentation includes the introduction of legumes and catch crops in the crop rotations and the introduction of a decision support system to ensure efficient management of the innovative crop rotations, with a focus on diminishing the use of external inputs (nitrogen fertilisers, pesticides, etc.) and non-renewable resources (soil and fuel). The expected results include reduced agricultural Greenhouse gas emissions by 167% of total CO2 equivalent at the pilot sites.<br><br>The project ‘people driven: adapting cities for tomorrow’ aims at developing and testing an integrated approach to urban climate change adaptation that draws on the efforts of multiple stakeholders, including local government, citizens, universities and private actors, to more effectively implement Nature Based Solutions. The project will deploy Natura based solutions across several pilot and replication sites. It will develop and test a replicable method for engaging citizens and local stakeholders in the deployment of Natura based solutions. Furthermore, it develops a digital tool to facilitate, track, and analyse the uptake of NBS in citizens’ private outdoor spaces. |

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| SDG14 | Conserve and sustainably use the oceans, seas and marine resources for sustainable development | Established together with the Nature directives, the LIFE programme has among its core activities support for nature and biodiversity. Throughout the years, LIFE projects contributed to the identification and designation of both the marine and terrestrial Natura 2000 network, purchased tens of thousands of hectares of Europe's most rare and endangered habitat types and restored degraded ecosystems, safeguarded numerous species from extinction, ensured the recovery of many local and endemic species, supported practical measures on the ground to prevent, control and eradicate invasive alien species.<br><br>An example is the LIFE project 'Mobile Marine Species', which aims to improve the conservation of four marine populations: 5 elasmobranchs, 4 marine mammals, 12 seabirds and 2 sea turtles and their representative species. These populations face similar threats that can only be effectively addressed jointly. The project aims to restore, or create 630 favourable nesting sites, and restore 200 ha of mudflats. It aims at protecting breeding population of seabirds from predation by non-native species. It aims as reducing the pressure of disturbance and reducing species mortality due to fishing gear. The project is supported by administrations, professionals, non-governmental organisations and scientists and involves 152 professional organisations and municipalities. |

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| SDG15 | Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss | The LIFE programme plays a crucial role in helping Member States to achieve various targets of the EU biodiversity strategy for 2030. There are already numerous projects in place to assist in the recovery of highly threatened species and the restoration of thousands of hectares of degraded habitats. LIFE projects are also helping to identify 'high nature value' areas that are not yet protected, and ecological corridors needed to ensure connectivity between Natura 2000 sites, and to establish a consolidated trans-European nature network by 2030. Finally, the LIFE programme is delivering hundreds of kilometres of free-flowing rivers, planting hundreds of thousands of trees, working with stakeholders, building partnerships and increasing public awareness of the indispensable services that nature provides.<br><br>An example is the Dinara back to LIFE, which aims to protect and restore dry grassland habitats and their characteristic species in Natura 2000 network sites in the Dinara mountains of Croatia. It connects nature conservation with socioeconomic development, and includes relevant stakeholders in planning for long-term grassland management. As expected results, the conservation status of target habitat types and species will become more favourable, technical guidelines for dry grassland restoration practices and sustainable management, and their implementation will be developed, positive impacts of controlled burning on dry grasslands will be demonstrated and generally the awareness will be raised for EU policy for nature protection and on biodiversity loss issues.<br><br>Another example is the LIFE on Machair project, which aims at improving the conservation condition of Ireland's 'Machairs' habitat and the ecological conditions for breeding waders and pollinators within project sites. The project will employ an integrated management approach; provide education, guidance, and informed management policies for stakeholders, and deliver concrete conservation actions within a network of machair and wader Natura 2000 sites. |
| SDG16 | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels | LIFE projects have increased the capacity of an EU network of environmental prosecutors to share information and develop best practice to tackle environmental crime. They have developed strategic partnerships and shared information relating to environmental prosecutions throughout the EU and the rest of the world. |
| SDG17 | | |

# JTM

JUST TRANSITION MECHANISM

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | | |
|---|---|---|---|---|
| 100% | Some 1 000 | 6 | EUR 1.64 billion | EUR 14.5 million |
| of Just Transition Fund projects have already been selected in Malta. | stakeholders from Just Transition Fund regions take part biannually in the Just Transition Platform Conference organised by DG Regional and Urban Policy. | Member States (Czechia, Latvia, Poland, Portugal, Romania and Sweden) were the first beneficiaries to receive new technical assistance under the JTP Groundwork scheme in 2023. | under the Just Transition Fund will go to Czechia. Thanks to this funding, and the development of its territorial just transition plan, Czechia made the commitment to phase out coal by 2033. | was granted to Western Macedonia in Greece for the first project supported by the Public Sector Loan Facility, helping the region in its transition away from carbon-intensive activities. |

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 8 **901.1** |
| **NextGenerationEU** | 10 894.8 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 272.3 |
| **Total budget 2021-2027** | **20 068.2** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The Just Transition Mechanism (JTM) was proposed as part of the European Green Deal investment plan to make sure that no one and no region is left behind in the transition to a climate-neutral economy. The primary goal of the mechanism is to provide support to the most negatively affected regions and people and to help alleviate the socioeconomic costs of the transition.

## CHALLENGE

The transition towards climate neutrality will provide benefits and opportunities for the entire EU, but also greater socioeconomic challenges for some regions and sectors than for others.

The objective to support the people, economy and environment of territories facing economic and social transformation in their transition to a climate-neutral economy cannot be fully achieved by the Member States alone. There are many disparities between the levels of development and the financial resources of Member States and territories. There is also a need for a coherent implementation framework covering several EU funds under shared management to support this complex process. These objectives can be better achieved at the EU level.

## MISSION

The mechanism aims at alleviating, for the most affected territories, the economic, environmental and social costs of the transition towards climate neutrality by 2050, thereby effectively ensuring that this key EU objective is achieved in an effective and fair manner.

## OBJECTIVES

The mechanism is mainly established as part of the European Green Deal investment plan and within the framework of cohesion policy (for pillars I and III), the main EU policy instrument to reduce regional disparities and to address structural change in Europe's regions.

The mechanism aims at alleviating the economic and social cost of the transition towards climate neutrality. It has three pillars. The first is the Just Transition Fund (JTF). The second is the dedicated just transition scheme under InvestEU. The third is the Public Sector Loan Facility (PSLF).

It shares the objectives of cohesion policy in the specific context of the transition towards climate neutrality. While this is not an eligibility criterion, the resources from the mechanism should complement the other available resources.

The mechanism will contribute to a wide range of measures designed to promote public investment to foster sustainable development in the regions. The mix of actions will depend on the circumstances of the territory affected by the climate transition challenge outlined in the territorial just transition plans (TJTPs).

## ACTIONS

The beneficiary territories to be supported by the mechanism have been identified in one or more TJTP, providing an outline of the transition process until 2030, which have been submitted by the Member States (and approved by the European Commission). These plans, steered by the European semester process, devote special attention to those territories expected to suffer the greatest job losses and to the transformation of industrial facilities with the highest greenhouse gas intensity. The plans detail the social, economic and environmental challenges and the needs, for example, for economic diversification and reskilling. By the end of 2023, all 27 Member States had their Tats adopted by the European Commission.

## STRUCTURAL SET-UP OF THE PROGRAMME

The JTM has three pillars. The first is the JTF. The second is the dedicated just transition scheme under InvestEU. The third is the PSLF.

According to the JTF regulation, only areas identified for support in the TJTP included in the adopted programmes can receive support from pillar I, amounting to EUR 19.3 billion. It is implemented through shared management in close cooperation with national, regional and local authorities and stakeholders. This ensures ownership of the transition strategy and provides the tools and structures for an efficient management framework. The Directorate-General for Regional and Urban Policy leads on behalf of the Commission. The JTF resources could be reinforced on a voluntary basis with complementary funding from the European Regional Development Fund and the European Social Fund Plus. The respective amounts transferred from these funds should be consistent with the type of operations set out in the TJTP.

The second pillar of the mechanism is the dedicated just transition scheme under InvestEU and followed by Directorate-General for Economic and Financial Affairs. A portion of financing under InvestEU will focus on just transition objectives to support economically viable investments by private and public sector entities. The investments must be located in or be key to a JTM area and aligned with the just transition outlined in the relevant TJTP. Investment projects potentially eligible under the second pillar can have access to the InvestEU Advisory Hub and receive advisory support from the European Investment Bank.

The third pillar, the PSLF, consists of a combination of grants from the EU budget (up to EUR 1.3billion ([16])) and loans provided by the European Investment Bank (up to EUR 10 billion). The implementation of the

([16]) Allocation revised, see Council Regulation (EU, Euratom) 2024/765 of 29 February 2024.

grant component has been delegated by DG Regional and Urban Policy to the European Climate, Infrastructure and Environment Executive Agency. It is delivered in direct management by launching open calls for proposals. The facility specifically targets public entities, creating preferential lending conditions for projects that do not generate sufficient revenue to be financially viable.

# VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP



## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The JTM is a new mechanism for the 2021-2027 multiannual financial framework. It addresses new types of challenges arising from the necessary climate transition.

## FURTHER INFORMATION

- Programme website:
  - Just Transition Mechanism;
  - Just Transition Platform.
  -
- Relevant regulation:
  - *Regulation* (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the *Just Transition Fund;*
  - Regulation (EU) 2021/1229 of the European Parliament and of the Council of 14 July 2021 on the Public Sector Loan Facility under the Just Transition Mechanism.
- Evaluations:
  - *in 2025*, a midterm review of the JTF will be performed with regard to the specific objective set out in Article 2 of the JTF regulation and to the evolution in the implementation of the sustainable Europe investment plan;
  - an *interim* evaluation of the PSLF shall be performed by the end of June 2025 and a report on that interim evaluation shall be submitted to the European Parliament and to the Council.
- Reports adopted:
  - Report from the Commission to the European Parliament and the Council on the implementation of the Public Sector Loan Facility under the Just Transition Mechanism in 2022, as referred in Article 16 of Regulation (EU) 2021/1229;
  - Report from the Commission to the European Parliament and the Council on the implementation of the Public Sector Loan Facility under the Just Transition Mechanism in 2023, as referred in Article 16 of Regulation (EU) 2021/1229.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 3 979.5 | 1 437.9 | 1 560.2 | 1 585.7 | 1 611.8 | 1 337.2 | 1 364.3 | 8 901.1 |
| NextGenerationEU | 5.4 | 4 982.1 | 5 815.5 | 91.8 | 0.0 | 0.0 | 0.0 | 10 894.8 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 46.3 | 121.5 | 104.6 | 0.0 | 0.0 | 0.0 | 0.0 | 272.3 |
| **Total** | 4 031.2 | 6 541.5 | 7 480.3 | 1 677.5 | 1 611.8 | 1 337.2 | 1 364.3 | 20 068.2 |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

+ EUR 198.3 million (+ 2%)

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

Explanation of the legal basis

Regulation (EU) 2021/1056 establishing the JTF was adopted in 2021, together with Regulation (EU) 2021/1229 on the PSLF under the mechanism. To help Member States in drafting their TJTPs, the Commission published staff working document SWD(2021) 275.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 13 818.5 | 20 068.2 | 68.9% |
| **Payments** | 290.9 | | 1.4% |

Voted budget implementation (million EUR) (*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 3.9 | 1 137.0 | 1.2 | 0.0 |
| **2022** | 1 419.1 | 1 159.7 | 1.5 | 1.3 |
| **2023** | 1 591.2 | 1 610.2 | 10.8 | 2.8 |

(*) Voted appropriations (C1) only.

Pillar I – the Just Transition Fund

By the end of 2023, the Commission adopted all JTF programmes submitted by the Member States. These include 70 TJTPs, which support 96 different territories. The implementation phase started directly after the mechanism programmes were adopted.

The TJTPs had to include a description of the transition process at the national level, and a demonstration of a negative impact at the level of the territory by 2030 or earlier. For coal regions, this impact had to be linked to the phase-out or scaling down of fossil fuel extraction or production. This was a condition for the approval of the plans. Without a demonstration of the transition process, the Commission services could not proceed with the adoption of the JTF programmes. The identification of the places most affected by the climate transition, the acceleration of the coal phase-out, and the discussion on just transition in the context of carbon-intensive industries would not have happened in the same way without the JTF. It is an emblematic example of place-based policy and instrument, the importance of which has been emphasised in the context of the war in Ukraine and forthcoming challenges. This model can also provide inspiration for similar initiatives.

The budget of the JTF consists of resources coming from the multiannual financial framework and from NextGenerationEU. The latter is a temporary recovery instrument, financed by borrowing on international capital markets, and has a limited time span: all NextGenerationEU resources (including for JTF) need to be paid out at the programme level by the end of 2026. Instead, JTF multiannual financial framework resources have a spending deadline of 2029

57% of the JTF comes from the NextGenerationEU budget creating spending pressure. Combined with delayed adoption of all 2021-2027 cohesion policy programmes (including the JTF) due to the COVID-19 pandemic, the war in Ukraine and the energy crisis, the current level of implementation of the JTF is low.

DG Regional and Urban Policy monitors the JTF implementation on regular basis (implementation issues, selection rate, total net payment rate, EU allocation etc.). The impact of JTF in achieving its objectives will be evaluated in the midterm review exercise in 2025. On the side of Member States,

monitoring committees established in the JTF territories monitor the implementation. They are composed of managing authorities and other types of stakeholders (non-governmental organisations, social partners, etc.).

As of the end of 2023, the Member States have selected operations amounting to 6.1% of their JTF allocation (EUR 1.6 billion). The implementation landscape varies noticeably among Member States, with six having selected operations for more than 20% of their allocation. As of 8 February 2024, total net payments (including pre-financing) of EUR 265 million were paid out (1.4% of the JTF allocation). While the overall selection rate is not high, it has shown steady progress. For example, the rate has doubled between the reporting of the Member States in October and December 2023 and for five Member States the rate is more than 30%, showing that a timely start is possible.

Pillar II – Just transition scheme under InvestEU (under the lead of DG Economic and Financial Affairs)

To implement pillar II under the JTM, a dedicated just transition scheme under the InvestEU programme is established to support investment to benefit the territories identified in TJTPs. The scheme focuses on economically viable investments aligned with just transition objectives. By the end of 2023, the European Investment Bank has not reported any advisory support provided to projects explicitly referring to the second pillar as potential future source of financing. The situation shall improve in 2024.

Pillar III – the Public Sector Loan Facility

The first call for proposals was launched in July 2022, when sufficient number of TJTPs had been adopted. The call has three cut-off dates per year and will remain open until 2025. A second call for proposals will be launched in 2026. The first grant agreement was signed in October 2023 to support Western Macedonia in its transition away from carbon intensive activities, such as lignite mining and its combustion in coal-fired power plants. Under the agreement, the PSLF offers a grant worth EUR14.5 million, which the European Investment Bank complements with a loan of EUR 58 million. The project will support financing sustainable investments worth EUR 80.7 million in total. In line with the European Council conclusions of 1 February 2024, and subject to the revised multiannual financial framework regulation ([17]), the Commission has submitted a proposal for a regulation on reallocations affecting indirectly managed instruments, including PSLF, as of 2025 ([18]).

Note on the consequences of the Russian war of aggression against Ukraine on the implementation and performance of the programmes.

The war in Ukraine asymmetrically impacts many European regions. In the short term, some Member States may need to increase coal consumption before switching to renewables to reduce dependence on Russian fossil fuels. This will not affect the implementation and performance of the mechanism, provided that the 2030 climate and energy targets are respected. The Member States outlined safeguards in their TJTPs ensuring that the short-term challenges do not affect the coal phase-out (without a meaningful transition process, there can be no support from the mechanism). Overall, the energy crisis is a call to the Member States for the acceleration of the EU transition to renewables to cut imports quickly while delivering on climate goals.

([17]) Council Regulation (EU, Euratom) 2024/765 of 29 February 2024.

([18]) Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) 2021/522, (EU) 2021/1057, (EU) 2021/1060, (EU) 2021/1139, (EU) 2021/1229, and (EU) 2021/1755 as regards the changes to the amounts of funds for certain programmes and funds.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 1.7 | 6 397.1 | 7 406.7 | 1 585.7 | 1 611.8 | 1 337.2 | 1 364.3 | 19 704.4 | 98% |
| **Biodiversity mainstreaming** | 0.0 | 279.0 | 316.5 | 72.6 | 69.8 | 58.3 | 59.4 | 855.7 | 4% |
| **Clean air** | 0.0 | 816.8 | 926.6 | 212.6 | 204.5 | 170.7 | 174 | 2 505.1 | 12% |

Cohesion policy uses a categorisation information system to capture information on the thematic content of the 2021-2027 programmes. These multiannual thematic allocations are used to calculate the indicative share of investments under each annual commitment, as set out above. There are several tracking tools (e.g. climate, biodiversity, clean air, gender, digital).

The allocations to the various green budgeting objectives overlap to some extent. The amounts for each priority should not be directly aggregated, as that would result in double counting. Data stories on the Cohesion Open Data Platform present the data and the methods for tracking in more detail; see for example the climate tracking data story available on the platform.

In relation to the EU taxonomy of sustainable activities, the JTF directly helps to deal with the negative social, economic, environmental, demographic and health impacts of the climate transition. While all Member States can benefit from the JTF, funding is targeted at those regions most negatively affected by the transition towards climate neutrality. For these reasons the JTF is considered under climate tracking using a 100% climate coefficient for all allocations under the intervention fields.

Taking a more conservative approach in relation to the JTF assessment under the taxonomy for sustainable activities, we have used the cohesion policy funds system of 182 intervention fields, which have undergone an analysis of alignment with the taxonomy in the context of NextGenerationEU green-bond reporting. As a result of that analysis, groups of intervention fields were assessed as 'fully aligned', 'substantially aligned'/'partially aligned' or 'not covered'. This system is used under cohesion policy shared management as an alternative to project-based analysis, not least because of the burden of assessing tens of thousands of projects over a programme period. When applying the results of this assessment to the 2021-2027 JTF budget, the following financial amounts can be reported: EUR 4 billion is 'fully aligned', EUR 1.8 billion is 'substantially/partially aligned' and EUR 13.8 billion is 'not covered' (these are primary interventions to support economic diversification and the reskilling of workers).

In addition to climate tracking, the 'do no significant harm' principle was also applied by the managing authorities in the assessment of the investment priorities contained in the programmes before adoption. Member States are responsible for the implementation of this principle throughout the programming period. As part of programme implementation, managing authorities can define specific criteria for selecting operations to ensure compliance with the principle.

The JTM was launched with the objectives of turning the EU into a modern, resource-efficient and competitive economy and decoupling economic growth from resource use while eliminating net emissions of greenhouse gases by 2050. It ensures a just transition for all – leaving no person or region behind, thus contributing to the European Green Deal.

The JTM supports those regions facing the most serious socioeconomic challenges due to the transition process. These regions will need to phase out certain activities and restructure their industries. The JTF will support, for example, sustainable productive investments in small and medium-sized enterprises, the creation of new firms, environmental rehabilitation, investment in clean energy, the upskilling and reskilling of workers, job-search assistance, the active inclusion of jobseekers' programmes and the transformation of existing carbon-intensive installations, when these investments lead to substantial emission cuts and job protection. The JTF and the partnership principle embedded in cohesion policy gave impetus to debates across Europe about phasing out coal and preparing for this process, to prevent anyone being left behind. Thanks to the JTF, several Member States that did not have a specific plan to phase out coal have now committed to a specific timeline and accompanying measures.

By addressing the investment needs of the territories that are most negatively impacted by the transition towards a climate-neutral economy, the PSLF will provide a key contribution to mainstream climate action. It covers a wide range of sustainable investments, including in relation to biodiversity, provided that such investments contribute to meeting the development needs of territories that are caused by the transition towards the EU's 2030 climate target, as established in Regulation (EU) 2021/1119, and climate neutrality in the EU by 2050, as described in the TJTPs. The PSLF is implemented by a call for proposals. Therefore, its final contribution to climate, biodiversity and clean air is subject to the applications and to the support it receives.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | 0 | 49.8 | 56.5 | **106.3** |
| 1 | 0 | 1 770.6 | 2 008.5 | **3 779.1** |
| 0* | — | — | — | — |
| 0 | 0 | 4 817.9 | 5 465.3 | **10 283.2** |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

The JTM uses a categorisation information system, which focuses specifically on the gender equality dimension, to capture information on the gender contribution of the 2021-2027 programmes. These multiannual thematic allocations are used to calculate the indicative share of investments under each annual commitment as set out above.

Based on the adopted programmes, about 27% of the planned EU amounts will be used to support interventions the principal objective of which is to improve gender equality or interventions that have gender equality as an objective.

For the 2021-2027 period, the gender tracking data story available on the Cohesion Open Data Platform presents cohesion policy support for gender equality in more detail.

Gender-disaggregated information.

No data are available for gender disaggregation. All JTF programmes have to describe the social impact of the transition to climate neutrality: how it is primarily linked to employment, with direct consequences for the livelihoods of households and families, social exclusion and gender implications.

As regards the first pillar, the mechanism aims to ensure that the transition to a climate-neutral economy happens in a fair way, leaving no one behind, regardless of gender and age. TJTPs should, where relevant, address demographic challenges (including on gender) in the regions affected by the transition. Mechanism investments (e.g. in reskilling and upskilling and the diversification of the economy) should consider the equal treatment of all genders. Moreover, the regions will receive technical assistance under the JTP to ensure that challenges relating to the gender dimension of the just transition process are tackled.

For the third pillar, the contribution to gender equality is specifically mentioned in the application form that applicants have to complete. Among other things, applicants are asked to explain the project's impact on gender equality and how they will approach this issue. They also have to explain how the project helps to fill gender gaps that may be linked to the just transition, how the activities will contribute to improving the situation and how it will contribute to the promotion and advancement of gender equality and non-discrimination mainstreaming. For each proposal, the elements will be analysed by the Commission as part of the assessment of the 'relevance and impact' award criteria.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of the total envelope |
|---|---|---|---|---|---|
| **Digital contribution** | 0 | 848.2 | 962.2 | 1 810.4 | 13% |

Addressing the impacts of the transition towards a climate-neutral economy also means digitalisation. In 2023, more than EUR 950 million was invested in digitalisation, including for the digitalisation of public and private services, with a special focus on small and medium-sized enterprises (business development and internationalisation, including productive investments, e-commerce, digital innovation hubs and digital processes) and on innovation clusters, including businesses, research organisations and public authorities and business networks.

## Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Enterprises supported | 0 | **0%** | 39 242 in 2029 | No results | No data |
| Additional production capacity for renewable energy | 0 | **0%** | 12 019 megawatts in 2029 | No results | No data |
| Additional capacity for waste recycling | 0 | **0%** | 1.5 million tonnes per year in 2029 | No results | No data |
| Jobs created in supported entities | 0 | **0%** | 62 938 in 2029 | No results | No data |
| Annual users of new or modernised public transport | 0 | **0%** | 28 million in 2029 | No results | No data |
| Overall investment mobilised | 0 | **NA** | No target | No results | N/A |
| Number of projects receiving financing under the facility | 0 | **NA** | No target | No results | N/A |
| Greenhouse gas emissions reduced, where relevant | 0 | **NA** | No target | No results | N/A |

(*) % of target achieved by the end of 2023.

By the end of 2023, the Commission had adopted all JTF programmes submitted by the Member States. In total, 96 regions, involving all of the Member States, are receiving support from the fund through 70 plans. With the adoption of all TJTPs by December 2023, the programming of the JTF has been completed, and efforts are now focusing on implementation. The TJTPs had to include a description of the transition process at the national level and a demonstration of a negative impact at the level of the territory by 2030 or earlier. Without a demonstration of the transition process, the Commission services could not proceed with the adoption of the JTF programmes.

Since the JTF includes resources from NextGenerationEU, a temporary recovery instrument with a limited time span (all NextGenerationEU resources need to be paid out at the programme level by the end of 2026), there is little time for its implementation. Where just transition regions need support, the Commission provides technical and advisory support through the JTP under the technical assistance schemes JTP groundwork and JTPeers exchange, launched in February 2023, for example for project identification and development, and capacity-building for regional and local administrations; building governance mechanisms for TJTP implementation; ensuring stakeholder engagement and mobilisation; and deployment of awareness-raising campaigns or engagement in cross-border cooperation with other transition regions.

Additionally, the Commission will apply, for pillar I, the '*n* + 3' rule to decommit the amounts that have not been used for pre-financing or for which a payment application has not been submitted by 31 December of the third calendar year following the year of the budget commitments. To avoid decommitment at *n* + 3, managing authorities are already taking steps to launch calls and select projects. Thanks to the Strategic Technologies for Europe Platform allowing Member States to make use of a one-off increase in pre-financing (30%) for the priorities dedicated to the platform's objectives, the decommitment risk can be further reduced. This pre-financing will in fact apply to all JTF resources automatically, given the strong links of the fund with Strategic Technologies for Europe Platform objectives. The Commission will disburse EUR 5.9 billion in JTF pre-financing and will thus provide managing authorities with greater liquidity and flexibility for project implementation, without a need for programme amendment.

Concerning the PSLF, its first call for proposals was launched in July 2022. Due to the early stage of implementation of the facility, it is not yet possible to report about the specific results of projects. However, the first grant was signed in October 2023 for an amount of EUR 14.5 million. Additional projects have been selected for funding by the European Commission for an amount representing up to EUR 118.3 million, and their corresponding grant agreements will be signed once the European Investment Bank confirms its intention to provide loans for these projects. More projects are currently under assessment and are expected to be submitted in time for the next submission deadlines of the facility's call for proposals. In line with the PSLF regulation, its impact will be evaluated in a midterm evaluation by mid 2025 and a final evaluation by the end of 2031, in particular regarding the extent to which the facility contributed to environmental objectives. PSLF-supported projects are monitored by the European Climate, Infrastructure and Environment Executive Agency. The regulation includes key performance indicators on the number of projects supporting environmental objectives and greenhouse gas emission reductions.
Coherence between the JTF and the PSLF, two pillars of the JTM, is first and foremost ensured through the TJTPs, which indicate how the Member States intend to make use of both pillars in the eligible territories. As the three pillars of the JTM support the same territories, synergies are expected to emerge between the pillars' respective investments when implementation is more advanced. At this point, there have been synergies in the field of awareness raising / communication (both pillars discussed during JTM media trips) and technical assistance (support from the European Investment Bank's joint assistance to support projects in European regions programme for the development of the project pipeline for JTF screening projects that could be submitted to the PSLF).

# Sustainable development goals

## Contribution to the sustainable development goals

The PSLF does not have quantitative data to share yet, the implementation period of its first project only started in October 2023.

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|

| | | |
|---|---|---|
| SDG1 | X | No poverty: In Romanian counties: Dolj, Galaţi, Gorj, Hunedoara, Mureş and Prahova, the JTF's support of EUR 2.14 billion will invest in renewable and clean energy technologies, such as hydrogen, to combat energy poverty. |
| SDG2 | | |
| SDG3 | X | Good health and well-being: In Romania, the JTF will support, for example, the rehabilitation of brown fields in the mining sector and the rehabilitation of abandoned industrial sites by creating new green spaces contributing to well-being of citizens (such as parks, commercial and residential areas for social housing). |
| SDG4 | X | Quality education: One of the main goals of JTF investments is to support workers in the coal and carbon intensive industries with extensive training programmes for up- and reskilling to the new green sectors and to be prepared for the economic diversification planned for the regions.<br><br>In Czechia, in the Karlovarsky region, over 1 000 jobs are related to polluting power generation activities. It is the least developed region in Czechia but has a potential for the development of small and medium businesses. To make sure the industrial transition in this region is benefitting everyone, the JTF will support entrepreneurs by helping to re- and upskill workers.<br><br>In Poland, in the Silesia region, the JTF will invest in the training of 100 000 workers many of whom currently work in the fossil fuels sector and equip them with new skills to work in renewable and climate neutral industries. 27 000 new jobs are expected to be created in Silesia directly as a result of the measures. In the Wielkopolska region, the JTF is to support training and reskilling activities for 5 500 workers in the lignite industry. |
| SDG5 | X | Gender equality: The TJTPs often make reference to women's lower participation in the labour market and point to the need for quality childcare services. The TJTPs of Greece, for example, includes investments in infrastructure to enable childcare services and elderly care. A large part of the funds (20.4% of the total EUR 1.63 billion) will strengthen human resources and the skills of the workforce in the areas most affected by the transition process and promote employment as well as skilling-upskilling-reskilling, for example among women. |
| SDG6 | | |

| | | |
|---|---|---|
| SDG7 | X | Affordable and clean energy: In Poland, to help reduce energy bills and to allow citizens to benefit from stable, ecological, and affordable energy sources, the JTF will invest in Western Małopolska in the energy efficiency of public buildings and of housing, including by supporting home insulation, rooftop solar installations, and heat pumps. The JTF invests EUR 2.4 billion in Silesia and Western Małopolska.<br><br>In Czechia, the Moravskoslezsky region (the biggest coal-mining region) faces several challenges related to the environment, especially air pollution, and groundwater contamination due to industrial activities. The JTF will therefore invest in decontamination and support the region's coal phase-out. Investments are planned in the area of energy storage and energy research. Czechia will receive EUR 1.64 billion for JTF.<br><br>In Greece, the PSLF will support the Western Macedonia region to increase energy efficiency of public infrastructure, to reduce energy cost, using low consumption lamps (LED) for road lighting, and to increase solar energy production. |
| SDG8 | X | Decent work and economic growth: In Czechia, in Ustecky region, 80% of Czechia's lignite (or brown coal) is extracted. There are over 5000 coal-related jobs, four coal mines, the largest Czech coal fired power plants and a high concentration of chemical industry firms. The JTF will support investments to transform the economy into one based on renewable energy sources and a circular economy. |
| SDG9 | X | Industry, innovation and infrastructure: In Austria, JTF will create employment and mitigate job losses linked to the green transition. This will be done by investing EUR 76 million in the development of new business models and sustainable green business areas proactively accompanying companies in their transition process. JTF will finance advisory services to local small and medium-sized enterprises and start-ups (incubation, acceleration, related infrastructure investments) and local start-up ecosystems. This includes strengthening already established incubators, building new incubation capacities with a focus on green business models, and improving access to incubation capacities (e.g. in cooperation with tertiary education and research institutions).<br><br>In Belgium, the fund will allocate around EUR 14 million for research and innovation activities. |

| | | |
|---|---|---|
| SDG10 | X | Reduced inequalities: JTF has been launched to leave no-one behind and tackle inequalities in EU regions most hardly hit by the transition towards climate-neutrality. In 27 Member States, the JTF will support particularly the most impacted workers and regions by investing in new job opportunities, training and skilling for workers and their families to benefit from the economic diversification that will be offered by renewables and modern businesses and industry. |
| SDG11 | X | Sustainable cities and communities: In Belgium, three cities Tournai, Mons, and Charleroi will receive JTF support to be more sustainable and move towards clean energy production, namely by the replacement of fossil fuels by renewable hydrogen and biomethane. EUR 40 million will be dedicated to renewable energy, and about EUR 68 million to energy efficiency. |
| SDG12 | X | Responsible consumption and production: In Romania, the JTF will support with EUR 2.14 billion economic diversification by financing the establishment of small and medium-sized enterprises in sectors that promote responsible consumption and production, for example, circular economy, traditional activities like crafts, or the production of environmentally friendly construction materials. |
| SDG13 | X | Climate action: 27 Member States are supported by JTF to mitigate socio-economic consequences of transition process towards climate-neutrality. For instance, in Poland EUR 3.85 billion under the JTF is to support a just climate transition in the coal regions of Silesia, Małopolska, Wielkopolska, Lower Silesia and Łódzkie. |
| SDG14 | | |
| SDG15 | X | Life on land: In Silesia, Poland, the investments made with support of JTF are to restore environmental damage from the mining activities. The JTF will also invest in rehabilitation and decontamination of 2 800 ha of post mining areas in line with the polluter pays principle. |
| SDG16 | | |
| SDG17 | | |

# AMIF

ASYLUM, MIGRATION AND INTEGRATION FUND

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| 53 490<br>places in reception accommodation infrastructure were set up in line with the EU *acquis* between 2014 and 2023. | 94 032<br>people were trained in asylum-related topics between 2014 and 2023. | 189 203<br>people participated in pre-departure measures between 2014 and 2023. | 112 530<br>people were resettled between 2014 and 2023. |
| 444 097<br>returnees had their return co-financed by the fund between 2014 and 2023. | | | |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming (**)** | 10 982.5 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |

| | |
|---|---|
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **10 982.5** |

(*) Only Article 15(3) of the financial regulation.

(**) Totals excluding the contributions from AMIF to the BMVI and the ISF under Article 26 of the common provisions regulation (Regulation (EU) 2021/1060).

# Rationale and design of the programme

The Asylum, Migration and Integration Fund (AMIF) promotes the efficient management of migration flows and the implementation, strengthening and development of a common approach to asylum and immigration in the EU.

## CHALLENGE

The EU has faced a very large, and growing, number of asylum seekers and migrants in recent years, most recently Russia's unprovoked war of aggression against Ukraine has caused the largest forced displacement of people in Europe since the Second World War. The continued pressure on the routes across the Mediterranean and the Western Balkans has also added to the challenge of increased migratory flows. The EU budget has supported efforts to manage these inflows and effective returns. Nevertheless, as confirmed by regular reports on the delivery of EU migration policy, there is still much to be done to reduce the incentives for irregular migration.

The challenges in the areas of asylum and migration are by their nature interlinked, transnational phenomena, and cannot be adequately addressed by Member States acting alone. Together with the integrated management of the EU's external borders, the completion of a Common European Asylum System is the most effective way to share these responsibilities and their financial implications between Member States fairly. EU funding in the area of integration of non-EU nationals is indispensable to increase the quality of support for newcomers in the early stages after their arrival. This is crucial in order to ensure their full inclusion in EU society in the long run, if they receive permanent protection.

## MISSION

The programme aims to further boost national capacities and improve procedures for migration management, and to enhance solidarity and responsibility sharing between Member States, including by meeting urgent and specific needs in situation.

## OBJECTIVES

The programme pursues the following specific objectives.

- To strengthen and develop all aspects of the Common European Asylum System, including its external dimension.
- To support legal migration to the Member States, including by contributing to the integration of non-EU nationals.

– To contribute to countering irregular migration and ensuring the effectiveness of return and readmission in non-EU countries.
– To enhance solidarity and the sharing of responsibility between the Member States, in particular towards those most affected by migration and asylum challenges, including through practical cooperation.

## ACTIONS

The programme supports a broad range of actions in line with EU migration policy. This includes, in particular:

– ensuring the uniform application of the EU *acquis* and of the priorities related to the Common European Asylum System, legal migration and return;
– providing support and services consistent with the status and the needs of the people concerned, in particular vulnerable groups;
– supporting resettlement, humanitarian admission and transfers of applicants for and beneficiaries of international protection;
– supporting the development and implementation of policies promoting legal migration, such as the development of mobility schemes to the EU and raising awareness of the appropriate legal channels for immigration;
– supporting integration measures tailored to the needs of non-EU nationals and early integration programmes focusing on education, language and other training (such as civic orientation courses and professional guidance) to prepare their active participation in and their acceptance by the receiving society;
– supporting infrastructure for the reception of non-EU nationals, including the possible joint use of such facilities by more than one Member State;
– supporting an integrated and coordinated approach to return management at the EU and Member State levels, developing capacities for effective and sustainable return and reducing incentives for irregular migration;
– supporting assisted voluntary return and reintegration;
– cooperating with non-EU countries on asylum, legal migration and countering irregular migration, and on effective return and readmission for the purpose of managing migration.

## STRUCTURAL SET-UP OF THE PROGRAMME

The programme addresses the evolving migratory challenges and that makes it a key instrument in realising the EU's objective of constituting an area of freedom, security, and justice under Article 67(2) of the Treaty on the Functioning of the European Union, which is an area of shared competence between the EU and the Member States as stated in the Article 4 of the treaty. The programme emphasises the principle of solidarity and fair sharing of responsibility between the Member States, in line with the principle established in Article 80 of the treaty.

Since the programme's overarching objective of effective management of migration flows across the EU which can be more effectively and be better achieved at the EU level than with Member States acting alone,

the programme is based on the principle of subsidiary as set out in Article 5 of the Treaty on European Union. The importance of a coordinated approach to migration by the EU and the Member States was already reflected in the European Agenda on Migration the EU presented in 2015, which stressed the need for a consistent and clear common policy on migration.

The programme supports actions that focus on target groups within the scope of Articles 78 and 79 of the Treaty on the Functioning of the European Union, such as non-EU nationals requiring and/or applying for international protection, displaced persons, persons residing without authorisation, victims of human trafficking and non-EU nationals residing legally in the EU and in need of support for integration.

The programme supports the implementation of and is complemented by EU activities with an impact on developments in the policy area such as the Pact on Migration and Asylum, the 2021-2027 action plan on integration and inclusion and the EU strategy on voluntary return and reintegration.

In terms of integration of non-EU nationals, to achieve the greatest EU added value and to ensure the consistency of the EU's response, actions financed under the programme need be consistent with and complementary to actions financed under other EU instruments, in particular external instruments, the European Social Fund Plus and the European Regional Development Fund.

Stronger cooperation with key partner countries in migration is also essential in effective migration management. In that context, funding can be provided mainly by external instruments such as the Neighbourhood, Development, and International Cooperation Instrument.

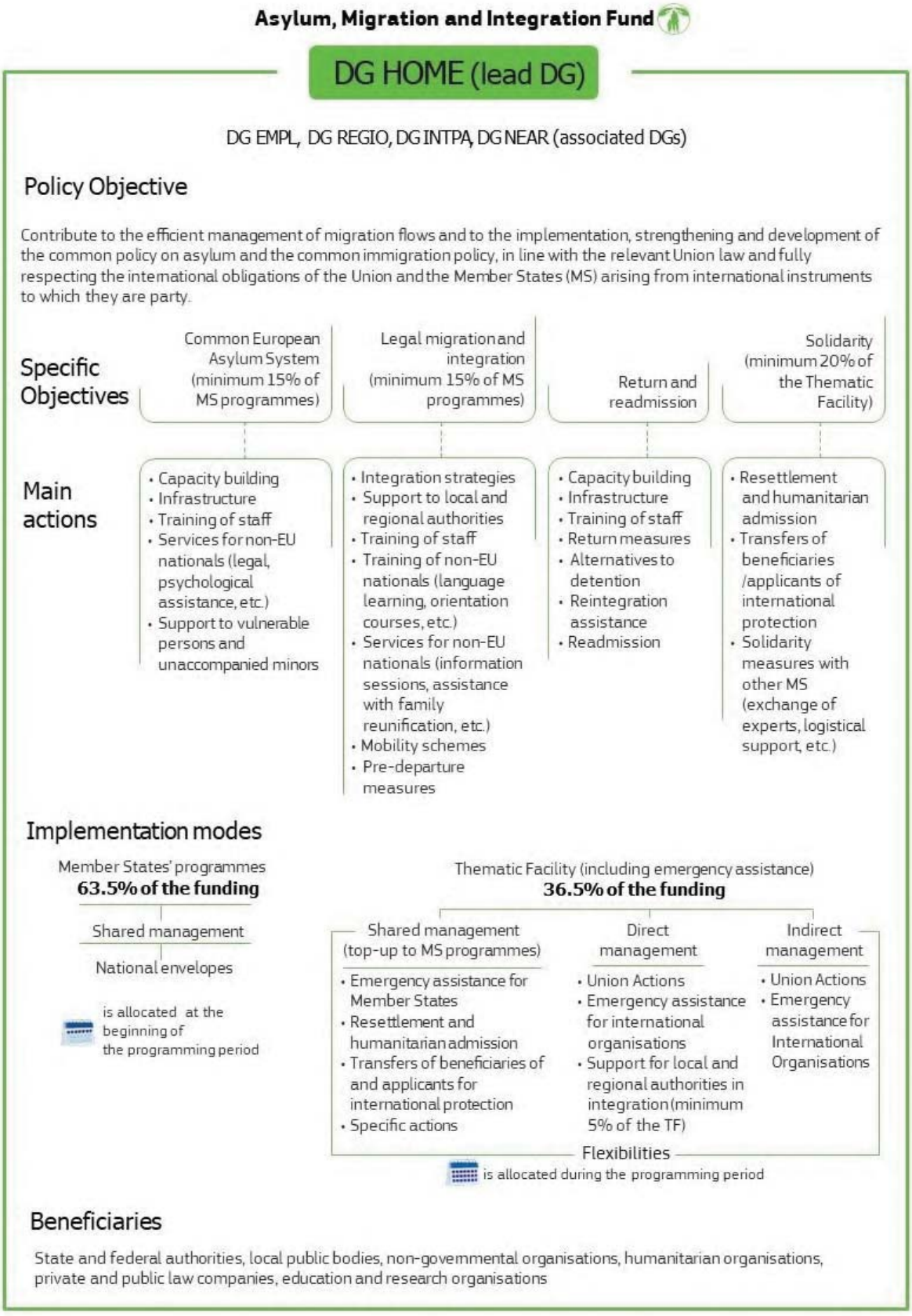
The programme is implemented under shared, direct, and indirect management. The largest share of the resources (57%) is allocated to the Member States' programmes under shared management. The remaining share (43%) is allocated to the Thematic Facility ([19]), a financial instrument programmed by the Commission. Funding allocated to the Thematic Facility can be used for specific actions (shared management) implemented by the Member States nationally or transnationally, EU actions (direct/indirect management), emergency assistance (shared, or direct or indirect management), transfers of beneficiaries of and applicants for international protection (shared management), resettlement (shared management) and the support to the European Migration Network (direct management). With the Thematic Facility, funds can be allocated to emerging or unforeseen needs and steered towards the changing EU priorities and evolving challenges. Technical assistance at the initiative of the Commission will be implemented by direct management.

The legal basis of the programme is Regulation ((EU) 2021/1147) of the European Parliament and of the Council Establishing the Asylum, Migration, and Integration Fund. Since the programme is mainly implemented through shared management, it is partially covered by the common provisions regulation (Regulation (EU) 2021/1060).

DG Migration and Home Affairs closely coordinates with DG Employment, Social Affairs and Inclusion, DG Maritime Affairs and Fisheries and DG Regional and Urban Policy. In relation to the external dimension, DG Migration and Home Affairs closely coordinates with DG Neighbourhood and Enlargement Negotiations, DG International Partnerships, and the Service for Foreign Policy Instruments.

([19]) Total amount of EUR 11.0 billion minus national programmes' allocation in the legal basis.

# VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP






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## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The programme builds on the successful implementation of and lessons learnt from the Asylum, Migration and Integration Fund under the 2014-2020 multiannual financial framework. It maintains its external dimension while ensuring more safeguards. It also introduces more flexibility through the new Thematic Facility, which enables funding to be allocated to emerging or unforeseen needs (via a mix of shared, direct and indirect management), to steer the funds towards changing EU priorities and pressing challenges. The midterm evaluation of the programme started in March, and is to be finalised by the end of 2024. It will build upon the early findings of the *ex post* evaluation of the 2014-2020 programme, to be finalised in the first semester of 2025.

## FURTHER INFORMATION

- Programme website:
    - AMIF.
- Impact assessment: the impact assessment of the programme was carried out in 2018. For further information please consult: https://europa.eu/!xU94BD.
- Relevant regulation:
    - Regulation (EU) 2021/1147 of the European Parliament and of the Council.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming (**) | 497.6 | 1 398.7 | 1 484.3 | 1 507.9 | 1 883.7 | 2 083.5 | 2 126.8 | 10 982.5 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **497.6** | **1 398.7** | **1 484.3** | **1 507.9** | **1 883.7** | **2 083.5** | **2** | **10 982.5** |

(*) Only Article 15(3) of the financial regulation.

(**) Totals excluding the contributions from AMIF to the BMVI and the ISF under Article 26 of the common provisions regulation (Regulation (EU) 2021/1060).



Financial programming:

+ EUR 1 051.9 million (+ 13%)

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

The initial financial programming for the AMIF of EUR 9.882 billion was affected by further modifications. On one hand, a total of EUR 4.3 million under the initial AMIF allocation were transferred to other shared management funds through CPR article 26 (i.e. EUR 1.1 to BMVI; EUR 3.2 to ISF). The fund was also reduced by EUR 48.1 million to finance various legislative initiatives concerning DG Migration and Home Affairs agencies. On the other hand, the AMIF was reinforced by EUR 64 million in the context of different draft budget procedures 2021-2024, the fund also absorbed EUR 57.1 million of unused appropriations from the agencies. Finally, the fund was reinforced by a transfer from the SEAR Emergency Reserve of EUR 74 million and a transfer of EUR 100 million from the Heading's margin. In 2024, the fund was reinforced by EUR 810 million coming from the midterm revision of the multiannual financial framework.

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 3 379.7 | 10 982.5 | 30.8% |
| **Payments** | 1 613.7 | | 14.7% |

Voted budget implementation (million EUR) ([1]):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 496.8 | 873.3 | 44.9 | 361.8 |
| **2022** | 1 390.9 | 1 119.5 | 776.1 | 679.8 |
| **2023** | 1 484.2 | 1 454.3 | 764.4 | 728.9 |

(*) Voted appropriations (C1) only.(*) Voted appropriations (C1) only.

– For the Member States' programmes, due to the delays in the adoption of the legal basis for 2021-2027 and the time needed for the programming procedure, shared management programmes were formally approved only in the last quarter in 2022. The EU actions financed from the programme are also implemented through the Thematic Facility covered by the multiannual work programmes for 2021-2022 and 2023-2025.

– The EU actions are part of the Thematic Facility covered by the multiannual work programmes, now for 2023-2025. The programmed initiatives will be implemented evenly throughout the period with calls for proposals regularly published to support transnational actions in migrants' integration via legal pathways, integration of women, children and victims of trafficking, labour market integration and integration through local and regional networks as well information and awareness raising campaigns along the main migratory routes.

– As regards the voted budget in 2021, the difference between EUR 873.3 million of the initial commitments and EUR 496.8 million of implementation is mainly the result of the adjustment of the multiannual financial framework (i.e. reprogramming of 2021 shared management appropriation due to the delay of adoption of Member States programmes: EUR 397.4 million was spread equally over period 2022-2025);

– In addition, the Fund was reinforced by EUR 21.7 million through a Budgetary Authority transfer in the context of instrumentalisation of migrants and pressure of border crossings from Belarus. The voted budget commitment appropriations were allocated to the first Thematic Facility work programme.

– The invasion of Ukraine by Russia on 24 February 2022 led to a large arrival into several EU Member States of displaced people from Ukraine. This has placed renewed pressure on the financial resources of Member States to deal with urgent migration management needs. While the increased migratory pressure is already being felt acutely in the Member States that share a land border with Ukraine, the needs are spreading further afield throughout the whole territory of the EU and will persist in 2024. In addition to the financial opportunities linked to the programmes of the 2014-2020 programming period, new programmes 2021-2027 and the Thematic Facility with the Emergency Assistance and Support to Member States under Pressure, should provide support to meet needs stemming from the Ukrainian crisis.

– The Commission committed to mobilise EUR 400 million for Emergency assistance during the Global pledging event ‘Stand Up for Ukraine' of 9 April 2022 to support the exceptional efforts of Member States in addressing the needs of the beneficiaries of the temporary protection directive. The EU contribution mainly supported the Member States in the reinforcement of their first reception systems, capacity to manage the external borders and capacity to bridge first reception and early integration. The overall objective was to support the efforts of the Member States most affected by the unprecedented flows of displaced people from Ukraine. In this context the programme and underlying Emergency Assistance were reinforced in 2022 by EUR 181.7 million in commitment appropriations and EUR 150 million in payment appropriations via an amending budget and autonomous transfer by the Commission.

– The support offered by the fund across the three management modes in 2023 was particularly aimed at coping with the heightened pressure at the EU external borders, steadily increasing levels of asylum applications filed (over 1 million in 2023, up by 20% compared to 2022 and more than double 2021 and 2020 levels) as well as continuing needs of Temporary Protection beneficiaries residing in EU Member States.

– The pressure on asylum and integration seems to be reflected in the financial progress as per the information transmitted on the Member State programmes. Overall, implementation on the ground has started to gain momentum, with one third of the resources of Member State programmes being allocated to operations selected for support, although most of them are not concluded yet. Compared with the indicative allocations in the programmes, progress is particularly noticeable for operations on reception conditions and children in migration (almost EUR 600 million allocated, nearly 60% of the initial indicative allocation). Marked progress is also clear on operations concerned with civic orientation, one-stop-shops and training for early integration of non-EU nationals (almost EUR 400 million allocated). Operations targeting vulnerable persons, including accompanied minors, also show rapid progress (at over 50% of the initial indicative allocation).

– The implementation of the thematic facility was also aimed at coping with the above trends. EU actions for the Member States under pressure and specific actions continued to address reception capacity needs for Member States hosting large numbers of Temporary Protection Beneficiaries. In addition, the call for proposals in the area of integration was concluded, with 28 grants signed or under signature. EMAS actions launched in 2022 to support the Member states most affected by the mass arrival of displaced persons from Ukraine came to a conclusion and final payment in 2023. Further EMAS projects have been carried out in 2023 in connection to the ‘Safe Homes’ initiative as well as in response to the Emergency Situation in Lampedusa. The implementation of the thematic facility also ensured continued support to the European Migration Network

– As regards the voted budget in 2022, the difference between EUR 1 119.5 million of the initial commitments and EUR 1 390.9 million ([20]) of implementation is the result of the adjustment of the multiannual financial framework for year 2022 (EUR 99.3 million was added from 2021 reprogramming), reinforcement of EUR 179.9 million due to the Ukrainian crisis and carry-over of EUR 7.8 million from a programme not adopted on time.

– As regards the voted budget in 2023, the difference between EUR 1 454.3 million of the initial commitments and EUR 1 484.2 million of implementation is the result of the reinforcement of EUR 30 million of resettlement component.

– As for the implementation of voted budget commitment appropriations in 2023, they were committed to the initial allocations under the Member States' programmes and the first Thematic Facility work programme. In case of payment appropriations, they were used mainly for the pre-financing and interim payments under the Member States' programmes, EU actions, European Migration Network, emergency assistance and Member States under pressure. The envisaged use of voted budget for 2024 appropriations will cover initial allocations to Member States (EUR 969.9 million), Thematic Facility amounts for specific actions, EU actions, EMN, EMAS, Relocation and Resettlement (EUR 533.9 million), and expenditure for technical assistance (EUR 4.3 million).

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR)

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 0.0 | 0.0 | 0.0 | | | | | 0.0 | 0% |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

– In line with the EU's commitment to work towards achieving the United Nations sustainable development goals, the programme regulation commits (with no specific programme target) to contributing to the EU's goal of spending at least 30% of the total amount of the EU budget on supporting climate objectives and its ambition to spend 7.5% of the annual EU budget on biodiversity in 2024 and 10% in both 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals.

([20]) The figure is higher than the voted budget due to reprogramming, the Ukrainian crisis and carry-over of 2021 funds.

– This could happen, for example, by focusing on green procurement regarding infrastructure assets / information technology systems – subject to specific provisions ensuring the choice of products/services that reduce the climate impact by applying the best available technologies, the use of renewable energy in buildings, enhanced isolation, etc. For the time being there are no strict conditions set for national programming or project selection, but Member States are encouraged to prioritise environmentally friendly actions.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | 496.8 | 1 390.9 | 1 484.2 | 3 371.9 |
| 0 | | | | |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender-disaggregated information.

- Indicators relating to individuals (be they staff, volunteers or non-EU nationals) are disaggregated by gender.
- Looking at the gender disaggregation of the main result indicators, women participants tend to represent a larger share of the staff trained who considered the training useful and who report that they are using the skills acquired 3 months after the training (over 60%).
- There is a slight prevalence of women participants over men in relation to the indicators on the application for long-term-residence status and for the recognition of skills and qualifications.
- In the area of returns, the results predominantly concern men (about 70%).
- Resettlement shows an almost identical distribution of women and men, as does the indicator on participants who have improved their language skills.
- Non-binary participants represent 5% of those admitted through humanitarian admission, with percentages below 1% for the other indicators.

– The programme is committed to the horizontal approach of the EU budget, in which equality between women and men, rights and equal opportunities for all and the mainstreaming of these objectives should be considered and promoted throughout the preparation, implementation and monitoring of relevant programmes, as stipulated in Article 6 of the programme regulation (Regulation (EU) 2021/1147).

– In the broader context, to receive payments from the Commission, the Member States' programmes for DG Migration and Home Affairs funds will have to comply with several horizontal enabling conditions, one of which concerns the effective application and implementation of the EU Charter of Fundamental Rights, including the equality of men and women. The horizontal enabling conditions must be fulfilled throughout the entire programming period, and Member States must report on their application to the programme monitoring committee and the Commission.
– The programme regulation specifically stipulates that eligible actions need to consider the human-rights-based approach to the protection of migrants, refugees and asylum seekers and should, in particular, ensure that special attention is paid to, and a dedicated response is provided for, the specific situation of vulnerable persons, in particular women, unaccompanied minors and victims of trafficking in human beings. At this stage it is considered that all types of actions supported by the programme may have the potential to impact gender equality. Therefore, the whole amount (initial voted budget) is equivalent to a gender score of 0*, comprising both direct and shared management.
– In the context of the midterm evaluations, which are currently being carried out and are expected to be finalised by the end of 2024, the potential to affect the gender equality of specific types of intervention will be examined in greater detail – and the gender score may be subject to variation.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

It is considered that activities under the following specific objectives of the programme may partially contribute to the goal of digital transition:

– strengthening the common European asylum system;
– strengthening and developing legal migration to the Member States;
– contributing to countering irregular migration.

However, since the legal basis for the 2021-2027 multiannual financial framework and the programme regulation did not envisage that expenditure contributing to the goal of digital transition should be tracked, it is not possible to develop a tracking methodology to estimate the amount of such expenditure.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Number of people placed in alternatives to detention | 0 | NA | 9 320 in 2029 | No results | On track |
| Number of participants in language courses who have improved their proficiency level in the host-country language upon leaving the language course by at least one level in the common European framework of the reference for languages or the national equivalent | 0 | 1.4% | 379 442 in 2029 | 5 476 compared to a target of 379 442 | On track |
| Number of participants who have applied for long-term status | 0 | 0% | 40 156 in 2029 | 87 compared to a target of 40 156 | On track |
| Number of returnees voluntarily returned | 0 | 7% | 255 226 in 2029 | 18 115 compared to a target of 255 226 | On track |
| Number of returnees who have been removed | 0 | 0% | 269 541 in 2029 | 112 compared to a target of 269 541 | On track |
| Number of applicants for and beneficiaries of international protection transferred from one Member State to another | 0 | 1% | 3 000 in 2029 | 43 compared to a target of 3 000 | On track |

| | | | | | |
|---|---|---|---|---|---|
| Number of people resettled | 0 | 29% | 69 164 in 2029 | 20 199 compared to a target of 69 164 | On track |
| Number of people admitted through humanitarian admission | 0 | 41% | 46 025 in 2029 | 19 096 compared to a target of 46 025 | On track |

(*) % of target achieved by the end of 2023.

NB: Due to the concurrent development of several reporting modules for the Member States in the SFC2021 data exchange system, in 2023 the Commission was not in a position to provide the 2022 results. This has been corrected in the 2024 reporting.

- The approval of the Member State programmes for 2021-2027, which represent the bulk of the resources of the programme, took place in the last quarter of 2022, in line with the timing of most programmes covered by the common provisions regulation (Regulation (EU) 2021/1060).
- By the end of 2023, it was not yet possible to carry out any meaningful assessment of the progress towards achieving the milestones and targets only recently established by the Member States ([21]), with just 1 full year of implementation of the Member State programmes. However, as outlined in the budget implementation section, progress was visible in 2023 from a financial perspective and in relation to the results of operations funded via the Thematic Facility. Overall, operations were selected by the managing authorities across both specific objectives, for a total cost that amounted to over 36% of the Member State programmes' allocations.
- Overall, in 2023, Member States focused on launching calls for proposals, selecting operations and working on resettlement, humanitarian admission and relocation. As outlined below, reporting on output and result indicators has started for most indicators ([22]), although it is expected to gain momentum at a slightly later stage, especially for the result indicators, once the number of operations being completed reaches cruising speed.
- Under specific objective 1, on the Common European Asylum System, the rate of selection of operations is rather high, at 44% of the total allocation of Member State programmes, witnessing the significant needs of the Member States in this area. The first achievements recorded relate to non-EU nationals supported, including almost 13 000 vulnerable individuals, but also to the number of staff trained, which amounts to more than 4 000. Additionally, 750 reception places for unaccompanied minors were created on top of 1 159 places refurbished in line with the EU *acquis*.

([21]) As is standard practice for shared management programmes and in line with the legal framework, the milestones and targets have been established by the Member States based on their strategy and needs assessment, and in line with the available resources indicatively planned in the programmes across predefined types of interventions. The Member States are indeed best placed to tailor the design of the programme to their national context and needs. The methodology for target setting was shared with the Commission, which also provided methodological advice to the Member States. The milestones, targets and related methodology can be adjusted during the programming period in duly justified cases, such as a revision of the programme's strategy, relevant external contextual factors and changes in the distribution or volume of the available resources, and following a review by the Commission. An overall assessment of the relevance of the strategy and its targets compared to the evolving needs at both the Member State and the EU level will be part of the midterm evaluation of the programme.

([22]) The performance assessment section is based on the latest available data for the key performance indicators. For those indicators that are based on the data transmitted by the Member States in the Annual Implementation Reports, the cut off date is 2022. This is clarified in the meta data annexed to the Programme Performance Statements, and due to the fact that information on the achievements in 2023 will only be included in the Final Implementation Reports, due by the end of 2024.

- Under specific objective 2, on legal migration and integration, more than 280 000 non-EU nationals have already been supported in their early integration, including temporary protection beneficiaries fleeing from Ukraine. Longer-term results are expected to take longer to materialise, but over 5 000 participants have improved their language skills by at least one level of the common European framework of reference for languages, and almost 20 000 participants have reported that the activity was helpful for their integration.
- Under specific objective 3, on combating irregular migration, more than 18 000 returnees have returned voluntarily with the support of the fund and almost 5 000 have received reintegration assistance.
- Under specific objective 4, on solidarity among Member States, a significant number of resettlements and humanitarian admissions (almost 40 000) have already taken place.
- As of 2023, there was no clear indication of issues with the implementation of the programmes that suggest that the targets of certain indicators will not be met. However, the impact of external factors, such as the general increase in prices or the significant changes in the needs given the geopolitical situation, along with difficulties with the initial target setting, may lead to duly justified changes to the targets estimated in 2021. A few Member States also report certain problems with their programmes leading to delayed reporting on achievements, along with constraints on administrative capacity due to the overlap of the programming periods, the need to adjust to the new legislative framework and the finalisation of agreements with international organisations. Managing authorities have in any event put in place solutions to address such issues.
- Importantly, the adoption of the New Pact on Migration and Asylum and the related midterm review of the multiannual financial framework is expected to be accompanied by a change in the targets for operations benefiting from the additional allocations. The strengthening of the legal framework is also a factor that could favourably affect the performance – and more broadly the effectiveness – of the support provided under the AMIF. The ultimate impact on the targets and the progress of the Member State programmes towards them will become clearer after the adoption of the Commission's and the Member States' implementation plans, and will be monitored as part of the amendments to the programmes.
- Overall, the implementation of the programme will inevitably be affected by the energy crisis and the general increase in prices, which vastly exceeded expectations in many Member States. Continued pressure on resources could result in a lower level of achievement of the key performance indicators or a need to revise the original strategy, but could also influence the implementation of transnational actions. For the EU actions in particular, this pressure may be exacerbated due to the use of fixed unit rates for certain types of costs. Despite a partial revision of the underlying legal framework, these rates remain unfavourable, and they may result in insufficient coverage of the real expenditure by the organisations involved in implementing the actions. This, in turn, leads to reduced participation in 2023 calls for proposals, along with project activities that need to be removed from the scope of existing support, having become financially non-viable. Cost increases appear to affect the building sector in particular, with repercussions on the development and maintenance of the reception infrastructure.
- As regards direct management, in view of their specific nature and legislative objectives, the performance of transnational EU actions cannot fully be captured by the key performance indicators, but they effectively complement the implementation of the policy objectives at the national level through Member States' programmes by developing policy analysis and innovation, transnational mutual learning and partnerships, and by testing new initiatives and actions across the EU. Sixteen actions financed under the 2021-2022 Thematic Facility in the area of information and awareness-raising campaigns and support

for the victims of trafficking in human beings started in 2023, and their results are expected to be communicated to the Commission in 2025. For the 2023-2025 Thematic Facility, calls for proposals of strategic importance for integration of non-EU nationals were published and evaluated in 2023. Thirty highly valuable transnational actions awarded under this call are starting in 2024.

- The Thematic Facility has also financed grants for the national contact points of the European Migration Network, which have a pivotal role in the implementation of the efficient management of migration by the Member States.
- The performance of actions concluded in 2023 to provide emergency assistance to the Member States most affected by the mass arrival of displaced persons from Ukraine was examined positively, with beneficiaries achieving the established targets. As mentioned in the budget implementation section, the programme provided essential and timely support to strengthen the capacity to address the most immediate needs of the displaced persons, including information and administrative support, shelter and temporary accommodation, food, basic material assistance, transport and special assistance for vulnerable individuals. In agreement with the Commission, a list of performance indicators and supporting evidence was specified in the grant agreements.

# 2014-2020 multiannual financial framework – Asylum, Migration and Integration Fund

The programme is achieving its objectives, especially considering the volatile and challenging migration situation throughout the 2014-2020 period. The programme provides the financial means to push forward the EU's agenda on migration. The Commission is working to establish a comprehensive approach on this agenda, developing legislative proposals to establish and improve common EU action, and monitoring and enforcing the correct implementation of applicable rules by the Member States.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 7 585.4 | 7 595.0 | 99.9% |
| **Payments** | 6 537.8 | | 86.1% |

– Given the acute migration and border management needs arising from the invasion of Ukraine, the Commission proposed an initiative, which was adopted in April 2022, to increase flexibility and to facilitate access to unspent funding under the home affairs funds for the 2014-2020 programmes (including this programme). The legal act also extended the implementation period of 2014-2020 funds by 1 year, i.e. up to 30 June 2024. The funding can be used, for instance, to cover elements such as shelter, food, and healthcare, including through additional personnel. At the end of 2023, for the national programmes only, an absorption rate of 89.20% of the total envelope of the fund had been reached, meaning that the Member States actually spent and used EUR 4.08 billion of the EUR 4.58 billion allocated under the national programmes over the 2014-2020 period. By 31 December 2024, the Member States are expected to submit their final accounts for period ended 30 June 2024. The latest Annual Implementation Reports from Member States, covering the 2022 financial year, indicated that the possibility to redirect unspent resources towards the most compelling priorities was indeed used to cope with the exceptional pressure put on the reception systems by the Russian aggression in Ukraine and related mass arrival of displaced persons.

– Over the last few years, the national programmes have been revised several times to provide financing for: the resettlement (2017, 2019, 2021), return (2017, 2018) and measures implementing the EU action plan on the integration of non-EU nationals (2017, 2018), and to reflect the outcome of the midterm review exercise.

– Implementation in 2020 and 2021 was marked by the effort to address the impact of the COVID-19 pandemic, which led to some delays in project implementation and procurement processes, especially in projects where the final beneficiary needs face-to-face interaction with the target audience (asylum, integration, return, relocation and

resettlement) and in connection with travel restrictions. Also, there was an increase in mitigating measures in the co-financing rates, due to the extension of the duration of projects, with content adaptations or modifications.

– AMIF emergency assistance allocated to Member States relating to the 2014-2020 multiannual financial framework reached EUR 2.4 billion, of which EUR 2.2 million had been paid out at the end of 2023.

– As regards direct management, in 2022, most projects selected under the 2017 and 2018 annual work programme were closed, while those from 2019 and 2020 have reached cruising speed. The projects' implementation is continuously monitored to ensure they continue brining value, and their performance is in line with the objectives of the Fund.

– An *ex post* evaluation of the 2014-2020 AMIF is being carried out and is expected to be finalised by mid 2025.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Asylum – people provided with assistance | 0 | **> 100%** | 1.3 million in 2022 | 3.5 million compared to a target of 1.3 million | Achieved |
| New/improved reception accommodation infrastructures | 0 | **> 100%** | 51 028 in 2022 | 51 581 compared to a target of 51 028 | Achieved |
| Number of people resettled | 0 | **85%** | 108 860 in 2022 | 92 627 compared to a target of 108 860 | On track |
| Integration of non-EU nationals – number of beneficiaries | 0 | **> 100%** | 2.6 million in 2022 | 10 million (**) compared to a target of 2.6 million | Achieved |
| Integration of non-EU nationals – local, regional and national actions | 0 | **> 100%** | 7 443 in 2022 | 15 709 compared to a target of 7 443 | Achieved |
| Co-financed returns – total (number of people) | 0 | **70%** | 612 400 in 2022 | 425 870 compared to a target of 612 400 | Moderate Progress |
| Co-financed returns – voluntary (number of people) | 0 | **78%** | 297 930 in 2022 | 232 782 compared to a target of 297 930 | Moderate Progress |

| | | | | | |
|---|---|---|---|---|---|
| Asylum seekers and beneficiaries transferred from one Member State to another | 0 | **93%** | 38 703 in 2022 | 36 065 compared to a target of 38 703 | On track |

(*) % of target achieved by the end of 2023.

(**) This number includes support offered to people displaced from Ukraine.

– The programme focused on the three areas: asylum schemes, migration and integration. Whereas in the first year a stronger focus was placed on asylum schemes, for example via resettlement and relocation, the latter years focused increasingly on legal migration and integration.

– In terms of the overall programme performance, most of the indicators set out for the programme have achieved their targets or are on track to do so by the end of the programming period, which was extended by one year due to the Russian war of aggression to Ukraine. Some difficulties remain visible in the returns area, which was particularly affected in the last three years by COVID-19-related travel restrictions. Differences in performance across Member States also exist, either due to changes in the existing needs, specific implementation issues and the impact of inflation. In 2022, the flexibility provided by the revised regulation to use unspent resources allowed several Member States to increase their efforts on first reception and early integration to offer crucial support in view of the mass arrival of displaced people from Ukraine.

– On the strengthening of the Common European Asylum System, the number of asylum applications continued to increase in 2023, surpassing the threshold of 1 million first time applicants, more than double the average by over 60% in 2022, on top of a 30% increase between 2020 and 2021. The figures surpassed pre-pandemic levels after a drop that was largely driven by COVID-19 and the related travel restrictions. Member States have been therefore confronted with a markedly increasing pressure on their reception systems in 2022. As regards the programme actions, in 2022 the fund provided over 3 million people ([23]) in target groups with asylum assistance, exceeding its target of 1.26 million, and nearly 90 thousand people were trained in asylum-related topics compared to a target of approximately 25 thousand. Inflation is reported as a factor particularly impacting the building sector and the possibility to further improve the performance of the indicators related to new or improved accommodation infrastructures. However, Member States made use of the flexibility provided by the revised regulation to cope with the joint effect of increased prices and increases in demand of reception services due to the Russian war of aggression against Ukraine. In addition, as described in the section covering the implementation of the 2021-2027 programme, emergency assistance ([24]) was used to reinforce the efforts of the Member States most affected by the mass arrival of displaced people from Ukraine to offer first reception services.

– On effective integration and legal migration, the Commission supports the Member States in integrating non-EU nationals through the use of EU funding, some of which is provided by the programme and the rest by the European Structural and Investment Funds. Under the programme's national programmes, the target of 2.6 million people

([23]) In the case of person-related indicators, it is possible that the same individual receiving support under different operations or in different years, is counted multiple times.

([24]) Emergency assistance is the Commission's main tool for providing urgent and specific support in emergency situations.

having participated in integration assistance projects was greatly exceeded. In particular, in 2022, a marked increase was measured in the volume of assistance provided, as a testimony of the efforts of the Member States to offer early integration support to displaced people from Ukraine. However, as regards the number of persons who participated in pre-departure measures, the results fell below the target set (176 998 people supported versus a target of 240 920). Reaching the targets depends on the Member States and their estimates, with some exceeding their targets and others still at a distance from them. Travel restrictions and delays due to COVID-19 also played a role, and so did the fact that sometimes, based on national strategies, similar measures are offered upon arrival and are therefore not captured by this indicator.

– On effective return policies, with migrants who have no right to stay in the EU needing to be returned, the area needs further improvement and additional efforts, which will depend on better cooperation from non-EU countries and on Member States' effectiveness in implementing returns. As from 2020, the rate of effective return from the EU-27 to non-EU countries dropped significantly, reflecting that actual return operations were affected by COVID-19 related travel restrictions whereas return decisions were much less affected during COVID-19. Despite some progress, return-related indicators directly linked to the support provided by AMIF are also not fully on track to achieve their targets. The Commission put forward a number of new initiatives to improve the effectiveness of return policies, including its first strategy on voluntary returns and reintegration ([25]), additional cooperation with key countries of origin and the strengthening of flights coordinated by the European Border and Coast Guard Agency (up by approximately 50%). Furthermore, in March 2022, the Commission appointed a Return Coordinator in DG Migration and Home Affairs. Based on the reporting from the Member States, travel restrictions continued to affect the volume of returns especially in the first part of 2022, with lasting effects on the cumulative values achieved.

– On strengthening solidarity and sharing responsibilities between Member States, several Member States, notably Greece, Spain and Italy, have benefited from emergency assistance from the programme. The number of relocations supported by the AMIF across the different management modes is on track to achieve its target.

– The main lessons learned during the 2014-2020 programming period include the following:

    • there has been insufficient cooperation, coordination and strategic steering in the implementation of the programme with other EU-level initiatives;

    • there is a need for simplification;

    • there is insufficient flexibility to respond to changing needs during the programming period;

    • there is a need to strengthen the quality of performance monitoring, with more regular and reliable data for the result indicators.

– These lessons learned are being fed into the programming and implementation of the 2021-2027 programmes.

([25]) COM(2021) 120 final of 27.4.2021.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | yes | 'The children's rights check digital – improved quality for sheltering refugee children'<br>Project objective. The project aims to improve reception and accommodation conditions for refugee children and their families. To achieve this, accommodation operators and authorities need to be able to evaluate the accommodation situation. Children, parents and professionals can be interviewed digitally easily with the Child Rights Check. To this end, the previous child rights check tool will be further developed as a digital self-evaluation tool. |
| SDG4 | yes | Project: SchlaUA – The best of both<br>Project objective. The project aims to provide Ukrainian students with a Ukrainian degree in Munich (Atestat Pro Povnu Zagal'nu Serednyu Osvitu). This is done in cooperation with two partner schools in Ternopil, the education authority there and the Ministry of Science and Education of Ukraine. |
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | | |

| | | |
|---|---|---|
| SDG10 | yes | Humcore – humanitarian corridors integration pathways: fostering better integration opportunities for people in need of protection through strengthened private sponsorship schemes (1.12.2021-31.5.2024)<br><br>This project aims at fostering integration of non-EU nationals in need of protection thanks to actions aimed at improving the procedures and practices of the Humanitarian Corridors (HC), a Private Sponsorship Scheme operating since 2016. By involving eight EU Member States and combining the review analysis of the aspects of humanitarian corridors specifically linked to integration with capacity building activities addressed to the sponsors, it aims to get an enhanced Scheme offering better integration. It evolves towards a major spreading of corridors into the wider EU, also engaging countries not yet implementing them, but interested by migration as well, from different sectors. Humcore is structured around following objectives and outputs: introduction of more efficient solutions, with the final goal to get improved integration paths for the beneficiaries; a participatory action research, based on available data and follow-up on the past implementation of the HC, and on comparative and qualitative studies; capacity building on the implementation of the Scheme, to expand knowledge among the Sponsors and involve new countries and beneficiaries, multiplying the effect of Humcore; support to 1 000 beneficiaries coming from non-EU countries in the achievement of autonomy and integration to work and university; full integration paths for at least 200 out of the 1 000 beneficiaries; a comparative analysis on Scheme scale-up toward other target groups or countries, based on examples of efficient integration in Europe or elsewhere; a visual elaboration of the migration through time and space, by usage of the most recent ICT technology in the domain; elaboration and diffusion of Guidelines addressed to Sponsors, Civil Society Organisations and Policy Makers on how to implement effectively the improved integration paths in the frame of HC; dissemination and advocacy to develop new areas of implementation of HC at the EU level. |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | | |

| | | |
|---|---|---|
| SDG15 | yes | A project in Netherlands (2021-2027 programming period) renews and improves existing and new reception locations in the areas of energy consumption, circularity and/or biodiversity and stimulates the development of hybrid (multi-usable) reception locations. This project is implemented in collaboration with social partners to contribute to innovation and a sustainable society. Attention is also paid to adding quality to improve the social structures at certain reception locations by focusing on social sustainability. The project is run by a COA employee, in close cooperation with the real estate developer and focuses on making reception centres more environmentally sustainable. In the AZC Katwijk, the project included ‘circular and modular counters’, which are counters that can easily be built and rebuilt according to need. There is no glue involved so that parts can easily be replaced. The project aims to reduce waste and supports reuse of material. In addition, the project aims to combine reception centres with nature and social sustainability. The nature aspect could involve greening roofs and have solar panels take care of the energy provision. The beneficiary currently investigates the suitability of an energy storage in form of a large battery for the COA. The social aspect involves enhancing space for inclusiveness and socialising such as round tables and open spaces to make it more comfortable for employees at COA and asylum seekers to connect. The project also explores research possibilities for social integration in the neighbourhood of the asylum centre. Another activity concerns the flexible housing idea. The project wants to change COA centres from low-quality flexible housing to high-quality and sustainable units with rapid scalability. Housing should get a friendly, inviting look, and focus on wood. They can rapidly be removed and rebuild on another site, but also used for other purposes such as social housing or student housing. |

| | | |
|---|---|---|
| SDG16 | yes | Eradicating – enhancing prevention and multiagency cooperation against trafficking (1.12.2021-30.11.2023)<br><br>Trafficking is not only a serious violation of human rights but also a social and security issue at the same time. Multi-stakeholder engagement between various actors (e.g. non-governmental organisations, law enforcement, public authorities, private sector) remains an important challenge to be addressed by the Member States as well as the cross-border and transnational collaboration of law enforcement authorities which needs to be strengthened. Eradicating is a multi-country project designed to increase the capacity of authorities and service providers to enhance prevention and early identification mechanisms in place, with a focus on trafficking for sexual and labour exploitation. In the long run, the project aspires to eradicate the established and dangerous culture of impunity that persists and contributes to the thriving of the trafficking industry. Consortium of actors from Greece, Germany, and Bulgaria and adopting a human rights-based and gender-sensitive approach, Eradicating aims to:<br><br>a. Support capacity-building efforts to combat and prevent the crime of trafficking in human beings through enhancing the skills of law enforcement, prosecutorial offices, labour inspectorates, financial investigation units, non-governmental organisations and social service providers in the investigation and prosecution of people involved in trafficking.<br><br>b. Strengthen cross-border joint ventures within the EU, between law enforcement and other competent authorities and facilitate the exchange of information within the EU and between law enforcement authorities and other competent organisations, other relevant EU bodies as well as with non-EU countries and international organisations.<br><br>c. Raise awareness on trafficking targeting the users in order to increase prevention and identification mechanisms and stop the culture of impunity. |
| SDG17 | | |

# IBMF

## INTEGRATED BORDER MANAGEMENT FUND (BORDER MANAGEMENT AND VISA INSTRUMENT AND CUSTOMS CONTROL EQUIPMENT INSTRUMENT)

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| 1 470<br>pieces of equipment were purchased for border crossing points and border surveillance purposes between 2021 and 2023. | 168 492<br>visa applications were made using digital means between 2021 and 2023. | 141<br>means of land transport for border control tasks were purchased between 2021 and 2023. | |
| More than 1 300<br>pieces of equipment for border crossing points are being purchased, maintained or upgraded using Customs Control Equipment Instrument funds under the first work programme. | > 200<br>border crossing points (distributed across 24 Member States) are receiving customs control equipment as a result of the grant agreements signed under the first Customs Control Equipment Instrument work programme. | > 500<br>pieces of equipment for customs laboratories are being purchased, maintained or upgraded using Customs Control Equipment Instrument funds under the first work programme. | > 30<br>customs laboratories (distributed across 18 Member States) are receiving customs laboratory equipment as a result of the grant agreements signed under the first Customs Control Equipment Instrument work programme. |

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 8 196.2 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.5 |
| **Total budget 2021-2027** | **8 196.7** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The Integrated Border Management Fund (IBMF) creates EU added value by addressing challenges in the areas of the management of the external borders and common visa policy that cannot be adequately addressed by the Member States acting on their own.

## CHALLENGE

The abolition of internal border controls brings significant benefits to EU citizens and businesses. However, the integrity, safety, and security of the EU's internal borderless area and of its customs union requires the effective management and protection of the EU's external borders, especially in times of challenges posed by migratory pressures and threats of serious cross-border crime.

This calls for action at the EU level, in the form of common measures for the effective control, including surveillance, of the EU's external borders.

## MISSION

The IBMF will address these challenges through two instruments for financial support: the Customs Control Equipment Instrument (CCEI) and the Instrument for Financial Support for Border Management and Visa Policy (BMVI).

In particular, the CCEI's mission is to support the customs union and customs authorities to protect the financial and economic interests of the EU and its Member States, to ensure security and safety within the EU and to protect the EU from illegal trade while facilitating legitimate business activity.

The BMVI's mission is to provide financial support to Member States and to ensure strong and effective European integrated border management at the EU's external borders, thereby contributing to a high level of internal security within the EU, all while safeguarding the free movement of people within it.

## OBJECTIVES

The BMVI has the following two specific objectives.

- To support effective European integrated border management at the external borders, implemented by the European Border and Coast Guard as a shared responsibility of the related agency and the national authorities responsible for border management; to facilitate legitimate border crossings; to prevent and detect illegal immigration and cross-border crime; and to effectively manage migratory flows.
- To support the common visa policy to ensure a harmonised approach with regard to the issuance of visas and to facilitate legitimate travel, while helping to prevent migratory and security risks; and to strengthen and develop all aspects of the common European asylum system, including its external dimension.

The specific objective of the CCEI is to contribute to adequate and equivalent results of customs controls through the transparent purchase, maintenance and upgrade of relevant and reliable state-of-the-art customs control equipment that is secure, safe, and environment-friendly, thereby helping the customs authorities act as one to protect the interests of the EU.

## ACTIONS

The BMVI supports a broad range of actions to improve border controls (checks and surveillance), in line with the European agenda on migration and in compliance with the Charter of Fundamental Rights of the European Union, enhancing cooperation at the EU level for tasks carried out at borders. It funds efficient, client-friendly services to visa applicants while maintaining the security and integrity of visa procedures. It invests in common, large-scale information technology systems in border management and visa policy, including in their interoperability. It furthermore invests in infrastructure and equipment, systems and services, training, the exchange of experts, the deployment of immigration liaison officers, innovative solutions and new technologies and studies. It also provides operating support for the implementation of European integrated border management and of the common visa policy.

The CCEI supports the purchasing, maintenance and upgrading of customs control equipment for non-intrusive inspection, identification of hidden objects on humans, radiation detection, nuclide identification, analysis of samples in laboratories, sampling, and field analysis of samples, along with handheld search tools and other types of innovative non-intrusive detection technology equipment.

## STRUCTURAL SET-UP OF THE PROGRAMME

The legal basis of the BMVI is Regulation (EU) 2021/1148 of the European Parliament and of the Council of 7 July 2001 establishing, as part of the Integrated Border Management Fund, the Instrument for Financial Support for Border Management and Visa Policy. The BMVI is covered partially by the common provisions regulation (Regulation (EU) 2021/1060) for shared management.

The BMVI, for which the lead directorate-general is DG Migration and Home Affairs, is an essential instrument for achieving the EU's objective of constituting an area of freedom, security, and justice under

Article 67(2) of the Treaty on the Functioning of the European Union, which is an area of shared competence between the EU and the Member States, as stated in Article 4 of that treaty.

The BMVI finances a wide range of measures by Member States, acting in cooperation with other EU bodies, offices, and agencies and, where appropriate, non-EU countries and international organisations, to help provide uniform and high-quality external border control so as to facilitate legitimate border crossings. The BMVI contributes to improving the efficiency of visa processing in terms of facilitating visa procedures for bona fide travellers and in terms of detecting and assessing security risks, in particular migrant smuggling and trafficking in human beings, and irregular migration risks, in line with Article 77(2) and 79(2)(d) of the Treaty on the Functioning of the European Union. It also provides extensive coverage of consular services across the world.

The BMVI is implemented under shared, direct, and indirect management. The largest share of the resources (i.e. EUR 4.29 billion) is allocated to the Member States' programmes under shared management. The remaining share (i.e. EUR 3.43 billion) is allocated to the Thematic Facility, a financial tool managed by the Commission. Funding allocated to the Thematic Facility can be used for specific actions (shared management) implemented by the Member States nationally or transnationally, EU actions (direct/indirect management) and emergency assistance (shared, direct or indirect management). The Thematic Facility offers flexibility in the management of the BMVI in addressing priorities with a high level of EU added value or responding to urgent needs.

The legal basis of the CCEI is Regulation (EU) 2021/1077 of 24 June 2021 establishing, as part of the Integrated Border Management Fund, the Customs Control Equipment Instrument.

Close cooperation and coordination are ensured between the two directorates-general managing the IBMF's instruments, DG Taxation and Customs Union and DG Migration and Home Affairs, including by regular interservice meetings between the two, to provide for consistency in implementation. In relation to the external dimension, DG Migration and Home Affairs coordinates closely with DG Neighbourhood and Enlargement Negotiations and DG International Partnerships.

While the CCEI is delivered under direct management, the Member States support the Commission in developing policy aspects relating to the implementation of the CCEI. Member States participate in the CCEI Coordination Group, which functions as a consultative body and advises the Commission on the implementation of EU legislation, programmes, and policies.

Finally, the CCEI maintains close links with the customs programme (led by DG Taxation and Customs Union) and programmes from other Directorates-General – such as the Union anti-fraud programme, the Horizon Europe programme and the Recovery and Resilience Facility – to ensure that double funding is avoided between the programmes and, importantly, to encourage and identify synergies and complementarities.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP

## Border Management and Visa Instrument

**DG HOME (lead DG)**

DG TAXUD, DG EMPL, DG REGIO, DG INTPA, DG NEAR
(associated DGs)

### Policy Objective

Ensure strong and effective European integrated border management at the external borders while safeguarding the free movement of persons within it, and fully respecting the relevant Union law and the international obligations of the Union and the Member States (MS) arising from international instruments to which they are party.

### Specific Objectives

- Support effective European integrated border management
- Support the Common Visa policy (minimum 10% of MS programmes)

### Main actions

- Development of national component of European Border and Coast Guard
- Large scale IT systems
- Interoperability of EU information systems
- Inter-agency cooperation
- Infrastructure and equipment
- Training, innovation and studies
- Deployment of experts and immigration liaison officers

- Large scale IT-systems
- Interoperability of EU information systems
- Training of staff
- Consular cooperation
- Improving visa application processing

### Implementation modes

Member States' programmes
**57.5% of the funding**
Shared management
is allocated at the beginning of the programming period

Thematic Facility (including emergency assistance)
**42.5% of the funding**
Shared management (top-up to MS programmes) | Direct management | Indirect management
Flexibilities
is allocated during the programming period

### Beneficiaries

Constituent elements of the European Border and Coast Guard, i.e. national authorities of Member States responsible for border management, state and federal authorities, local public bodies, non-governmental organisations, international organisations, Union agencies, private and public law companies, networks, education and research organisations



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## Customs Control Equipment Instrument

**DG TAXUD**

### Policy Objective

As part of the IBMF fund, and with a view to achieving the long-term aim of the harmonized application of customs controls by the Member States, the objective of the Instrument is to support the customs union and customs authorities in their mission to protect the financial and economic interests of the Union and its Member States, to ensure security and safety within the Union and to protect the Union from illegal trade while facilitating legitimate business activity

**CCEI Specific Objective**

To contribute to adequate and equivalent results of customs controls across the Union

**Main actions**

The Instrument provides funding for the purchase, maintenance and upgrade of customs control equipment including innovative detection technology equipment, that has one or more of the following customs control purposes:

- Non-intrusive inspection;
- Indication of hidden objects on humans;
- Radiation detection and nuclide identification;
- Analysis of samples in laboratories;
- Sampling and field analysis of samples;
- Handheld search.

**Implementation mode**

| Delivery mode | Supported by |
|---|---|
| **Direct Management**<br>The financial envelope for the implementation of the Instrument for the period 2021–2027 shall be EUR 1 006 407 000.<br>The Instrument may provide funding in any of the forms laid down in the Financial Regulation and in particular by means of grants. | **CCEI coordination group**<br>Member States, as part of the CCEI coordination group, support the Commission on the development of policy aspects related to the CCEI.<br>The CCEI Coordination Group functions as a consultative body and advises the Commission with the implementation of EU legislation, programmes and policies. |

**Beneficiaries**

The eligible entities are the customs authorities of the Union.



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## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The BMVI builds on the Internal Security Fund (ISF), the instrument for financial support for external borders and visas implemented under the 2014-2020 multiannual financial framework. It strengthens its external dimension to cover cooperation with non-EU countries and adds flexibility through a balanced mix of implementation modes.

The midterm evaluation of the BMVI programme started in March 2024, and is to be finalised by the end of 2024. It will build upon the early findings of the *ex post* evaluation of the 2014-2020 programme, to be finalised in the first semester of 2025.

The CCEI is an instrument created under the 2021-2027 multiannual financial framework, therefore there is no existing link with the 2014-2020 multiannual financial framework.

## FURTHER INFORMATION

- Programme website:
  - CCEI;
  - BMVI.
- Impact assessment:
  - the impact assessment of the IBMF was carried out in 2018 – for further information please consult: https://europa.eu/!xU94BD.
- Relevant regulation:
  - Regulation (EU) 2021/1148 of the European Parliament and of the Council (BMVI);
  - Regulation (EU) 2021/1077 of the European Parliament and of the Council (CCEI).

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 289 | 999.2 | 1 205.3 | 1 276.5 | 1 428.4 | 1 172.4 | 1 825.4 | 8 196.2 |
| NextGenerationEU | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0 |
| Contributions from other countries and entities | 0.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0.5 |
| **Total** | **289.5** | **999.2** | **1 205.3** | **1 276.5** | **1 428.4** | **1 172.4** | **1 825.4** | **8 196.7** |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

**+ EUR 1 314.8 million (+ 21%)**

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

- The initial financial programming for the BMVI as per the legal basis was EUR 5 241 million and is now reaching EUR 7 125 million ([26]). This amount was affected by further modifications. On one hand, it was reinforced by almost EUR 620.8 million from the structural funds in the context of the Greek Partnership Agreement, EUR 1.1 million from AMIF for Estonia, EUR 87.5 million was added in the context of different draft budget procedures 2021-2024, the Fund also absorbed EUR 49.6 million of unused appropriations from the agencies. In 2024, the fund was reinforced by EUR 1 billion coming from the midterm revision of the multiannual financial framework. Finally, between 2021 and 2024 the fund was reinforced by EUR 453 million stemming from income from fines ([27]) and another EUR 181 million is to reinforce the 2025 budget. On the other hand, the BMVI was reduced by EUR 509 million to finance various legislative initiatives concerning DG Migration and Home Affairs agencies, of which 37% was used for the revision of Europol's mandate.
- Regarding the CCEI, the budget for the whole multiannual financial framework period is EUR 1 006 407 000 and no modification to its budget have been incorporated since its creation.

([26]) Excluding expected income from fines in 2026 and 2027.

([27]) Income from fines under Article 5 of the multiannual financial framework regulation for the BMVI.

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 2 493.1 | 8 196.2 | 30.4% |
| **Payments** | 837.9 | | 10.2% |

Voted budget implementation (million EUR)(*):Voted budget implementation (million EUR)(*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 288.4 | 533.5 | 0.3 | 127.1 |
| **2022** | 991.3 | 809.3 | 519.7 | 350.1 |
| **2023** | 1 205.1 | 1 205.3 | 315.5 | 383.8 |

(*) Voted appropriations (C1) only.(*) Voted appropriations (C1) only.

– For the Member States' programmes, due to the delays in the adoption of the legal basis for 2021-2027 and the time needed for the programming procedure, shared management programmes were formally approved only in the last quarter of 2022. The EU actions have become part of the Thematic Facility covered by the multiannual work programmes for 2021-2022 and 2023-2025. The programmed initiatives will be implemented throughout the period, with calls for proposals being published regularly to support transnational actions in border management and controls.

– To support the measures launched in 2021 against the instrumentalisation of migrants by Belarus, a specific action under the BMVI was implemented to support Latvia, Lithuania and Poland in protecting their borders with Belarus.

– Further implementing and delegated acts necessary for the development and operation of the renewed Schengen information system and visa information system, along with the entry/exit system and the European travel information and authorisation system, and interoperability between large-scale EU information systems, were adopted in 2022. The BMVI helps Member States prepare to implement the renewed and new systems at the national level. The systems will allow them to carry out operational activities relating to managing the EU's external borders, such as performing checks and surveillance at the external border and producing analyses of the risks to internal

security and analyses of the threats that may affect the functioning or security of the external borders.

– The implementation of voted budget commitment appropriations concerned the initial allocations under the Member States' programmes, the first Thematic Facility work programme 2021-2022 and the support expenditure of the fund.

– The voted budget for the BMVI amounted to EUR 398 million in 2021 in terms of commitment appropriations, of which EUR 152.9 million was implemented in 2021. The difference between the EUR 398 million of initial commitment appropriations and the EUR 152.9 million implemented is mainly the result of the adjustment of the multiannual financial framework (i.e. the reprogramming of 2021 shared management appropriations due to the delay in the adoption of Member States' programmes: EUR 278.5 million was spread equally over the 2022-2025 period). In addition, the fund was reinforced in 2021 with EUR 34.1 million in commitment appropriations through a budgetary authority transfer in the context of the Belarus crisis.

– The voted budget for the BMVI amounted to EUR 671.1 million in 2022 in terms of commitment appropriations, of which EUR 853.1 million was implemented in 2022. The difference between the EUR 671.1 million of initial commitment appropriations and the EUR 853.1 million implemented is primarily the result of the adjustment of the multiannual financial framework for (EUR 69.6 million stemming from 2021 reprogramming, EUR 104.8 million in commitment appropriations from the Structural Funds in the context of the partnership agreement for Greece, internal transfers of EUR 16.8 million in commitment appropriations to reinforce the Thematic Facility). In addition, the fund was reinforced in 2022 with EUR 148 million in payment appropriations via an amending budget and budget authority transfer in the context of the migration crisis triggered by the war in Ukraine. Finally, EUR 7.9 million was the object of a carry-over decision for a programme not adopted by 2022.

– The voted budget for the BMVI amounted to EUR 1064.3 million in 2023 in terms of commitment appropriations, of which 100% was implemented in 2023.

– As for the implementation of the voted budget payment appropriations in 2023, they were used mainly for pre-financing payments and interim payments under the Member States' programmes and to a smaller extent for EU actions.

– The envisaged use of voted budget for 2024 appropriations will cover initial allocations to Member States (EUR 745.0 million), Thematic Facility amounts for specific actions, EU actions, EMAS (EUR 366.3 million), and expenditure for technical assistance (EUR 2.8 million).

– For the CCEI, there were no commitments or payments granted in 2021, therefore the full budgetary envelope for the first, 2021-2022, programming period (EUR 273 514 000) was committed in 2022.

– In terms of payments made, EUR 136 756 632 was transferred to Member States by the end of 2022 through pre-financed grants. In total, 42 grant agreements were signed by the end of 2022, triggering the allocation of funds to co-finance the purchasing, upgrading and maintenance of more than 1 300 pieces of customs control equipment at over 200 border crossing points and more than 500 pieces of equipment in over 30 customs laboratories.

– In 2023, EUR 140 872 000 was committed, and EUR 78 817 paid to Member States as a result of the completion of their projects signed under the first work programme.

– Financial implementation in 2023 responded to the conclusions of the European Council of 9 February 2023, which called on the Commission to fund measures that directly contribute to the control of the EU external borders as well as identified areas for immediate action. The response was evident in the programming of the Thematic Facility, with several specific actions launched to strengthen the Member States' border management capacity and capabilities.

– EUR 24 million was allocated on the Special Transit Scheme of Lithuania to support improved infrastructure, inspection processes and technical means that aim to minimise the threats of illegal EU entry from Kaliningrad and Belarus.

– EUR 55.8 million was allocated to reinforce the border control capabilities of Bulgaria and Romania particularly affected by migratory pressure on the EU's external borders via the Western Balkan route.

– EUR 141.2 million was allocated to enhance the electronic surveillance systems at external land borders. It will support the installation of optical fibre and software to improve the exchange and processing of data between border posts and command centres in Bulgaria, 24

– The Member States' BMVI programmes were or are in the process of being amended to earmark the additional EU funding received under those specific actions.

– Another BMVI specific action, with a budget of EUR 10 million was launched in 2023 to provide support to Member States and Schengen-associated countries in the establishment of their national strategies for the implementation of European integrated border management, specifically with a view to set up or enhance the coordination between all national authorities with competences in European integrated border management, such as police, customs control and sanitary control authorities, etc. The evaluation of the project proposals submitted under this specific action is ongoing.

– The transmission of financial information from the Member State programmes further confirms the focus on the strengthening of the control to the EU external borders, with the cost of operations selected for support related to border surveillance exceeding EUR 833 million by the end of 2023, at 38% of the total indicative allocation for this type of intervention.

– In 2024, a further EUR 5 461 043 will be required to cover payment appropriations resulting from grant agreements signed under the first work programme (2021-2022) for that year. The implementation of the projects signed under the first, 2021-2022, programming period will run up to 2026.

– For the budgetary envelope for the second, 2023-2024, programming period (EUR 283 963 000), in similar fashion as for the first working period, no payments from this budget were executed in 2023. As all new grant agreements are planned to be signed by mid 2024, the first payment appropriations are expected for 2024.

– For the CCEI, the objectives of the second programming period will focus on the fight against drugs in line with the **Communication on the EU Roadmap to fight Drug Trafficking and Organised Crime** ([28]) on 18 October 2023, which reconfirmed the key role of advanced customs control equipment to support customs authorities in the fight against drugs and drug precursors. Among the actions announced, the roadmap aims to mobilise EU customs in ports and customs laboratories against drug trafficking as well as strengthen related risk management and controls. The new invitation to submit

([28]) More information on the Commission communication is available at the following link: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_4981.

proposals addressed to Member States at the end of 2023, as part of the second work programme, reflected this new Commission priority.

– In 2024, the estimated commitment appropriations amount to EUR 143 691 000 with payment appropriations estimated to EUR 141 981 500 to cover the needs for payments of projects under the 2023-2024 work programme.

– In 2025, the commitment appropriations amount to EUR 146 564 000 while the payment appropriations are expected to be EUR 55 830 145 (99% of which for projects signed under the first programming period)

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 0.2 | 0.0 | 0.0 | | | | | 0.2 | 0% |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

– In line with the EU's commitments to work towards achieving the United Nations sustainable development goals (SDGs), the BMVI and CCEI regulations commit, without having a fund-specific target, to contributing to the EU's goal of spending at least 30% of its total budget on supporting climate objectives and its ambition to spend 7.5% of the annual EU budget on biodiversity in 2024 and 10% in both 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals.

– This could happen, for example, by focusing on green procurement regarding (small-scale) assets and infrastructure / information technology systems, subject to specific provisions ensuring that products/services are chosen that reduce climate impacts by applying the best available technologies, using renewable energy in buildings, enhancing insulation, etc. For the time being there are no strict conditions set for national programming or project selection, but Member States are encouraged to prioritise environmentally friendly actions.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | 17.1 | 95.3 | 118.8 | 231.2 |
| 0 | 271.3 | 896.1 | 1086.3 | 2253.6 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality).;
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender-disaggregated information.

- Reporting on gender disaggregated data is not mandatory under the BMVI. Managing authorities can decide, if they wish, to transmit gender-disaggregated data for indicators focusing on individuals. As of 2023, no managing authorities had opted to transmit gender-disaggregated data.

- Due to the nature of the programme, the CCEI was excluded from reporting on gender-disaggregated data.

– The IBMF/BMVI is committed to the horizontal approach of the EU budget, in which equality between women and men, rights and equal opportunities for all and the mainstreaming of these objectives should be considered and promoted throughout the preparation, implementation and monitoring of relevant programmes.

– In the broader context, to receive payments from the Commission, the Member States' programmes for the funds co-managed by DG Migration and Home Affairs will have to comply with the number of horizontal enabling conditions, one of which concerns the effective application and implementation of the EU Charter of Fundamental Rights, including the equality of women and men. The horizontal enabling conditions must be fulfilled throughout the entire programming period, and Member States must report on their application to the programme monitoring committee and the Commission.

– As regards the types of action supported by the BMVI, training and knowledge sharing habitually tackle gender-specific issues, which is why they are financial interventions that may have the potential to impact gender equality, among other areas. Therefore, the amount under the gender score (0*) is an estimate based on the shares of interventions relating to training and knowledge sharing.

– In the context of the midterm evaluations, which are currently being carried out and are expected to be finalised by the end of 2024, the potential to affect the gender equality of specific types of intervention will be examined in greater detail – and the gender score may be subject to variation.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | 55.9 | 312.1 | 389.3 | 757.4 | 30% |

It is considered that activities under the following specific objectives of the IBMF/BMVI may partially contribute to the goal of digital transition:

- supporting effective European integrated border management at the external borders;
- supporting the common visa policy.

The amount contributing to the goals of the digital transition covers activities and interventions relating to the digitalisation of administration (government information and communications technology solutions, e-services, etc.) under shared management.

The CCEI does not have activities that contribute to the goals of the digital transition.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Number of items of equipment registered in the technical equipment pool of the European Border and Coast Guard Agency | 0 | 0% | 2 228 in 2029 | 3 compared to a target of 2 228 | On track |
| Number of items of equipment provided to the European Border and Coast Guard Agency | 0 | 0% | 1 135 in 2029 | No results | On track |
| Number of initiated/improved forms of cooperation of national authorities with the national coordination centre of the European Border | 0 | 0% | 111 in 2029 | No results | On track |

| | | | | | |
|---|---|---|---|---|---|
| Surveillance System | | | | | |
| Number of recommendations from Schengen evaluations and from vulnerability assessments addressed in the area of border management | 0 | NA | NA | No results | NA |
| Number of new/upgraded consulates outside the Schengen area | 0 | 0% | 842 in 2029 | No results | On track |
| Number of recommendations from Schengen evaluations addressed in the area of the common visa policy | 0 | NA | NA | No results | No data |
| Number of visa applications using digital means | 0 | 0% | 62 million | 168 492 compared to a target of 62 million | On track |
| Percentage of border crossing points and customs laboratories with equipment that meets the requirements of the common list of equipment that should be available for each customs laboratory / type of border crossing point (i.e., land, sea, air, postal, rail) | 0 | 12% | 80% in 2027 (**) | 9.74% compared to a target of 80% | Moderate progress |

(*) % of target achieved by the end of 2023.

(**) This indicative target and the methodology to calculate the indicator are currently under review in the context of the midterm evaluation of the programme.

– For the BMVI, the approval of the Member State programmes for 2021-2027, which represent the bulk of the resources of the instrument, took place in the last quarter of 2022, in line with the timing of most programmes covered by the common provisions regulation (Regulation (EU) 2021/1060).

– By the end of 2023, with just one full year of implementation of the Member State programmes, it was not yet possible to identify any particular trends in the progress towards the targets ([29]) of the key performance indicators listed above. However, as outlined in the budget implementation section, progress was visible in 2023 from a financial perspective.

– Operations were selected by the managing authorities across both specific objectives, for a total cost that amounted to 31% of the Member States programmes' allocations.

– Overall, in 2023, Member States focused on launching calls for proposals, selecting operations and carrying out the preparatory work for specific actions. Reporting on outputs, and especially result indicators ([30]), is expected to gain momentum at a slightly later stage, once the number of operations reaches cruising speed.

– Under the first specific objective, on European integrated border management, the first achievements recorded relate to units of equipment purchased for border crossing points or border surveillance purposes, together with the development of information technology functionalities and large-scale IT systems. The first outputs have also been registered in connection to the purchase or lease of heavy and light equipment, such as means maritime and land transport for border control tasks. The results, in terms of equipment registered in the technical equipment pool of the European Border and Coast Guard Agency or put at the agency's disposal, have yet to materialise.

– Under specific objective two, on the common visa policy, the main achievements recorded relate to projects on the digitalisation of visa processing and on the development or upgrading of large-scale IT systems. Also, under this specific objective, the number of visa applications using digital means is showing progress, though the results have yet to materialise.

– As of 2023 there was no clear indication of issues with the implementation of the programmes that suggest the targets will not be met, except for external factors such as the general increase in prices and issues with the supply chain due to the deterioration in the geopolitical context or difficulties with the initial target setting. These elements may result, as part of the midterm allocation process, in duly justified changes to the targets being established by the Member States.

([29]) As is standard practice for shared management programmes, and in line with the legal framework, the milestones and targets have been established by the Member States based on their strategy and needs assessments and in line with the available resources indicatively planned in the programmes across predefined types of interventions. The Member States are indeed best placed to tailor the design of the programmes to their national context and needs. The methodology for target setting was shared with the Commission, which also provided methodological advice to the Member States. The milestones, targets and related methodology can be adjusted during the programming period in duly justified cases, such as a revision of the programme's strategy, relevant external contextual factors and changes in the distribution or volume of the available resources, and following a review by the Commission. An overall assessment of the relevance of the strategy and its targets compared to the evolving needs at both the Member State and the EU level will be part of the midterm evaluation of the programme.

([30]) The performance assessment section is based on the latest available data for the key performance indicators. For those indicators that are based on the data transmitted by the Member States in the Annual Implementation Reports, the cut off date is 2022. This is clarified in the meta data annexed to the Programme Performance Statements, and due to the fact that information on the achievements in 2023 will only be included in the Final Implementation Reports, due by the end of 2024.

– Importantly, the adoption of the New Pact on Migration and Asylum and the related midterm review of the multiannual financial framework are expected to be accompanied by a change in the targets for operations benefiting from the additional allocations. The strengthening of the legal framework is also a factor that could favourably affect the performance – and more broadly the effectiveness – of the support provided under the BMVI. The ultimate impact on the targets and the progress of the Member States programmes towards them will become clearer after the adoption of the Commission's and the Member States' implementation plans, and will be monitored as part of the amendments to the programmes.

– The general increase in prices will also affect support provided under the BMVI via direct management, due to the use of fixed unit rates for certain types of costs. Despite a partial revision of the underlying legal framework, these rates remain unfavourable, and they may result in insufficient coverage of the real expenditure by the organisations involved in implementing the actions. This, in turn, may lead to reduced participation in future calls for proposals, along with project activities that need to be removed from the scope of existing support as they have become financially non-viable.

– As regards direct management, in view of their specific nature and legislative objectives, the performance of transnational EU actions cannot be captured by the key performance indicators. Nonetheless, they complement the implementation of policy objectives at the national level through Member States' programmes by developing policy analysis and innovation, transnational mutual learning and partnerships, and by testing new initiatives and actions across the EU. With these actions, the Commission supports valuable projects on innovations in border management. Their results are expected to be communicated to the Commission in 2025.

– For the CCEI, with regard to the main performance indicator of the instrument – the availability of customs controls equipment and its adherence to the common list of equipment ([31]) that should be available for each type of border crossing point / customs laboratory – there is currently an overall adherence level of 9.74% for all border crossing points, with a further breakdown for border crossing points as follows: air: 13% (+ 18%); land: 7% (+ 3%); mobile: 36% ([32])(+ 52%); post: 14% (+ 34%); rail: 9% (+ 12%); sea: 10% (– 12%) (33). These data clearly show that there are still critical equipment needs across all borders, in which the CCEI will continue to play an essential role.

([31]) The common list of equipment that should be available for each border crossing point / customs laboratory is established by cross-checking the risk and threats identified by Member States at the time of their proposals for each of their border crossing point / customs laboratory with the items of equipment that should be available at border crossing points /customs laboratories to address the identified risks and threats. This defines the ideal common list of equipment that should be available for that border crossing point /customs laboratory. To calculate the degree of adherence to the ideal common list of equipment, the customs control equipment available at each border crossing point /customs laboratory is checked against the ideal common list of equipment that should be available at that border crossing point /customs laboratory.

([32]) The common list of equipment was adopted at the meeting of the CCEI Coordination Expert Group on 1 September 2021. In addition to the categories envisaged by the CCEI regulation, the mobile border crossing point category was added due to its strategic role in increasing the efficiency of customs controls by providing greater flexibility and unpredictability in the performance of the controls.

([33]) For 2023, three new countries are accounted for in the data (Denmark, Greece and Malta), which has an impact on the numbers, in particular with a lower adherence level at sea border crossing points.

# 2014-2020 multiannual financial framework – Internal Security Fund – Borders and Visa

The BMVI builds on the investment and achievements made with the support of its predecessors: the External Borders Fund and the ISF – Borders and Visa. The fund has supported overall EU policies in external border management and visas.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 2 689.8 | 2 732.4 | 98.4 |
| **Payments** | 2 132.0 | | 78.0 |

- The start of the Russian war in Ukraine on 24 February in 2022 was a stark reminder of the importance of properly functioning integrated border management. The Commission proposed an initiative to facilitate access to unspent funds under the Home Affairs Funds for the 2014-2020 programmes, including ISF – Borders and Visa, given the acute migration and border management needs arising from the invasion of Ukraine. The intention was to provide immediate support to the Member States, as they could swiftly re-direct the funding under their existing programmes to address the migration needs caused by Russia's invasion of Ukraine. The Commission's proposals were adopted in April 2022.
- After an initial delay in the adoption of the legal bases of the Home Affairs funds by the co-legislators, all ISF Member State national programmes were adopted in 2015, with their implementation reaching cruising speed in 2017. Since then, the ISF national programmes were revised on several occasions to provide financing for the purchase of equipment, address an equal allocation to all Member States participating in ISF – Borders and Visa, and to cover costs relating to the adoption of the European Travel Information and Authorisation System and the recast of the second-generation Schengen information system regulations. Finally, the programmes were modified in 2020 concerning seven Member States to support border control activities, in the Member States facing high migratory pressure at the external borders, but no revisions were made anymore post-2020.
- As regards the ISF – Borders and Visa, for the 2014-2020 period, EUR 2.42 billion were allocated to the national programmes of the Member States. Up to 2023, Member States spent EUR 2.04 billion, equivalent to an absorption rate of 84.2%. It is expected that the increasing trend in payments at Member State level will continue towards the end and closure of the programming period. By 31 December 2024, the Member States are expected to submit their final accounts for period ended 30 June 2024.

– As regards direct management, in 2023, most projects selected under the 2016 and 2017 annual work programme were closed, all projects selected under the 2018 work programme were closed while those from 2020 have reached cruising speed. The projects' implementation is continuously monitored to ensure they continue brining value, and their performance is line with the objectives of the Fund.

– An *ex post* evaluation of the 2014-2020 ISF-Visa and Borders is being carried out and is expected to be finalised by mid 2025.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Consulates developed / upgraded | 0 | > 100% | 923 in 2022 | 3 279 consulates compared to a target of 923 | Achieved |
| Number of border control infrastructures | 0 | > 100% | 19 902 in 2022 | 47 812 infrastructures compared to a target of 19 902 | Achieved |
| National border surveillance infrastructure established / further developed in the framework of the European Border Surveillance System | 19 | 100% | 30 in 2022 | 30 infrastructures compared to a target of 30 | Achieved |

(*) % of target achieved by the end of 2023.

– In 2023, the Commission continued to address the root causes of irregular migration and strengthen the protection of the EU's external borders. The total number of detected irregular border crossings continued the upward trend, reaching almost 380 000, compared to 200 000 in 2021 and 125 000 in 2020. The Mediterranean and western African routes have seen the strongest increases ([34]),highlight the increasing level of pressure on EU's external borders.

– ISF – Borders and Visa is making a crucial contribution to the application of the Schengen acquis, with the investment in the effective control of the external border through the information systems at EU level and their interoperability, providing and sharing relevant information. The Fund has also contributed to the reinforcement of the capacities of Member States' border management authorities. Special attention is still

([34]) Increases in migrants apprehended are also due to the improved operational capacity of the European Border and Coast Guard Agency services and increases in the push-pull factors at the global level, including the progressive uplifting of restrictions linked to the COVID-19 pandemic.



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needed in the use of funds in the information systems area, to ensure that all available funding is absorbed, while considering the flexibility of the Commission's proposal (adopted in April 2022) to prolong the implementation period for the funds still available to Member States under the 2014-2020 Home Affairs funds by one year due to the Russian war of aggression to Ukraine.

– In terms of overall performance of the Fund, many of the indicators set in the regulation have achieved their targets or are on track to do so by the end of the programming period ([35]). The main difficulties reported over the last three reporting years relate to the possibility to carry out training activities and missions during the COVID-19 pandemic, the impact of inflation especially with respect to the cost of travels, equipment and construction works, as well as the timing for the adoption of EU-level legal acts on large-scale IT systems. Such issues have been remedied in many cases by making use of the flexibility offered by the revision of the legal basis to use unspent resources and extend the project duration, by exploiting the possibility to organise remote training and exchanges etc. However, in some cases projects had to be cancelled and re-programmed for the subsequent programming period: guidance was provided in this respect as part of the preparation of the closure for the 2014-2020 programming period. Whilst the easing of COVID-19 related restrictions implies that there is a positive trend in 2022, the effects of the pandemic remain visible on some aggregated cumulative figures. The Commission is also fully and actively engaged in supporting the agreement and finalisation of the large-scale IT systems.

– On supporting a common visa policy, the trend shows that the cumulative values reported have been steadily increasing to achieve and, in some cases, overcome the targets, such as in the case of Consulates developed or upgraded. However, figures remain below the targets when it comes to training of staff in visa and border management. Up to 2022, 7 051 people were trained in this area, which is approximately 62% of the target of 11 365. Training activities were among those most negatively affected by the COVID-19 pandemic, with a decrease of people trained to 816 in 2020 compared to 1 196 in 2019 and only a marginal improvement to 908 in 2021. Whilst implementation picked up to 1530 in 2022, there could be a lasting effect on the cumulative figures. In any event, the low aggregated target achievement often hides important differences at the Member State level and is partly explained by a few Member States having set overly optimistic targets.

– On strengthening the EU external borders, progress is also positive but there is some variation across Member States and indicators. In this area, 41 355 border guards were trained by the end of 2022, achieving the target of 34 603. In total up to 2021, the instruments also supported the development or upgrade of 47 812 border control (checks and surveillance actions) infrastructure and means, which is well above the target of 19 902. However, the target for the number of crossings via the automatic border control gates supported by the fund remains unmet due to delays or changes in the needs in a few Member States.

– The main lessons learned during the 2014-2020 programming period are shown below.

  • There was insufficient cooperation, coordination, and strategic steering in the implementation of the ISF with the other EU-level initiatives.

([35]) The information coming from the Member States is not yet fully consolidated due the timing for the reporting cycle. The aggregated figures may also hide differences in performance at the Member State level. For person-related indicators, there could be instances of individual counted more than once.

- There is a need for better exploitation of innovation opportunities from EU civil security research.
- There is a need to strengthen performance monitoring in terms of quality, reliability and frequency of the data and to set out common output and result indicators. This is being specifically addressed for the 2021-2027 programming by the new requirements contained in the legal basis and via the joint work of the Commission and national managing authorities on data quality.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | | |
| SDG10 | yes | MigraSafe – Africa (15.1.2022-14.5.2024)<br>The general objective of the action is to support safe, orderly and regular migration through the promotion of legal pathways to the EU. In particular, through the promotion of and information on legal pathways both to the institutional stakeholders (Embassies, Consulates and local authorities), responsible for the formal sources of information on legal pathways, but also to the civil-society organisations (non-governmental organisations etc.) acting as informal sources of information to potential migrants, especially in remote areas, far from the capital cities (and thus, from Embassies, consulates and local authorities). The project will be implemented in eight African countries: Morocco, Senegal, Cape Verde, Tunisia, Egypt, Ghana, Nigeria and Ethiopia.<br>Moreover, the project will provide EU Immigration Liaison Officers network members with accurate and updated information on legal migration that will help them engage in a comprehensive dialogue on migration with local authorities, as it will provide them with new tools and positive leverages. |

| |
|---|
| SDG11 |
| SDG12 |
| SDG13 |
| SDG14 |
| SDG15 |
| SDG16 |
| SDG17 |

# ISF

INTERNAL SECURITY FUND

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| 379<br>joint investigation teams were in action between 2014 and 2023, along with the European Multidisciplinary Platform against Criminal Threats. | 519<br>projects were implemented in the area of crime prevention between 2014 and 2023. | 1 577<br>staff were involved in cross-border operations between 2021 and 2023. | 651<br>tools were put in place or upgraded to protect critical infrastructure in all sectors of the economy between 2014 and 2023. |
| 4 219<br>events (expert meetings, workshops, publications, seminars, conferences and online consultations) were organised between 2014 and 2023. | . | | |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 1 886.3 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **1 886.3**** |

(*) Only Article 15(3) of the financial regulation.

(**) Total including the contribution from AMIF to the ISF under Article 26 of the common provisions regulation (Regulation 2021/1060).

# Rationale and design of the programme

The Internal Security Fund contributes to ensuring a high level of security in the EU, in particular by preventing and combating terrorism and radicalisation, serious and organised crime and cybercrime, and by preparing for, protecting against and effectively managing security-related incidents, risks and crises.

## CHALLENGE

Over recent years, security threats have intensified and diversified in Europe. They have come in the form of terrorist attacks, new types of serious and organised crime and cybercrime.

Taking into account that security has an inherently cross-border dimension and that, beyond internal security challenges, the EU faces complex external threats that no Member State can meet on its own, a strong and coordinated response is required at the EU level.

## MISSION

The programme is set up to contribute to a high level of security in the EU, in particular by preventing and combating terrorism, radicalisation, serious and organised crime and cybercrime, by assisting and protecting victims of crime, and by preparing for, protecting against and effectively managing security-related incidents, risks and crises.

## OBJECTIVES

The programme pursues the following specific objectives:

1. to increase the exchange of information among and within EU law enforcement and other competent authorities and other relevant EU bodies, and with non-EU countries and international organisations;
2. to intensify cross-border cooperation, including joint operations, among and within EU law enforcement and other competent authorities in relation to terrorism and serious and organised crime and cybercrime with a cross-border dimension; and
3. to support efforts to strengthen capabilities to combat and prevent crime, terrorism and radicalisation, and to manage security-related incidents, risks and crises, in particular through increased cooperation between public authorities, civil society and private partners across the Member States.

## ACTIONS

The programme supports a broad range of actions in line with the European security agenda, including:

- the purchase/procurement of information and communication technology systems and associated training and testing, along with their improved interoperability and data quality;
- monitoring the implementation of EU law and policy objectives in the Member States in the area of security information systems;
- operations implementing or facilitating the implementation of the EU policy cycle / the European Multidisciplinary Platform Against Criminal Threats;
- support for thematic or cross-thematic networks of specialised national units to improve mutual confidence, the exchange and dissemination of know-how, information, experiences and best practices and the pooling of resources and expertise in joint centres of excellence;

  education and training for relevant law enforcement and judicial authorities and administrative agencies.

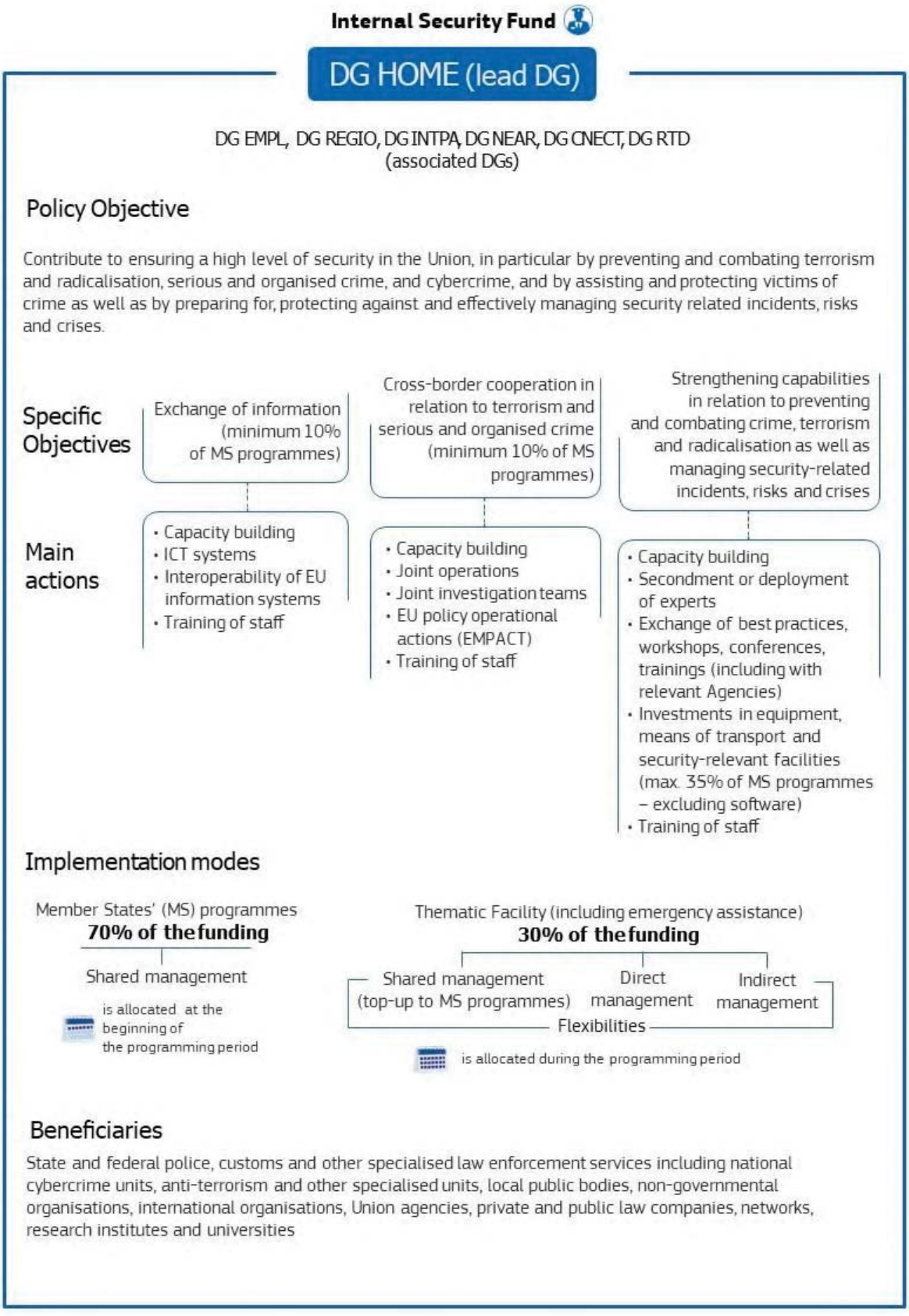
## STRUCTURAL SET-UP OF THE PROGRAMME

The programme addresses the evolving security challenges and that makes it a key instrument in realising the EU's objective of constituting an area of freedom, security, and justice under Article 67(3) of the Treaty on the Functioning of the European Union, which is an area of shared competence between the EU and the Member States, as stated in Article 4 of the treaty. The programme supports measures that support and promote the action of Member States in the field of crime prevention, joint training and police and judicial cooperation in criminal matters in line with Articles 84 and 87 of the treaty.

The programme supports the implementation of and is complemented by a range of other EU activities with an impact on developments in the policy area such as the security union strategy 2020-2025, the EU strategy to tackle organised crime 2021-2025, the EU strategy on combating trafficking in human beings, the EU strategy for a more effective fight against child sexual abuse, the 2021-2025 EU drugs action plan and the EU action plan against trafficking in cultural goods.

The programme is implemented under shared, direct, and indirect management. The largest share of the resources (71.7%) is allocated to the Member States' programmes under shared management. The remaining share (28.3%) is allocated to the Thematic Facility, a financial instrument managed by the Commission. Funding under the Thematic Facility can be used for specific actions (shared management) that are implemented by the Member States nationally or transnationally, EU actions (direct/indirect management) and emergency assistance (shared, direct or indirect or shared management). With the Thematic Facility, funds can be allocated to emerging or unforeseen needs and steered towards the changing EU priorities and evolving challenges. Technical assistance at the initiative of the Commission will be implemented by direct management. DG Migration and Home Affairs is the lead directorate-general for the Commission. As the programme is covered by the common provisions regulation (Regulation (EU) 2021/1060), the directorate-general closely coordinates with DG Employment, Social Affairs and Inclusion, DG Maritime Affairs and Fisheries and DG Regional and Urban Policy. In relation to the external dimension, DG Migration and Home Affairs closely coordinates with DG Neighbourhood and Enlargement Negotiations, DG International Partnerships, and the Service for Foreign Policy Instruments. DG Migration and Home Affairs also coordinates with DG Research and Innovation and DG Communications Networks, Content and Technology.

# VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP






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## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The programme has the same policy objectives and implementation methods as its 2014-2020 multiannual financial framework predecessor – the programme's 'Police' strand. Whereas the specific objectives of the 2014-2020 multiannual financial framework programme focused on crime and crisis, the 2021-2027 programme has more cross-cutting specific objectives, such as increasing the exchange of information, intensifying cross-border cooperation, and strengthening capabilities.

The midterm evaluation of the programme started in March 2024, and is to be finalised by the end of 2024. It will build upon the early findings of the *ex post* evaluation of the 2014-2020 programme, to be finalised in the first semester of 2025.

## FURTHER INFORMATION

- Programme website:
  - ISF.
- Impact assessment:
  - the impact assessment of the programme was carried out in 2018;
  - for further information please consult: https://europa.eu/!xU94BD.
- Relevant regulation:
  - Regulation (EU) 2021/1149 of the European Parliament and of the Council.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 70.0 | 254.1 | 309.9 | 321.9 | 327.2 | 318.4 | 284.8 | 1 886.3 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **70.0** | **254.1** | **309.9** | **321.9** | **327.2** | **318.4** | **284.8** | **1 886.3** |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

– EUR 44.7 million (– 2%)

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

The initial financial programming for the ISF of EUR 1.931 billion was affected by further modifications. On the one hand, it was reinforced from the AMIF by EUR 3.2 million through CPR article 26, EUR 7 million was added in the context of different budget procedures 2021-2024, the Fund also absorbed EUR 2.5 million of unused appropriations from the agencies. On the other hand, the ISF was reduced by EUR 58.1 million to finance various legislative initiatives concerning DG Migration and Home Affairs agencies.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 633.8 | 1 886.3 | 33.6% |

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Payments** | 249.6 | | 13.2% |

Voted budget implementation (million EUR) ([1]):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 70.0 | 175.6 | 0.1 | 35.2 |
| **2022** | 250.7 | 227.1 | 107.4 | 124.7 |
| **2023** | 309.6 | 309.9 | 137.6 | 138.5 |

(*) Voted appropriations (C1) only.(*) Voted appropriations (C1) only.

– For the Member States' programmes, due to the delays in the adoption of the legal basis for 2021-2027 and the time needed for the programming procedure, shared management programmes were formally approved only in the last quarter in 2022. The EU actions have become a part of the Thematic Facility covered by the multiannual work programmes for 2021-2022 and 2023-2025.

– The deterioration of the geopolitical context in 2023 compounded security threats. The European Council Conclusions of 26 and 27 October highlighted such increased risks to internal security not only in relation to terrorist attacks directed at individuals but also to critical infrastructure. The Council Conclusions called on institutions and Member States to engage in concerted efforts to mobilise all relevant policy areas at EU and Member State level, including by 'strengthening law enforcement and judicial cooperation, information exchange through the full use of relevant databases, protection of the external borders, fight against smugglers and close cooperation with third countries'. In view of the damage to critical infrastructure in the Baltic Sea, it also stressed the need for effective measures to strengthen the resilience and enhance the security of critical infrastructure.

– In line with the political priorities outlined above, in 2023 the programme calls focused amongst others on law enforcement cooperation, the protection of public spaces, including places of warship as well as critical infrastructures, and on fighting organised crime.

– Six projects were selected for a total amount of EUR 7.2 million in connection to the call supporting the implementation of the Council recommendation on operational law enforcement cooperation of June 2022, to develop amongst others cross-border hot pursuit and surveillance, joint police stations, joint risk and crime analyses, joint patrols and other joint operations.

– In the aftermath of the Hamas attacks in Israel, terrorist attacks in France and Belgium and rise in antisemitism, the PROTECT call (overall amount of EUR 30 million) for the protection of public spaces and places of worship was launched. The call includes 5 million earmarked to projects focusing on the protection of Jewish places of worship,

schools, and community gatherings. Projects will be selected in the third quarter of 2024.

– The programme also focused on fighting organised crime, targeting those criminal groups that are a higher risk to the EU's security and notably the individuals in the higher echelons of criminal organisations with a dedicated call. Furthermore, the call focuses on actions that contribute to breaking the business model of organised crime, by conducting financial investigations and depriving criminals of their illegally obtained assets. Priority crime areas include drug trafficking and trafficking in human beings, with a view to enhance cross-border law enforcement and judicial cooperation on trafficking in human beings' cases.

– The protection of critical infrastructures in response to the damages to the Baltic Sea gas pipeline between Estonia and Finland is the focus of two EMAS projects aimed at the investigation of damage to the critical undersea infrastructure between them.

– In addition, an EU awareness-raising campaign on trafficking in human beings, financed under the programme, was launched on EU Anti-Trafficking Day (18 October 2023) to reduce demand for the exploited services of victims of trafficking.

– In terms of spending in Member States, the Member States are expected to continue and strengthen activities relating to, among others, the implementation of the Prüm decisions and preparation for the Prüm II regulation, the European Multidisciplinary Platform Against Criminal Threats, the implementation of advance passenger information systems and preparation for the new related regulations, the radicalisation awareness network. In addition, the EU knowledge hub on prevention of radicalisation will be launched in April-May 2024. The hub will support Member States to develop and implement policies and strategies aimed at preventing and countering violent extremism.

– The first financial information transmitted by the Member States confirm that the bulk of the resources committed in 2023 (approximately EUR 190 million) relate to ICT systems and interoperability, with the cost of operations selected for support corresponding to over 36% of the indicative initial allocation.

– The voted budget for the programme amounted to EUR 175.6 million in 2021 in terms of commitment appropriations, of which EUR 70 million was implemented in 2021. The difference between EUR 175.6 million of the initial commitment appropriations and EUR 70 million of implementation is mainly the result of the adjustment of the multiannual financial framework (i.e. reprogramming of 2021 shared management appropriation due to the delay of adoption of Member States programmes: EUR 108.1 million was spread equally over the 2022-2025 period). In addition, the programme was reinforced by EUR 2.5 million through internal transfers to reinforce the Thematic Facility.

– The voted budget for the programme amounted to EUR 227.1 million in 2022 in terms of commitment appropriations, of which EUR 250.7 million ([36]) was implemented in 2022. The difference between EUR 227.1 million of the initial commitment appropriations and EUR 250.7 million of implementation is primarily the result of the adjustment of the multiannual financial framework for 2022 (i.e. reprogramming of 2021 shared management appropriation due to the delay of adoption of Member States programmes: EUR 27 million was added to 2022, and moreover, EUR 3.4 million has been added as a carry-over from a programme that was not adopted by the end of 2022).

([36]) The figure is higher than the voted budget due to reprogramming and carry-over of the 2021 funds.

– The voted budget for the programme amounted to EUR 309.9 million in 2023 in terms of commitment appropriations, of which EUR 309.6 million was implemented.

– As for the implementation of voted budget commitment appropriations in 2023, they were committed to the initial allocations under the Member States' programmes and the first Thematic Facility work programme. In case of payment appropriations, these were used mainly for the pre-financing and interim payments under the Member States' programmes and for payments under EU actions. The envisaged use of voted budget for 2024 appropriations will cover initial allocations to Member States (EUR 226.8 million), Thematic Facility amounts for specific actions and EU actions (EUR 93.6 million) and expenditure for technical assistance (EUR 2.45 million). It will also cover the additional EUR 5 million requested for the Protection of Jewish places of worship, schools, and community gatherings.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 0.0 | 0.0 | 0.0 | | | | | 0.0 | 0% |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

– In line with the EU's commitments to work towards achieving the United Nations sustainable development goals, the programme regulation commits (with no specific programme target) to contributing to the EU's goal of spending at least 30% of the total amount of the EU budget on supporting climate objectives and its ambition to spend 7.5% of the annual EU budget on biodiversity in 2024 and 10% in both 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals.

– This could happen, for example, by focusing on green procurement regarding (small-scale) assets, infrastructure / information technology systems – subject to specific provisions ensuring the choice of products/services that reduce the climate impact by applying the best available technologies, the use of renewable energy in buildings, enhanced isolation, etc. For the time being there are no strict conditions set for national programming or project selection, but Member States are encouraged to prioritise environmentally friendly actions.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | 10.6 | 38.1 | 47.0 | 95.7 |
| 0 | 59.4 | 212.6 | 262.6 | 534.6 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender-disaggregated information.

- Reporting on gender-disaggregated data is not mandatory under the ISF. Managing authorities can decide, if they wish, to transmit gender-disaggregated data for indicators focusing on individuals. As of 2023, no managing authorities had transmitted gender-disaggregated data.

– The programme is committed to the horizontal approach of the EU budget, in which equality between women and men, rights and equal opportunities for all and the mainstreaming of these objectives should be considered and promoted throughout the preparation, implementation and monitoring of relevant programmes.

– In the broader context, to receive payments from the Commission, the Member States' programmes for DG Migration and Home Affairs funds will have to comply with several horizontal enabling conditions, one of which concerns the effective application and implementation of the EU Charter of Fundamental Rights, including the equality of men and women. The horizontal enabling conditions must be fulfilled throughout the entire programming period, and Member States must report on their application to the programme monitoring committee and the Commission.

– As regards the types of action supported by the programme, training and knowledge sharing habitually tackle gender-specific issues, which is why they are considered to be financial interventions that may have the potential to impact gender equality, among other areas. Therefore, the amount under the gender score 0* is an estimate based on interventions relating to training and knowledge sharing

– In the context of the midterm evaluations, which are currently being carried out and are expected to be finalised by the end of 2024, the potential to affect the gender equality of specific types of intervention will be examined in greater detail – and the gender score may be subject to variation.

Contribution to the digital transition (million EUR):

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | 32.5 | 116.6 | 144.0 | 293.1 | 46% |

It is considered that activities under all specific objectives of the programme may partially contribute to the goal of digital transition by:

- improving and facilitating the exchange of information between and within competent authorities and relevant EU bodies, offices and agencies and, where relevant, with non-EU countries and international organisations;
- improving and intensifying cross-border cooperation, including joint operations, between competent authorities in relation to terrorism and serious and organised crime with a cross-border dimension;
- supporting the strengthening of Member States' capabilities in relation to preventing and combating crime, terrorism and radicalisation, along with managing security-related incidents, risks and crises;
- the amount contributing to the goals of digital transition is an estimate that is based on activities and interventions relating to the digitalisation of administration (government information and communication technology solutions, e-services, etc.) under shared management.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Number of information and communication technology systems made interoperable in the Member States / with security-relevant EU and decentralised information systems / with international databases | 0 | 1% | 752 in 2029 | 10 compared to a target of 752 | On track |
| Number of administrative units that have set up new or adapted existing information-exchange mechanisms/procedures/tools/guidance for the exchange of information with other Member States / EU agencies / international organisations / non-EU countries | 0 | 1% | 151 in 2029 | 2 compared to a target of 151 | On track |
| Estimated value of assets frozen in the context of cross-border operations | 0 | 0% | EUR 226 million in 2029 | 356 530 compared to | On track |

| | | | | | |
|---|---|---|---|---|---|
| | | | | a target of EUR 226 million | |
| Quantity of illicit drugs seized in the context of cross-border operations by type of product | 0 | NA | 117 903 in 2029 | No results | On track |
| Quantity of weapons seized in the context of cross-border operations by type of weapon | 0 | NA | 2 754 in 2029 | No results | On track |
| Number of initiatives developed/expanded to prevent radicalisation | 0 | 0% | 104 in 2029 | 1 compared to a target of 104 | On track |
| Number of critical infrastructures / public spaces with new/adapted facilities protecting against security-related risks | 0 | NA | 923 in 2029 | No results | On track |

(*) % of target achieved by the end of 2023.

– .The approval of the Member State programmes for 2021-2027, which represent the bulk of the resources of the programme, took place in the last quarter of 2022, in line with the timing of most funds covered by the common provisions regulation (Regulation (EU) 2021/1060).

– By the end of 2023, it was not yet possible to identify any particular trends in the progress towards the targets ([37]) of the key performance indicators listed above, with just 1 full year of implementation for the Member State programmes. However, as outlined in the budget implementation section, progress was visible in 2023 from a financial perspective. Operations were selected by the managing authorities across all three specific objectives, for a total cost that amounted to 28.4% of the Member State programmes' allocations.

– Overall, in 2023, Member States focused on launching calls for proposals, selecting operations as well as the preparatory work for specific actions. Reporting on outputs, and especially result indicators ([38]), is expected to gain momentum at a slightly later stage, once the number of operations reaches cruising speed.

– The first achievements recorded relate to events such as workshops, seminars and study visits across the three specific objectives. Under specific objective 1, on the exchange of information, the first achievements relate to Member States' information and communications technology systems being made interoperable with security-relevant EU and decentralised information

([37]) As is standard practice for shared management programmes, and in line with the legal framework, the milestones and targets have been established by the Member States based on their strategy and needs assessments and in line with the available resources indicatively planned in the programmes across predefined types of interventions. The Member States are indeed best placed to tailor the design of the programmes to their national context and needs. The methodology for target setting was shared with the Commission, which also provided methodological advice to the Member States. The milestones, targets and related methodology can be adjusted during the programming period in duly justified cases, such as a revision of the programme's strategy, relevant external contextual factors and changes in the distribution or volume of the available resources, and following a review by the Commission. An overall assessment of the relevance of the strategy and its targets compared to the evolving needs at both the Member State and the EU level will be part of the midterm evaluation of the programme.

([38]) The performance assessment section is based on the latest available data for the key performance indicators. For those indicators that are based on the data transmitted by the Member States in the Annual Implementation Reports, the cut off date is 2022. This is clarified in the meta data annexed to the Programme Performance Statements, and due to the fact that information on the achievements in 2023 will only be included in the Final Implementation Reports, due by the end of 2024.



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systems or international databases. Under specific objective 2, on cross-border operations, the first achievements are being recorded on cross-border operations carried out, including Joint Investigation Teams and EMPACT operational actions, resulting in the first recording of assets being frozen in the context of cross border operations. Under specific objective 3, on preventing and combating crime, early achievements were recorded in relation to the launch of projects to prevent crime and assist its victims, and in relation to the development of initiatives to prevent radicalisation. Training was organised for staff, with the first participants reporting that, 3 months following the training session, they were using the skills acquired.

– As of 2023, there was no clear indication of issues with the implementation of the programmes that suggest the targets will not be met, except for external factors such as the general increase in prices and issues with the supply chain due to the deterioration in the geopolitical context or difficulties with the initial target setting. These elements may result, as part of the midterm allocation process, in duly justified changes to the targets being established by the Member States. However, some Member States report difficulties with administrative capacity, due in part to the two overlapping funding periods and the novel requirements being introduced by the new legal basis. Public procurement procedures are also being mentioned by almost half of the Member States as an area where difficulties have been experienced and may cause some delays. Member states also mention remedy actions put in place to mitigate the impact of these issues, which include work on procedures, hiring of personnel, cooperation with the European Commission, the use of technical assistance and continued monitoring of the situation.

– The implementation of the New Pact on Migration and Asylum will create a stronger basis for a comprehensive approach at the EU level that will also have to take into account security threats. To safeguard the internal security of the Schengen area, the new pact will need to be complemented by other actions, such as combating migrant smuggling and trafficking in human beings.

– The general increase in prices will also affect direct management, due to the mandatory use of fixed unit rates for certain types of costs. Despite a partial revision of the underlying legal framework, these rates remain unfavourable, and they may result in insufficient coverage of the real expenditure by the organisations involved in implementing the actions. This, in turn, may lead to reduced participation in future calls for proposals, along with project activities that need to be removed from the scope of existing support as they have become financially non-viable.

– More generally, continued pressure on resources could influence the implementation of transnational actions. This is already visible, especially in law enforcement cooperation, which necessitates in-person gatherings that have been severely impacted by pervasive increases in travel costs.

– In view of their specific nature and legislative objectives, the performance of transnational EU actions cannot be fully captured by the key performance indicators focused on capacity building and intensifying cross-border cooperation, but they effectively complement the implementation of the policy objectives at the national level through Member States' programmes by developing policy analysis and innovation, transnational mutual learning and partnerships, and the testing of new initiatives and actions across the EU. Of 60 actions financed under the 2021-2022 Thematic Facility, 54 started in 2023, and their results are expected to be communicated to the Commission in 2025 and 2026. For the 2023-2025 Thematic Facility, calls for proposals of strategic importance to the fight against organised crime and the protection of public spaces and places of worship were published in the end of 2023. Through EU actions, the Commission is supporting valuable projects countering corruption, child sexual abuse, cybercrime and the trafficking of human beings and drugs, and is supporting the protection of public spaces and places of worship, along with police cooperation and law enforcement networks.

# 2014-2020 multiannual financial framework – Internal Security Fund ‘Police’ strand

The 2014-2020 programme provided financial resources with the objective of contributing to ensuring a high level of security in the EU, in particular by preventing and combating terrorism and radicalisation, serious and organised crime and cybercrime, and by assisting and protecting victims of crime and preparing for, protecting against and effectively managing security-related incidents, risks and crises

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 1 230.2 | 1 231.0 | 99.9% |
| **Payments** | 986.2 | | 80.1% |

- For the 2014-2020 period, for the Police strand, EUR 751.56 million was allocated to the national programmes of the Member States. By 2023, Member States had spent EUR 681.86 million, equivalent to an absorption rate of 90.72%. By 31 December 2024, the Member States are expected to submit their final accounts for period ended 30 June 2024.
- Over the last years, the national programmes of the Police strand have received funding, for instance, for the passenger name record system and for information exchange and the interoperability of information systems. Information exchange projects include the interconnection of national databases and the information technology tools of various national police entities, and the connection of national databases and information technology tools with their EU equivalents with a view to the cross-border exchange of structured data on crime. Examples of data exchange projects include the passenger name record system, the Schengen information system and the Europol information system.
- To support Member States, emergency assistance from the Police strand has been made available to address urgent and specific needs. The overall amount granted between 2014 and 2020 amounts to EUR 12 million. As regards direct management, in 2023, most projects selected under the 2017 and 2018 annual work programmes were closed, while those from 2019 and 2020 have reached cruising speed. The projects' implementation is continuously monitored to ensure they continue bringing value and their performance is line with the objectives of the programme.
- An *ex post* evaluation of the 2014-2020 ISF-Police is being carried out and is expected to be finalised by mid-2025.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Projects of joint investigation teams and European Multidisciplinary Platform against Criminal Threats (including Member States and authorities) | 0 | > 100% | 216 in 2022 | 370 projects compared to a target of 216 | Achieved |
| Protection of critical infrastructures by Member States | 0 | > 100% | 478 in 2022 | 654 projects compared to a target of 478 | Achieved |

(*) % of target achieved by the end of 2022.

– Until the end of 2022, the Police strand has proven to be an effective programme, approaching its general objective to contribute to a high level of security in the EU. In particular, the interim evaluation concluded that the programme has been shown to be flexible enough to respond to the changing needs which emerged as a consequence of the security crises.

– The programme supports overall EU policies in the area of internal security, e.g. on police cooperation, preventing and combating serious and organised crime, protection of people and critical infrastructures. Transnational projects and projects of particular EU interest are being financed through EU actions. Therefore, the (bi)annual programming for EU actions offers a unique chance to align the actions to the most urgent and important needs identified on the ground (e.g. trafficking in human beings, child sexual abuse and corruption), along with allowing continuity, for example, on the European crime prevention network.

– The 2014-2020 programme was also instrumental in helping to provide technological and knowledge updates for European security. Examples include new detectors for chemical, biological, nuclear, radiological or explosive substances, the automated border control gates in airports and border crossing points and new technologies used by police forces for investigations involving the dark web.

– In terms of the overall performance of the programme, the analysis of the progress towards the targets shows very positive trends across the board of all specific objectives and indicators, with limited exceptions linked to reporting issues ([39]). The implementation of the programme will continue until 30 June 2024, after the adoption in April 2020 of the Commission's proposal to extend the implementation period for the funding available to Member States under the 2014-2020 Home Affairs Funds by 1 year due to the crisis in Ukraine.

([39]) The information coming from the Member States is not yet fully consolidated due the timing for the reporting cycle. The aggregated figures may also hide differences in performance at the Member State level. For person-related indicators, there could be instances of individual counted more than once.

– Significant results have also been achieved in the frame of the support to the @On Network ([40]), such as the arrest of at least 411 criminals, the dismantling of 13 organised crime groups and approximately EUR 113 million seized, also due to the Maritime Analysis and Operations Centre – Narcotics ([41]), with 47 tonnes of drugs worth EUR 2 667 billion sized in 2022

– In terms of the main issues affecting performance, in 2020, 2021 and 2022, Member States reported that the COVID-19 pandemic had led to delays in project implementation due to delays in public procurement procedures, travel restrictions, difficulties in hiring staff, construction work due to lockdown and other restrictions especially for in-person activities such as training. The Russian war of aggression to Ukraine had also a bearing on the implementation of the activities, due to shifting policy priorities in the area of security, difficulties with the procurement of certain types of security equipment as well as the combined effects of the war and other supply chain issues on prices. Lastly, the timing for the negotiations of the legal basis for large-scale IT systems was described as a factor limiting performance in a few cases. Mitigation measures included the extension of project duration, the re-design of training activities from in-person to remote activities as well as the active engagement of the Commission with a number of stakeholders to support the negotiations and agreement on the legal basis of the large-scale IT systems.

– The main lessons learned during the 2014-2020 programming period include the following.

    • There has been insufficient cooperation, coordination and strategic steering in the implementation of the programme with other EU-level initiatives.

    • Better exploitation of innovation opportunities from EU civil security research is needed.

    • There is a need for simplification.

    • There was insufficient flexibility to respond to changing needs during the programming period.

– There is a need to strengthen performance monitoring in terms of the quality and frequency of data relating to the fund, with more regular and reliable data-setting. This is being tackled for the 2021-2027 programming period on the grounds of the new requirements contained in the legal basis and through joint work by the Commission and national managing authorities on data quality.

([40]) A law enforcement network that works to strengthen cooperation among law enforcement authorities against top-level organised criminal groups.

([41]) Which supports Europe’s fight against drug trafficking in the Atlantic and Mediterranean maritime and aerial domains.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | | |
| SDG10 | | |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | | |
| SDG15 | | |

| | | |
|---|---|---|
| SDG16 | yes | Eradicating – enhancing prevention and multiagency cooperation against trafficking (1.12.2021-30.11.2023)<br><br>Trafficking is not only a serious violation of human rights but also a social and security issue at the same time. Multi-stakeholder engagement between various actors (e.g. non-governmental organisations, law enforcement, public authorities, private sector) remains an important challenge to be addressed by the Member States as well as the cross-border and transnational collaboration of law enforcement authorities which needs to be strengthened. Eradicating is a multi-country project designed to increase the capacity of authorities and service providers to enhance prevention and early identification mechanisms in place, with a focus on trafficking for sexual and labour exploitation. In the long run, the project aspires to eradicate the established and dangerous culture of impunity that persists and contributes to the thriving of the trafficking industry. Consortium of actors from Greece, Germany, and Bulgaria and adopting a human rights-based and gender-sensitive approach, Eradicating aims to:<br><br>a. Support capacity-building efforts to combat and prevent the crime of trafficking in human beings through enhancing the skills of law enforcement, prosecutorial offices, labour inspectorates, financial investigation units, non-governmental organisations and social service providers in the investigation and prosecution of people involved in trafficking.<br><br>b. Strengthen cross-border joint ventures within the EU, between law enforcement and other competent authorities and facilitate the exchange of information within the EU and between law enforcement authorities and other competent organisations, other relevant EU bodies as well as with non-EU countries and international organisations.<br><br>c. Raise awareness on trafficking targeting the users in order to increase prevention and identification mechanisms and stop the culture of impunity. |
| SDG17 | | |

# NUCLEAR DECOMMISSIONING (LITHUANIA)

NUCLEAR DECOMMISSIONING ASSISTANCE PROGRAMME OF THE IGNALINA NUCLEAR POWER PLANT IN LITHUANIA

## *Programme in a nutshell*

### Concrete examples of achievements (*)

| | | | |
|---|---|---|---|
| 100%<br>of the 15 630 nuclear fuel assemblies were removed from the reactors from 2016 to April 2022, including 75 unused assemblies. | 191<br>storage casks were safely stored in the interim spent fuel storage facility by the end of 2022, thus completing the transfer of spent fuel started in 2016. | 100%<br>of the 235 control and security channels of Unit 1 were dismantled by mid-2023. | |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 552.0 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |

| | |
|---|---|
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **552.0** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The programme supports Lithuania in the decommissioning of the Ignalina nuclear power plant, while ensuring the highest level of safety.

## CHALLENGE

The decommissioning allows removal of some or all regulatory controls from a nuclear facility, so for a nuclear power plant is the final step in its life cycle. The aim is to ensure long-term protection of the public and the environment. The decommissioning process involves among others the activities like shutdown of the nuclear power plant, the removal of spent fuel and nuclear material, the environmental restoration of the site. The decommissioning of nuclear power plants typically takes 20 to 30 years and implicates technical, technological, and financial challenges.

The Ignalina decommissioning programme is complex, as it is the first large power reactor with a graphite core to be dismantled.

In the application of its act of accession to the EU, Lithuania anticipated the shutdown of the two nuclear reactors in Ignalina within the agreed deadlines (2004 and 2009). The EU committed to providing financial support for the decommissioning, in accordance with approved plans, while ensuring the highest level of safety.

EU funding is justified since nuclear safety in Lithuania is essential for nuclear safety in the region and in the EU. Action at the EU level also has specific added value because it favours the dissemination of critical knowledge and know-how on the dismantling and decontamination processes.

## MISSION

The programme’s general objective is to assist Lithuania in implementing the decommissioning of the Ignalina nuclear power plant, with specific emphasis on managing the related safety challenges, while gaining knowledge about the nuclear decommissioning process and the management of radioactive waste resulting from the decommissioning activities.

## OBJECTIVES

The specific objective of the programme is to carry out the dismantling and decontamination of the equipment and reactor shafts of the Ignalina nuclear power plant in accordance with the decommissioning plan – including the management of radioactive waste resulting from the decommissioning activities – and to continue with the safe management of the decommissioning and legacy waste.

## ACTIONS

The actions to be funded by the Ignalina programme are within the scope of the decommissioning plan presented to the Commission. The actions focus on activities relating to the delivery of the general and specific objectives and those with the highest EU added value, namely the removal of radiological hazards and the creation and dissemination of relevant knowledge.

## STRUCTURAL SET-UP OF THE PROGRAMME

The Commission implements the nuclear decommissioning assistance programme through indirect management. When services from third-party providers are needed for preparatory, monitoring, control, audit, and evaluation activities, they are subject to direct management.

Since 2001, implementation tasks have been entrusted to the European Bank for Reconstruction and Development, which manages a dedicated multi-donor fund: the Ignalina International Decommissioning Support Fund. In parallel, since 2005, projects are also managed through a national agency in Lithuania, the Central Project Management Agency.

Even though the final beneficiary of each programme is the Member State itself (Lithuania), the licence holder (Ignalina Nuclear Power Plant) of the facilities under decommissioning and the facilities for radioactive waste management is running the decommissioning activities.

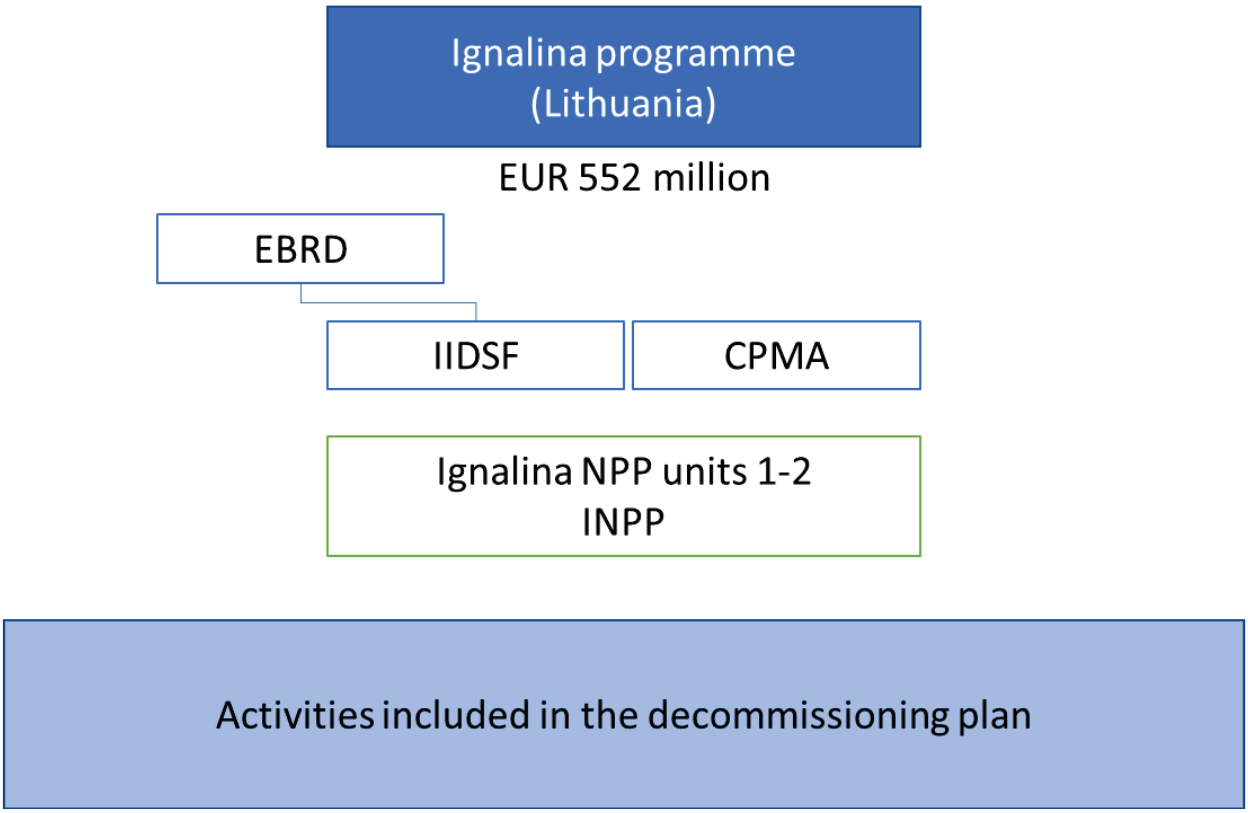
The decommissioning programme has its own monitoring committee, which is responsible for overseeing the coordinated implementation of activities and funding of the decommissioning programme, irrespective of the funding source.

Finally, the Commission is assisted by the Nuclear Decommissioning Assistance Programme Committee, which is a committee within the meaning of Regulation (EU) No 182/2011.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP

# Nuclear Decommissioning Assistance Programme of the Ignalina Nuclear Power Plant in Lithuania

## Indirect management




## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The decommissioning of the Ignalina nuclear power plant has received EU support since 2001 under various instruments. The EU's assistance under the 2021-2027 multiannual financial framework is the continuation of this long-term programme – which is scheduled to last until 2038 – with the additional objective of disseminating knowledge on the decommissioning process to all Member States. The activities funded in the 2021-2027 period will be subject to a maximum EU co-financing rate of 86%. Previously, this rate was not explicitly set

## FURTHER INFORMATION

- Programme website:
  - Nuclear Decommissioning (Lithuania).
- Impact assessment:

- The impact assessment of the nuclear decommissioning assistance programme was carried out in 2018.

– Relevant regulation:

- Council Regulation (EU) 2021/101.

– Evaluations:

- Midterm evaluation on nuclear decommissioning assistance programmes to Bulgaria, Lithuania and Slovakia (COM(2018) 468).

– Other:

- Commission report on the implementation of the work under the nuclear decommissioning assistance programme to Bulgaria, Slovakia and Lithuania and JRC programme in 2021 and previous years (COM(2022) 663).

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 72.5 | 98.9 | 68.8 | 74.6 | 74.7 | 80.1 | 82.4 | 552.0 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **72.5** | **98.9** | **68.8** | **74.6** | **74.7** | **80.1** | **82.4** | **552.0** |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

# + EUR 0.0 million (+ 0%)

compared to the legal basis.*

* Top-ups pursuant to Art. 5 MFF regulation are excluded from financial programming in this comparison.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 240.2 | 552.0 | 43.5% |
| **Payments** | 9.1 | | 1.6% |

Voted budget implementation (million EUR):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 72.5 | 72.5 | 0.0 | 0.0 |
| **2022** | 98.9 | 98.9 | 0.0 | 0.0 |
| **2023** | 68.8 | 68.8 | 9.1 | 0.2 |

(*) Voted appropriations (C1) only.(*) Voted appropriations (C1) only.

- In 2023, EUR 68.8 million worth have been committed for the decommissioning to the Central Project Management Agency and the European Bank for Reconstruction and Development. Commitments and payments in 2024 will follow the financial programming. This allocation of funds will sustain the ongoing progress of the decommissioning programme in Lithuania.
- Decommissioning projects are, in many cases, highly complex from the procurement and implementation point of view and extend over a long period. This explains the long interval between the programme’s commitments and payments.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | | | | | | | | | |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

This programme does not provide a specific contribution to the green budgeting priorities.

**Contribution to gender equality (million EUR)** (*)**:**

| Gender Score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | | | |
| 0 | 72.5 | 98.9 | 68.8 | 240.2 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- N/A

The gender equality perspective was considered in developing Council Regulation (EU) 2021/101. Nonetheless, nuclear decommissioning is the primary and sole objective of the programme, which as such has no significant impact on gender equality.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

There is no specific contribution to the digital transition provided by this programme.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Very low radioactivity waste disposed (cubic metres) | 0 | **26%** | 29 020 in 2030 | 7 684 compared to a target of 29 020 | On track |
| Low and intermediate radioactivity waste disposed (cubic metres) | 0 | **13%** | 9 202 in 2030 | 1 210 compared to a target of 9 202 | Deserves attention |
| Metal dismantled (tonnes) | 0 | **23%** | 4 341 in 2028 | 1 012 compared to a target of 4 341 | Deserves attention |

(*) % of target achieved by the end of 2023.

– In the first phase, which started in 2020 and will run until 2027, the decommissioning operator will remove all peripheral components from the reactor shafts. The transfer in 2022 of the last fuel assemblies from the reactor building to storage casks and then to the interim spent fuel storage facility opened the way to the dismantling of the reactor core systems.

– However, the slow procurement process has caused delays in starting the design of that first-of-a-kind project, and the programme end date will need to be reassessed at the end of the optioneering stage.

– Meanwhile, radioactive-waste-processing activities are proceeding. The pre-disposal processing of very-low-level waste took place without major obstacles. The landfill repository was completed in 2021 and its operations started in 2022. With the start of the landfill operations, the pace of disposal will progressively increase based on a learning curve.

– The amount of low- and intermediate-radioactivity waste processed is lower than planned. The complex installations for waste processing did not immediately reach their nominal output and the dismantling operations produced a lower proportion of radioactive waste in these categories. The construction of the disposal facility for low-level waste is delayed.

– There are several reasons for the underperformance. The declining dismantling rate is due to the equipment to be dismantled having become progressively more radioactive and less accessible every year. In addition, dismantling in reactor shafts in unit 1 started in late autumn 2021 with a 9-month delay, because the nuclear regulator permit was received much later than scheduled. New dismantling equipment, the receipt of which is pending, will allow work to accelerate. There has been significant progress since the start of the works, but the rate of dismantling should further increase to achieve the overall objectives.

# 2014-2020 multiannual financial framework – Nuclear Decommissioning (Lithuania)

The programme supports Lithuania in the decommissioning of the Ignalina nuclear power plant, while keeping the highest level of safety.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 450.8 | 450.8 | 100.0% |
| **Payments** | 183.4 | | 40.7% |

- Decommissioning projects are, in many cases, highly complex from the procurement and implementation point of view and extend over a long period of time. This explains the interval between the commitments (which have reached 100%) and the payments (which have reached only 41%) of the programme.
- Nevertheless, the total payments made during the period 2014-2020 period (including also those related to 2007-2013 commitments), are EUR 430 million, which is in line with the commitments made for the 2014-2020 period. The cost of the work carried out since 2014 is within budget.

## Performance assessment

### KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Removal of spent fuel assemblies from the unit 1 and unit 2 spent fuel ponds | 0 | 100% | 15 630 in 2022 | 15 630 out of 15 630 | Achieved |

(*) % of target achieved by the end of 2022.

- The progress against the 2014-2020 multiannual financial framework programme's objectives is generally satisfactory.

– The cores of both reactor units 1 and 2 were completely defueled in 2019 – a result achieved ahead of schedule and the safe storage of fresh and spent fuel assemblies was completed in 2022.
– The overall performance concerning the dismantling in the turbine hall and other auxiliary systems was satisfactory, with 43 730 tonnes of material dismantled from the turbine hall and 42 703 cubic metres of processed waste by the end of 2020 from the turbine hall and auxiliary buildings (against a target of 42 314 cubic metres).
– No safety incidents were registered during 2014-2020, showing that the objective of safely maintaining the reactor units has been consistently achieved. Although this is no longer a specific objective for the 2021-2027 multiannual financial framework, no safety incidents were reported since then.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | NO | |
| SDG2 | NO | |
| SDG3 | NO | |
| SDG4 | NO | |
| SDG5 | NO | |
| SDG6 | NO | |
| SDG7 | NO | |
| SDG8 | NO | |
| SDG9 | NO | |
| SDG10 | NO | |
| SDG11 | NO | |

| | | |
|---|---|---|
| SDG12 | YES | The programmes aim at optimising waste management, following a waste hierarchy approach whereby disposal is the last resort, after having maximised opportunities for re-use and mostly recycling. This involves increasing the circularity of materials in the economy, thereby reducing both the need for resource extraction and the amount of waste ending up in landfills. Such an approach would not only reduce environmental pressures, but also provide major economic and social benefits.<br>In particular, the efforts to remove any residual radioactive contamination from dismantled and removed materials (mostly concrete, steel, and other alloys), as well as the thorough verification of compliance with clearance levels in line with Euratom Basic Safety |
| SDG13 | NO | |
| SDG14 | NO | |
| SDG15 | NO | |
| SDG16 | NO | |
| SDG17 | NO | |

# NUCLEAR DECOMMISSIONING

FINANCIAL PROGRAMME FOR THE DECOMMISSIONING OF NUCLEAR FACILITIES AND THE MANAGEMENT OF RADIOACTIVE WASTE (BULGARIA, SLOVAKIA, AND THE JOINT RESEARCH CENTRE)

## *Programme in a nutshell*

### Concrete examples of achievements (*)

| | | | |
|---|---|---|---|
| 18<br>main coolant pumps were dismantled at Kozloduy during 2023. | 75<br>is the average factor of radioactive waste volume reduction achieved by the Plasma Melting Facility installed by the programme in Kozloduy. | 2<br>reactors and all associated circuits were completely dismantled at the Bohunice V1 nuclear power plant in 2022. | 95%<br>of metals from the dismantled Bohunice plant were decontaminated, verified and recycled as non-radioactive material between 2019 and 2023. A further increase will follow after the reprocessing of 4% of the material. |
| 641<br>tonnes of radioactive waste and materials were processed at the Joint Research Centre (JRC) Ispra site between 2021 and 2023. | 38%<br>of legacy low-level-waste items were characterised and removed at the JRC Karlsruhe site between 2021 and 2023. | 30%<br>of all radioactive waste was managed and removed at the JRC Geel site between 2021 and 2023. | 17<br>decommissioning knowledge products were shared between 2021 and 2023. |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 465.3 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **465.3** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The programme provides funding for the decommissioning of the Kozloduy and Bohunice nuclear facilities and the nuclear installations owned by the European Commission, as well as the management of radioactive waste. The programme also aims to take advantage of synergies and knowledge sharing, with a view to ensure dissemination of knowledge and return of experience in all relevant areas such as research and innovation, regulation, and training, and to develop potential EU synergies.

## CHALLENGE

The decommissioning allows removal of some or all regulatory controls from a nuclear facility, so for a nuclear power plant is the final step in its life cycle. The aim is to ensure long-term protection of the public and the environment. The decommissioning process involves among others the activities like shutdown of the nuclear power plant, the removal of spent fuel and nuclear material, the environmental restoration of the site. The decommissioning of nuclear power plants typically takes 20 to 30 years and implicates technical, technological, and financial challenges.

The corresponding phasing out of the necessary safety measures and associated costs is done in a series of steps, mainly because the removal of major batches of radioactive materials is carried out over several stages.

In accordance with their acts of accession to the EU, Bulgaria anticipated the shutdowns of units 1 to 4 in the Kozloduy nuclear power plant and Slovakia of units 1 and 2 in the Bohunice V1 nuclear power plant, respectively. The decommissioning has resulted in a significant financial burden of direct and indirect cost for those Member States. The EU has committed to providing financial support for the decommissioning, in accordance with approved plans. The financial support provided under the 2021-2027 multiannual financial framework will bring both the Kozloduy and Bohunice programmes to completion.

The Joint Research Centre (JRC) was established under the Euratom Treaty and site agreements were signed between 1960 and 1962 between the European Economic Community, Belgium, Germany, Italy, and the Netherlands. In the cases of Italy and the Netherlands, the national nuclear installations were transferred to the Community. An infrastructure geared to nuclear research and comprising new installations was put in place at the four sites. Most of these installations are still in use today, while others have been shut down – in some instances more than 20 years ago – and have mostly become obsolete. The JRC, as the licence holder, must manage its historical nuclear liabilities, decommission its obsolete nuclear installations, and safely manage the resulting spent fuel and radioactive waste.

The programme also has specific added value because it facilitates the dissemination of critical knowledge and know-how on the decommissioning of nuclear facilities.

## MISSION

The general objective of the programme is to provide funding for the decommissioning of these nuclear facilities and the management of radioactive waste, in line with the needs identified in the respective decommissioning plans.

## OBJECTIVES

In addition to creating knowledge on the nuclear decommissioning process and the management of the resulting radioactive waste, the programme aims to:

1. assist Bulgaria and Slovakia in implementing the Kozloduy programme and the Bohunice programme, respectively, including the management and storage of radioactive waste in line with the needs identified in the respective decommissioning plans, with a specific emphasis on managing the related safety challenges;
2. support the JRC decommissioning and waste management programme.

## ACTIONS

The Kozloduy and the Bohunice programmes will fund activities within the scope of the respective decommissioning plans related to the delivery of the general and specific objectives and with the highest EU added value, namely the removal of radiological hazards.

During the 2021-2027 period, in Ispra the gradual shift from safe conservation and pre-decommissioning to relatively large decommissioning and waste management tasks will continue, enabled by the relevant authorisations and licences granted by the safety authority and by the start of the operation of new supporting facilities. The management of fresh and irradiated nuclear material is part of this effort. In Karlsruhe, the requalification and removal of legacy low-level waste and glove boxes and the optimisation of spent fuel inventories continu. In Petten, a multi-year campaign to dispose of the nuclear material/waste batches owned by JRC will has been launched. In Geel, an effort to reduce/optimise the inventories of nuclear materials owned by the JRC and to remove waste is implemented, in agreement with the licensing authority.

The JRC is leading the efforts to develop ties and exchanges among EU stakeholders on nuclear decommissioning, to ensure the dissemination of knowledge and the sharing of experience in all relevant areas, such as research and innovation, regulation and training and developing potential EU synergies.

## STRUCTURAL SET-UP OF THE PROGRAMME

**For Bulgaria and Slovakia.**

The Commission implements the nuclear decommissioning assistance programmes through indirect management. When services from third-party providers are needed for preparatory, monitoring, control, audit and evaluation activities, they are subject to direct management.

Since 2001, implementation tasks have been entrusted to the European Bank for Reconstruction and Development, which manages, for each decommissioning programme, a dedicated multi-donor fund: the International Decommissioning Support Funds. In addition, Slovakia established a second entrusted entity, the Slovak Innovation and Energy Agency, in 2015.

Even though the final beneficiary of each programme is the Member State itself (Bulgaria and Slovakia), in each Member State the licence holder of the facilities under decommissioning and the facilities for radioactive waste management are running the decommissioning activities (State Enterprise Radioactive Waste in Bulgaria and JAVYS in Slovakia).

Each decommissioning programme has its own monitoring committee (fully operational as of 2015), which is responsible for overseeing the coordinated implementation of activities and the funding of the decommissioning programme, irrespective of the funding source.

**For JRC**

Following the signature of the Euratom Treaty (1957), the European Union (then Community) started conducting common research programmes in the nuclear field at national research sites that were established and transferred to the European Atomic Energy Community. Today the JRC continues to conduct nuclear research at their sites of Geel (Belgium), Karlsruhe (Germany), Ispra (Italy) and Petten (Netherlands).

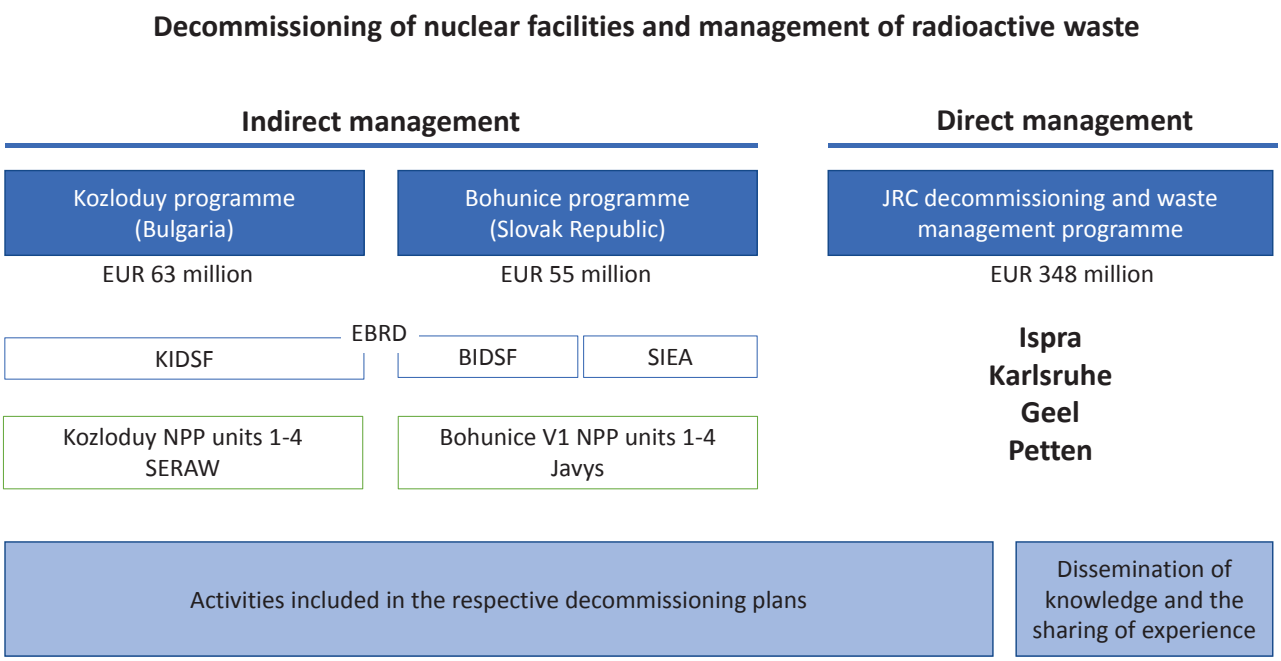
Willing to take responsibility for the management of the radioactive waste produced during the JRC's nuclear research activities, in 1999 the Commission established the JRC nuclear decommissioning and waste management programme, aiming at progressively dismantling all Euratom nuclear installations at the JRC

sites, including those currently in use when they will reach the end of their operational life. Decommissioning includes management of 'historical' waste and waste arising from the dismantling operations, with the final objective being to dispose of it at Member States' disposal facilities and release the sites from regulatory control. Until 2021, the programme was financed through a dedicated budget line. The funds were earmarked in the multiannual financial framework of the European Commission and made available annually. Three communications (COM (2004) 621, COM (2008) 903 and COM(2013) 734 (2-40)) updated the Parliament and the Council on the programme's progress, status and financial perspectives. Progress was also reported annually through the JRC management plan and the JRC activity report.

In 2021, the Council adopted Regulation (Euratom) 2021/100, establishing a dedicated financial programme common to the JRC nuclear decommissioning and waste management programme and the decommissioning programmes of nuclear power plants in Bulgaria and Slovakia, which allows more flexibility and efficiency in the management of the programme.

The JRC's nuclear decommissioning and waste management programme is implemented in direct management by the Commission (JRC).

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

Under the 2021-2027 multiannual financial framework, the Kozloduy and Bohunice programmes continue the efforts of their 2014-2020 framework predecessors. The activities funded in the 2021-2027 period are subject to a maximum EU co-financing rate of 50%. This rate was not included previously.

The JRC part of the programme was previously performed under direct management under a different financial instrument but is now part of Council Regulation (Euratom) 2021/100. Since the beginning of the programme, the Commission has regularly reported to the European Parliament and the Council of the European Union on its progress and status.

The regulation introduced a mandate to explore and, if appropriate, develop options for the transfer of liabilities to the host Member State through a voluntary bilateral agreement with the Commission. It also mandates the JRC to facilitate the dissemination of explicit knowledge and the sharing of experience in all relevant areas of decommissioning, such as research and innovation, regulation, and training, and developing potential EU synergies.

### FURTHER INFORMATION

- Programme website:
  - Decommissioning of nuclear facilities;
  - JRC (decommissioning and waste management programme and decommissioning Knowledge dissemination).
- Impact assessment:
  - the impact assessment of the nuclear decommissioning assistance programme was carried out in 2018.
- Relevant regulation:
  - Council Regulation (Euratom) 2021/100.
- Evaluations:
  - Mid-term evaluation on nuclear decommissioning assistance programmes to Bulgaria, Lithuania and Slovakia (COM(2018) 468).
- Other:

  Commission report on the implementation of the work under the nuclear decommissioning assistance programme to Bulgaria, Slovakia and Lithuania and JRC programme in 2021 and previous years (COM(2022) 663).

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 69.2 | 43.9 | 56.5 | 62.3 | 70.5 | 73.1 | 89.8 | 465.3 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **69.2** | **43.9** | **56.5** | **62.3** | **70.5** | **73.1** | **89.8** | **465.3** |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

– EUR 0.7 million (– 0%)

compared to the legal basis.*

*The programme had an initial legal basis for all years of the MFF with EUR 466 Mio., the current financial programming 2021-2027 shows EUR 465.3 Mio. This lines out that the programme is keeping its legal basis without relevant changes in financial programming, e.g. as it would be if transfers from other programmes would be integrated as amendments of the budget, of financial programming.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 166.4 | 465.3 | 35.8% |
| **Payments** | 59.0 | | 12.7% |

Voted budget implementation (million EUR)(*):Voted budget implementation (million EUR)(*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | Voted budget implementation | Initial voted budget | Voted budget implementation | Initial voted budget |
| **2021** | 69.1 | 69.2 | 5.8 | 8.4 |
| **2022** | 43.9 | 43.9 | 19.6 | 22.1 |
| **2023** | 53.4 | 57.2 | 30.2 | 31.4 |

(*) Voted appropriations (C1) only.(*) Voted appropriations (C1) only.

- A new financial framework partnership agreement was signed by the Commission (DG International Partnerships was the lead directorate-general for the project) and the European Bank for Reconstruction and Development in September 2022. Based on this, a new delegation agreement for the Kozloduy International Decommissioning Support Fund amounting to EUR 8.87 million was subsequently signed. There was no new delegation agreement for the Bohunice International Decommissioning Support Fund.
- The decommissioning projects are, in many cases, highly complex from the point of view of procurement and implementation and extend over a long period of time. This explains the long interval between the commitments and the payments of the programme.
- Expenditure in the programme for Bohunice and Kozloduy is in line with the financial programming.
  - Expenditure in the JRC programme is in line with the financial programming, where some delays in the construction of the new grouting station in Ispra have prevented the full consumption of payments credits, such underspending was balanced with higher expenses of anticipating some tasks in the decommissioning of nuclear facilities. The rest of the activities in waste and nuclear material management, decommissioning, safe conservation and utility services, general support and horizontal activities and others have progressed as planned.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 0.3 | 0.3 | 0.7 | | | | | 1.3 | 0% |

| | |
|---|---|
| **Biodiversity mainstreaming** | |
| **Clean air** | |

**Contribution to gender equality (million EUR)** (*):

| Gender Score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | | | |
| 0 | 69.1 | 43.9 | 53.4 | 166.4 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- N/A

The gender equality perspective was considered in developing Council Regulation (EU) 2021/100. Nonetheless, nuclear decommissioning is the sole objective of the programme, which, as such, has no significant impact on gender equality.

Contribution to the digital transition (million EUR):

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

This programme provides no specific contribution to the digital transition.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Kozloduy – radioactive waste stored or disposed of (tonnes) | 0 | 12% | 10 240 in 2030 | 1 249 compared to a target of 10 240 | Deserves attention |
| Kozloduy – metal dismantled (tonnes) | 0 | 35% | 10 868 in 2030 | 3 856 compared to a target of 10 868 | On track |
| Bohunice – low-level radioactive waste disposed of (tonnes) | 0 | 34% | 1 943 in 2027 | 659 compared to a target of 1 943 | On track |
| Bohunice – metal dismantled from reactor buildings and components (tonnes) | 0 | 18% | 31 792 in 2027 | 5 721 compared to a target of 31 792 | On track |
| JRC Ispra – radioactive waste processed (tonnes) | 0 | 17% | 3 725 in 2027 | 641 compared to a target of 3 725 | On track |
| JRC Geel – fraction of materials and radioactive waste removed (%) | 0 | 30% | 100% in 2027 | 30% compared to a target of 100% | On track |
| JRC Karlsruhe – materials/waste managed and removed (%) | 0 | 47% | 80% in 2027 | 38% compared to a target of 80% | On track |
| JRC Petten – materials and radioactive waste removed (%) | 0 | 20% | 100% in 2027 | 20% compared to a target of 100% | On track |
| Number of knowledge products disseminated | 0 | 19% | 57 in 2027 | 11 compared to a target of 57 | On track |

(*) % of target achieved by the end of 2023.

– Despite some delays at the start of its implementation, the Kozloduy programme is making good progress with dismantling and radioactive waste management. Improvements in sorting and processing materials allowed the planned fraction of free-released materials to be exceeded. This partly explains the significant lower amount of radioactive waste stored or disposed of.
– Dismantling activities inside the reactor building Units 1-2 have started and are progressing according to the detailed decommissioning plan. The activity had started at a slower pace than planned in the 2014-2020 period but is now recovering steadily. It remains too slow, however, and the timely achievement of the objectives for 2021-2027 are still at risk.
– The programme has also made progress in dismantling the auxiliary buildings. The plasma melting facility is now in industrial operation and the construction works for the national disposal facility are in their final phase, on schedule to receive large quantities of radioactive waste from 2024.
– The similar designs of the Kozloduy and Bohunice reactors provide an opportunity to share experiences, methods and tools, thus reducing risks and costs. In practice, it allowed for the decontamination of the primary circuits of Kozloduy nuclear power plant Units 1-4 to be completed below budget and faster than planned, following on from experience at the Bohunice V1 nuclear power plant, by reusing the decontamination equipment transported from the Bohunice site.
– In accordance with the updated performance baseline, the completion date for the Kozloduy programme remains 2030. However, the risk of postponement of the end date of the overall programme remains high. This was conformed during 2023 by the results from the stress test of the overall programme schedule. The most important risks are identified (delays, lack of specific knowledge, financing, etc.), and mitigation measures (among others, the mitigation measures include usage of outsourcing services, joint procurements and doing several activities in parallel) have been described and implemented as much as possible.

Bohunice programme

– The dismantling of the large components in the Bohunice V1 nuclear power plant reactor building has been completed.
– It was planned that activated concrete from the shafts of the two reactors would be removed by the end of 2022. However, sampling performed during demolition works revealed an unexpectedly thick layer of radioactive contamination in the concrete. This situation required further analysis and delayed the removal of the activated concrete and its disposal as very-low-level radioactive waste in Mochovce.
– Concerning the other indicators for Bohunice, namely the low-level radioactive waste disposed of and the metal dismantled from the reactor building, the results were on track in relation to the planned values for 2023.
– In 2022, the programme stakeholders revised the schedule and postponed the end date by 2 years, until the end of 2027, because of past delays for which applied mitigating measures were less effective than envisaged. Some procedural delays have compounded these issues, and there is a high risk that the end date will need to be postponed again. While all stakeholders are collaborating to devise and implement measures to reduce this risk, credible alternatives are limited. As of now, there are no indications from the stakeholders of an increase of the budgetary envelope currently allocated.

JRC

- The JRC nuclear decommissioning and waste management programme entails a complex set of specific activities and projects. Various levels of advancement/implementation characterise the situation at the four JRC nuclear sites.
- During the 2021-2027 period, Ispra will be the main site for JRC decommissioning and waste management activities. The objectives include safe conservation, pre-decommissioning, decommissioning and waste management targets, covering a variety of obsolete large installations and waste batches.
- In 2023, progress in Ispra on the three main work streams (nuclear material and waste management, and decommissioning) included important activities in procuring off-site radioactive waste treatment services, such as the signature of a contract for thermal treatment of incinerable waste or the supercompaction of a first batch of radioactive drums, the upgrade of the waste characterisation facility, progress on the treatment of nuclear material, decommissioning activities in the Essor complex and the submission of the license application for the decommissioning of the Essor reactor, along with the approval for decommissioning of an hot cell facility.
- Pre-decommissioning activities continue to progress as planned, and decommissioning licence applications for some of the facilities have been submitted at Ispra.
- For the other sites (Karlsruhe, Petten and Geel), the objectives are largely focused on legacy waste management, the dismantling of obsolete equipment and relatively small facilities, and the definition of plans and teams to implement future decommissioning and waste management activities.
- In Karlsruhe, Petten and Geel, most nuclear facilities are in operation, performing nuclear research and training activities within the framework of the Euratom research and training programme. Because of this, the decommissioning of large installations is not yet being implemented. No disused equipment or legacy radioactive waste has been removed, stored or disposed of at these sites, with the exception of Karlsruhe, where a moderate amount of legacy waste could be removed, in some cases requiring repackaging to meet acceptance criteria rather than adding further delay.
- The planned decommissioning of glove boxes in Karlsruhe has been delayed due to the unavailability of one of the auxiliary systems.
- The Nuclear Research and Consultancy Group, which is the operator of the high flux reactor in Petten, is responsible for handling and managing the radioactive waste produced in the reactor, including JRC-owned waste. The removal of the legacy waste at Petten has been delayed, awaiting the implementation of the radioactive waste removal programme of the Nuclear Research and Consultancy Group. The programme was restarted in 2023 and preparatory work started on the conditioning of four historical waste batches.

# 2014-2020 multiannual financial framework – NUCLEAR DECOMMISSIONING ASSISTANCE PROGRAMMES IN BULGARIA AND SLOVAKIA

The programme provides funding for the decommissioning of the nuclear facilities of Kozloduy and Bohunice and the management of radioactive waste.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 518.4 | 518.4 | 100.0% |
| **Payments** | 322.5 | | 62.2% |

- The figures relate only to the past implementation of the Kozloduy and Bohunice programmes. The JRC decommissioning programme was performed under a different financial instrument until 2021 and is not reported here.
- Decommissioning projects are, in many cases, highly complex from the procurement and implementation point of view and extend over a long period of time. This explains the interval between the commitments and the payments of the programme.
- Nevertheless, the total payments made for the Kozloduy and Bohunice programmes during the 2014-2020 period (including also those related to 2007-2013 commitments) amount to EUR 859 million, which represents 166% of the amounts committed for the 2014-2020 period.
- The cost of the work carried out since 2014 is within budget.

## Performance assessment

### KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Kozloduy – metal from dismantling in reactor buildings (tonnes) | 0 | > 100% | 1 200 in 2020 | 1 487 out of 1 200 | Achieved |

| | | | | | |
|---|---|---|---|---|---|
| Bohunice – dismantling of large components and equipment in the V1 reactor buildings | Dismantling in reactor building not started | 100% | Nuclear steam supply system dismantled in 2022 | Completed as of 31 December 2022 | Achieved |

(*) % of target achieved by the end of 2021.

– During the 2014-2020 multiannual financial framework, the Kozloduy and Bohunice programmes progressed steadily towards the decommissioning end state, in accordance with their respective decommissioning plans, while maintaining the highest level of safety. The process will continue under the 2021-2027 multiannual financial framework.
– The decommissioning of the Kozloduy power plant in Bulgaria has made significant progress, including the following:
    - the dismantling of units 1–4 progressed at a good pace and wet solid waste treatment facility tests were completed in summer 2023;
    - the plasma melting facility, a first-of-its-kind facility for the high-performance volume reduction of radioactive waste, is now in industrial operation.
    - phase 1 of the construction of the Near Surface Disposal facility is expected to be finished in 2024;
    - on the other hand, the accumulated delay in dismantling of large components in the reactor building and the management of the decommissioning waste continues.
– The Bohunice programme in Slovakia is the most advanced of the three decommissioning programmes supported by the EU. It will be the first completed decommissioning programme for its type of reactor. The dismantling, fragmentation and material management of the reactor structures was completed in 2022.
– The dismantling of the systems in controlled areas, along with decontamination and demolition of buildings is ongoing, but there are still deviations between planned and actual progress.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | NO | |

| | | |
|---|---|---|
| SDG2 | NO | |
| SDG3 | NO | |
| SDG4 | NO | |
| SDG5 | NO | |
| SDG6 | NO | |
| SDG7 | NO | |
| SDG8 | NO | |
| SDG9 | NO | |
| SDG10 | NO | |
| SDG11 | NO | |
| SDG12 | YES | The programmes aim at optimising waste management, following a waste hierarchy approach whereby disposal is the last resort, after having maximised opportunities for re-use and mostly recycling. This involves increasing the circularity of materials in the economy, thereby reducing both the need for resource extraction and the amount of waste ending up in landfills. Such an approach would not only reduce environmental pressures, but also provide major economic and social benefits.<br><br>In particular, the efforts to remove any residual radioactive contamination from dismantled and removed materials (mostly concrete, steel and other alloys), along with the thorough verification of compliance with clearance levels in line with Euratom basic safety standards, lead to optimal levels of recycling, as shown in the concrete examples of achievements, e.g. 98% of metals from the dismantled Bohunice primary circuit reactor components were decontaminated, verified and recycled as non-radioactive material from 2019 to 2023. |
| SDG13 | NO | |
| SDG14 | NO | |
| SDG15 | NO | |
| SDG16 | NO | |
| SDG17 | NO | |

# EDF

EUROPEAN DEFENCE FUND

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| EUR 500 million<br>was allocated to the European defence industrial development programme in 2019-2020 to support – together with the Member States – the development of defence systems and technologies to be integrated into commonly agreed capabilities. | 26<br>Member States are countries of origin of the companies participating in proposals submitted to the calls under the European defence industrial development programme in 2020. | 35%<br>of all beneficiaries in projects under the European defence industrial development programme are small and medium-sized enterprises. | EUR 90 million<br>was allocated to support joint defence research projects between 2017 and 2019 under the preparatory action on defence research. |
| 889<br>entities submitted 127 proposals in response to calls under the preparatory action on defence research between 2017 and 2019, 22% of which were small and medium-sized enterprises. | > EUR 2 billion<br>was allocated to the European Defence Fund in 2021 and 2022 to support, together with the Member States, the development of defence systems and technologies to be integrated into commonly agreed capabilities. | 39%<br>of all beneficiaries of the 41 funded projects under 2022 European Defence Fund calls are small and medium-sized enterprises. | 26<br>Member States and Norway are countries of origin of 548 unique legal entities participating in selected 2022 European Defence Fund projects. |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. The data relating to the European Defence Fund and its precursor programmes are presented relevant to the date of the grant agreement signature of relevant projects (i.e. the data are presented with a 2-year delay).

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | **8** 779.4 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 71.7 |
| **Total budget 2021-2027** | **8 851.1** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The European Defence Fund (EDF) was launched as the cornerstone of the European defence action plan. The fund is inextricably linked to the EU's initiatives on a more integrated European defence market. By encouraging cooperation, the EU can help maximise the output and quality of Member States' investment in defence. The EDF brings EU added value by incentivising joint research on and the development of products and technologies in defence to increase the efficiency of public expenditure and contribute to the EU's operational autonomy. The EDF complements national funding already used for this purpose, acting as an incentive for Member States to cooperate and to invest more in defence.

## CHALLENGE

The EU defence sector is essential to the future of the EU. It plays a key role in ensuring the EU's strategic sovereignty and its capacity to act as a security provider. Yet the sector faces challenges that call into question the preservation of its competitiveness and its technological edge. The costs of defence systems are rising and include a high proportion of research and development costs. Combined with the significant cuts made to EU Member States' defence budgets before deteriorated security situation in Europe, the development of new high-end defence systems is increasingly beyond the capacity of individual Member States (there has been a 12% increase of the defence expenditure between 2021 and 2022). European collaborative equipment expenditure stands at only 18% of total defence spending for equipment procurement in 2021, against an ambition of 35%. Only 7.1% of total defence research and technology development is collaborative in 2022, against an ambition of 20%. The European defence industry and market remain fragmented along national borders, with unnecessary duplications despite limited investment.

This may weaken the technological advantage of the sector and hamper its ability to develop defence systems that are crucial for the security of the EU and its Member States. Russia's unprovoked and unjustified military aggression against Ukraine resulted in major changes in the EU security landscape, making EU actions in the field of security and defence more urgent than ever.

Tackling the above challenges calls for action at the EU level.

## MISSION

The EDF seeks to foster collaboration amongst the Member States, overcome fragmentation and enhance the competitiveness and the technological sovereignty of the European defence industry.

## OBJECTIVES

The EDF has the following specific objectives: (1) support collaborative defence research that could significantly boost the performance of future capabilities throughout the EU; and (2) support collaborative development of defence products and technologies consistent with defence capability priorities commonly agreed by Member States. The fund aims at providing consistent support throughout the full research and development cycle.

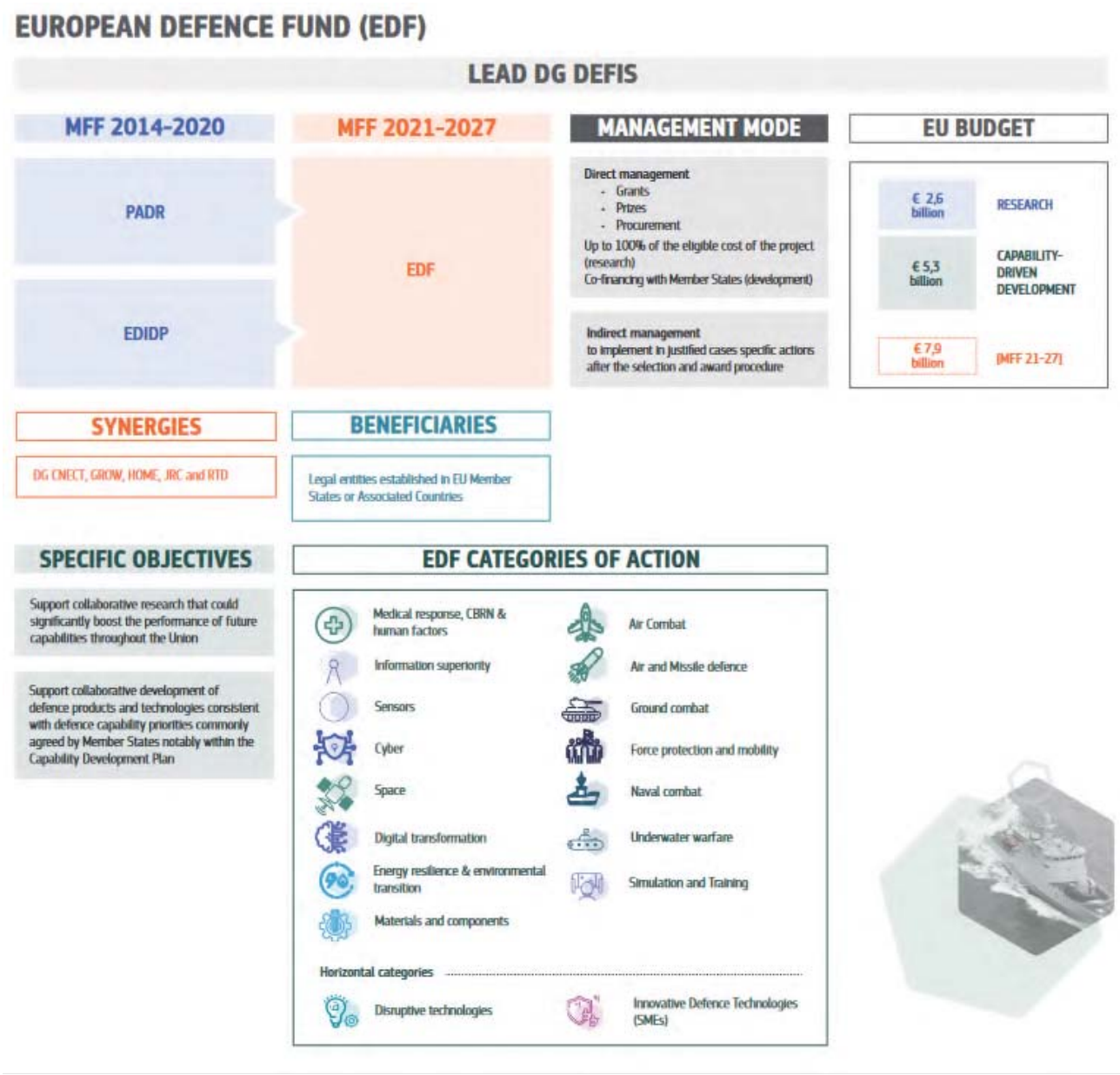
## ACTIONS

The EDF may provide funding through grants, prizes and procurement, and, where appropriate in view of the specificities of the action, financial instruments within blending operations. An EDF-eligible action shall relate to one or more of the following activities: (a) activities that aim to create, underpin and improve knowledge, products and technologies, including disruptive technologies for defence, which can achieve significant effects in the area of defence; (b) activities that aim to increase interoperability and resilience, including secured production and exchange of data, to master critical defence technologies, to strengthen the security of supply or to enable the effective exploitation of results for defence products and technologies; (c) studies, such as feasibility studies to explore the feasibility of new or upgraded products, technologies, processes, services and solutions; (d) the design of a defence product, tangible or intangible component or technology as well as the definition of the technical specifications on which such a design has been developed, including any partial tests for risk reduction in an industrial or representative environment; (e) the system prototyping of a defence product, tangible or intangible component or technology; (f) the testing of a defence product, tangible or intangible component or technology; (g) the qualification of a defence product, tangible or intangible component or technology; (h) the certification of a defence product, tangible or intangible component or technology; (i) the development of technologies or assets increasing efficiency across the life cycle of defence products and technologies.

## STRUCTURAL SET-UP OF THE PROGRAMME

The EDF is implemented through direct management by the Directorate-General for Defence Industry and Space. On an ad hoc basis, and if justified, specific initiatives may be implemented under indirect management.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The EDF builds and expands on the experience acquired through two precursor programmes implemented under the 2014-2020 multiannual financial framework, namely the preparatory action on defence research (PADR) and the European defence industrial development programme (EDIDP).

The design of the EDF largely builds on the architecture of these two 2014-2020 programmes, but it has be implemented as one single fund. The EDF will lead to better exploitation of defence research results, bridging the gap between the research and the development phases and promoting all forms of innovation, including support for disruptive defence technologies. It will encourage small and medium-sized enterprises and entities not yet involved in defence-specific

research and development to participate in the programme and to be involved in cross-border cooperation.

### FURTHER INFORMATION

- Programme website:
  - The European Defence Fund (EDF) (europa.eu).
- Impact assessment:
  - The impact assessment of the EDF programme was carried out in 2018.

  For further information please consult https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0345.
- Relevant regulation:
  - Regulation (EU) 2021/697 of the European Parliament and of the Council;
  - Regulation (EU) 2018/1092 of the European Parliament and of the Council establishing the European defence industrial development programme.
- Evaluations:
  - *Ex ante* evaluation of the European defence industrial development programme, SWD(2017) 228 final.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 945.7 | 945.7 | 945.7 | 1 014.0 | 1 432.6 | 1 621.3 | 1 874.4 | 8 779.4 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Contributions from other countries and entities | 23.7 | 22.0 | 25.9 | 0.0 | 0.0 | 0.0 | 0.0 | 71.7 |
| **Total** | 969.4 | 967.7 | 971.6 | 1 014.0 | 1 432.6 | 1 621.3 | 1 874.4 | **8 851.1** |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

## + EUR 826.4 million (+ 10%)

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

- The financial programming of the EDF is in line with the objectives of the EDF regulation. The increase in the last years of the financial period follows the planned ramp-up of the number of projects funded under the EDF programme.
- The decrease of EUR 400 million versus the legal basis is the result of the contribution of the defence programme to the new proposal of the 'infrastructure for resilience, interconnectivity and security by satellite' (secure connectivity) programme. The financial programming for this project is not included in the figures in the above table.
- The financial programming covered above also includes amounts received from non-EU countries (Norway) in the form of assigned revenues.

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 2 908.8 | 8 851.1 | 32.9% |
| **Payments** | 983.2 | | 11.1% |

Voted budget implementation (million EUR) ([1]):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 945.7 | 945.7 | 1.3 | 15.6 |
| **2022** | 945.7 | 945.7 | 503.1 | 521.4 |

| | Commitments | | Payments | |
|---|---|---|---|---|
| | Voted budget implementation | Initial voted budget | Voted budget implementation | Initial voted budget |
| **2023** | 945.7 | 945.7 | 454.2 | 334.2 |

(*) Voted appropriations (C1) only.(*) Voted appropriations (C1) only.

– The industry from 26 EU Member States and Norway showed significant interest in participating in the first EDF calls in 2022. A total of 134 proposals were received, covering all 8 calls (relating to the relevant domains – air, ground, naval combat, cyber, space, etc.) and 33 topics published. The total budget allocated to these calls is EUR 832 million. A total of 37 grant agreements were signed in December 2023. The European Commission also signed contribution agreements to delegate the implementation, under indirect management, of two research projects and one development project to the European Defence Agency ([42]) and one development project to the Organisation for Joint Armament Co-operation ([43]).

– The third annual EDF work programme (for 2023) was adopted on 30 March 2023. On 7 June 2023, the Commission adopted the 2023 Financing Decision part 1, which complemented the 2022 budget envelope of the EDF with EUR 255.5 million stemming from 2023 appropriations. In line with the clear ambition and political will by Member States in the EDF Programme Committee, the 2023 budgetary top-up (which was EUR 390 million from the 2024 budget) allowed the launch of several flagship projects to support defence capability and technology development in agreed priority areas, while ensuring coverage of a broad range of topics of interest to Member States. The third annual EDF work programme allocates an additional EUR 1.2 billion to support collaborative research and development projects and innovation in Europe's defence sector.

– The 2023 EDF work programme was organised around seven calls for proposals addressing 16 categories of action (relating to the relevant domains – air, ground, naval combat, cyber, space, etc.) consisting of 34 topics with a total budget of EUR 1.2 billion. The calls for proposals were published on 30 March 2023 and opened for submission in June 2023. In response, the European defence industry submitted a record number (236) of proposals for joint defence research and development projects, reflecting all the thematic priorities identified by the Member States with the support of the Commission. Entities from all 27 Member States and Norway participate in the proposals. It is expected that grant agreements will be signed by the end of 2024.

([42]) EC2 (European command and control system), Tiresyas (technology innovation for radar European system applications), Armetiss (smart multifunction textiles for integrated soldier systems).
([43]) E-Nacsos (EU naval collaborative surveillance operational standard).

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 41.7 | 7.7 | 0 | | | | | 49.4 | 1% |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

The overall budget for EDF implementation was not intended to target climate and biodiversity mainstreaming and clean air directly. However, it may have some indirect positive climate effects through its various projects. Capability development projects and defence research take into consideration the importance of sustainability in defence activities.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | 945.7 | 945.7 | 1 891.4 |
| 0 | 945.7 | | | 945.7 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender-disaggregated information.

DG Defence Industry and Space does not collect gender disaggregated information regarding the EDF's implementation.

Efforts are continuously made to seize all relevant opportunities identified by the equality coordinator and other staff of DG Defence Industry and Space. For example, the directorate-general organises side events and workshops or includes gender equality aspects in communication activities and events.

Contribution to the digital transition (million EUR):

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

The EDF mainly supports digital transformation through calls related to the following work programme categories of action: cyber and digital transformation.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Collaborative research: number of funded actions | 0 | N/A | N/A | 32 | N/A |
| Collaborative research: share of recipients that did not carry out research activities with defence applications before the entry into force of the fund (12 May 2021) | 0 | N/A | N/A | 30% | N/A |
| Collaborative capability development: share of number of funded actions that address the capability shortfalls identified in the capability development plan | 0 | N/A | N/A | 82% | N/A |
| Job creation/support: defence research and development employees supported in funded actions | 0 | N/A | N/A | 11 683 | N/A |

(*) % of target achieved by the end of 2023.

– The EDF fosters the competitiveness and innovation capacity of the European defence technological and industrial base by supporting collaborative research and development action. The Russian war of aggression against Ukraine has clearly shown the pertinence of strengthening this base and the EU's defence capabilities, where the EDF plays an important role. In terms of the direct operational impact of the war on the EDF programme, it should be noted that the EDF supports defence research and capability

development projects that take years to reach the deployment stage; however, the innovation activities may lead to an earlier uptake. In addition, the ongoing projects (the first set of projects started very recently, in December 2022/January 2023 under the 2021 EDF work programme), along with the 2022 work programme, were programmed before the start of the war.

– The EDF also focused on supporting small and medium-sized enterprises. In 2022, 39% of the beneficiaries in projects funded by the EDF were small and medium-sized enterprises. The regulation promoted this involvement by awarding an increase in the EU funding rate to projects that invest in cross-border cooperation with small and medium-sized enterprises.

– The number of proposals submitted for the 2023 calls showed an increase of 76% in comparison with 2022, which demonstrates the strong and constantly growing interest of EU defence industry and research organisations to cooperate across borders and jointly contribute to the EU strategic defence capability development. It shows their commitment to integrate the European defence and technological industrial basis.

– The EDF has maintained good practices to support performance that were introduced by its precursor programmes, the EDIDP and the preparatory action on defence research. These include close cooperation with Member States in drafting the calls for proposals and work programmes, awarding a bonus to permanent structured cooperation projects to improve the coherence of the EU's defence initiatives, and awarding any increase in the EU funding rate to projects investing in cross-border cooperation with small and medium-sized enterprises. In addition, the EDF supports the participation of small and medium-sized enterprises every year through two open calls specifically target such entities. Furthermore, small, and medium-sized enterprises are offered business coaching. Moreover, the European Commission, within the framework of the EDF, established the national focal points framework to further support the EDF applicants in preparing their applications and launched the European Union defence innovation scheme, which aims to build a stronger defence innovation ecosystem throughout the EU. For 2023, the calls in support of defence innovation under the scheme totalled EUR 224 million. As an example, spin-in calls, focusing on migrating innovation from the civil sector to the defence sector, proved highly successful, and Commission services and the European Defence Agency are cooperating to continue systematically scanning results from civil programmes to assess defence potential. In December 2023, DG Defence Industry and Space officially signed and launched the EU defence innovation scheme hackathons. Taking place in May 2024, these defence hackathons aim to develop innovative solutions for the future.

# 2014-2020 multiannual financial framework – European defence industrial development programme and the preparatory action on defence research

The EDIDP was adopted in July 2018 for a duration of 2 years. The aim of the programme is to support the competitiveness and the innovative capacity of the defence industry in the EU, specifically in the development of prototypes, by supporting development projects jointly carried out by companies.

The programme helps create a collaborative approach between defence industry players in the Member States. The financial contribution by the EU unlocks development projects that otherwise would not have started due to their sizeable financing needs, or the elevated technological risks involved, thus leading to additional collaborative defence development projects.

The preparatory action on defence research for 2017-2019 supports collaborative defence research projects and technological development in Europe by providing grants. The projects under this action are testing mechanisms to prepare, organise and deliver a variety of EU-funded cooperative defence research and technology development activities, aiming to improve the competitiveness and innovation of the EU defence industry and to stimulate cooperation. Calls under the preparatory action on defence research enabled the Commission to test different types of processes, which was one of its objectives and has proven useful for the first EDF annual calls in 2021 and 2022.

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 500.0 | 500.0 | 100.0% |
| **Payments** | 386.0 | | 77.2% |

- The implementation of the EDIDP is ongoing. During its life span, which ran from 2019 to 2020, the EDIDP committed EUR 500 million, thus achieving a 100% cumulative implementation rate.
- Both EDF precursor programmes (the EDIDP and the preparatory action on defence research) were fully implemented during the COVID-19 crisis. The crisis affected the evaluation of the 2020 EDIDP calls. The pandemic's impact, combined with the complexity of processes, led to the prolongation of several EDIDP administrative processes (e.g. informing applicants of the outcome of the evaluation). To support the defence industry during the pandemic, the pre-financing level of the proposals awarded under the EDIDP's 2019 calls was increased to up to 90% of the maximum grant, which in turn had an impact on the programme's rate of payment execution.
- Following the 2020 EDIDP calls for proposals, 63 proposals were received. This marks an increase of more than 50% compared to the 2019 calls, when 40 proposals were received. Grant agreements for 26 high-quality projects were signed before the end of 2021 and will be supported with EUR 158.2 million. These projects are directly managed by Commission services. In addition, the management of two projects that are strategic enablers for the European defence industry was entrusted to the Organisation Conjointe de Coopération en matière d'Armement, with a total budget of almost EUR 133 million, following the conclusion of the contribution agreements in 2020.
- In total, following the 2019 and 2020 EDIDP calls for proposals, 44 grants received funding. The pre-financing payments for these grants account for almost the total amount of payment appropriations used up to now, i.e. EUR 376 million. This

represents a 75% rate of payment execution. Due to the substantial oversubscription (funding could be provided to only 16 out of 40 proposals received in 2019 and 26 out of 63 proposals received in 2020), the total budget allocated to the 2019 and 2020 calls was fully committed. Two out of 44 EDIDP projects were finalised in 2023.

– The implementation of the preparatory action on defence research is ongoing. In total, 10 calls for proposals were published in 2017, 2018 and 2019. This resulted in the selection of 18 projects, from which 16 were finalised by the end of 2023. Furthermore, in the 2019 call the Commission launched, for the first time, an open call on future disruptive defence technologies. The objective of the call was to fund cutting-edge and high-risk / high-impact research that could lead to a disruptive impact in a defence context. This resulted in the funding of three promising projects, beginning at the end of 2020, and running for approximately 2 years. The projects aim respectively to set up an experimental demonstrator for novel radar camouflage; to implement a neural network based on spin-based nanodevices for radiofrequency processing; and to use homomorphic encryption to allow the use of confidential data for artificial intelligence technologies.

# Performance assessment

– The EDIDP is designed to target the problems of the defence sectors identified in the context of the programme's *ex ante* evaluation, namely: (1) the low level of investment in innovative defence programmes; and (2) the fragmentation of the defence industry and limited cooperation between undertakings. Both problems may pose substantial risks for the competitiveness of the EU defence industry in the longer term. The EDIDP work programme was geared towards fostering the competitiveness, efficiency, and innovation capacity of the European defence industry, supporting and leveraging cooperation and ensuring that results from the research phase are better exploited in the following phases of development.

– After comparison of the EDIDP's milestones with the results of the 2019 and 2020 calls, the following initial conclusions can be drawn.

    - The EDIDP calls have boosted cooperation between the Member States and their undertakings to a level more than the milestones set out. The calls for proposals were structured in close cooperation with the Member States to meet their requirements in terms of defence systems and technologies needed for their defence capabilities. This approach paid off in 2019, leading to larger consortia populated by entities established in more Member States than anticipated. This positive trend continued in 2020, with the consortia comprising some 16 entities from seven Member States.
    - The EDIDP contributed to the coherence of the EU's defence initiatives and to advancing the priorities defined at the EU level. 80% of the 2019 budget was allocated to projects with a link to permanent structured cooperation projects, i.e. joint projects initiated by Member States. In 2020, 14 out of the 26 projects supported have a link to permanent structured cooperation, and these projects are funded with a total of EUR 97.7 million. The EDIDP regulation promoted this link by awarding a bonus to such projects to increase the EU funding rate.
    - The EDIDP regulation also focused on supporting small and medium-sized enterprises, i.e. the critical part of the European defence industry. In 2019,

the target number of small and medium-sized enterprises involved in projects was exceeded by nearly 40%, with 83 such enterprises participating against a milestone of 60. The 2019 EDIDP work programme included a call that was open to consortia composed only of small and medium-sized enterprises, from which 21 enterprises received funding. This trend continued in 2020, with support being provided to 144 small and medium-sized enterprises following the 2020 calls (16 of them in a call that was open to consortia composed only of such enterprises). 35% of the entities in projects funded by EDIDP in 2020 are small and medium-sized enterprises, while 30% of the total funding is dedicated to them. The regulation promoted this involvement by awarding an increase in the EU funding rate for projects that invest in cross-border cooperation with small and medium-sized enterprises.

    - Research and development entities maintain a high level of interest for support from the EDIDP. Furthermore, the share of the projects funded that involve prototyping, which is a specifically sensitive phase of project development, exceeded expectations/targets by 6% and 15% in 2019 and 2020, respectively. This indicates the programme's increasing focus on supporting advanced stages in the development of defence systems or technologies.

– The preparatory action on defence research has contributed significantly to fostering collaborative defence research and technological development in Europe. The core of the preparatory action is a small-scale research programme with competitive calls for proposals defined in close consultation with the Member States.
– 16 out of 18 projects under the preparatory action on defence research were finished by the end 2023, so the following initial conclusions can be drawn.
    - Calls attracted applicants that were not previously active in defence research.
    - Funded projects included the participation of small and medium-sized enterprises in 15 consortia.
    - The action brought together stakeholders from the private sector (64%), research centres (23%) and academia (7%), with 22% of all applicants in the selected proposals being small or medium-sized enterprises.
    - Projects funded under the action cover a broad range of technological readiness levels and address different levels of system integration. The submission of more than 50 proposals following the 2019 open call on disruptive technologies reflects the high level of interest on the part of stakeholders.

# Sustainable development goals

## Contribution to the sustainable development goals

The EDF indirectly supports and contribute to some SDGs (e. g. gender equality and affordable and clean energy), but the programme was not created directly to deliver on all 17 SDGs. As example, we can present

the EDF projects ‘Energy independent and efficient deployable military camps’ and ‘Novel energy and propulsion systems for air dominance’, which will study energy efficiency in aircraft domains, with a focus on energy-efficient propulsion, electrical and thermal systems, and management.

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |
| SDG5 | | |
| SDG6 | | |
| SDG7 | X | Affordable and Clean Energy:<br><br>The EDF supports research and development projects focused on increasing the energy efficiency of military equipment and facilities, and energy-saving technologies for defence applications. |
| SDG8 | X | Decent Work and Economic Growth:<br><br>The EDF investments in defence research and development stimulates economic growth by creating jobs and fostering innovation in the defence industry across Europe. |
| SDG9 | X | Industry, Innovation, and Infrastructure:<br><br>The EDF support projects aimed at fostering innovation in defence technology and infrastructure. This includes research into advanced materials, cybersecurity solutions, autonomous systems, and other cutting-edge technologies relevant to defence applications. By investing in these areas, the fund helps strengthen Europe's industrial base and improve its technological capabilities. |
| SDG10 | | |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | | |

| |
|---|
| SDG15 |
| SDG16 |
| SDG17 |

# ASAP

ACT IN SUPPORT OF AMMUNITION PRODUCTION

## *Programme in a nutshell*

### Concrete examples of achievements

| 5 | EUR 500 million | 82 | |
|---|---|---|---|
| calls for proposals were launched in 2023 on explosives production capacity, powder production capacity, shell production capacity, missile production capacity and testing and reconditioning certification. | was allocated to the regulation on supporting ammunition production (ASAP) programme in 2023-2025 to support the EU industry in ramping up its production capacities for ammunition and missiles. | proposals were submitted in response to five calls under the ASAP programme in 2023. | |

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 500.0 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **500.0** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

Russia's full-scale invasion of Ukraine in 2022 re-vitalised the important role of the extensive use of large calibre-weapons in modern warfare. Specifically, artillery is a key determinant of the outcomes on the battlefield. As the necessities of the war drained Ukraine of stockpiles, Ukraine turned to its Western allies to replenish lost firepower, and therefore switched to NATO standard ammunition. Having downsized militaries and hardware after the Cold War, EU Member States' armed forces discerned the alarming levels of ammunition consumption needed by Ukraine to sustain the war. EU financial, political, and military support for Ukraine is of geostrategic importance to Europe. ASAP supports the industrial ramp-up of the 155 mm NATO standard artillery ammunition, whether through the adaptation of supply chain management or the creation of manufacturing capacities.

## CHALLENGE

Russia's war of aggression against Ukraine has put the European defence industry and defence equipment market to the test and exposed several flaws which undermine their ability to satisfy in the requisite, secure and timely manner the Member States' urgent needs for defence products and systems, such as ammunition and missiles, considering the high consumption rate of those products and systems during a high-intensity conflict. The European Defence and Technological Base (EDTIB) must adjust in accordance with these challenges. These include improvement of the capacity of adaptation of supply chains for relevant defence products and the acceleration of such adaptation, the creation of manufacturing capacities or their ramp-up, and a reduction of the lead production time for relevant defence products throughout the EU, through the intensification and widening of cross-border cooperation between the relevant entities.

## MISSION

ASAP establishes a set of measures and lays down a budget aimed at urgently strengthening the responsiveness and ability of the European Defence Technological and Industrial Base to ensure the timely availability and supply of ground-to-ground and artillery ammunition as well as missiles.

## OBJECTIVES

The objective of the Instrument is to foster the efficiency and competitiveness of the European Defence Technological and Industrial Base to support the ramp-up of the production capacity and timely delivery of relevant defence products through industrial reinforcement.

The industrial reinforcement shall in particular consist of initiating and speeding up the adjustment of industry to the rapid structural changes imposed by the supply crisis affecting the relevant defence products which are necessary for the swift replenishment of the ammunition and missile stocks of the Member States and of Ukraine. That shall include the improvement of the capacity of adaptation of supply chains for relevant defence products and the acceleration of such adaptation, the creation of manufacturing capacities or their ramp-up, and a reduction of the lead production time for relevant defence products throughout the EU, in particular through the intensification and widening of cross-border cooperation between the relevant entities.

# ACTIONS

The Instrument shall provide financial support for actions addressing identified bottlenecks in production capacities and supply chains with a view to securing and accelerating the production of relevant defence products in order to ensure their effective supply and timely availability. Eligible actions shall relate to one or more of the following activities and shall be exclusively related to the production capacities of relevant defence products, including their components and corresponding raw materials insofar as they are intended or used wholly for the production of relevant defence products:

(a) the optimisation, expansion, modernisation, upgrading or repurposing of existing, or the establishment of new, production capacities, in relation to relevant defence products or their components and corresponding raw materials, insofar as those components and raw materials are used as direct input for the production of relevant defence products, in particular with a view to increasing production capacity or reducing lead production times, including on the basis of the procurement or acquisition of the requisite machine tools and any other necessary input;

(b) the establishment of cross-border industrial partnerships, including through public private partnerships or other forms of industrial cooperation, in a joint industrial effort, including activities that aim to coordinate the sourcing or reservation of components and the corresponding raw materials insofar as those components and raw materials are used as direct input for the production of relevant defence products, as well as to coordinate production capacities and production plans;

(c) the building-up and making available of reserved surge manufacturing capacities of relevant defence products, their components and corresponding raw materials, insofar as those components and raw materials are used as direct input for the production of relevant defence products, in accordance with ordered or planned production volumes;

(d) the testing, including the necessary infrastructure, and, as appropriate, reconditioning certification of relevant defence products with a view to addressing their obsolescence and making them useable by end users;

(e) the training, reskilling or upskilling of personnel in relation to the activities referred to in points (a) to (d);

(f) the improvement of the access to finance for the relevant economic operators active in the production of or making available of relevant defence products, by means of the offset of any additional cost arising specifically from the defence industry sector, for investments related to activities referred to in points (a) to (e). .structural set-up of the programme

ASAP is implemented under direct management by the Directorate-General for Defence Industry and Space.

# VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP

Regulation on Supporting Ammunition Production (ASAP)

| MFF 2021-2027 | EU BUDGET | MANAGEMENT MODE |
|---|---|---|
| ASAP | 500 M€<br>2023-25 | • Direct Management<br>• Lump sum grants<br>• Specific eligibility compared to other EU programmes.<br>• EU funding rate up to 45% (including 10% |

| SYNERGIES | BENEFICIARIES | SPECIFIC OBJECTIVES | ASAP CALLS |
|---|---|---|---|
| Task Force comprised of employees from across the | Legal entities established in EU Member States, ASAP Associated | Foster the efficiency and competitiveness of the European Defence Technological and Industrial Base (EDTIB) by initiating and speeding up the adjustment of industry to the rapid structural<br><br>Ramp-up or creation of manufacturing capacities and timely delivery<br><br>Strengthen supply chain resilience and robustness. | Explosives – 190 M€<br>Powder – 144 M€<br>Shells – 90 M€<br>Missiles – 40 M€<br>Testing and reconditioning certification – 4,35 M€ |



## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

As this programme was adopted in 2023 to respond to urgent operational needs originated in 2022, there is no direct link to the 2014-2020 Multiannual Financial Framework. The ASAP budget resulted from a partial deployment of the budget of the European Defence Fund (EUR 260 M) and of the proposed budget for the European Defence Industry Reinforcement through common Procurement Act (240M€), within the 2021-2027 Multiannual Financial Framework.

## FURTHER INFORMATION

- Programme website:
  - ◊ Act in Support of Ammunition Production (ASAP) (europa.eu)
- Impact assessment:
  - ◊ Due to the urgency of this instrument, no impact assessment was provided.
- Relevant regulation:
  - ◊ Regulation (EU) 2023/... of the European Parliament and of the Council of 20 July 2023 on supporting ammunition production (ASAP) (europa.eu)

– Evaluations:

◊ As per Article 23 of the ASAP regulation, the Commission shall draw up a report evaluating the implementation of the measures set out in this Regulation and their results, as well as the opportunity to extend their applicability and provide for their funding, particularly with regard to the evolution of the security context. The evaluation report shall build on consultations of the Member States and key stakeholders and be communicated to the European Parliament and to the Council.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 0.0 | 0.0 | 157.0 | 343.0 | 0.0 | 0.0 | 0.0 | 500.0 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.0** | **0.0** | **157.0** | **343.0** | **0.0** | **0.0** | **0.0** | **500.0** |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

# + EUR 0.0 million (+ 0%)

compared to the legal basis.*

* Top-ups pursuant to Art. 5 MFF regulation are excluded from financial programming in this comparison.

The financial programming of ASAP is in line with the objectives of the ASAP regulation.

The financial programming covered above also includes amounts received from non-EU countries (Norway) in the form of assigned revenues.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 157.0 | 500.0 | 31.4% |
| **Payments** | 0.0 | | 0.0% |

Voted budget implementation (million EUR):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 0.0 | 0.0 | 0.0 | 0.0 |
| **2022** | 0.0 | 0.0 | 0.0 | 0.0 |
| **2023** | 157.0 | 0.0 | 0.0 | 0.0 |

- The ASAP work programme for 2023-2025 was adopted on 18 October 2023. The total budget allocated for the implementation of the 2023-2025 work programme is EUR 500 million.
- The calls for proposals were opened on 18 October 2023. The industry from EU Member States and Norway showed significant interest by participating in the ASAP calls in 2023. In response, the European defence industry submitted 82 proposals covering all 5 calls for proposals. The total budget allocated to these calls is EUR 468.35 million**.** It is expected that grant agreements will be signed during the second quarter of 2024.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | | | | | | | | | |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

The overall voted budget for implementation in 2024 under the ASAP regulation was not intended to directly target climate and biodiversity mainstreaming and clean air. However it may have some indirect positive climate effects on certain companies participating in the programme.

**Contribution to gender equality (million EUR)** (*)**:**

| Gender Score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | | | |
| 0 | | | | |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

The overall voted budget for implementation in 2024 under the ASAP regulation was not intended to directly target gender equality.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of the total envelope |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

The overall voted budget for implementation in 2023 under the ASAP regulation was not intended to directly target digital contribution.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Number of single entities in the selected projects | 0 | **N/A** | **N/A** | **N/A** | **N/A** |

| | | | | | |
|---|---|---|---|---|---|
| Number of Member States in which these entities are established | 0 | **N/A** | **N/A** | **N/A** | **N/A** |
| Number of submitted proposals. | 0 | **N/A** | **N/A** | **N/A** | **N/A** |
| Number of funded projects | 0 | **N/A** | **N/A** | **N/A** | **N/A** |
| Value and share of contracts awarded to small and medium-sized enterprises and mid-caps | 0 | **N/A** | **N/A** | **N/A** | **N/A** |

(*) % of target achieved by the end of 2023.

– ASAP fosters the efficiency and competitiveness of the companies targeted by the European defence technology industrial base strategy to support the ramp-up of the production capacity and timely delivery of relevant defence products through industrial reinforcement. This is done by establishing a set of measures and laying down a budget aimed at urgently strengthening the responsiveness and ability of these companies to ensure the timely availability and supply of ground-to-ground and artillery ammunition, and missiles.

– The ASAP programme is in an early phase, and it is expected that grant agreements will be signed during the second quarter of 2024. Hence, it is not yet possible to make a full assessment of the performance of the programme, apart from some of the data retrieved from the submission of proposals process. The number of proposals submitted showed high interest. In total, there were 82 proposals submitted, which was higher than expected. A more thorough assessment will be made in 2025.

# Sustainable development goals

## Contribution to the sustainable development goals

The ASAP programme indirectly supports and contribute to some SDGs, but the programme was not created directly to deliver on all 17 SDGs. It contributes to SDG9 on building resilient infrastructure promote inclusive and sustainable industrialisation and foster innovation.

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |

| | | |
|---|---|---|
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | X | The ASAP call for proposals focused on the increase of production capacities for explosives. |
| SDG10 | | |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | | |
| SDG15 | | |
| SDG16 | | |
| SDG17 | | |

# EDIRPA

EU Defence Industry Reinforcement through Common Procurement Act

## *Programme in a nutshell*

### Concrete examples of achievements

Edirpa was adopted by the co-legislators on 18 October 2023 and published in the *Official Journal of the European Union* on 26 October 2023. Edirpa is implemented through a multiannual work programme pursuant to Article 110 of the Financial regulation, which was adopted by the Commission and published on 15 March 2024.

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 290.0 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **290.0** |

(*) Only Article 15(3) of the financial regulation.

### Rationale and design of the programme

The European Defence Industry Reinforcement through Common Procurement Act (Edirpa) was adopted by the co-legislators on 18 October 2023 and published in the Official Journal on 26 October 2023. The financial envelope for the implementation of the Instrument for the period from 27 October 2023 to 31 December 2025 is EUR 300 million in current prices to which a contribution from Norway is also added (around EUR 10 million). Edirpa is implemented through a multiannual work programme pursuant to Article 110 of the Financial Regulation.

The Instrument, responding to the European Council's request, aims to address the most urgent and critical needs for defence products, resulting from Russia's aggression against Ukraine. The Instrument will incentivise Member States, in a spirit of solidarity, to commonly procure defence products and will facilitate access for Member States to urgently needed defence products. It will avoid competition among Member States for the same products and facilitate cost savings. It will strengthen interoperability and allow the European Defence Technological and Industrial Base (EDTIB) to better adjust and ramp-up its manufacturing capacities to deliver the needed products. The Instrument will support actions from consortia composed of at least three Member States. Eligible actions can involve new defence procurement projects or the extension of those launched since the start of the war.

## Challenge

Faced with new security challenges, Member States have announced their intention to spend more on defence. However, without more coordination and cooperation, these increased investments entail significant risks such as deepening the fragmentation of the European defence sector along national borders; limiting the potential for cooperation throughout the life cycle of the equipment; intensifying external dependencies; hampering interoperability and ability to act of Member States armed forces.

## Mission

Choices made concerning short-term acquisitions will have a longer-term impact on the EU Defence Technological and Industrial Base market prospects for the next decades. Therefore, it is necessary for the Commission to support, in a timely and targeted manner, Member States willing to jointly reinforce their defence capacities.

## Objectives

In particular, the Instrument will:

- Foster Member States cooperation in defence procurement. This contributes to solidarity, interoperability and efficiency of public spending; prevents crowding-out (impossibility for Member States to satisfy their demand of defence products because of a demand peak); and avoids fragmentation.
- Boost the competitiveness and efficiency of the European Defence Technological and Industrial Base, in particular by speeding up the adjustment of industry to structural changes, including ramp-up of its manufacturing capacities, resulting from the new security environment following Russia's aggression in Ukraine.

## ACTIONS

Edirpa was signed by the co-legislators on 18 October 2023 and published in the Official Journal on 26 October 2023. Edirpa shall be implemented through a multiannual work programme pursuant to Article 110 of the Financial Regulation. The work programme has been published on the 15 March 2024.

Based on Article 8 of the Edirpa Regulation[44], only actions fulfilling all of the following criteria shall be eligible for Union funding under the Instrument:

(a) they involve cooperation between the eligible entities referred to in Article 10 for common procurement addressing the most urgent and critical defence products needs and implementing the objectives set out in Article 3;

(b) they involve new cooperation, including within an existing framework, or an extension of existing cooperation to at least one new Member State or associated country;

(c) they are carried out by a consortium of at least three Member States;

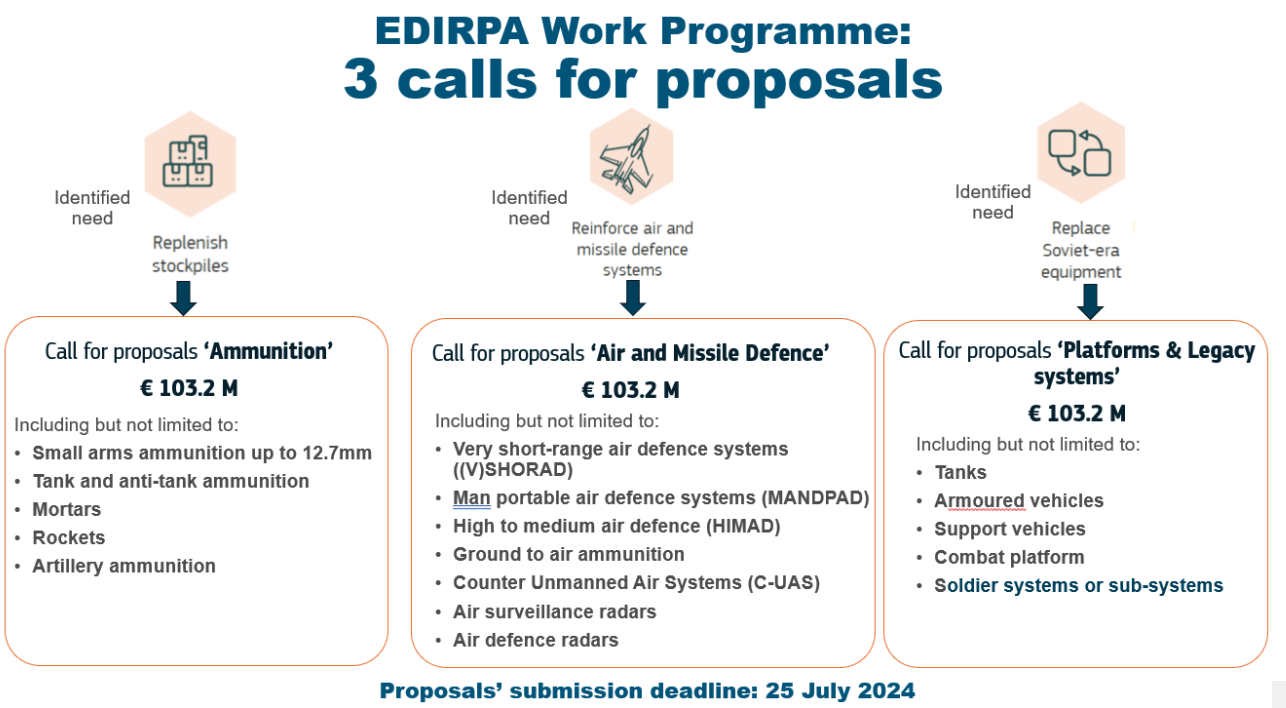
(d) they fulfil the additional conditions set out in Article 9.

Certain actions, further specified in Article 8 (2), are excluded from funding.

## STRUCTURAL SET-UP OF THE PROGRAMME

The Instrument shall be implemented under direct management in accordance with the Financial Regulation. Grants implemented under direct management shall be awarded and managed in accordance with Title VIII of the Financial Regulation.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




[44] Regulation (EU) 2023/2418

No official visual available yet.

## LINK TO THE 2014-2020 multiannual financial framework

Edirpa is a new programme agreed by the co-legislators during the current MFF and in the context of the Russian aggression against Ukraine. It does not build on previous MFF programmes as support for common procurement of defence products is a new area for the EU.

## FURTHER INFORMATION

The following links are relevant for:

- The Edirpa Regulation: Regulation (EU) 2023/2418
- The Edirpa Work Programme: The Edirpa Implementing Decision and Work Programme
- The Edirpa Website (Factsheet, Q&A): The Edirpa website

By 31 December 2026, the Commission shall draw up a report evaluating the impact and effectiveness of the actions taken under the Instrument (the 'evaluation report') and shall submit it to the European Parliament and to the Council.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 0.0 | 0.0 | 0.0 | 260.0 | 30.0 | 0.0 | 0.0 | 290.0 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.0** | **0.0** | **0.0** | **260.0** | **30.0** | **0.0** | **0.0** | **290.0** |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

-210.0 EUR million (-42%)

compared to the legal basis.*

* Top-ups pursuant to Art. 5 MFF regulation are excluded from financial programming in this comparison.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 0.0 | 290.0 | 0.0% |
| **Payments** | 0.0 | | 0.0% |

Voted budget implementation (million EUR):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 0.0 | 0.0 | 0.0 | 0.0 |
| **2022** | 0.0 | 0.0 | 0.0 | 0.0 |
| **2023** | 0.0 | 157.0 | 0.0 | 72.0 |

## Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | | | | | | | | | |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

The overall budget for Edirpa implementation was not intended to target climate and biodiversity mainstreaming and clean air directly.

**Contribution to gender equality (million EUR)** (*)**:**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | | | |
| 0 | | | | |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- N/A

On equality, diversity and inclusion, Edirpa is not directly targeted at gender equality initiatives. Nevertheless, indirect contributions supporting the gradual raising of awareness about this horizontal Commission priority are continually being made as opportunities arise. For instance, gender equality aspects will receive special mentions in communication activities and at events on various matters relating to Edirpa.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of the total envelope |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

Edirpa is not directly targeted at digital transitions but takes the digital transition into account in light of new technological developments in the EU's Defence Technological and Industrial Base (EDTIB). For example, the award criteria list actions relating to the competitiveness and adaptation of the EDTIB to structural changes, including technological changes.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Number of proposals submitted by applicants | N/A | N/A | N/A | N/A | N/A |
| Number of projects selected for funding. | N/A | N/A | N/A | N/A | N/A |
| Average of the number of Member States involved in a consortium / associated countries involved in a consortium concerning the projects selected for funding | N/A | N/A | N/A | N/A | N/A |
| Average estimated value of the common procurement contract per consortium of Member States and associated countries | N/A | N/A | N/A | N/A | N/A |
| Actual financial contribution of the EU to each action | N/A | N/A | N/A | N/A | N/A |

(*) % of target achieved by the end of 2023.

The Edirpa regulation ([45]) was published in the *Official Journal of the European Union* on 26 October 2023 and entered into force on 27 October 2023. The work programme was adopted by the Commission and published on 15 March 2024.

# Sustainable development goals

## Contribution to the sustainable development goals

Edirpa indirectly supports and contributes to some SDGs, but the programme was not created directly to deliver on all 17 SDGs.

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | | |
| SDG10 | | |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | | |
| SDG15 | | |
| SDG16 | | |

([45]) Regulation (EU) 2023/2418 of the European Parliament and of the Council of 18 October 2023 on establishing an instrument for the reinforcement of the European defence industry through common procurement (EDIRPA), OJ L, 2023/2418, 26.10.2023, ELI: http://data.europa.eu/eli/reg/2023/2418/oj.

| |
|---|
| SDG17 |

# NDICI – GLOBAL EUROPE

NEIGHBOURHOOD, DEVELOPMENT AND INTERNATIONAL COOPERATION INSTRUMENT – GLOBAL EUROPE

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| 2 992 817<br>students enrolled in primary education with EU support under NDICI. | 750<br>Ukrainian micro-enterprises received EUR 3 million in direct grants for recovery, development and sustainability in 2023. | 10.5 million<br>beneficiaries were supported by the EU Regional Trust Fund in response to the Syrian crisis in 2014-2023. | 2.4 million<br>Palestinian refugees were supported by contributions from the EU in 2023. |
| 16<br>electoral processes and democratic cycles were supported, observed and monitored by means of electoral missions in 2023. | 339 810<br>migrants, refugees and internally displaced people or individuals from host communities have been protected under NDICI. | 214<br>regulatory instruments were reviewed in 2023 with EU support to contribute to Ukraine's deregulation reform. This input led to the planned abolition or optimalisation of 33 and 174 instruments respectively, expected to directly benefit about 380 000 businesses. | 13 021<br>people benefited from voluntary assisted returns from North Africa to their country of origin. |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming (**)** | 79 052.0 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 1076.9 |
| **Total budget 2021-2027** | **80 128.9** |

(*) Only Article 15(3) of the financial regulation.

(**) MFA loans that are officially part of the budget lines of NDICI and IPA are excluded for reporting here and relinked to the MFA PPS:

# Rationale and design of the programme

Through the Neighbourhood, Development, and International Cooperation Instrument – Global Europe (NDICI – Global Europe), the EU aims to cooperate with partner countries, especially those most in need, in overcoming medium- and long-term developmental challenges and pursuing EU values and interests, while addressing urgent and immediate needs.

It contributes to achieving the EU's international commitments and the objectives that it has agreed to, the 2030 Agenda, its sustainable development goals (SDGs) and the Paris Agreement.

## CHALLENGE

The EU is facing increasing external challenges. Political fragility, instability, and conflicts, shrinking civic and political space, terrorism, inequality and migratory pressures have combined with long-term trends such as population growth, climate change and environmental degradation. Added to this has been the lasting socio-economic consequences of the COVID-19 pandemic, along with the protracted Russian war of aggression against Ukraine and its worldwide consequences on food insecurity, rising inflation and increasing energy prices. These multiple crises are deeply affecting EU partner countries, in particular least-developed ones. Despite the unforeseeable series of crises that have put NDICI – Global Europe and its emerging challenges and priorities cushion, under great pressure from the outset, the EU has demonstrated its reliability to partner countries by providing a prompt answer to crises while ensuring the continuity of programmed support. The main challenge is to continue supporting partner countries with adequate resources, in a context of extremely tense geopolitical competition, scarcity of resources for external action and competing priorities.

As an actor of significant weight and reputation, the EU can also provide significant added value in coordinating measures and providing leverage to find multilateral answers to those challenges

## MISSION

The general objectives of NDICI – Global Europe are as follows.

(1) To uphold and promote the EU's values, principles and fundamental interests worldwide, in order to pursue the objectives and principles of the EU's external action, as laid down in Article 3(5) and Articles 8 and 21 of the Treaty on European Union, thus contributing to reducing and, in the long term, eradicating poverty; to consolidating, supporting and promoting democracy, the rule of law, respect for human rights, sustainable development and the fight against climate change; and to addressing irregular migration and forced displacement, including their root causes.

(2) To contribute to promoting multilateralism and achieving the international commitments and objectives that the EU has agreed to, in particular the United Nations' SDGs, the 2030 Agenda and the Paris Agreement.

(3) To promote stronger partnerships with third countries, including with the European neighbourhood policy countries, based on mutual interests and ownership, with a view to fostering stabilisation and good governance and building resilience.

## OBJECTIVES

NDICI – Global Europe's specific objectives are as follows.

1. To support and foster dialogue and cooperation with non-EU countries and regions in the neighbourhood, in sub-Saharan Africa, in Asia and the Pacific, and in the Americas and the Caribbean. To develop special strengthened partnerships and enhanced political cooperation with the European neighbourhood, founded on cooperation, peace, and stability and on a shared commitment to the universal values of democracy, the rule of law and respect for human rights, and aiming at deep and sustainable democracy and progressive socioeconomic integration, along with people-to-people contacts.
2. At the global level, to protect, promote and advance democracy and the rule of law, including accountability mechanisms, and human rights, including gender equality and the protection of human-rights defenders. To support civil-society organisations. To further stability and peace and prevent conflict, thereby contributing to the protection of civilians. To address other global challenges such as climate change, protection of biodiversity and the environment, and migration and mobility.
3. To respond rapidly to situations of crisis, instability, and conflict, including those that may result from migratory flows and forced displacement, along with hybrid threats, and to respond to resilience challenges, including natural and human-made disasters and the linking of humanitarian aid and development action, along with the EU's foreign-policy needs and priorities.

NDICI – Global Europe strengthens specific priorities through horizontal targets.

- At least 93% of expenditure should fulfil the criteria for official development assistance.
- At least 20% of official development assistance spending should be dedicated to social inclusion and human development.

- 30% of NDICI – Global Europe should contribute to climate objectives, while also contributing to the ambition of providing 7.5% of annual spending under the multiannual financial framework to biodiversity objectives in 2024 and 10% in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals.
- Indicatively, 10% of NDICI – Global Europe should be dedicated to action supporting the management and governance of migration and forced displacement, and addressing the root causes of irregular migration and forced displacement when they directly target specific challenges relating to migration and forced displacement.
- At least 85% of new actions should have gender equality as a principal or a significant objective. At least 5% of these actions should have gender equality and women's and girls' rights and empowerment as a principal objective.

## ACTIONS

NDICI – Global Europe's funding can be provided through grants, procurement contracts, budget support, budgetary guarantees, blending operations and financial assistance, along with all the types of financing listed in Article 27 of the NDICI regulation.

## STRUCTURAL SET-UP OF THE PROGRAMME

NDICI – Global Europe is implemented under direct management (by the Commission and the EU delegations) and through indirect management (by entities such as EU Member State agencies, international organisations, or partner countries, and all the entities listed in Article 62(1)(c) of the financial regulation). The lead services involved in implementing the instrument are DG Neighbourhood and Enlargement Negotiations, DG International Partnerships, and the Service for Foreign Policy Instruments, in cooperation with the European External Action Service and line directorates-general, especially in relation to the external dimensions of internal policies such as climate, energy, trade, digital and education.

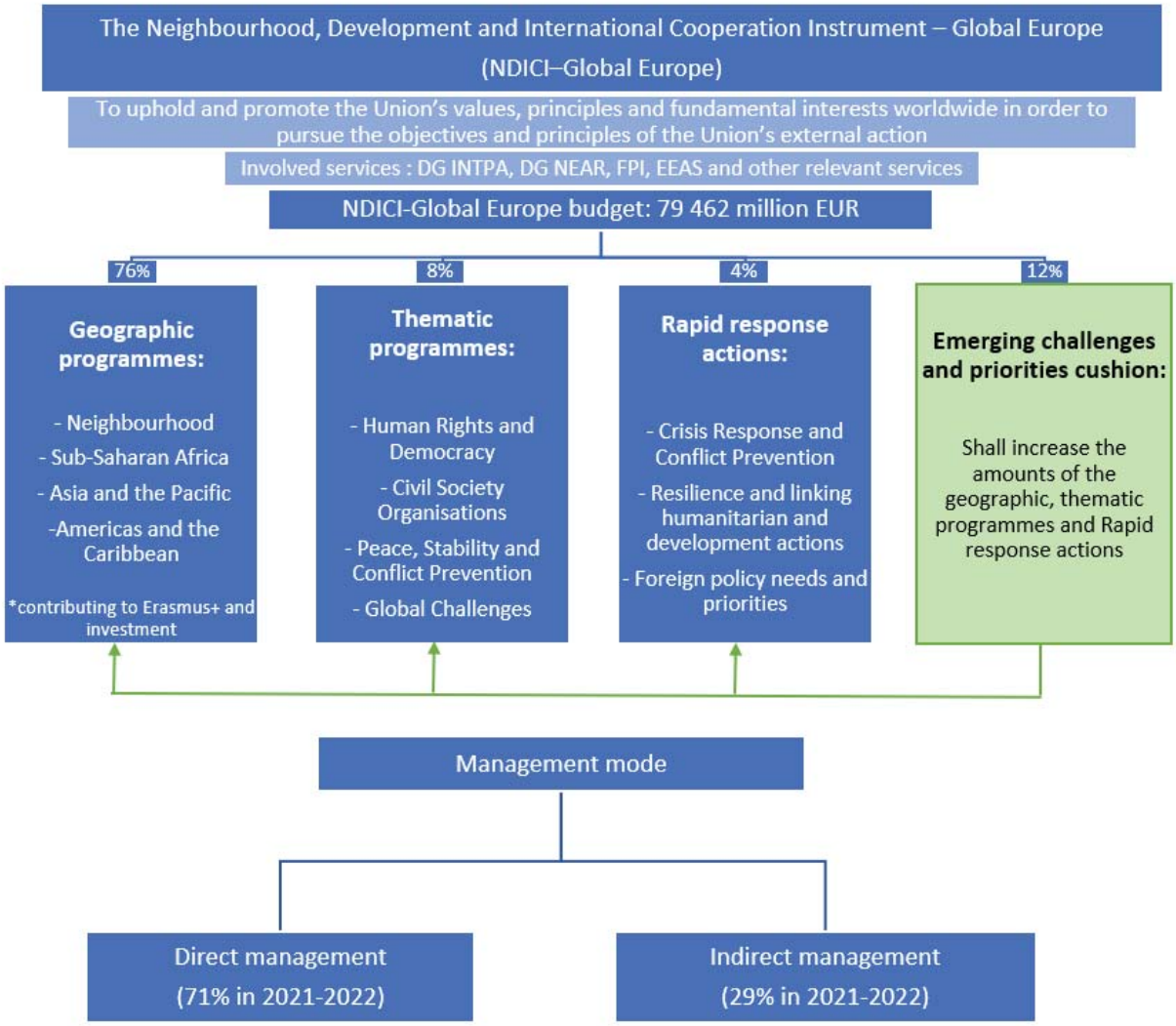
In line with its specific objectives, NDICI – Global Europe operates through three pillars:

- a geographical pillar, encompassing country and regional programmes;
- a thematic pillar, complementing the geographic pillar with global thematic programmes on human rights and democracy, civil-society organisations, peace, stability and conflict prevention, and global challenges;
- a non-programmable rapid-response pillar, dealing with crisis response, resilience and linking humanitarian and development nexuses, and EU foreign policy needs and priorities.

NDICI – Global Europe also has a buffer reserve for emerging challenges and priorities that can top up any of the three pillars mentioned above.

Through the External Action Guarantee, NDICI – Global Europe can raise additional financial resources from the private sector to support financing and investment operations in all its geographical areas, with special attention paid to least-developed countries and countries experiencing fragility and conflict.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The programme groups together several EU budget instruments from the 20142020 multiannual financial framework-, including the Development Cooperation Instrument and the European Neighbourhood Instrument. In addition, sub-Saharan African, Caribbean, and Pacific countries formerly covered under the off-budget European Development Fund are now also covered by the EU budget. Having such a comprehensive instrument allows the EU to carry out better, more coordinated external action and to deliver better results. The transition between the 2014-2020 and the 2021-2027 EFIs and the aspects mentioned above will be analysed as part of the Mid-Term Evaluation (MTE) of NDICI-Global Europe and the other EFIs, to be adopted in the first semester 2024. This MTE will address the efficiency, effectiveness, impact, sustainability and the continued

relevance of the objectives of the Instrument, as well as the added value of integrating previously separated instruments into a streamlined instrument.

### FURTHER INFORMATION

- Programme website:
  - ◊ NDICI – GLOBAL EUROPE.
- Impact assessment:
  - ◊ the impact assessment of the NDICI was carried out in 2018;
  - ◊ for further information please consult: https://europa.eu/!gh96VH.
- Relevant regulation:
  - ◊ Regulation (EU) 2021/947 of the European Parliament and of the Council.
- Evaluations:
  - ◊ Mid-term review reports of the 2014-2020 external financing instruments (SWD(2017) 463 final, SWD(2017) 600 final, SWD(2017) 601 final, SWD(2017) 602 final, SWD(2017) 604 final, SWD(2017) 605 final, SWD(2017) 606 final, SWD(2017) 607 final, SWD(2017) 608 final, SWD(2017) 609 final.]

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial (*) programming | 12 259.0 | 12 424.0 | 12 016.8 | 11 431.9 | 10 755.9 | 9 950.2 | 10 214.2 | 79 052.0 |
| NextGenerationEU | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decommitments made available again (**) | N/A | N/A | N/A | | | | | 0 |
| Contributions from other countries and entities | 6 | 33.1 | 1 037.8 | 0 | 0 | 0 | 0 | 1076.9 |
| **Total** | 12 265.0 | 12 457.1 | 13 054.6 | 11 431.9 | 10 755.9 | 9 950.2 | 10 214.2 | 80 128.9 |

(*) MFA loans that are officially part of the budget lines of NDICI and IPA are excluded for reporting here and relinked to the MFA PPS:

(**) Only Article 15(3) of the financial regulation.

Financial programming:

- EUR 409.7 million (-1%)

compared to the legal basis.*

* Top-ups pursuant to Art. 5 MFF regulation are excluded from financial programming in this comparison.

The amount for the NDICI – Global Europe neighbourhood geographic programme has been increased through the adoption of the annual budgets or during budget implementation in the years 2021-2024 by EUR XXX million. EUR 1.1 billion of macrofinancial assistance loans provisioning in the Common Provisioning Fund is excluded from the financial programming.

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR)(*):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 38 570.2 | 80 128.9 | 48.1% |
| **Payments** | 13 408.4 | | 16.7% |

(*) Excluding macrofinancial assistance loans provisioning.

Voted budget implementation (million EUR)(*):Voted budget implementation (million EUR)(*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 10 680.6 | 11 918.6 | 1 270.2 | 1 111.8 |
| **2022** | 12 390.5 | 12 560.4 | 4700.2 | 3 970.2 |
| **2023** | 11 951.3 | 12 055.5 | 6 033.9 | 6 104.1 |

(1) Voted appropriations (C1) only.

**Overview**

In 2023, NDICI-GE implementation was in full speed, with a good level of implementation of the geographic and thematic multiannual indicative programmes (MIPs) and the signature of the first guarantee agreements under the EFSD+ open architecture scheme. The implementation of Team Europe Initiatives moved forward in 2023, with 166 Team Europe Initiatives either finalising their design or having started their implementation.

The Mid-Term Review of the programming was formally launched in June 2023. Services assessed the level of implementation of their respective MIPs (including achievement of the different targets), the geopolitical context and impact of recent crises, with a focus on potential for new Global Gateway initiatives.

**Fight against climate change effects, loss of biodiversity and energy diversification**

In 2023, the European Commission continued working with partner countries to tackle climate change, contributing to mitigation, adaptation and disaster risk reduction via the development and implementation of Team Europe Initiatives as part of the implementation of the Global Gateway, by increasing our contribution to the Global Methane Pledge and to Global Climate Funds, as well as continuing to assist partner countries in implementing their Nationally Determined Contributions (NDCs). The year 2023 was also marked by the decision taken at the COP28 UN Climate Conference on the operationalisation of Funding Arrangements including a fund to address loss and damage resulting from climate change impacts in vulnerable developing countries, to which the EC has pledged contributions. Finally, 2023 was marked by the first UN conference on water since 1977, featuring the launch of an ambitious Action Agenda to which the EU significantly contributed.

Energy transition remains a priority for the EU, as is securing access to key critical raw materials for the energy transition. In 2023, the Commission played an important role in convincing partner countries to join the global pledge on renewable energy and energy efficiency, endorsed during COP28 by 120 countries. Moreover, the Commission continued to support partner countries in promoting renewable energy, including renewable hydrogen, the development of transmission and distribution grids and energy efficiency across all sectors of the economy, as well as participating in the Just Energy Transition Partnerships. Developing renewable energy sources, including renewable hydrogen, is a triple win for energy security and for decarbonisation of economies for the benefit of our planet, as well as developing competitive and clean industries and markets contributing to growth and jobs, for mutual benefits for the EU and its partner countries.

The Commission supported the implementation of the post-2020 Global Biodiversity Framework, in particular through integrated approaches for the sustainable management of key biodiversity landscapes, enhanced support to Africa's Great Green Wall initiative and new partnerships on forests as well as renewed engagement for ocean protection, including in the Mediterranean region. Action has been launched to raise awareness on the new EU Regulation on deforestation and forest degradation in the Neighbourhood, Asia and Latin Americas.

**Food security**

Russia's war of aggression on Ukraine aggravated the global food systems crisis. Climate change, conflict and economic difficulties have eroded the resilience of food value chains. The EU and Member States – Team Europe – committed more than EUR 18 billion in grants for food security action in 2021-2024. The Commission continued to operationalise the four-pronged Team Europe response to global food insecurity, particularly focusing on the sustainable production pillar.

**Critical raw materials**

Critical raw materials are essential for the deployment of the technologies that enable the green and digital transitions. The Commission was directly involved in the discussions around the external dimension of the Critical Raw Materials Act expected to be adopted in 2024. Securing sustainable supply of raw materials,

renewable hydrogen and batteries will be decisive to develop the resilience of industries in partner countries. Strategic partnerships on raw materials value chains were concluded with Argentina, Chile, the Democratic Republic of Congo, Greenland and Zambia, in addition to Canada, Kazakhstan, Namibia and Ukraine.

**Human development**

In 2023, 27 new Global Gateway Flagships in human development have been approved, and education and skills are an important feature of most GG Flagships. At the same time, gender equality continues to be mainstreamed across GG flagships. 2023 also marked the launch of the Global Gateway CSO/Local Authorities Platform.

Following through with the Global Health Strategy adopted a the end of 2022, several initiatives in the field of health were adopted including on global pandemic preparedness through the Pandemic Fund, Africa regional TEIs with a focus on Manufacturing and Vaccines (MAV+), strengthening health systems and health security through a One Health approach and Sexual and Reproductive Health Rights actions.

The Regional Teacher Training Initiative was launched in South Africa in January 2023. This EU flagship brings together the EU and three EU Member States (Belgium, Finland and France) to support African partner countries in their efforts to bridge the teachers' gap and achieve a more competent, motivated and inclusive teacher workforce able to ensure quality learning in the classroom.

2023 also marked the first year of the implementation of the Youth Action Plan in EU's external relation and the launch of a Youth Empowerment Fund.  the midterm report on the EU Gender Action Plan III illustrates progress towards the 85% target of gender responsive actions, currently reaching 72% across the external relations DGs).

The global Team Europe Democracy (TED) initiative launched in 2022 helps the EU and 14 EU Member States to enhance the impact of joint actions in promoting democratic governance in partner countries, creating a strong policy framework for thematic flagships on human rights and democracy, such as the "Global Initiative on Impunity".

The increasing number of politically estranged contexts and countries further reinforces the case for implementing a robust humanitarian-development-peace (HDP) nexus approach, and supporting the realisation of Nexus Collaborative Frameworks, based on joint analyses of conflict and the root causes of fragility and crises, while embracing a multi-dimensional and integrated approach tailored to the individual context of each country. In this regard, the Commission has supported a stronger and more focused approach to conflict-sensitivity, as prescribed by Article 12(2)(b) of the NDICI-Global Europe regulation, through the implementation of conflict analyses and the EU conflict Early Warning system for fragile and conflict affected countries, as well as conflict sensitivity assessments for specific programmes with partner countries.

**Migration**

In 2023, the Commission strongly contributed to ensure that the overall NDICI-Global Europe spending target on migration was met in 2023 through migration and forced displacement actions launched at national, regional and global level. At a global level, the Commission contributed to the successful International Conference on a Global Alliance to Counter Migrant Smuggling, hosted by the Commission President. The Commission pledged at the 2nd Global Forum on Refugees, including through the launch of new global actions aimed at improving the data and evidence on internal displacement. In the framework of the EU Presidency of the platform on Disaster Displacement (PDD), the Commission has contributed to better protecting people displaced across borders and internally in the context of disasters and climate change.

**Inequality**

In 2023, the Inequality-Marker was launched and used for the first time, allowing an enhanced understanding, tracking, and benchmarking of the impact of action supported across all sectors in relation to inequalities, including in the midterm review of the MIPs. Likewise, the thematic flagship programme linking social protection and public finance management was finalized feeding into the new generation of social protection programmes. Additionally, flagship initiatives contracted under the NDICI Civil Society Thematic Programme in 2023 include the EU System for Enabling Environment (EU SEE) and the New Financial Framework Partnership Agreements with Global CSO networks. The Commission also launched a regional initiative in Asia to manage opportunities and risks related to labour rights and protection in the context of the megatrends affecting the Future of Work (climate change, demography, digital transition, shifting in societal attitudes).

**Climate change** In 2022 and 2023, the Commission continued to support the EU's bilateral relations with strategic partner countries on climate-related policies and investment through the EU Climate Dialogues initiative. Climate diplomacy interventions worldwide resulted in 17 high-level meetings, 49 events and 15 publications on adaptation, methane abatement, carbon pricing/Emission Trading Systems, sustainable finance, just energy transition and renewable energy, among others.

**Digital**

In 2023, the Commission continued to support a sustainable digital transition, including digital governance and connectivity, at the national, regional, and international levels. The Global Gateway and the Digital 4 Development Hub (D4D) proved to be fundamental tools in that respect. In 2023, the D4D hub was further enhanced with the launch of a new Neighbourhood regional window. Interventions were launched to accompany the implementation of new digital partnerships concluded by the EU in Asia (Japan, Korea, Singapore). Finally, a new action (Global Initiative on the Future of Internet) was launched to operationalise the commitments of the 70 signatories of the Declaration for the Future of the Internet. This formed an integral part of the EU's strategic digital diplomacy agenda, initiated and promoted jointly with the US and set out a shared and comprehensive vision for the future of the open Internet.

**Disinformation**

The Commission launched several interventions aiming to enhance the EU's ability to counter foreign information manipulation and interference (FIMI) through exchanges with like-minded partners and the provision of support to countries closely aligned with the EU in terms of threat analysis and approach to address it.

**Sustainable and responsible supply chains**

In 2023, action was launched to promote fair, responsible and resilient supply chains, with a view to reinforcing the EU's strategic autonomy, as well as promoting and raising awareness on the new EU legislation on mandatory due diligences ("Corporate Sustainability Due Diligence" Directive). Seemingly, the Commission has worked with governments, the private sector, and civil society to boost the uptake of environmental standards and human rights in business operations.

**Neighbourhood**

In 2023, the Commission's actions focused on addressing the consequences of the Russia's aggression in Ukraine, responding to instability and increased migration needs in the Neighbourhood South, continue supporting Syrian refugees and their host communities, supporting countries' resilience in the Middle East and North of Africa, and implementing economic and investment plans and priorities jointly agreed with partner countries.

The Commission mobilised or guaranteed EUR 19.5 billion to support Ukraine's economic, social, and financial resilience in 2023 (EUR 18.5 billion was disbursed), out of which direct support under the NDICI totalled to EUR 825 million and it was focused on fast recovery and reforms. In 2023, EUR 445 million in

financial assistance programmes were approved for the six Neighbourhood East partner countries, excluding bilateral support to Ukraine. The assistance was designed to strengthen the reform agenda and increase the capacity in the partner administrations. This was particularly important following the EU's agreement to open accession negotiations with Ukraine and Moldova, and to grant Georgia candidate status. In addition, substantial support was provided through a repurposing of the Annual Action Programme to help Armenia address the immediate-to-long-term needs of over 100,000 refugees displaced from Nagorno-Karabakh. The Commission continued to provide budget support operations to Moldova, amounting to EUR 241 million for the period 2021 to 2023. The implementation of the Economic and Investment Plan continued and to date the EU has mobilised EUR 8.5 billion worth of investments in the region, of which nearly EUR 1.8 billion were in support of the private sector, through concessional credit lines or business development services.

Migration remains high on the political agenda of the EU, its Member States and partner countries in the in the North of Africa. While the EU Trust Fund for Africa cannot make new funding available, through its ongoing operations it remains an important tool in supporting partner countries on legal migration and labour mobility, border management and the fight against trafficking of human beings and smuggling of migrants as well as protection and social cohesion. In 2023, EUR 318 million were committed under the regional Annual Action Plan covering the North of Africa with a focus on voluntary returns to countries of origin, strengthening the capacities of Egypt and Tunisia in border management, fighting trafficking and smuggling networks as well as ensuring protection of migrants and social cohesion across the region. Increasing instability in the Sahel region and the continued impact of the war in Ukraine to name just a few factors, pressure on migratory routes and for migration management in partner countries are likely to increase. In this context, the Commission will continue providing support under a comprehensive approach to migration.

Although formally it came to an end in December 2021, the EU Regional Trust Fund in Response to the Syria Crisis remained a major EU tool to address the needs of refugees from Syria and host communities in neighbouring countries throughout 2023. This was done through its ongoing operations, which have reached more than 10.5 million people since its inception, focusing primarily on education, livelihoods, health, water and sanitation, social assistance, and social protection, along the axes of the humanitarian–development–peace nexus. In 2023, EUR 287.5 million was committed under the neighbourhood geographic programme in support of Syrian refugees and host communities in Jordan, Lebanon, and Syria.

Following the Multiannual Financial Framework revision, the Southern Neighbourhood is reinforced under NDICI by EUR 3 billion[46], inter alia allowing continuation of migration related actions previously undertaken under the EU Trust fund for Africa as well as support to the Syrian refugees and host communities in the region.

The programming framework for Interreg NEXT programmes was adopted on 12 August 2022 ([1]). Commission Implementing Decision 2022/74 lays down the total NDICI commitment for each Interreg NEXT programme for 2022-2027. Following Russia's unprovoked and unjustified invasion of Ukraine, the programming of all cooperation programmes involving Belarus and Russia was stopped and programmes with Russia and Belarus were cancelled. The Commission had adopted seven Interreg NEXT programmes involving neighbourhood partner countries in the Eastern and Southern Neighbourhood. The NDICI allocation initially planned for programmes with Russia and Belarus for 2021-2027 (EUR 160 million) was transferred to programmes that benefit Moldova and Ukraine. The Interreg NEXT programmes that have been adopted are multiannual programmes implemented under shared management. The EU's contribution to these programmes covers multiple funds (ERDF, IPA III, NDICI). For 2023 a total of EUR 108

[46] The MFF revision resulted in EUR 3.6 billion reinforcement, out of which EUR 2 billion for Southern Neighbourhood, including migration actions, and EUR 1.6 billion for support to the Syrian refuges in the region. EUR 600 million, out of EUR 1.6 billion will be channelled through the Humanitarian aid.

million was committed under NDICI (out of total EU funds of EUR 245 million), while EUR 101 million (out of total EU funds of EUR 240 million) is expected to be committed in 2024 and EUR 102 million (out of EU funds 256 million) in 2025.

**Resilience**

EUR 240 million was committed in 2023 through the individual measure in favour of socio-economic development support and infrastructure services for refugees and host communities in Türkiye following the February 2023 earthquakes. It is intended to allocate EUR 1 billion to support the Syrian refugees and host communities in Türkiye in 2024, out of which EUR 804 million from the NDICI-GE channelled through the Resilience component of the Rapid Response Action pillar.~~, while EUR 500 million in 2025 to cover for the socio-economic and education needs of the Syrian refugees and host communities. The mentioned EUR 500 million, represents part of the MFF revision reinforcement for support to the Syrian refugees and host communities in Türkiye (in total EUR 1.2 billion under NDICI and EUR 800 million under IPA III for 2025-2027).~~ As a result of the MFF revision, the support to the Syrian refugees in Türkiye is reinforced by EUR 2 billion, out of which EUR 1.2 billion channelled through the Resilience line [47]. The assistance in 2025 is expected to focus on addressing socio-economic and education needs.

**Election Observation**

Under the thematic programme for human rights and democracy, the deployment of electoral missions continued to provide substantial benefits to the democratic processes of partner countries and to the peaceful transition of countries emerging from civil strife or conflict. In 2023, the EU deployed 24 missions, six of which were full election observation missions.

**Conflict Prevention, Peacebuilding, Global Threats & Crisis Response**

Moreover, the 2023 annual action plans for programmable measures for conflict prevention, peacebuilding, and crisis preparedness and for addressing global, trans-regional and emerging threats were adopted, for EUR 39.4 million and EUR 98.4 million respectively. Initiatives under the annual action plan for 2022 were contracted and covered themes such as the following: support for in-country civil-society stakeholders on conflict prevention and peacebuilding; inclusivity in peace and security; conflict-sensitive natural-resource management; support for the EU–United Nations partnership on insider mediation and tripartite cooperation with the United Nations and the World Bank on post-crisis assessments; counterterrorism; chemical, biological, radiological and nuclear risk mitigation; disrupting organised crime; critical infrastructure protection; climate change; environmental degradation; and security.

By the end of 2023, 40 new crisis-response initiatives, as well as five increases to existing initiatives, had been adopted under the rapid response pillar with a budget of EUR 269.9 million, along with 29 initiatives (including 14 new ones) responding to foreign-policy needs with a budget of EUR 91.4 million. 30 new contracts were also signed under the global threats component with a budget of EUR 68.4 million while implementation continued for actions from previous years (145 ongoing for approximately EUR 127 million).

([47]) EUR 800 million will be channelled through IPA III.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 1 848.0 | 3 536.7 | 3 200.4 | 3 979.0 | 3 979.0 | 3 979.0 | 3 626.5 | 24 501.1 | **31%** |
| **Biodiversity mainstreaming** | 529.7 | 853.3 | 1 079.4 | 970.0 | 1 000.0 | 1 020.2 | 1 050.0 | 6 502.3 | **8%** |
| **Clean air** | | | | | | | | | |

A higher climate spending target (30%) has been set by the co-legislators for NDICI – Global Europe for 2021-2027 compared to the previous programming period (20% for 2014-2020). Ursula von der Leyen, President of the European Commission, pledged an additional EUR 4 billion in her 2021 State of the Union address.

As indicated in the table, 2021 data showed a performance level on the order of 18%, and 24.5% for 2022. The cumulative 2021-2022 figures resulted in contributions of 22% to the climate spending target. 2023 figures continue to show a positive trend, which places the overall figures closer to the targets to be achieved over the course of the entire 2021-2027 period. Positive trends will be reinforced after the midterm review, as climate is an essential component of the global gateway strategy, which is being mainstreamed across the programming documents. To ensure the delivery of the climate target, a number of actions are currently being put in place, including the following:

(a) strengthening of internal processes for the integration of climate change and biodiversity in the formulation of new actions, including the revision of existing guidance and manuals, or the development of specific webinars and trainings;

(b) significant outreach to EU delegations to reinforce knowledge and increase awareness with regards to the integration of climate change and support to biodiversity in the EU external action;

(c) operationalisation of the 'Green knowledge' hub comprising several technical assistance facilities in support of climate and biodiversity actions providing high-level policy advice and technical assistance, relevant knowledge, data, tools, products, and trainings.

– In the course of 2021-2023, as part of the implementation of the global gateway, Team Europe initiatives were developed. These included the TEI on adaptation and resilience in Africa, the green and blue alliance for the Pacific, or energy efficiency in buildings in the Southern Neighbourhood, just to cite a few.

Regarding biodiversity more specifically, the figures for 2022 and preliminary estimates for 2023 are consistent with the pathway provided in the NDICI – Global Europe programme statement. In 2022, the programme contributed 6.10% to biodiversity. Preliminary estimates for 2022 are around 8.10%, confirming the positive trajectory year after year. Pending final verification, spending under NDICI – Global Europe is in the range of the 7.5% target for 2024 defined for the whole multiannual financial framework. These efforts must be sustained in the second part of the framework, with a view to meeting the Commission's political ambitions for biodiversity. Therefore, a comprehensive approach that combines the development of a

substantial portfolio of biodiversity-related actions and the mainstreaming of biodiversity into relevant sectors and actions continue to be deployed. Under the NaturAfrica initiative, it is confirmed that more than EUR 1 billion will have been allocated to biodiversity projects in sub-Saharan Africa between 2021 and 2024.

Accelerating the **global energy transition** is one of the priorities of the EU: energy is very prominent in its dialogue with partner countries and the list of global gateway flagships, covering a wide range of energy solutions, from hydropower to geothermal plant, but also green hydrogen, solar plant or biogas, transmission lines and regional interconnections as well as energy efficiency in buildings. In 2023, the implementation of the Just Energy Transition in Coal Regions – Inter-regional platform continued, promoting just energy transition pathways away from coal. In the Neighbourhood of the EU, following the successful coupling of electricity grids with Moldova and Ukraine, work has continued in the alignment of energy policies and energy market integration with, Moldova, Georgia and Ukraine, including support to investments. Moreover, the implementation of the TEI Africa-EU green energy initiative has been an important milestone in 2023. At the COP28 conference, Executive Vice President of the European Commission Maroš Šefčovič announced a pledge of more than EUR 20 billion from Team Europe partners of this initiative (12 Member States, the European Investment Bank and the European Bank for Reconstruction and Development).

**Contribution to gender equality (million EUR)** (*)**:**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | 178.5 | 143.9 | 630.0 | 952.4 |
| 1 | 8 658.5 | 11 337.3 | 10 948.4 | 30 944.2 |
| 0* | | | | |
| 0 | 1 843.6 | 909.3 | 372.9 | 3 125.8 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- NB: the numbers provided for 2023 are provisional and subject to quality review.
- According to the NDICI – Global Europe regulation, at least 85% of new initiatives implemented should have gender equality as a principal or a significant objective, as defined by the gender equality policy marker of the Development Assistance Committee of the Organisation for Economic Co-operation and Development. At least 5% of these actions should have gender equality and women's and girls' empowerment as a principal objective. On 25 November 2020, the gender action plan III (2021-2025), a joint communication from the Commission and the High Representative of the Union for

Foreign Affairs and Security Policy, was adopted with the same objective of 85% towards the total number of adopted initiatives, following the Development Assistance Committee's methodology.

- The Commission's gender expenditure tracking methodology for the EU budget is in line with the Development Assistance Committee's gender equality policy marker methodology. Score 2 equals G2 and implies that gender equality is a principal objective; score 1 equals G1 and implies that gender equality is a significant objective; score 0 equals G0 and means that gender equality is not targeted.
- For 2022, under NDICI – Global Europe, 10 actions were marked as score 2, 417 actions were marked as score 1 and 128 were marked score 0, which gives a percentage of 77% of actions marked as score 1 or 2, of which 2.3% were marked as score 2. Data for 2023 had not yet been stabilised when this report was drafted.

**1. Making the NDICI – Global Europe regulation deliver for implementation of the gender action plan III**

– The gender action plan III has fostered a policy-driven, context-specific approach, in a Team Europe spirit. Country-level implementation plans are in place in 125 NDICI countries. Set up by EU delegations in cooperation with EU Member States and based on meaningful consultations with partners including civil society and women's rights organisations, they are the political and operational roadmaps for EU action for reaching NDICI – Global Europe gender targets and objectives. The simultaneous launch of the plan and the 2021-2027 programming cycle have significantly improved policy-programming alignment, resulting in increased actions and funding for gender equality and women's and girls' empowerment.

– A significant number of EU delegations have an up-to-date gender analysis at the country level, along with a sector analysis, and they have put measures in place to ensure the use of gender-specific and sex-disaggregated data, which are essential tools to ensure the high-quality mainstreaming of new initiatives.

– The EU also aims to ensure that investments mobilised through the European Fund for Sustainable Development (EFSD+) include a gender perspective. For instance, the Commission is working with international and development finance institutions to increase the impact of innovative finance on promoting gender equality and women's economic empowerment; to jointly enhance the expertise of financial officers on gender-mainstreaming; and to monitor the implementation of operations. In 2022, 75% of all reported NDICI EFSD+ guarantees and blending operations had gender equality as a significant or main objective.

**2. Implementation of the gender action plan III by thematic area of engagement**

– Combating gender-based violence is a priority for the EU in most partner countries, where many targeted interventions have been adopted or are under preparation to promote legal and policy reforms, changes in social norms and support for survivors.. In the previous multiannual financial framework, unprecedented support for the fight against gender-based violence was channelled through the EUR 500 million Spotlight initiative implemented in partnership with the United Nations. The initiative was showcased at the 2023 Sustainable Development Goals Summit as one of the 12 high-impact initiatives contributing to transformative progress and acceleration towards the SDGs. To build on the results and ensure the sustainability of the programme, in 2023, the EU has launched the high-impact programme for violence elimination by 2030

(EUR 16.5 million), which notably supports effective country programmes, increased global awareness and knowledge-sharing.

– For instance, in 2023, new targeted programmes (score G2) to combat violence against women and girls, improving prevention and survivor-centred services have been adopted for Bolivia (EUR 3.5 million), Colombia (EUR 3.8 million) and Paraguay (EUR 4 million). In El Salvador, the focus of a EUR 4 million intervention lies on the protection of girls and adolescents from gender-based violence and early pregnancy. In Bangladesh, a EUR 10 million score 2 project seeks to strengthen prevention and response to gender-based violence in the public sphere and at the workplace.

– The EU also continues its efforts to end gender-based violence in the Neighbourhood. For example, the EU support to women empowerment programme in Egypt (EUR 1 million) seeks to strengthen protection, response and prevention services that address gender-based violence.

– In the area of sexual and reproductive health and rights, in December 2022 the Commission and 10 Member States, in collaboration with sub-Saharan African partners, launched a regional Team Europe initiative for sub-Saharan Africa with a particular focus on adolescent and young women. Funding from the EU budget notably includes EUR 60 million in new funds for 2023-2027, in addition to EU Member States' financial contributions. Moreover, as part of the focus of the EU Resilience Facility for Azerbaijan (EUR 13.5 million), the European Commission supports women's access to economic opportunities, gender based budgeting, as well as social infrastructure and services. The Commission is also a long-standing partner of the United Nations Population Fund, including support for the fund's Supplies Partnership focusing on contraceptives and maternal health medicines, with a new score 2 commitment of EUR 45 million in 2022. Furthermore, the EU has made a record contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria (EUR 715 million for 2023-2025).

– Women's economic and social empowerment is a priority for the Commission. It is key to achieving poverty reduction, inclusive and sustainable growth in the framework of the UN 2030 Agenda for Sustainable Development and holds enormous potential for economic growth in our partner countries. The Commission promotes women's economic empowerment through (a) support to regulatory and policy reforms and practices to tackle the underlying direct and indirect barriers women face in their economic participation; (b) increased investments targeting women's economic empowerment, such as through the EFSD+ and the global gateway investments, and (c) targeted actions supporting increased economic opportunities for women, such as through support to women entrepreneurs and increased access to finance (c) working with business support services and other ecosystem actors to ensure that there an offer for women led business adapted to their needs and constraints (d) by promoting more and better access to education which is a key factor that will result in higher economic empowerment. For example, through the regional programme supporting women's economic empowerment in the Southern Neighbourhood (EUR 5 million), the European Commission seeks to support the economic empowerment of women focusing on the nexus between financial inclusion, access to finance and digitalisation.

– For instance, in 2023, the EU increased the funding for the Investment Climate Reform Facility, which works with public and private partners in African, Caribbean and Pacific countries, to focus on business environment reforms that support women's full participation in the economy. Among other, the facility supported the Tanzania Agricultural Development Bank to launch a gender scheme that will address financial and non-financial challenges women and youth face by relaxing some of the terms and

conditions of existing bank products, allowing for wider access to credit facilities throughout the value chain.

– As regards gender-lens investing, the EU is working closely with international and development financing institutions to increase the impact of innovative finance and to further integrate a gender perspective in investments made by the European Fund for Sustainable Development Plus (EFSD+). For instance, in 2023 the European Investment Bank, with the backing of the Commission, signed EUR 158 million in loans dedicated to women entrepreneurs and/or small and medium-sized enterprises (SMEs) providing quality leadership and employment opportunities for women, or services and products that close gender gaps. It is also at the centre of the 'Investing in young business in Africa' TEI, that brings together 11 Member States, the European Investment Bank, the European Bank for Reconstruction and Development and the European Development Finance Institutions to mobilise more and better financial and non-financial support to early-stage business, with an emphasis on women.

– The EU promotes gender-responsive and disability-inclusive social protection and care policies through sector interventions, public finance management reform and gender-responsive budgeting in partnership with the International Labour Organization, Unicef, the Global Coalition for Social Protection Floors and national partners. As an example of country-level intervention, the EUR 59 million 'Gender Responsive Social Protection – Kutukula Amai' programme (score G2) in Malawi, adopted and launched in 2023, will empower Malawi's poorest and most vulnerable girls and women by enhancing the effectiveness of the Malawi national social support programme, enhancing access to social services and reinforcing complementary services to support women's economic resilience and livelihoods. Supporting the development and implementation of gender-responsive care policies has also been one of the main priorities for EU cooperation with the Latin American region. At the EU–Latin America and the Caribbean Forum in 2023, the Commissioner for International Partnerships announced the new EU programme 'Inclusive Societies in LAC'. The EUR 60 million programme (score G2), contributing to a Team Europe initiative, aims to tackle gender and other inequalities, reduce poverty and social exclusion and enhance social cohesion within/among Latin American and Caribbean countries. It envisages a strong focus on gender equality and women's empowerment, addressing intersectionality with other forms of discrimination. It also seeks progress in social policies and inclusion with a focus on the bottom 40% income households, while encouraging social investment and innovation to foster just transitions. EU funding will start operations in 2024.

– The 'Gender for development Uganda' action adopted in 2023 contributes to the TEI on demography and social inclusion. The action is composed of two components: (i) adolescent girls' education (indicative EU budget: EUR 40 million) and (ii) reducing gender-based violence, including sexual violence, and promoting the building of sexual and reproductive health and rights on the successful spotlight initiative in Uganda (indicative EU budget: EUR 20 million). The second component of the action, building on the ongoing spotlight initiative, will aim at reducing forms of gender-based violence that contribute to girl-child school drop-outs and promoting sexual and reproductive health and rights at the national and sub-national levels. In a TEI approach, significant funding from both the German and Belgian Federal Governments will complement the EU contribution to increase the scope and impact of the action.

– To promote equal participation and leadership, in 2023 the Commission launched the women and youth for democracy programme (EUR 40 million), which will support women and youth-led initiatives, including capacity-building and funding for girl-led initiatives to tackle the legal, societal and economic barriers to equal participation The

EU's Youth Empowerment Fund, a EUR 10 million pilot flagship initiative of the youth action plan designed by, with and for young people, will provide and facilitate access to vital resources for young women and men to contribute to the sustainable development of their local communities and societies in EU partner countries to reach the objectives of the UN 2030 Agenda for Sustainable Development. The activities of the Youth Empowerment Fund started in late 2023 and the first grants will be distributed in 2024. The digital democracy initiative (EUR 51 million), launched in 2023 and co-funded by the EU and Denmark, includes a focus on threats and opportunities to women's online democratic participation. An example of gender-responsive action for women's equal participation and leadership at the country level is the EUR 15 million civil society support programme 'Cidadania activa' in Mozambique, which aims at enhancing civic engagement, including the participation of civil society organisations representing women, youth and persons with disabilities, in democratic participation and accountability processes, thus contributing to strengthen inclusive and participatory democracy in Mozambique. In Lebanon, through the 'Women empowerment' hub in Lebanon (EUR 6 million), the Commission supports political mentoring and coaching services to prepare women for political work and enhance their political skills.

– The EU action plan on women, peace and security was integrated as one of the thematic areas of engagement of the gender action plan III. It was implemented in 2022 and 2023 with initiatives shown below.

– In 2023, under the conflict prevention, peacebuilding and crisis preparedness pillar: the Commission continued contributing to the Global Survivors Fund (EUR 2 million under the 2022 annual action programme). The fund has provided reparations and other forms of redress (including medical interventions, psychological and/or psychiatric support and economic compensation) to 2 267 survivors of conflict-related sexual violence in the Democratic Republic of the Congo, Guinea, Iraq and Türkiye.

– In addition, the Commission funded the UNWOMEN project 'Promoting Women Peace and Security' with military stakeholders in transition countries in Africa, namely the Central African Republic and Mozambique. The project works to enhance women's inclusion and integration among military actors, and to ensure that armed forces are better prepared to integrate a gender perspective in the planning and conduct of operations and activities.

– Under the rapid response pillar, in 2023 the Commission continued to mainstream gender equality in its crisis response support to Ukraine.

– In Moldova, a EUR 4 million project supported the resilience of host communities and local authorities in their response to the arrival of Ukrainian refugees. The action focused on access to basic services, including the reception, referral and protection of individuals with enhanced vulnerability to sexual exploitation and trafficking such as women and children.

– Three projects supported victims of conflict-related sexual violence (EUR 6 million). (1) A project implemented by the Ukrainian Women's Fund strengthens local organisations as first responders to victims of conflict-related sexual violence in Ukraine. (2) A project implemented by Global Rights Compliance provides hands-on support and expertise on investigating cases of conflict-related sexual violence to the Office of the Prosecutor General of Ukraine via mobile justice teams. (3) A project implemented by the UN Special Representative of the Secretary-General for Conflict-Related Sexual Violence will support the government of Ukraine with specialised women protection advisors in line ministries and the implementation of the national action plan on violence against women.

– In Cameroon, a EUR 17 million civil society support programme will strengthen the contribution of women's organisations, women's rights defenders and civil society organisations in general to multi-partner efforts to protect displaced populations, in an effort to contribute to resilience, social cohesion and dialogue for peace in crisis-affected communities in the north-west and south-west regions, including neighbouring regions hosting displaced populations.

– Efforts to prevent and combat conflict-related sexual violence pursued a victim-centred approach supporting better accountability and the integration of survivors. For example, the EU continued to contribute to the Global Survivors Fund with an additional EUR 2 million in 2023. The fund provides reparations and other forms of redress (including medical interventions, psychological and/or psychiatric support and economic compensation) to survivors of conflict-related sexual violence in the Democratic Republic of the Congo, Guinea, Iraq and Türkiye.

– Efforts to advance gender equality and women's empowerment in the Eastern Partnership region continued through support from the 'EU4 Gender Equality Reform Helpdesk' project, with an additional EUR 3 million allocated in 2023 for a second phase. A virtual forum in 2022 facilitated dialogue among civil society organisations in the Eastern Neighbourhood on collaboration opportunities for gender equality and women's empowerment. Key discussions included implementing the Women, Peace, and Security Agenda, addressing forced displacement, trafficking and security concerns. In May-June 2023, four webinars on 'Gender equality in the security sector' enhanced the capacity of gender focal points within the National Police of Ukraine.

– The gender action plan III introduced a new and innovative focus on the promotion of gender equality in the formulation of green transition and digital transformation policies and operations.

– For instance in 2023, the Commission adopted the action 'Skills for employment' in Mozambique (EUR 15 million), contributing to the TEI 'e-youth and green deal', with a focus on technical and vocational education and training, gender-sensitive insertion of youth in the labour market and support to young entrepreneurs, in particular women-led start-ups, through access to business development services (incubators, accelerators, training and mentoring technical assistance, and access to funding) with a focus in green and digital areas.

– As a major contributor to international public climate finance, the EU supports gender-responsive approaches through programmes for bilateral cooperation or through multilateral initiatives and platforms, supporting governments to adopt gender-responsive climate mitigation and climate-adaptation plans that involve women, girls and youth from a variety of backgrounds, along with local and marginalised communities. For instance, the TEI on 'Green recovery' in Nepal launched in February 2023 and will support the country's efforts to recover from the COVID-19 pandemic and grow greener through more jobs, energy access, increased resilience of society to shocks by better services in water supply, sanitation, nutrition and education, all while fostering increased participation of women in leadership and the economy. Moreover, the EU support to women empowerment programme in Egypt, for example, aims to support women and girls' empowerment and to promote overall gender equality. The action seeks to work towards these objectives also through the promotion of financial and digital inclusion, to strengthen women's access to sustainable income and climate-friendly economic opportunities. Moreover, through the State and Resilience Building Contract for the Republic of Moldova, aiming to assist Moldova in mitigating the socioeconomic impact of the rising energy prices and in the energy transition, special

focus is dedicated to gender equality – including in terms of socio-economic inclusion and support.

– Score 0 programmes related to support measures and administrative costs, but also to initiatives in gender-relevant sectors like migration, water management, electoral observation and other sectors. To improve the quality of gender mainstreaming and to increase gender-targeted actions and funding, the EU will continue to enhance quality-review processes (including for the global gateway flagship projects and TEIs) to make sure that the gender equality policy marker criteria of the Organisation for Economic Co-operation and Development's Development Assistance Committee are being met.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | 1 950.9 | 3 043.0 | 2 207.8 | 7 201.6 | **20%** |

– To calculate the above-mentioned values, the commitments for interventions marked with 1 or 2 by the digitalisation marker are aggregated, which is the Global Europe Results Framework indicator 3.2 'Amount and share of EU-funded external assistance directed towards digitalisation'.

– In 2021, the Commission continued to boost digitalisation and digital transformation in partner countries. The African Union–EU data flagship project was launched as a cooperation framework. Work continued in improving digital skills, by publishing a toolkit on digital and data technologies and by proposing e-learning tools and courses on space technologies, cybersecurity and digitalisation. Support for EU delegations and partner countries was strengthened in 2022 by means of various technical assistance facilities and the maturing of multi-stakeholder operations, memberships and outreach within the 'Digital for development' hub. Regional branches of the hub for the Americas and the Caribbean region and the Asia and Pacific region were launched in 2021 and 2022 respectively (in addition to the sub-Saharan Africa branch, which was launched in 2020). In 2023, the Neighbourhood branch of the Digital for development hub was launched. Relations with key multilateral organisations (such as the International Telecommunication Union) were strengthened, and exchanges with other important stakeholders (such as Smart Africa) were multiplied. Specific exchange formats have been created with the United Nations, but also with civil society and the private sector. The first African Union–EU Multistakeholder Forum was organised in March 2022 with support from the Digital for development hub. A support action was launched in 2023 to accompany the implementation of the digital partnerships concluded with Japan, Korea and Singapore, in line with the recommendation of the EU Indo-Pacific strategy.

– 2022 saw a move towards the concrete implementation of actions. Examples of global gateway flagship actions include the Team Europe initiative on data governance, the EurAfrica gateway, regional fibre optic backbones in Africa, the extension of the Bella project, the Team Europe initiative on digital connectivity in central Asia and the Earth

observation flagship project with Africa. The Commission is also ready to start operationalising the Africa–Europe digital innovation bridge. Moreover, the Commission further supported cyber capacity building, especially in African countries, to enable a more efficient response to cyber threats, in addition to cybersecurity being mainstreamed across digital flagship projects.

– In 2023, several delegations across sub-Saharan Africa, Latin America and the Asia-Pacific region were supported through digital connectivity studies (Mozambique, Indo-Pacific region) and technical assistance (Burkina Faso, Democratic Republic of the Congo) through the Knowledge Hub Digital. In Rwanda, the government was supported in the introduction of a digitalised process of obtaining licenses for responsible mineral sourcing.

– The EUR 60 million Team Europe project ‘Data governance in Africa’ was officially signed in 2023. Through this project, the EU and the African Union agreed to leverage the potential of the data economy through the development of data policy frameworks and data use cases to showcase the value of data. Additionally, the project aims to support the identification of investments in green and secure data infrastructure in Africa, by leveraging on partnerships with the private sector and financial institutions.

– Three digital economy packages were launched in Colombia, Democratic Republic of Congo and Kenya in 2023. These serve to foster collaboration between the EU and partner countries to advance digital transformation. Aligned with the global gateway strategy, they focus on critical areas such as private sector engagement, connectivity, governance, cybersecurity and Earth observation.

– In 2023, under the digital alliance, two Copernicus centres were launched in the Latin American and Caribbean region, namely in Chile and Panama. The Chilean centre plays a vital role in enhancing climate change mitigation through the use of advanced geo-spatial information, while the Panama centre focuses on supporting Latin American and Caribbean authorities in disaster prevention and management, offering essential geo-spatial products. Similarly, in Asia, a Copernicus centre was set up in the Philippines to reduce the vulnerability of populations and ecosystems to natural disasters. In Central Asia, the first component of a satellite connectivity programme was launched to create an enabling environment aimed at providing connectivity to the most unserved and underserved populations in the region.

– In 2023 the Medusa project was launched, providing high-speed internet connectivity between the European Union and North Africa. This strategic project aims at digitally connecting the two shores of the Mediterranean. Through the EU4Digital facility, the EU supported the digitalisation of economies in eastern Europe and in the Caucasus through the roll-out of secure and affordable broadband connectivity in rural areas, connecting more than 300 Eastern Partnership research and education institutions with their EU counterparts, benefiting 730 000 students, teachers and scientists; the development of an e-commerce accelerator benefiting 40 EaP SMEs, along with an online digital skills academy for thousands of SME staff to obtain training on how to promote, register, sell and ship their products to the EU. The EU4Digital facility also implemented key pilot projects between Moldova, Romania and Ukraine in the fields of e-customs, including in support of the Solidarity Lanes initiative and as part of wider roadmaps to develop digital transport corridors with the EU.

– EU policies were further strengthened in 2023 by developing internal digital policies and strategies such as the digital connectivity masterplan, the guidelines on education and skills and internal work about data centres) and by strategically supporting such policies while working with partners. This was done, for example, by working with multilateral organisations on strategic topics covered by EU policy (such as digital rights and

principles and artificial intelligence). The EU is also working towards very concrete benefits for people, such as the adoption in 2022 of an action plan on reducing roaming charges in the Western Balkans and the development of a regional roaming agreement to be endorsed with Eastern Partner countries to reduce roaming charges in the region and in the future with the EU. The Commission is also stepping up its efforts to mainstream the digital domain across various thematic sectors, for instance by supporting the African Union in developing strategies on digital health, digital education (finalised in 2022) and digital agriculture (adopted in November 2023). Moreover, interlinkages between the digital and green transitions have been strengthened through the work of the Digital for development hub thematic working group on digital and green.

– In 2023, the EU CyberNet action enhanced its support to the EU's cyber capacity building efforts, including through expertise, project mapping, coordination activities, trainings to EU staff and the completion of the EU's operational guidance for cyber capacity building. The Latin America and Caribbean Cyber Competence Centre, based in the Dominican Republic, gained visibility and recognition in the region.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Proportion of population below the international poverty line | 8.4% | **0%** | 0% in 2030 | No results | No data |
| Number of individuals with access to improved drinking water sources and/or sanitation facilitation with EU support | 0 | **0%** | 25.6 million in 2030 | 6 997 compared to a target of 25.6 million | On track |
| Number of students enrolled in education: (a) primary education, (b) secondary education, and number of people who have benefited from institution- or workplace-based vocational education and | 0 | **0%** | 114.8 million in 2030 | 890 867 compared to a target of 114.8 million | On track |

| | | | | | |
|---|---|---|---|---|---|
| training / skills-development interventions, supported by the EU | | | | | |
| Number of migrants, refugees and internally displaced people or individuals from host communities protected or assisted with EU support | 0 | **1.4%** | 25.1 million in 2030 | 339 810 compared to a target of 25.1 million | On track |
| Number of countries and cities with climate-change and/or disaster-risk-reduction strategies with EU support | 0 | **0%** | 730 in 2030 | 0 | On track |
| Greenhouse gas emissions avoided (thousand tonnes of carbon dioxide equivalent) with EU support | 0 | **0%** | 62.8 million in 2030 | 0 | On track |
| Leverage of investments and multiplier effect achieved | 0 | **0%** | 12 in 2030 | 0 | No data |
| Number of individuals directly benefiting from EU-supported interventions that specifically aim to support civilian post-conflict, peacebuilding or conflict prevention | 0 | **98%** | 49.6 million in 2033 | 48.4 million compared to a target of 49.6 million in 2033 | On track |

(*) % of target achieved by the end of 2023.

In 2023, NDICI contracts are gradually starting to be implemented, which was anticipated in the milestones of relevant key performance indicators. The process before signing a contract and implementation starts can take several months up to more than a year, and also the preparation of the implementation itself takes time. Some indicators achieved their milestones, whereas others are not yet there. At the same time, the implementation of the predecessor programmes is and will still showcase aggregated results and indicate the direction in which the NDICI results should go. Also in the Neighbourhood regions, NDICI has demonstrated its general effectiveness during the reporting period and is on track on delivering against its main objectives, although it still faces some limitations. NDICI has been efficient in deploying a mix of modalities and tools, including budget support, grants, loans and guarantees to holistically respond to its objectives.

As illustrated by the Commission's proposal on the revision of the 2021-2027 multiannual financial framework, there is a mismatch between EU ambitions and the funds available to meet the challenges in the different regions and globally, or respond to the multiplicity of crises, notably in the Neighbourhood. Increased migratory pressures had to be addressed in the absence of adequate funding, also due to the ending of the relevant EU regional Trust Funds. In the case of Neighbourhood, the implementation of the incentive-based approach has proven challenging and insufficient to promote political and economic reforms due to the limited funding available (indicatively 10% of the overall Neighbourhood envelope) and the complexity of assessing the progress along the several criteria set out by the NDICI-Global Europe regulation. The application of the incentive-based approach was further complicated by the negative economic impact of Russia's war of aggression against Ukraine and a democratic backsliding in several partner countries, particularly in the South Neighbourhood.

When looking at the key performance indicator on 'Number of individuals with access to improved drinking water sources and/or sanitation facilitation with EU support', an initial analysis of agreed NDICI action documents that include water and/or sanitation interventions has suggested that the targets will be achieved. There are several larger actions planned under NDICI that support this, such as the 'EU support to Aqaba-Antman Water Desalination & Conveyance Project' in Jordan, working on safe drinking water with a target of 10 900 000 people, the 'Punjab urban water and wastewater governance and services improvement for Faisalabad and Lahore cities' in Pakistan, with a target of 400 000 people and the 'NEPAL Sustainable WASH for all (SUSWA)' with a target of 252 500 people. For these three (and further) interventions, the contracts have been signed but no results have been reported so far; this is expected for the upcoming reporting exercises. Several multiannual indicative programmes and expected actions show a similar trend.

As with other cases of key performance indicators, the one on 'Number of migrants, refugees and internally displaced people or individuals from host communities protected or assisted with EU support' has also yet to start showing very concrete results. However, in line with the NDICI indicative 10% spending target on migration and forced displacement, allocations earmarked for migration featured prominently in country and regional multiannual indicative programmes in 2023, notably in sub-Saharan Africa, North Africa and Asia–Pacific regions, where they are most relevant. Cumulative figures of adopted initiatives in 2021-2022 resulted in contributions to the migration and forced displacement spending target of EUR 3.364 billion, or around 14% of the total NDICI annual budget. In 2023 the EU increased its engagement with partner countries in support of comprehensive Migration Partnerships, in line with the EU Pact on Migration and Asylum ([48]). Migration dialogues were strengthened and accompanied by significant EU funding support, taking partner countries' needs and priorities into account. Joint engagement with Member States in a Team Europe approach was strengthened in the area of migration and forced displacement. Two regional flagship TEIs launched in December 2022 and started to pick up speed in addressing all aspects of migration management, following a whole-of-the-route approach, notably along the

([48]) https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/promoting-our-european-way-life/new-pact-migration-and-asylum_en.

central and western Mediterranean and Atlantic migration routes. A regional TEI addressing the situation of Afghan refugees in neighbouring countries, was also launched in 2023.

As regards the key performance indicator 'Number of individuals directly benefiting from EU-supported interventions that specifically aim to support civilian post-conflict, peacebuilding or conflict prevention', the corresponding actions were adopted only in late 2021. Regarding non-programmable actions under the rapid response pillar, crisis-response actions continued to display a high degree of flexibility and timeliness. The most important achievements of 2023 include the continued response to the war of aggression against Ukraine, with six crisis response packages for Ukraine and an additional two for Moldova. It also included significant responses in both the Western Balkans and in the South Caucasus in relation to Armenia and Azerbaijan, along with responses to new crises during the year, such as the January earthquake in northwest Syria, the war in Sudan that broke out in April, and the war in Gaza following the 7 October attack by Hamas. Furthermore, ongoing and new crises were addressed in a variety of countries and regions, including Afghanistan, the African Great Lakes region, Armenia/Azerbaijan, Belarus, Ecuador, Haiti, the Horn of Africa, Libya, Myanmar, Nigeria, the Sahel region and Yemen.

NDICI demonstrated adaptability and responded well to emerging crises. Various flexibility features in the NDICI have proved their relevance to pursue EU priorities and to provide support to partner countries in the context of the COVID-19 pandemic and the Russian war of aggression against Ukraine, notably in the Neighbourhood. However, 3 years into implementation, the cushion has almost been depleted, showing a mismatch between available funds and actual needs.

The ongoing Russian war of aggression in eastern Ukraine has had a direct negative impact on the region's socioeconomic development, decreasing the levels of community security and disrupting the ability of local governments to adequately address the needs of the people. This has worsened the inequalities and further eroded trust in public institutions, especially in judiciary and law enforcement. To address these challenges, the European Union finances the EUR 40 million project 'EU Support to the East of Ukraine – Recovery, Peacebuilding and Governance', implemented by the UN Development Programme, UN Women, the UN Population Fund and the Food and Agriculture Organization. One of the objectives is to stimulate employment and economic growth.

Through NDICI, good administration was supported, as the cornerstone for preventing corruption and fostering an environment conducive to investment and business. A notable example was Ukraine, which lacked a comprehensive administrative procedure framework, relying instead on over 400 laws and thousands of pieces of secondary legislation that offered various approaches. The new Law on Administrative Procedure, a legislative effort of some 20 years, took effect on 15 December 2023 to remedy this and the EU supported the Ukrainian government in a comprehensive manner. The EUR 18 billion EU Macro-Financial Assistance Plus Instrument for Ukraine included a conditionality, mutually agreed upon by the Ukrainian government and the EU, to ensure the alignment of sectoral legislation with the new law. This condition played a significant role in mobilising stakeholders support for the law's implementation process as part of the EU–Ukraine policy dialogue.

Three new Neighbourhood countries, Moldova, Georgia and Ukraine, became enlargement countries in 2022. Given that Instrument for Pre-accession Assistance III beneficiaries are defined in the annex of the related regulation, these three countries will continue to receive support to their EU accession process under the NDICI-Global Europe Instrument.

In 2023, the Commission was involved in the implementation of four distinct Just Energy Transition Partnerships (JETPs) with Indonesia, Senegal, South Africa and Vietnam, striving to deliver support and ambition for just energy transitions. The EU, together with other Group of Seven (known as G7) partners, concluded a JETP to support Senegal's efforts to achieve universal access to energy and consolidate a low-carbon, resilient and sustainable energy system to accelerate the deployment of renewable energies. Senegal pledged to increase the share of renewable energies in the electricity mix to 40% by 2030.

Renewable hydrogen is expected to play a key role for energy security and for decarbonisation of hard-to-abate sectors, with mutual benefits for EU and its partner countries, and the EU focused many assignments of the EU Technical Assistance Facility for Sustainable Energy on this topic, in Latin America, Africa and Asia. One of these assignments contributed to the launch of the Green Hydrogen Strategy and Roadmap of Kenya at the Africa Climate Summit in September 2023. Other examples of support from the EU in Africa include Mauritania, Namibia and South Africa. In 2023, the EU also signed memoranda of understanding with Argentina and Uruguay to develop cooperation on renewable hydrogen.

Digitalisation was at the forefront of NDICI – Global Europe. In 2022, the Commission gave a grant of EUR 40 million to the European Investment Bank to support the Medusa project: the deployment of a state-of-the art submarine cable connecting the Southern Neighbourhood. The Medusa submarine cable system is an initiative for a high-capacity, low-latency solution to connect North Africa with Europe. This flagship infrastructure project is intended to become operational in 2025 and will significantly improve connectivity capacity towards Europe, quality of service and resilience, as it will provide an alternative path for data traffic towards targeted EU routes. In Rwanda, the government was supported in the introduction of a digitalised process of obtaining licenses for responsible mineral sourcing.

Furthermore, the EU made a commitment that at least 85% of all new external actions will have gender equality and women's and girls' empowerment as a significant or principal objective by 2025. For 2022 (the latest-known score), this percentage was 77%, or 427 out of 555 actions. This is leading to positive developments. For example, 23% of new actions that support public finance management reforms currently include a gender-budgeting component, which is beyond the 20% gender action plan III target.

Actions under NDICI also focus on horizontal priorities. Within this framework and, against the background of the gender action plan III and its key thematic areas of engagement, the European Commission's efforts towards gender equality and women's empowerment should take into account the challenges and opportunities offered by the green transition and the digital transformation. In this sense, actions financed under the NDICI instrument also approach gender equality from an intersecting point of view, by focusing on cross-cutting themes. The EU support to women empowerment in Egypt, for example, aims to support women and girls' empowerment and to overall promote gender equality. The action seeks to work towards these objectives also through the promotion of financial and digital inclusion, to strengthen women's access to sustainable income and climate friendly economic opportunities. Moreover, through the State and Resilience Building Contract for the Republic of Moldova, aiming to assist Moldova in mitigating the socio-economic impact of the rising energy prices and in the energy transition, special focus is dedicated to gender equality – including in terms of socioeconomic inclusion and support.

In 2023, the midterm evaluation of the implementation of the gender action plan III took place, providing two conclusions on the results. On one hand, the plan has provided greater specificity on what the EU means by women's economic empowerment, including important concepts of intersectionality and transformative change, but despite new opportunities for action in areas such as digital transformation and green economy, there is still more continuity than change in terms of what is being supported by EU external action. Furthermore, through the different gender action plans, the EU has made increasing commitments to women, peace and security, culminating in its identification in gender action plan III as a thematic priority requiring a transformative approach. However, the women, peace and security agenda has been lagging behind the broader gender equality and women's empowerment mainstreaming agenda. Further information on the gender action plan III implementation is available in the 'Horizontal priorities' section.

NDICI demontrated effectiveness in using the whole EU tool box for pursuing its objectives (such as grants, budget support and guarantees) In 2021-2023, the Commission made available EUR 12.6 billion of guarantee cover for European Investment Bank loans and EUR 399 million of guarantee cover under the 'open architecture' part of EFSD+ for the Neighbourhood. Negotiations of guarantee agreements are

underway for another EUR 1.2 billion of EFSD+ guarantee cover to be deployed in the Neighbourhood. As regards European Investment Bank loans, under EFSD+ Investment Window 1, which is dedicated to public sector investments, eight operations amounting to around EUR 850 million in loans and expected to mobilise EUR 2.9 billion of investments were approved in 2023 for neighbourhood countries. In addition, 26 blending operations were approved, for a total EU contribution of more than EUR 340 million. All investments contribute significantly to the implementation of the Economic and Investment plans for the Eastern and Southern Neighbourhoods.

# 2014-2020 multiannual financial framework – Development Cooperation Instrument

The Development Cooperation Instrument was the main financial instrument in the EU budget for funding aid to developing countries during the 2014-2020.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 19 969.4 | 19 970.1 | 100.0% |
| **Payments** | 14 979.5 | | 75.0% |

- To achieve its objectives, the Development Cooperation Instrument provided funding for: (1) geographical programmes covering most developing countries (approximately 60% of the instrument's budget); (2) thematic programmes (approximately 36%); (3) the Pan-African programme, which supports the Africa–EU Strategic Partnership (approximately 4%).
- The Development Cooperation Instrument is expected to complete its operations by the end of 2027. The remaining payments are mostly for Asia and the Middle East (49%).
- As the instrument winds down, 2023, has not seen significant new contracts signed. In Asia, while new contracts amounted to EUR 58 million, all new engagement were below EUR 10 million. Likewise in Latin America, where contracting amounts to EUR 23 million.
- In Asia and the Middle East, payments decreased, from EUR 734 million in 2022 to EUR 616 million disbursed in 2023. However, ongoing commitments still amount to EUR 1,529 million. Bangladesh, Iraq and Pakistan account for one third of the total disbursements.
- Latin America accounts for 20% of the remaining payments, which will occur over the next following years. For this region, the importance of sustainable investments continues to grow. The Development Cooperation Instrument's contribution through the Latin America Investment Facility continued 2023. The level of investment leveraged based on this contribution amounts to approximately EUR 3 billion. By the end of 2023, EUR 368 million have been paid out.
- In Latin America, EUR 216 million were disbursed in 2023, with ongoing commitments already down to EUR 401 million. Bolivia, Paraguay and Nicaragua accounted for 40% of disbursements, while almost one quarter of payments were managed centrally by Headquarters.

– The EU Trust Fund for Colombia continued to support the implementation of the peace agreement between the Colombian government and the FARC (the Revolutionary Armed Forces of Colombia). The trust fund has financed 34 projects, amounting to EUR 130 million.

– The midterm evaluation conducted in 2017 also considered the Development Cooperation Instrument to be generally cost-efficient when looking at indicators measuring organisational performance. It was considered to be largely on track to deliver on its objectives. Drawing on the report of the UN Secretary-General on SDG Progress in 2019, this conclusion can be extended for the full MFF 2014-2020.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Number of projects to promote democracy, the rule of law, good governance and respect for human rights | 0 | **> 100%** (*) | 100 in 2021 | Average of 167 projects compared to a target of 100 | On track |

(*) % of target achieved by the end of 2023.

– The specific, diverse and rapidly changing context of EU external action requires the use of all the existing implementation means and delivery methods to pursue the policy objectives and operational priorities. With a budget of approximately EUR 20 billion, the Development Cooperation Instrument has been a key financing instrument to support EU development policy.

– By using the Development Cooperation Instrument, the EU financed measures aimed at supporting geographic and thematic cooperation with developing countries.

– The Development Cooperation Instrument was monitored by the EU Results Framework. The final evaluation of the external Financing Instruments under the previous (2014-2020) multiannual financial framework is underway, together with the midterm evaluation of the external financing instruments under the current (2021-2027) multiannual financial framework. The ‘Mid-term review report of External Financing Instruments’ for 2014-2020 was published in 2017.

– The EU’s financial support via the Development Cooperation Instrument has improved the lives of millions of people worldwide, enabled young people to fulfil their potential, helped to fight inequality and supported equitable and sustainable growth.

– However, it remains difficult to measure the direct impact of the 2014-2020 Development Cooperation Instrument on development outcomes such as poverty reduction, because there are so many other contributing actors and factors, and separating the specific effect of the Development Cooperation Instrument is challenging.

- With the above caveat in mind on the impossibility of establishing a direct link with the programme measures, most of the population residing in Development Cooperation Instrument partner countries has seen progress in poverty reduction and human and economic development over the last 10 years.
- Indeed, the proportion of the world population below the international poverty line dropped every year between 2014 and 2019, when it reached 8.5%. Similarly, the mortality rate of children under the age of 5 and the prevalence of stunting also decreased every single year between 2014 and 2021. For these figures there is no newer data available.
- Despite these positive trends, the rates of change have slowed over time as numbers have approached (but not reached) their ambitious targets. The prevalence of stunting is the exception for which targets have consistently been met.
- On the other hand, most international indicators point to a sustained global decline in democracy and the rule of law over the last decade or more. Funding through thematic, regional, and country programmes has been shaped by analysis of these trends. Most programmes identify democratic governance as a key area of support and thematic programmes address some of the most problematic issues, for example through support to parliaments, political parties and independent media.

# 2014-2020 multiannual financial framework – European Neighbourhood Instrument

The European Neighbourhood Instrument financed, for the 2014-2020 period, the European neighbourhood policy, which aims at supporting political, economic, and social reform processes in the EU's neighbouring countries.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 17 566.4 | 17 568.3 | 100.0% |
| **Payments** | 13 034.2 | | 74.2% |

- As of 31 December 2023, the whole of the European Neighbourhood Instrument envelope was committed, and 80.9% was paid.
- In average 2.1 years are needed to pay the total costs of legal commitments, less than the internal Commission target of 4 years for external action programmes. The implementation of the European Neighbourhood Instrument payment appropriations is

expected at the level of EUR 727.6 million in 2024, and EUR 460 million in 2025. This should bring the implementation rate up to 78.3% at the end of 2024 and 81.0% at the end of 2025.

– 39.5% of European Neighbourhood Instrument payments in 2023 were dedicated to social infrastructure and services, 21.1% to humanitarian aid, and 17.2% to economic infrastructure and services, 10% to production sectors and 6.7% to multisector measures.

– Moreover, 57.5% of payment appropriations were implemented through direct management (out of which 44.5% through trust funds and 44.2% through EU Delegations), 29% through indirect management (out of which 39.1% through international organisations, 20.7% through European investment bank/fund, 18.7% through public law bodies and 16.8% through private law bodies with a public service mission) and 4.2% through shared management.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Eastern Partnership – mobility partnerships in place | 3 | **> 100%** | 4 in 2023 | 6 compared to a target of 4 | On track |
| Southern neighbourhood – mobility partnerships in place | 1 | **67%** | 4 in 2023 | 3 compared to a target of 4 | Moderate progress |
| Number of ministerial, platform and panel meetings under the Eastern Partnership | 0 | **< 0%** | 90 in 2023 | 48 meetings compared to a target of 90 | Deserves attention |

(*) % of target achieved by the end of 2022.

– The European Neighbourhood Instrument remained relevant and overall fit for purpose. It allowed the EU to implement the reviewed Neighbourhood Policy. The implementation of the principle of differentiation, which was still paramount in 2018-2020, has allowed the EU to adapt its support to partner countries' needs and ambitions.
– ENI proved to be a flexible instrument, by allowing the EU to react to multiple crises and new challenges in the Neighbourhood. A part of the ongoing assistance covered by the instrument was repurposed to tailor- made interventions, following the Russia's war of aggression against Ukraine. On top of that, unallocated funds were mobilised quickly to sign new contracts to respond to urgent needs, especially at the grass root level.

- However, its flexibility was stretched to its limits in financial terms, and the indicative allocations had to be modified beyond the 10% range set in the multiannual programmes. This constraint remained valid from 2018 to 2020 and was addressed via the introduction of flexibilities in NDICI-Global Europe.
- The EU managed to increase its visibility in a difficult environment. The EU continued to assist Neighbourhood countries in tackling the causes of instability through a sustained focus on good governance and the rule of law and human rights, both in the Eastern and Southern Neighbourhood. This dovetails with the work on implementing the Eastern Partnership agenda which calls for a more flexible, strategic, and streamlined way that is fit for the fundamentally new geopolitical context resulting from the Russian war of aggression against Ukraine and the Council conclusions of June 2022 for Ukraine, Moldova and Georgia. The contribution of the European Neighbourhood Instrument to good governance and the rule of law is reflected, for example, in the fact that Georgia, Moldova, and Ukraine demonstrated several achievements in these areas. This progress was also included in the 2023 enlargement reports.
- ENI has demonstrated efficiency in deploying a mix of modalities and tools, including budget support, grants, loans and guarantees to holistically respond to its objectives. A notable example is the Integrated Territorial Development-Budget Support Contract which, aims to promote regional development by increasing competitiveness and improving the living conditions of the population in the regions outside of Tbilisi and Batumi. Reducing regional inequalities and increasing territorial cohesion are at the centre of the Regional Development Programme, which targets all regions of Georgia. Implementation of activities under the programme started already in 2021 and the first tangible results were achieved in 2022, such as support to SMEs (trainings and entrepreneurship discovery), improvement of key infrastructure and municipal services (kindergartens, transport, street numbering, parks and other public facilities). In addition, the programme also promoted citizen participation in Georgian cities and communities to ensure higher relevance of local policy to the needs of local population.
- ENI has also continued to provide support for the green transition to partner countries in the Eastern Neighbourhood, in line with the external dimension of the European Green Deal ensuring a sustainable and green economic recovery. For example, EU for Climate Action in the Southern Neighbourhood (2018-2025) provides technical assistance to support the transition of Southern Neighbourhood countries towards sustainable, low-carbon and climate resilient development. By 2020, the project had reached 9 million people in eight countries through the development and implementation of sustainable energy and climate action plans. Six communication campaigns have been held; 138 cities have been trained and have benefited from a help desk on the Covenant of Majors; 420 cities' staff have been trained on developing sustainable local actions that helps municipalities drafting - and seeking funding for - their Sustainable Energy and Climate Action Plan (SECAP). By January 2024, the project reached 28 million people in 10 countries (8 southern Mediterranean countries plus Iraq and UAE) and in 189 cities, members of the Covenant of Mayors for the Mediterranean. Furthermore, 92 cities and unions of municipalities, with a population of 8,787 million, prepared Sustainable Energy and Climate Action Plans (SECAPs) in 69 published documents. The percentages of SECAP projects implemented and under implementation per country are: Egypt 80%, Jordan 47%, Lebanon 100%, Morocco 35%, Palestine 72%, and Tunisia 61%. Additionally, 8 Climate Action Strategies and 1 Climate Finance Guidebook were completed.
- Some 10.5 million beneficiaries were supported in 2014-2023 by the EU Regional Trust Fund in Response to the Syrian Crisis. In the eastern neighbourhood at least EUR 230 million has been spent, focusing mainly on legal migration – including mobility, circular migration, and diaspora cooperation – and on border management
- The opening of accession negotiations with Ukraine and Moldova and the granting of candidate status to Georgia have paved the way to the need to recalibrate the Eastern

Partnership. As regards to the indicator ‘‘Number of ministerial, platform and panel meetings under the Eastern Partnership’’ the trend is not positive. In line with the request of a lighter institutional framework of the Eastern Partnership by Member States and EaP partners at the EaP Ministerial Meeting in December 2022, in 2023 EC and EEAS carried out a consultation process on the Eastern Partnership Annual Work Plan. As outcome of this process, endorsed at the EaP Senior Officials Meeting in March 2023, there are no more formal panels and platforms meetings among Member States and partners per se. The regular fruitful discussions at expert or policy level were re-branded differently as meetings, workshops, seminars and events.

– Following the Pact on Migration and Asylum and the Communication on attracting skills and talent, the Commission’s strategy on legal migration and mobility has been evolving with its focus moving from the concept of Mobility Partnerships to the one of Talent Partnerships. Current work under Talent Partnerships aims at establishing dialogue and common priorities between the EU, its Member States, and key North African partners (Tunisia, Egypt and Morocco). 3 partnerships have been launched in 2023 with Tunisia, Egypt and Morocco. Activities supporting these partnerships have so far been funded through the EUTF for Africa , North of Africa window notably the THAMM programme. With the phasing out of the Trust Fund funding for this type of activities is gradually coming from NDICI- GE.

# 2014-2020 multiannual financial framework – European Instrument for Democracy and Human Rights

The European Instrument for Democracy and Human Rights aimed at providing support for the promotion of democracy and human rights in non-EU countries. It focused on the following two objectives:

– (a) supporting, developing and consolidating democracy in non-EU countries, by enhancing participatory and representative democracy, strengthening the overall democratic cycle, in particular by reinforcing an active role for civil society within this cycle, and the rule of law, and improving the reliability of electoral processes, in particular by means of EU Election Observation Missions;

– (b) enhancing respect for and observance of human rights and fundamental freedoms, as proclaimed in the United Nations Universal Declaration of Human Rights and other international and regional human rights instruments, and strengthening their protection, promotion, implementation, and monitoring, mainly through support to relevant civil society organisations, human rights defenders and victims of repression and abuse.

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 1 250.3 | 1 250.5 | 100% |
| **Payments** | 1 040.0 | | 83.2% |

– In 2023, the programme, , still supported 333 initiatives, primarily led by civil-society organisations across the world.

– In addition, the implementation of some Flagship initiatives still continued in 2023, namely:

  • the Crisis facility for the most difficult human rights situations;

  • projects on parliamentary strengthening (INTER PARES) through peer-to-peer support between EU Member States and parliaments from partner countries;

  • the implementation of the four contracts awarded in the call for proposals launched in 2020 with the objective of countering the shrinking space for civil society (EUR 10 million);

– The full absorption of payments is expected in 2027.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Human-rights-defender individuals who have received EU support | 230 | **> 100%** | 1 200 in 2021 | 7 068 compared to a target of 1 200 | On track |
| Human-rights crisis-response projects | 0 | **87%** | 15 in 2021 | 13 compared to a target of 15 | On track |

(*) % of target achieved by the end of 2022.

– The European Instrument for Democracy and Human Rights (EIDHR) was implemented against the backdrop of an overall slowdown in the consolidation of democracy, the rule of law, good governance, and human rights globally. In relation to the World Bank's rule-of-law score, the situation deteriorated between 2014 and 2016 and has not significantly improved since.

– In this context, the key added value of the EIDHR lay in the independence of its action and in its worldwide coverage, allowing for interventions in the most difficult country situations and without the consent of the host governments, and acting where other instruments and donors

cannot or do not act. It has been able to address challenges relating to human rights and democracy in even the most difficult and challenging environments.

– The midterm evaluation conducted in 2017 judged the instrument to be generally efficient thanks to a relatively low level of administrative expenditure and its essential, built-in, flexible tools, for instance its direct support for human-rights defenders, its direct small grants, and the way it works with informal partners.
– 333 projects were still ongoing in 2023.
– In addition, the implementation of some Flagship initiatives still continued in 2023, namely:
    - Crisis facility for the most difficult human rights situations;
    - projects on parliamentary strengthening (INTER PARES) through peer-to-peer support between EU Member States and parliaments from partner countries;
    - the implementation of the four contracts awarded in the call for proposals launched in 2020 with the objective of countering the shrinking space for civil society (EUR 10 million).

# 2014-2020 multiannual financial framework – Partnership Instrument for Cooperation with Third Countries

The Partnership Instrument for Cooperation with Third Countries was, in 2014-2020, the EU's first instrument specifically designed to promote the EU's strategic interests worldwide by reinforcing its external strategies, policies and initiatives. The Instrument also contributed to the trade-related aspects of the Union's external relations including supply-chain due diligence to ensure consistency and mutual support between Union trade policy and development goals and actions.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 961.3 | 961.7 | 99.9% |
| **Payments** | 732.7 | | 76.2% |

– The 99.9% execution of commitment appropriations and 76% execution of payment appropriations reflect the way the Instrument is implemented through annual action programmes and multi-year contracts (on average 4 years). Consequently, the implementation of interventions will continue over the coming years, with the last contracts ending around 2025-2026.

– In 2023, the Instrument continued to contribute to the EU's external action by supporting its foreign policy, articulating and implementing the external dimension of internal policies, leveraging its influence, interconnecting different policy areas and supporting multilateralism. Actions covered challenges of global concern such as climate change, environmental protection; improving access to markets and boosting trade, investment, and business opportunities for EU companies (with a particular emphasis on small and medium-sized enterprises); and public diplomacy.

– The requests for payment appropriations for the Partnership Instrument in 2024 and 2025 will allow for continued implementation of measures previously committed. For example, the implementation of important measures in the domain of policy dialogue support, trade, competition, intellectual property rights, urban cooperation, civil aviation, business and human rights, public health, climate change and digital cooperation will continue in 2024 and 2025.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Local and regional authorities signing the Covenant of Mayors | 6 270 | **> 100%** | 10 270 in 2020 | 12 629 compared to a target of 10 270 | Achieved |

(*) % of target achieved by the end of 2021.

– Given the variety and diversity of themes covered by the Partnership Instrument, sectoral evaluations and project evaluations were carried to assess the efficiency of the instrument by examining how its specific objectives were achieved. In particular, in 2023 a sector evaluation of the Policy Dialogues Support Facilities (PDSF) was carried out.

– This evaluation assessed the relevance, outcomes, and approach of thirteen PDSF, as well as the added value of the activities in strengthening EU's partnerships/alliances and the EU's positioning as a global player in support multilateralism and rules-based order, in line with the objectives of the PI. The thirteen facilities cover the Americas and Asia.

– The evaluation concluded that PDSFs are demand-driven interventions. They focus on areas of dialogue, exchange and advocacy that are part of the EU agenda. They work best where there are clear agendas and priorities for the region and are aligned with EU

Foreign Policy interests. The flexibility of the Facilities is recognised as one of their main advantages, providing sufficient scope for the EU Delegations to adapt their requests and support new emerging priorities and needs.

– The PDSFs reinforce cooperation and links between the Headquarters based EU central services and the EU Delegations, thus strengthening the advocacy's role of the delegations and overall EU's ability to reach out to its key partners.
– Finally, the evaluation recommended that FPI's central services provide guidance on the different opportunities offered the facilities, encouraging exchange of lessons learnt and best practices, also in relation to monitoring and how to identify suitable indicators to capture results.

# 2014-2020 multiannual financial framework – Instrument contributing to Stability and Peace

Between 2014 and 2020, the Instrument contributing to Stability and Peace was one of the EU's main instruments in the areas of crisis response, conflict prevention, peacebuilding, and crisis preparedness, and in addressing global and transregional threats.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 2 366.9 | 2 367.1 | 100.0% |
| **Payments** | 2 023.7 | | 85.5% |

– The implementation of financial programming in 2014-2020 was fully in line with expectations. By the end of 2023, 100% of the envelope had been committed and 85% had been paid.
– The 85% execution of payment appropriations for the Instrument contributing to Stability and Peace is explained by measures responding to conflict situations or situations at risk of conflict, with a high risk of unforeseen events impacting implementation and resulting in measures consequently being amended.
– The payment-appropriation requests for 2024 and 2025 will allow the continued implementation of measures under the Instrument committed until the adoption of the

NDICI – Global Europe regulation. For example, the implementation of important measures focusing on challenges linked to counterterrorism, organised crime and disinformation, women, peace and security, climate change and conflict and to making digital solutions, including social media, work for peace and stability, will continue in 2024 and 2025.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Number of former weapon-scientist talents redirected to peaceful activities | 17 844 | **> 100%** | 18 600 in 2020 | 20 538 compared to a target of 18 600 | Achieved |

(*) % of target achieved by the end of 2022.

- Between 2014 and 2020, the Instrument contributing to Stability and Peace funded activities in the areas of (1) crisis response, (2) conflict prevention, peacebuilding, and crisis preparedness and (3) response to global, transregional and emerging threats. The Instrument's activities were implemented in conflict zones, post-conflict environments and emerging crisis contexts.
- 70% of the Instrument's funds were allocated to the non-programmable crisis-response component enabling the EU to respond quickly to crises. Almost 1 000 actions were put in place during the 2014-2020 period, including EUR 100 million specifically for building capacity of military actors in security for development, following the amendment of the instrument's legal basis in 2017.
- Longer-term programmable measures on conflict prevention, peacebuilding, and crisis preparedness, along with responses to global, transregional and emerging threats, represented 9% and 21% of the overall budget, respectively.
- The Instrument delivered timely crisis-response measures: the percentage of measures adopted within 3 months of a crisis context has reached levels above the target.
- In terms of emerging crises, the instrument has been of great importance in developing the EU Early Warning System, which has subsequently allowed, among others, for the mobilisation of timely and targeted measures in the countries analysed.
- For the conflict prevention component, the Instrument has supported, through 75 action grants to civil-society organisations between 2014 and 2020, a multitude of locally driven conflict prevention measures in more than 30 countries, strengthening the role of women and young people in confidence-building activities and peace processes.
- Engagement in areas such as counterterrorism, prevention of violent extremism, fight against organised crime, climate change and security, protection of critical infrastructure and chemical, biological, radiological, and nuclear risk mitigation reinforced the EU's role as a credible and responsive external actor.

– Evaluations carried out in 2018 and 2022 on European Union external response to counterterrorism (CT) and preventing and countering violent extremism (P/CVE), both confirmed that the EU continues to be a major donor and implementer of CT and P/CVE actions across the globe and is increasingly seen in the field as a ‘player’ (i.e. implementer and source of good practice), not just as a ‘payer’ (i.e. donor).
– Regarding support to in-country civil society actors in conflict prevention, peacebuilding and crisis preparedness, an evaluation from October 2022, highlighted how interventions funded by the Instrument contributing to Stability and Peace have contributed directly and indirectly to improving relations between stakeholders, promoting civil society participation in decision-making, and reducing or preventing conflict. The identified strengths of the Instrument contributing to Stability and Peace are its flexible and timely capacity to respond to crises worldwide, strong capacity to underpin and consolidate conflict prevention and peace building involving civil society and its global reach allowing the EU to respond proactively to major global and transregional threats.
– The final evaluation of the previous multiannual financial framework instruments (2014-2020), including the Instrument contributing to Stability and Peace, and the mid-term evaluation of NDICI-Global Europe are expected during 2024. These evaluations’ conclusions will provide an objective assessment of the performance of the Instrument as a whole.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | Yes | The enhancing rural resilience in Yemen programme (ERRY III) aims to reduce vulnerability and strengthen resilience of crisis-affected communities in Yemen through the creation of sustainable livelihoods, improved food security, economic recovery, access to basic services, climate risk reduction and community conflict mitigation.<br><br>The programme is implemented by a consortium of United Nations agencies under the lead of UNDP and comprising WFP, ILO, and FAO. The main local partner for the implementation in Yemen is the Social Fund for Development, a local non-governmental organisation with public-sector competences in basic service delivery and small business support. The programme is in its third phase and the benefits for the target communities include the creation of sustainable livelihoods opportunities through improved farming practices, support to micro, small and medium-sized enterprises to stimulate employment opportunities, community assets restoration (communal marketplaces, water infrastructure), agricultural value chains, supporting women's economic empowerment (targeted training and business skills support) as well as access to renewable energy (provision of solar power to public buildings and businesses). To date, the programme achieved significant results, such as the activation of 326 Village Cooperative Councils to define community needs; the creation of 50 Sub-district Development Committees; the implementation of 407 self-help initiatives to empower communities; development of 5 accredited vocational curricula for highly-demanded occupations and partnered with the Federation of Yemen Chambers of Commerce and Industry to develop an entrepreneurship training package.<br><br>The EU contribution to the third phase of this programme, which lasts from 2022 to 2025, is EUR 35 million, with an additional contribution of EUR 1 million from Sweden. The overall investment of the EU in all three phases of the enhancing rural resilience in Yemen programme amounts to EUR 105 million since 2016. |

| | | |
|---|---|---|
| SDG2 | Yes | Extreme poverty and hunger are predominantly rural, with smallholder farmers and their families making up a very significant proportion of the poor and hungry. Understanding and acting on the inter linkages among supporting sustainable agriculture, empowering small farmers, promoting gender equality, ending rural poverty, ensuring healthy lifestyles, and tackling climate change is thus key to achieving SDG 2. The degree of complexity of SDG 2, require investments in research and innovation and in technical services. For example, the ***Green Deal Knowledge Hub – Farm-to-Fork***, developed in **2023** with a total multiannual allocation of EUR 32.5 million, allows the Commission and EU Delegations to access technical services that by looking into national food systems, nutrition services, specific value chains, policies, and legislation help identify and put in place solutions to increase food security and nutrition and help the transformation of food systems as a way of contributing to a more equal, fair, and sustainable society.<br><br>In 2021, at the Nutrition for Growth event in Tokyo, the EU pledged EUR 2.5 billion to support nutrition for 2021-2024. Since then, the Commission has been promoting integration of nutrition objectives in sectorial programmes and tracking nutrition-related investments in view of the next N4G in France in 2025 where the report on progress made will be presented. Nutrition objectives have been included in relevant actions in health, education, WASH, agriculture and social protection also thanks to the policy and methodological support that the Commission provided to EU Delegations through, for example, the Nutrition Quick Tips in Capacity4Dev and the Nutrition Webinars in the INTPA Academy. |

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| SDG3 | Yes | The Team Europe Initiative on Manufacturing and Access to Vaccines, Medicines and Health Technologies (MAV+) collaborates with African partners to enhance local pharmaceutical systems and manufacturing capacity. This initiative adopts a comprehensive approach across supply, demand, and enabling environment, with six key work streams focusing on industrial development, market shaping, regulatory strengthening, technology transfer, access to finance, and research and development. Its goal is to facilitate access to quality, safe, effective, and affordable health products, aligning with the UN's Sustainable Development Goal target 3.8.<br><br>With over 1.3 billion euros mobilized, MAV+ operates through 89 projects and 23 implementing partners, ensuring coordination among stakeholders. It supports specific countries like Senegal, Rwanda, South Africa, Ghana, Egypt, and Nigeria in improving their pharmaceutical ecosystems and production capabilities. MAV+ aims for continent-wide benefits, leaving no one behind and fostering collaboration with the African Union and its health agencies.<br><br>At the regional level, MAV+ contributes to consolidating initiatives such as the Partnership for African Vaccine Manufacturing and the African Medicines Agency. It addresses financing gaps through partnerships and innovative financing mechanisms. Additionally, MAV+ supports regulatory strengthening, research and development, and market access to bolster Africa's self-reliance in pharmaceuticals, ultimately contributing to global health security and sustainable development. |
| SDG4 | Yes | EU investments 2021-2023 through the Global Partnership for Education (GPE) have contributed to giving 2,594,647 girls and boys access to a primary education and 1,191,588 children to secondary education. GPE is the largest global fund solely dedicated to transforming education in lower-income countries, and a unique, multi-stakeholder partnership. GPE supports partner countries to develop their own pathway to transform their education system by identifying key challenges, implementing priority reforms and aligning all stakeholders to achieve results. The vision is to ensure that every girl and boy in all partner countries can get 12 years of quality education plus one year of preschool. The partnership includes currently around 68 partners countries, while most financial support goes to the lowest income and crisis-affected countries, making sure no child is left behind. This is directly contributing to SDG4 targets. |

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| SDG5 | Yes | All projects and programs marked as G1 (gender equality is a significant objective) or G2 (gender equality is the main objective) as per the gender equality policy marker of the Organisation for Economic Co-operation and Development's Development Assistance Committee contribute to SDG5. According to the NDICI – Global Europe regulation, at least 85% of new actions implemented should have gender equality as a principal or a significant objective, as defined by the gender equality policy marker. At least 5% of these actions should have gender equality and women's and girls' rights and empowerment as a principal objective. On 25 November 2020, the gender action plan III (2021-2025), a joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy, was adopted with the same objective of 85% towards the total number of adopted actions, following the Development Assistance Committee's methodology. In 2023, the Gender Action Plan III was extended to 2027, but the target date for institutional and strategic targets such as the 85% target remains 2025. . In 2022, over 555 committed projects and programmes, 427 were marked G1 or G2.<br><br>In the Eastern Partnership, the EUR 9.7 million 'EU4Gender Equality' programme 2020-2023 continues to aim to strengthen equal rights and opportunities for women and men in the Eastern Neighbourhood by challenging gender stereotypes, work on violence prevention and championing men's participation in care work. The programme also includes a Reform Helpdesk that supports governments' reform work towards equal opportunities for women and men and contributes to SDG 5 |

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| SDG6 | Yes | In 2022-23, four Eastern Partnership countries (Armenia, Azerbaijan, Georgia, and Moldova) received EU support to initiate wastewater-based epidemiological surveillance. This is a low-cost, early warning approach for detecting community transmission of infectious diseases, such as COVID-19. Ukraine has also started using this type of surveillance. The next step is strengthening the institutional basis for its use across the entire region. This work is part of a wider regional programme contributing to **SDG-6, as well as on SDG3.**<br><br>To work on all dimensions of the SDG 6, and notably SDG 6. 5 target to implement integrated water resources management at all levels, including through transboundary cooperation as appropriate, in 2023 the EU launched the Team Europe Initiative on Transboundary Water Management for sustainable development and regional integration in Africa. The 2 first programmes were developed and begun implementation: i) the EUR 11 million Blue Africa Programme with the African Union Commission and the African Minister Council on Water aims at improving water governance in the continent and mobilising finance for the sector; ii) the EUR 31 million TAKIWAMA programme for integrated water resources management and circular economy in the basins of lake Kivu and Tanganyika, in a Team Europe approach notably with Belgium and Germany. This later action will notably consolidate the implementation of a complete monitoring of the quality of waters in this strategic basin while working on the diminution of pollution sources through waste and water treatment and management. |

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| SDG7 | Yes | In line with the Global Gateway, the EU supported partner countries in their just and green energy transition by promoting renewable energy including renewable hydrogen, transmission lines, electricity market reforms, energy efficiency and energy access. Important focus was given on the implementation of the Africa-EU Green Energy Initiative (AEGEI), a regional Team Europe Initiative: at COP 28, Executive Vice President of the European Commission Maroš Šefčovič announced a pledge of more than EUR 20 billion from Team Europe partners of this initiative. Among other priorities pursued and programmes implemented, focus was given on the further development and implementation of Just Energy Transition Partnerships (JETPs) (South Africa, India, Indonesia, Vietnam and Senegal).<br><br>Many examples could be given on different programmes and initiatives, worldwide. For instance, the Regional Energy Transition Outlooks programme in Africa, Latin America and Caribbean, was implemented in 2023 to provide regional mapping to implement an energy transition towards long-term renewable energy integration. At the Global Gateway Forum in October 2023, the EU, the European Investment Bank (EIB) and Bangladesh signed agreements worth EUR 395 mln for renewable energy projects to contribute to a sustainable green transition of Bangladesh’s power sector and to the achievement of the country’s climate mitigation targets. Projects will contribute to boost renewable energy capacity and access to energy throughout Bangladesh. In many countries, the insufficient transmission and distribution grid is a limitation to the green transition. Therefore the European Union has included new power interconnection projects on the Global Gateway list of 2023 to accelerate the regional integration and contributing to future trade of clean electricity for mutual interest of the EU and its neighbouring partner countries (Egypt, Tunisia). |

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| SDG8 | Yes | In line with the Global Gateway and the need to focus on specific sectors to maximise our impact, the EU endeavours to keep on encouraging economic growth. This is notably the case through the support it brings in the development on specific value chains, notably at regional level where the EU committed EUR 2 million in Sub-Saharan Africa. In addition, the EU supports the development of surrounding communities and the building up of local industries and jobs. Through the European Partnership for Responsible Minerals (EPRM) the EU is committed to improve the business environment, in particular for artisanal and small-scale miners through formalisation and certification activities and increased access to international markets. The EPRM also includes activities to eradicate child labour. Together with other projects, the EU keeps focusing on achieving the Target 8.7 that aims at ending child labour in all its forms. That is why the EU launched in May 2023 a new flagship initiative on ending child labour in coffee and cobalt value chains with the total contribution of EUR 10 million. The project operates at global and national levels in Democratic Republic of Congo, Honduras, Uganda and Vietnam. The coffee stakeholders identification was finalised in Uganda, while in Honduras it is well advanced. Key activities will follow in 2024 while the final outcomes are expected in 2026.<br><br>The EU continues contributing towards the development of sustainable and equitable economic growth models in the Eastern Partnership countries. The EU4Business initiative reported that EUR 2.532 billion in extra income was generated for small and medium-sized enterprises, which received EU support in 2022. Around 78,000 companies in Armenia, Azerbaijan, Georgia, Moldova and Ukraine received assistance and managed to create over 83,410 new jobs. |

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| SDG9 | Yes | The extension of the BELLA initiative is part of the Pillar 2 of the EU-LAC Digital Alliance. It aims at improving secure connectivity between Latin American and Caribbean (LAC) research and education networks with the European Union (EU). Building upon the success of the previous phase, which included the construction of a new submarine cable connecting Europe directly to Latin America (BELLA-S) and a South American terrestrial fiber-optic backbone (BELLA-T), the subsequent BELLA II phase seeks to strengthen and extend this network to, at least, five new countries. The primary objectives are to strengthen the LAC digital ecosystem, facilitate connectivity for countries like Peru, Costa Rica, Guatemala, El Salvador, and Honduras, and extending the cable to the Caribbean.<br><br>This initiative not only signifies a groundbreaking regional digital partnership but also underscores a commitment to a human-centric vision of the digital transformation, emphasizing universal human rights, the rule of law, transparency, and cybersecurity. The enterprise also strives to enhance the adoption of digital technologies for research and education, fostering collaborative relationships with European counterparts. Anticipated outcomes include connecting new countries to the BELLA cable, developing impactful projects leveraging BELLA's digital ecosystem, and generating high-level agreements through open dialogues with at least nine LAC countries. The Action lasts from 2021 to 2024.<br><br>Through the EU4Digital facility, the EU supported the digitalization of economies in eastern Europe and in the Caucasus through the roll-out of secure and affordable broadband connectivity in rural areas, connecting more than 300 Eastern Partnership Research and Education Institutions with their EU counterparts, benefiting 730,000 students, teachers and scientists; the development of an e-commerce accelerator benefiting 40 EaP SMEs as well as an online digital skills academy for thousands of SMEs’ staff to obtain training on how to promote, register, sell and ship their products to the EU. |

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| SDG10 | Yes | The action ‘Support to formalisation of the economy including social protection and support to public finance management’ in Angola aims at addressing inequalities, by reducing the informality of the Angolan economy, providing social protection and promoting decent jobs, focusing on the most vulnerable. With an estimated budget of EUR 62.6 million for a 5-year period, the Action seeks to expand access to social protection, digital financial services and business-related trainings for informal vulnerable workers and businesses, in particular women, to foster their formalisation. The EU will provide financial transfers is providing budget support and technical assistance as well as conduct inclusive and gender-responsive policy dialogue towards defining a government plan to ensure continuous progress in accelerating the formalisation process, along with social benefits (access to social protection) and digital financial inclusion, and effective social dialogue. Through this Action, the EU will also support Public Finance Management reforms, an effective tool to address inequalities. Building on an 11th EDF-supported pilot, the programme started implementation in 2023, with progress at a political and strategic level, namely with intensive work on strategic and sectoral-guiding documents. In addition, permanent offices, where all formalisation services are accessible, were opened in some Angolan markets and there are plans to open more. Also, capacity-building initiatives took place in the markets where adequate infrastructure allowed.<br><br>Contributing to SDG 10, the EU adopted a new initiative of EUR 30 M in 2023 to help Jordan set up a comprehensive and sustainable social protection system, to assist vulnerable Jordanians and Syrian refugees cope with the deterioration of their economic condition following the impact of numerous crisis hitting the country. |

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| SDG11 | Yes | The EU supported the development of the Global Covenant of Mayors for Climate and Energy across the world., in particular through its global secretariat but also through 13 regional windows including in the EU. . The GCoM is the largest global alliance for cities united in climate action, spread across 6 continents and in more than 132 countries. According to the Aggregation report 2023, GCoM comprises 13 239 cities which, by becoming signatories of the initiative, voluntarily committed to reduce their CO2 emissions by at least 30% in 2030. Support consists of enhancing the international visibility and the communications related to the GCoM initiative in coordination with the Regional Covenants, improving the global coherence and supporting the work of the Regional Covenants, as well as providing ad-hoc or on-demand support to specific regions and countries, particularly those not currently covered by EU-financed Regional Covenants. A regional level, the support aimed to accompany cities in the development of SECAPs and in developing bankable investment projects contributing to the sustainable urbanisation of cities, contributing to the Paris Agreement objectives and the resilience of cities towards climate change. |
| SDG12 | Yes | The EU4Environment programme is making a significant impact on sustainable consumption and production in the Eastern Neighbourhood. It has increased awareness and adoption of circular economy principles and practices among both public and private actors. As a result of the programme, legislation has been brought in line with the EU acquis in areas such as green procurement (in Georgia and Moldova), waste management (in Armenia, Georgia, and Moldova), and extended producer responsibility (in Ukraine). Moldova has been able to introduce its own eco-label and incorporate sustainability criteria into public procurement tenders. Pilot projects for mapping industrial waste have also been implemented in Azerbaijan, Georgia, and Ukraine. Enterprises in the region have received expert guidance to enhance resource and energy efficiency and embrace eco-innovative business strategies in key sectors. For example, the EU4Environment programme has conducted assessments of Ukrainian companies using the Resource Efficient and Cleaner Production (RECP) methodology. To date, nine companies have implemented approximately one-fifth of the identified RECP measures, resulting in expected annual savings of around EUR 200,000. |

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| SDG13 | Yes | Year 2023 was characterised by tangible progresses in the roll-out of the TEI on Climate Change Adaptation and Resilience in Africa, with the EU and 7 Member States having joined the initiative, and contributions made to Global Climate Funds as well as to the Global Shield against Climate Risks and the African Risk Capacity. The initiative provides a way forward to mobilise additional finance and find new modalities between European and African institutions to promote resilience and adaptation. It responds to disaster risks by focusing on a comprehensive four-pillar framework. This TEI will support African partners by improving the understanding of risks, strengthening policy and governance, and leveraging public and private resources to that end. It also promote Climate and Disaster Risk Finance and Insurance (CDRFI) mechanisms to protect vulnerable populations against residual risks. |

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| SDG14 | Yes | In 2023, the EU allocated EUR 271 million towards ocean protection and supporting development of the blue economy in partner countries, in particular sustainable aquatic food value chains. This aims to enhance the availability and accessibility of nutritious aquatic foods, while safeguarding biodiversity and ensuring the sustainable utilization of oceans, seas, and marine resources. For example:<br><br>- 20 million at global level to support the development of resilient and sustainable aquatic food product value chains.<br><br>- a 7 EUR million to improve the protection and restoration of biodiversity and the environment, while enhancing the resilience to climate change in the Mediterranean region.<br><br>- a EUR 59 million program on ocean governance in West Africa, targeting sustainable fisheries, IUU fishing, sustainable blue economy, and management and monitoring in MPAs<br><br>- at the bilateral level, several programs in African countries focusing on fostering sustainable blue economies, including strengthening the sustainability of aquatic food value chains.<br><br>Tanzania (EUR 110 million): Focus on environmental protection, climate-resilient coastal ecosystem management, and the development of sustainable aquatic food value chains.<br><br>Mauritania (EUR 10 million): Emphasis on sustainable, inclusive, and climate-smart blue economy development, with a particular focus on fisheries and marine environment protection.<br><br>Mozambique (EUR 35 million): Support for increased investments in the sustainable blue economy, development of sustainable fisheries and aquaculture value chains, and restoration of marine and coastal ecosystems.<br><br>Angola (EUR 30 million): Prioritizing the sustainable management of marine biological resources, economic inclusiveness in aquatic foods value chains, and enhanced marketability of aquatic food products. |

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| SDG15 | Yes | As part of a large global and regional effort to halt and reverse land degradation, from 2017 to 2023 **'Regreening Africa'** has been improving smallholder livelihoods, food security, and resilience to climate change in eight countries in Sub-Saharan Africa by restoring ecosystem services. In its first phase, the programme has helped to reverse almost one million hectares of land degradation, benefitting 500,000 households in the process and catalysing an even larger scaling effort to restore tens of millions of hectares of degraded land across Africa.<br><br>**'Regreening Africa'** works to support people in their efforts to restore their landscapes to secure sustainable benefits while boosting the impact of invested resources. At the local scale, the project works with smallholder farmers through lead farmers, farmer groups, community-based organizations, extension staff, and local government to provide technical support. On a sub-national and national scale, the programme works with a range of stakeholders to share lessons and technical support as well as to create an enabling policy and institutional environment.<br><br>Capitalising on the 15 years' experience in supporting the country to develop a commercial forestry sector, a new 40 M EUR "Partnering for forests" programme has been approved for Uganda as part of the AAP 2022 under NDICI. The action aims at tackling the roots causes of deforestation in Uganda while promoting reforestation and sustainable economic development in an integrated and comprehensive manner. The programme is implementing the EU-Uganda Forest Partnership, signed at CoP27 by the President of the Commission Ursula von der Leyen. Moreover, it will contribute to several EU objectives and commitments such as the Paris Agreement on climate and the Global Biodiversity Framework by increasing forest cover by both decreasing deforestation & forest degradation and promoting forest restoration and community support to preservation efforts, the FLEGT Action Plan by improving forest governance and sustainable management and finally the EU Global Gateway by increasing inclusive investments and decent job opportunities for women and men in sustainable forestry and forest-based value chains.<br><br>The different components of the programme have started to be contracted at the end of 2023 with a mix of modalities that allow to work with EU Member States, UN Agencies and the Government of Uganda.<br><br>Furthermore, Foreign Policy Needs actions support the EU to manage the external impacts of its new regulation on deforestation and forest degradation, mitigating political and trade irritants and wrongful perceptions linked to the regulation by countering the negative narratives produced by the affected sectors in Latin America and Asia-Pacific. |

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| SDG16 | Yes | Within the framework of the EuroMed justice programme (2020-2023), Southern Neighbourhood countries contributed to the preparation of action plans on judicial cooperation for countering trafficking in human beings and smuggling of migrants, and on confiscation of crime proceeds and asset recovery. The overall objective is to contribute to protecting the EU neighbouring countries' citizens against criminal activities, respecting the rule of law and fundamental human rights. The programme builds sustainable cross-regional mechanisms of cooperation, strengthens regional judicial training platforms, develops practical tools. Partner countries are Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine and Tunisia.<br><br>The programme 'Strengthening local governance and resilience in South Sudan' (launched in 2022) has been contributing to enhanced effectiveness of subnational governance structures on inter-and-intra communal peace dialogues and in addressing discriminatory gender/social norms as well as enhanced effectiveness of local communities to address and improve food security and develop job opportunities for youth and women specifically. It has also contributed to improved efficiency and accessibility of basic services provided by subnational governance structures, in particularly addressing the needs of women and youth.<br><br>The observation of 16 electoral processes contributed to the promotion of peaceful societies, access to justice and building of strong institutions, while providing accountability and transparency in the electoral processes of partner countries. |
| SDG17 | Yes | In line with the SDG 17 (Partnerships for the goals) the EU maintained its support to policy coherence and coordination as well as dialogue with regional organisations, notably the Union for the Mediterranean (UfM) as the main institutional interlocutor, but also with other actors, such as the Anna Lindh Foundation and the League of Arab States. The EU support to the UfM Secretariat contributes to enhancing multi-stakeholder partnerships which mobilise and share expertise aiming to the achievement of the sustainable development goals (SDG 3, 4, 5, 6, 7, 12, 13, 14, 15, among others) in the Euro-Med countries. In 2022, the UfM held several events and four Ministerial meetings (on Water, Research and Innovation, Employment, and Gender), thus confirming its convening power. The support to the Anna Lindh Foundation contributes to the promotion of more inclusive and pluralistic societies through its support to civil society and its focus on cultural diversity. |

# INSC

EUROPEAN INSTRUMENT FOR INTERNATIONAL NUCLEAR SAFETY COOPERATION

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| 2 852 | 28 | 45 | 34 |
| people participated in the training and tutoring programme between 2014 and 2023. | countries benefited from EU assistance in relation to nuclear safety between 2014 and 2023. | regulatory documents were drafted and adopted between 2014 and 2023 with the support of the instrument. | nuclear waste management and strategy documents were produced between 2014 and 2022. |
| 3 | 27 | 9 | 16 |
| nuclear master's courses were continued by the education programme financed by the European Instrument for International Nuclear Safety Cooperation between 2022 and 2023. | countries benefited from EU assistance on nuclear safety between 2022 and 2023. | regulatory documents were drafted and adopted between 2022 and 2023. | nuclear waste management and strategy documents were produced between 2022 and 2023. |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 300.0 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **300.0** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The objective of the European Instrument for International Safety Cooperation (INSC) is to support the promotion of nuclear safety culture and radiation protection, the safe management of spent nuclear fuels and radioactive wastes and the application of effective and efficient safeguards of nuclear materials in non-EU countries.

## CHALLENGE

The operation of nuclear power plants is the responsibility of any state that chooses to include nuclear in its energy mix. Nevertheless, as history showed with the accidents at Chernobyl in 1986 and Fukushima in 2011, any accident has transboundary consequences and affects the population and the environment of neighbouring countries and regions. In other words, ensuring nuclear safety and security has the features of a public good.

The EU thus has both a role to play and value to add in terms of safeguarding the safety and security of its citizens and protecting the environment, by ensuring that nuclear reactors are operated safely and according to the best international standards.

In addition, the unprovoked invasion of Ukraine by Russia in February 2022, with the subsequent destruction/looting of nuclear facilities and occupation of the Zaporizhzhia nuclear power plant, has made restoring nuclear safety capacity in Ukraine a priority for the INSC.

## MISSION

The objective of the INSC is to promote nuclear safety culture and radiation protection, the safe management of spent nuclear fuel and radioactive waste and the application of effective and efficient safeguards related to nuclear materials in non-EU countries.

This is achieved by cooperating with the key stakeholders, and in particular with the national nuclear regulatory authorities, with the aim of transferring EU expertise and promoting transparency by non-EU countries' authorities in nuclear-related decision-making.

The support provided to Ukraine is a priority achieved through a combination of means, including direct bilateral support, the provision of equipment to restore nuclear safety capacities and contributions to

international organisations, the Science and Technology Centre in Ukraine, the International Atomic Energy Agency and the European Bank for Reconstruction and Development.

## OBJECTIVES

The INSC's objectives are:

- to promote an effective nuclear safety and radiation protection culture and implement the highest nuclear safety and radiation protection standards, and to continuously improve nuclear safety, including by promoting transparency in the decision-making processes of authorities in non-EU countries relating to the safety of nuclear installations;
- to manage spent fuel and radioactive waste responsibly and safely and to decommission and remediate former nuclear sites and installations, including by promoting transparency in the decision-making processes of authorities in non-EU countries;
- to establish efficient and effective safeguards for nuclear material in non-EU countries.

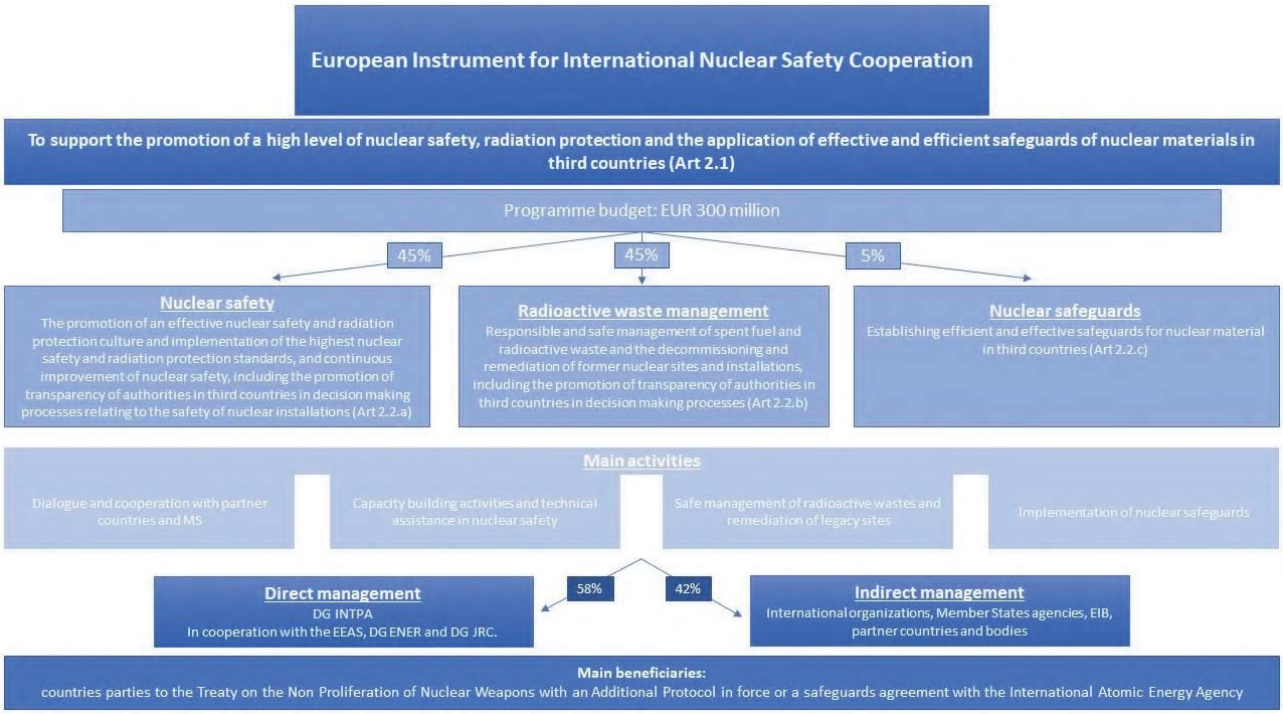
## ACTIONS

The INSC will establish cooperation with and support beneficiary countries through a variety of means, including by providing services, equipment, technical assistance, training and tutoring and by exchanging information. The INSC can take part in multilateral assistance/cooperation projects together with Member States or international organisations.

## STRUCTURAL SET-UP OF THE PROGRAMME

The INSC is implemented under direct centralised management by the Commission from the headquarters of DG International Partnerships (Unit F1), and under indirect management by entities such as Member State agencies following the Team Europe approach or international organisations that ensure a level of protection of the EU's financial interests equivalent to that under direct management. Innovative financing instruments are used, including in partnership with the European Bank for Reconstruction and Development and other international financial institutions.

# VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP






www.parlament.gv.at

## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The 2021-2027 INSC builds on the INSC under the 2014-2020 multiannual financial framework.

## FURTHER INFORMATION

- Programme website: Projects: https://nuclear-safety-cooperation.ec.europa.eu/index_en.
- Programme statement: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/european-instrument-international-nuclear-safety-cooperation-performance_en.

– Impact assessment:
  - the impact assessment of the INSC was carried out in 2018;
  - for further information please consult: https://europa.eu/!gh96VH.

– Relevant regulation:
  - Council Regulation (Euratom) 2021/948.

– Evaluations:
  - Final evaluation of the 2014-2020 Instrument for Nuclear Safety Cooperation https://international-partnerships.ec.europa.eu/policies/climate-environment-and-energy/nuclear-safety_en#related-documents
  - Midterm evaluation, performed in 2023 together with the NDICI midterm evaluation, will be published in 2024.
  - Midterm review of the multiannual indicative programme performed in 2023, will be published in 2024.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 37.6 | 38.6 | 39.9 | 41.8 | 44.1 | 47.2 | 50.9 | 300.0 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **37.6** | **38.6** | **39.9** | **41.8** | **44.1** | **47.2** | **50.9** | **300.0** |

(*) Only Article 15(3) of the financial regulation.

Financial programming:

**+ EUR 0.0 million (+0 %)**

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 121.1 | 300.0 | 40.4% |
| **Payments** | 24.5 | | 8.2% |

Voted budget implementation (million EUR) ([1]):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 37.6 | 37.6 | 0.9 | 1.5 |
| **2022** | 38.5 | 38.6 | 3.3 | 17.6 |
| **2023** | 39.8 | 39.9 | 19.1 | 15.3 |

([1]) Voted appropriations only.

– In 2021, the EUR 37.6 million in implemented commitments represented 100% of the voted budget and the payments 60%. The difference in payments from the initial voted budget can be explained by the late adoption of the legal basis.

– In 2021, the EUR 36.1 million in commitment appropriations is to finance 10 projects in nine countries in the areas of nuclear safety (42.5%) and the management of radioactive waste (42.5%).

– In 2022, the EUR 35.7 million in commitment appropriations is to finance eight projects in five countries and two regions (South-East Asia and Africa) in the areas of nuclear safety (53.6%), the management of radioactive waste (33.6%) and nuclear safeguards (12.8%).

– In 2023, nine projects are expected to be financed in eight countries and regions, with a commitment appropriation amount of EUR 35.9 million.

In line with the multiannual indicative programme, projects will be financed relating to the promotion of an effective nuclear safety culture (objective 1 of the programme) and to radioactive waste management (objective 2 of the programme) (41.9% each), and to establishing nuclear safeguards for nuclear material (objective 3) (12.3%) and support measures (3.9%).

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 0.0 | 0.0 | 0.0 | | | | | **0.0** | 0% |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | 34.3 | 31.5 | 35.1 | **100.9** |
| 0* | | | | |
| 0 | 3.3 | 7.0 | 4.7 | **15.0** |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;

- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender-disaggregated information.

- N/A

– The INSC continues to promote gender equality through its training, tutoring and education programme, where the participation of partner countries is conditional upon the gender-balanced registration of students.
– In 2023, 22 students followed the master's course in European leadership for safety education financed by the INSC, 11 of whom were women, and 26 followed the master's course in nuclear safeguards, 12 of whom were women. The course started in 2022.

Contribution to the digital transition (million EUR):

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

N/A The objective of the programme is to [...]. The programme therefore does not contribute to the digital horizontal priority.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Number of countries benefiting from EU support in developing a culture of safety for nuclear energy | 0 | **80%** | 20 in 2027 | 16 in 2023 compared to a target of 20 | On track |

| | | | | | |
|---|---|---|---|---|---|
| Number of regulatory documents produced in beneficiary countries with the support of EU expertise | 0 | **5%** | 20 in 2027 | 1 in 2023 compared to a target of 20 | On track |
| Number of nuclear safeguards authorities benefiting from Commission-funded projects | 0 | **> 100%** | 3 in 2027 | 4 in 2023 compared to a target of 3 | On track |

(*) % of target achieved by the end of 2023.

The INSC builds on the recognised and successful assistance and cooperation with partner countries that has been in place since 1991 within the scope of the Euratom Treaty.

Improvements in the governmental, legal and regulatory frameworks that ensure the safe use of nuclear energy is based on the transfer of regulatory practices used in the Member States.

The reaction to Russia's unprovoked aggression against Ukraine since February 2022 demonstrated that the instrument can meet the needs of partners under challenging and constantly evolving conditions. The provision of support to Ukraine to address the consequences of the unprovoked Russian invasion and continued aggression is a priority. This includes restoring stolen, looted and destroyed nuclear- and radiation-protection-related infrastructure in Ukraine.

The INSC-funded programmes in Ukraine continued to be implemented without delays, despite war-related hardship conditions such as insecurity and frequent electricity blackouts. These achievements are the result of the determination and resilient efforts of the Ukrainian beneficiaries and the implementing partners, and the coordination efforts of the EU through its support organisations in Ukraine.

Through regional cooperation with the African Commission on Nuclear Energy, the number of countries benefiting from the partnership on nuclear safeguards is much larger than originally expected.

The main achievements of the INSC are as follows.

- The EU's contribution to the International Chernobyl Cooperation Account, managed by the European Bank for Reconstruction and Development for the reconstruction of nuclear-safety-related infrastructure in Ukraine, allowed the bank to start its ambitious programme to support continued infrastructure development at the Chernobyl Nuclear Power Plant and to procure firefighting equipment and vehicles for the safe management of radioactive waste in the Chernobyl Exclusion Zone. This contribution in 2023 made the EU the biggest donor to the account.
- The EU has contributed to the financing of the International Atomic Energy Agency, which facilitated permanent and other expert missions to Ukrainian

nuclear facilities, including the permanent mission to the temporarily occupied Zaporizhzhia Nuclear Power Plant.

- The EU continues to uphold its commitment to civil nuclear cooperation with Iran, as outlined in Annex 3 of the Joint Comprehensive Plan of Action.
- The environmental remediation in Central Asia, as implemented via the European Bank for Reconstruction and Development through the Environmental Remediation Account, addresses the legacy of former uranium mining and milling sites. So far, two sites in Kyrgyzstan have been fully remediated, and work has started at a further site in Kyrgyzstan and two in Uzbekistan, in 2023 uses funding from both the previous and the present multiannual financial framework.
- INSC support for the development of a strategy on regulatory assessment in the event of the potential introduction of small modular reactors in Ghana was initiated.

# 2014-2020 multiannual financial framework – Instrument for Nuclear Safety Cooperation

The predecessor of the INSC in the 2014-2020 multiannual financial framework was the Instrument for Nuclear Safety Cooperation.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 314.4 | 314.4 | 100.0% |
| **Payments** | 249.9 | | 79.5% |

The delays caused by the COVID-19 pandemic were largely addressed during 2022 and 2023, both in project implementation and contracting. This led to an increased contracting and payment rate in 2023, which is expected to further increase in 2024, before stabilising in 2025 or 2026.

The last contracts of the 2014-2020 multiannual financial framework will be contracted in 2024 and therefore implementation of the previous multiannual financial framework commitments is estimated to last until 2027. This is in line with the normal project management cycle and explained by the fact that some of the projects need the prior signature of a financing agreement with the beneficiary country, and contracting can take up to 3 years after the financing agreement is signed. Sometimes extensions in duration are granted, which prolongs the implementation time. The implementation rate is consistent with the outcome of previous exercises.

The payment appropriations for 2023 covered the costs contracted in previous years and contracts contracted in 2023.

Following the unprovoked invasion of Ukraine by Russia in February 2022, the INSC funded programmes in Ukraine continued to be implemented without significant delays, despite the war-related hardship conditions such as insecurity and frequent electricity blackouts. Those achievements are owing to the determination and resilient efforts of the Ukrainian beneficiaries, the implementing partners and the coordination efforts of the EU through its support organisations in Ukraine.

## Performance assessment

### KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Nuclear safety culture and radiation protection standards – regulatory documents produced with the support of EU expertise | 0 | **> 100%** | 8 in 2021 | 48 compared to a target of 8 | Achieved |
| Responsible and safe management of spent fuel and radioactive waste – regulatory documents produced with the support of EU expertise | 0 | **> 100%** | 9 in 2021 | 24 compared to a target of 9 | On Achieved |
| Nuclear safeguard authorities benefiting from Commission-funded projects | 0 | **> 100%** | 3 in 2021 | 4 compared to a target of 3 | Achieved |

(*) % of target achieved by the end of 2023.

While the report titled *Evaluation of the Instrument for Nuclear Safety Cooperation 2014-2020* ([49]) noted the high relevance and unique benefit of INSC, it also emphasised the need for improvements in cooperating with international organisations such as the Atomic Energy Agency.

Since 1991, cooperation with the regulatory authorities has primarily aimed at improving the governmental, legal and regulatory frameworks, based on experiences in the EU. This involved the transfer of regulatory practices used in the Member States, which is reflected in the number of regulatory documents indicator.

The competence of staff working in the nuclear area is of the utmost importance to ensure that the use of nuclear technology is safe. The instrument supported training and tutoring actions, which transfer EU knowledge to students and young professionals. Some 2 852 staff from partner countries were trained between 2014 and 2023. Around 42% of the trainees in 2021-2023 period were women, which contributes to the gender equality goal in a highly specialised scientific area. This confirms the success of the programme.

([49]) Nuclear safety (europa.eu).

In the area of radioactive waste management 16 new documents were produced as an indicator of the progress of the activity implementation under the financing of the 2014-2020 multiannual financial framework.

The main achievements with activities in 2023:

- Equipment delivery for the INSC initiative to upgrade the environmental radiation monitoring and dosimetric control within the Chernobyl Exclusion Zone commenced in November 2023. It is implemented by the Science and Technology Centre in Ukraine and co-funded with international donors (EU (30%), Norway (25%), Canada (22%), USA (18%), and UK (5%)). This international collaboration helped to ensure nuclear and radiation safety, not only in Ukraine, but also in the EU and beyond. The Ukraine contributes the measured environmental radiation data to the European Radiological Data Exchange Platform.
- The EU's continued implementation of its commitment under Annex 3 of the Joint Comprehensive Plan of Action relating to civil nuclear cooperation with Iran, led to the first supply of equipment related to nuclear safety.
- The environmental remediation in Central Asia as implemented via the European Bank for Reconstruction and Development through the Environmental Remediation Account, addresses the legacy of former uranium mining and milling sites. So far, two sites in Kyrgyzstan have been fully remediated, and work has started at three others, one in Kyrgyzstan and two in Uzbekistan, in 2023 uses funding from both the previous and the present multiannual financial framework.
- European Union inspection practices in nuclear safety were successfully transferred to the nuclear regulator of Türkiye, which are used in the regulatory oversight of the nuclear power plant under construction.
- The first master's degree programme in nuclear materials safeguards concluded successfully. This first curriculum of its kind contributes to the capacity-building of nuclear safeguards authorities in partner countries.
- With support from the EU and the Swedish International Development Cooperation Agency (Sida), Moldova has taken important steps in the implementation of its national waste management strategy. The radioactive waste management organisation in Moldova (RWMCo) received licenses for the construction of a radioactive waste management storage facility and a radiological and environmental monitoring system. These facilities are prerequisite for the decommissioning of the historical radioactive waste disposal facility.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | No | |
| SDG2 | No | |
| SDG3 | No | |
| SDG4 | No | |
| SDG5 | Yes | Almost half of all students benefiting from training, tutoring and educational programmes are women. One of the main objectives of the instrument is sustainability, which includes training and capacity building. Those are taking gender balance into account by design. |
| SDG6 | No | |
| SDG7 | No | |
| SDG8 | No | |
| SDG9 | No | |
| SDG10 | No | |
| SDG11 | Yes | Environmental remediation of uranium mining legacy sites in Central Asia provides a safer environment to the local population (EUR 4.8 million). |
| SDG12 | No | |
| SDG13 | No | |
| SDG14 | No | |
| SDG15 | No | |
| SDG16 | Yes | For the first time implementation of cooperation with the Nigerian Nuclear Regulator Regulatory Authority (NNRA) was started (EUR 1 million).<br>A new contract with the nuclear safety regulator of Ukraine for alignment with the EU acquis was contracted (EUR 4 million) |
| SDG17 | No | |

# HUMA

HUMANITARIAN AID PROGRAMME

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| EUR 2.4 billion | 114 | 1.78 million | 85 |
| of humanitarian aid was provided to the most vulnerable in 2023. | countries received humanitarian aid from the EU in 2023. | girls and boys benefited from the education in emergencies initiative in 2023. | EU humanitarian air-bridge flights were organised in 2023, delivering 3 880 tonnes of humanitarian materials. |

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 14 712.1 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 27.5 |
| **Total budget 2021-2027** | **14 739.6** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

Humanitarian aid is a key pillar of the EU's external action and an important element of the EU's ability to project its values globally. The EU humanitarian aid programme provides emergency, life-saving assistance to people, particularly the most vulnerable, hit by human-induced or natural disasters.

## CHALLENGE

The scale, frequency and duration of crises that demand international humanitarian response is increasing, aggravated by long-term trends such as climate change, population growth, rapid and unsustainable urbanisation, resource scarcities and increasingly protracted armed conflicts and insecurity. These are, and will continue to be, among the main drivers of humanitarian crises, which in turn generate growing humanitarian needs on a global scale.

The situation has been exacerbated by the long-lasting effects the Russian war of aggression against Ukraine, and the consequences deriving from the escalation of hostilities in the Middle East.

The '2024 global humanitarian overview' presents funding requirements of USD 46.4 billion to assist 180.5 million of the 299.4 million people in need in 72 countries. However, humanitarian funding is not increasing at the same speed as the needs. While USD 19.9 billion were mobilised in 2023 to respond to coordinated plans for that year, humanitarian needs amounted to USD 56.7 billion. This funding gap is expected to continue to grow, as well as the need for front-line lifesaving humanitarian assistance.

The EU can fill some of the gaps in global humanitarian aid, including by addressing needs in areas that are difficult to access, and by providing response not only to the biggest and most visible humanitarian crises, but also to those receiving no or insufficient international aid and political/media attention. Member States often look at the EU as a donor to provide assistance in crises where they are not able to intervene in a national capacity. Member States also benefit from the EU's 'humanitarian diplomacy', which aims to increase humanitarian space and lead to more effective provision of humanitarian aid, by encouraging economies of scale. Because of the financial weight (the EU and its Member States together are the second major donor), the EU is a leading player in humanitarian assistance on the international stage and a strong advocate for the respect of international humanitarian law. Another key element of EU added value for Member States lies in the strong operational knowledge and technical expertise of the EU's unique network of humanitarian field offices spread in 40 countries.

## MISSION

The humanitarian aid programme provides emergency, life-saving assistance to people, particularly the most vulnerable, hit by man-made or natural disasters.

In line with the humanitarian aid regulation (Council Regulation (EC) No 1257/96), people affected by disaster or conflict, irrespective of their race, ethnic group, religion, sex, age, nationality or political affiliation benefit from humanitarian assistance, which must not be guided by, or subject to, political considerations. The EU acts on the basis of the international humanitarian principles of humanity, neutrality, impartiality and independence. Humanitarian aid is often the only EU instrument able to intervene concretely in acute conflict situations. Thanks to its flexibility, humanitarian aid has also made a

significant difference in many of the countries and crises at the origin of the global refugee and migration crisis.

## OBJECTIVES

The humanitarian aid programme's main specific objectives are to:

- provide needs-based delivery of EU assistance to save and preserve life, prevent and alleviate human suffering and safeguard the integrity and dignity of populations affected by natural disasters or man-made crises, including protracted crises;
- build the resilience and recovery capacity of vulnerable or disaster-affected communities, in complementarity with other EU instruments.

## ACTIONS

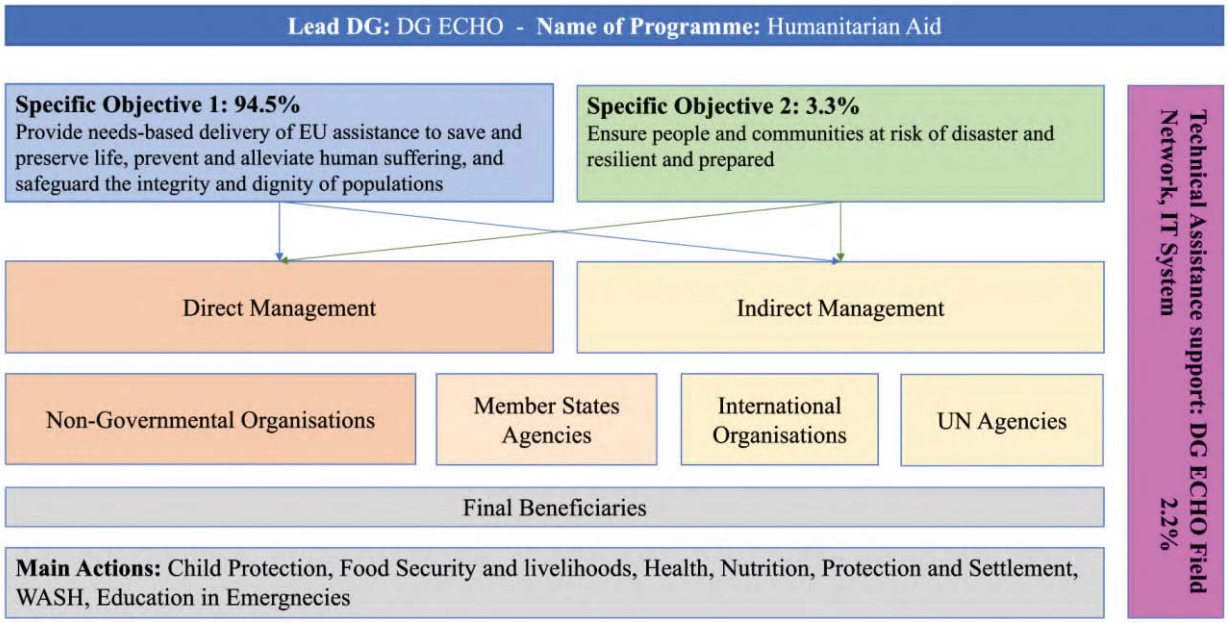
Humanitarian interventions mainly consist of funding projects carried out by around 220 partner organisations – non-governmental organisations (e.g. national societies of the Red Cross), international organisations (e.g. United Nations agencies and the Red Cross and Red Crescent movement), and Member States' specialised agencies. Most of the time, these interventions occur in complex, risky contexts with difficult access conditions. Besides being a lead donor, the EU has also been playing a leading role in the development of new policy approaches (e.g. education in emergencies, assessment of people-centred intersectoral needs) and innovative funding modalities (e.g. cash-based assistance).

## STRUCTURAL SET-UP OF THE PROGRAMME

In most cases, the Commission delivers assistance through financial support via individual agreements with partner organisations (non-governmental organisations, United Nations agencies or other international organisations and specialised agencies from Member States). The management mode applied with non-governmental organisations is direct management, and the one applied with the United Nations and international organisations is indirect management. Both management modes can be used for specialised agencies from Member States.

The Commission delivers aid to the affected populations in parallel to humanitarian aid mobilised by Member States, as set out in the European Consensus on Humanitarian Aid and based on international humanitarian principles. EU action aims at providing needs-based delivery of EU assistance to save and preserve life, prevent and alleviate human suffering, and safeguard the integrity and dignity of populations, as well as at ensuring that people and communities at risk of disaster and resilient and prepared. To achieve these objectives, EU actions focus on child protection, food security and livelihoods, health, nutrition, protection and settlement, as well as the provision of water, sanitation and hygiene services.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The humanitarian aid regulation is not bound by duration to a specific multiannual financial framework, hence the policy and legal framework for the EU's humanitarian aid is not expected to change.

## FURTHER INFORMATION

- Programme website:
  - HUMA
- Impact assessment: n/a
- Relevant regulation:
  - Council Regulation (EC) No 1257/96.
- Evaluations:

The following humanitarian aid evaluations were finalised in 2023.

- Evaluation of DG European Civil Protection and Humanitarian Aid Operations (ECHO)'s response to the Venezuelan regional crisis, 2017-2021.
- Evaluation of DG European Civil Protection and Humanitarian Aid Operations (ECHO)'s partnership with UNHCR, 2017-2021.
- Evaluation of humanitarian logistics in the European Commission's civil protection and humanitarian aid operations, 2018-2022.

– Evaluation of the mobility package within the emergency support instrument re-activation 2020-2022.
– Evaluation of DG European Civil Protection and Humanitarian Aid Operations (ECHO)'s partnership with the International Organization for Migration, 2018-2022.

In addition, the comprehensive evaluation of the European Commission's humanitarian aid, 2017-2022 is ongoing

All evaluations conducted by DG European Civil Protection and Humanitarian Aid Operations (ECHO) can be found by clicking here.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 2 168.1 | 2 441.8 | 2 408.0 | 1 910.7 | 1 893.6 | 1 927.5 | 1 962.4 | 14 712.1 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 9.9 | 5.7 | 11.9 | 0.0 | 0.0 | 0.0 | 0.0 | 27.5 |
| **Total** | **2 177.9** | **2 447.4** | **2 420.0** | **1 910.7** | **1 893.6** | **1 927.5** | **1 962.4** | **14 739.6** |

(*) Only Article 15(3) of the financial regulation.

Financial programming:

**+ EUR 3 142.9 million (+ 27%)**

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

– Given its centrality in dealing with current crisis, the programme has been reinforced substantially at different times.

– In 2021, budget has been reinforced by EUR 665.1 million during the year through the Solidarity and Emergency Aid Reserve (SEAR), amending budget, redeployments from Heading VI instruments and the Virement d'Aide Humanitaire (VAH) cater for increasing humanitarian needs, such as the crises in Afghanistan and in the Nagorno-Karabakh or the Kenya and Somalia droughts.

– In 2022, the humanitarian aid budget was reinforced by EUR 635.7 million. In part, the transfers originated from the SEAR and redeployments from Heading VI instruments to cater for the needs arising in response to the Russian war against Ukraine and the worldwide deterioration of food security. Further funds became available through the VAH to tackle the security and displacement crisis in the Democratic Republic of the Congo. In addition to the reinforcements, ECHO also received frontloading of EUR 211 million from the Solidarity and Emergency Aid Reserve at the beginning of the year.

– For 2023, an initial budget increase was secured in the form of multiannual financial framework funding amending letter (AL/01) for EUR 150 million. The budget was further reinforced throughout the year by a total of EUR 631.1 million to address escalating humanitarian needs in various key crises (including Afghanistan, Sudan, Syria, Armenia/Nagorno-Karabakh, and the war in Gaza, amongst others). The extra funding was sourced from transfers via the SEAR, Heading VI instruments, and the VAH.

# Budget implementation

Voted budget implementation (million EUR):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 2 168.1 | 1 503.0 | 2 400.5 | 1 900.1 |
| **2022** | 2 441.8 | 1 806.1 | 2 390.6 | 2 091.6 |
| **2023** | 2 408.0 | 1 776.9 | 2 464.6 | 1 834.2 |

([1]) Voted appropriations (C1) only.

- In 2021, the initial humanitarian aid budget (comprising humanitarian aid, disaster prevention and support expenditure) was EUR 1 503 million and the final implemented budget stands at EUR 2 168 million due to several reinforcements totalling EUR 665 million to address the rising needs of different humanitarian crises.
- The initial 2022 budget for humanitarian aid was EUR 1 806 million and included a frontload from the Solidarity and Emergency Aid Reserve (SEAR) of EUR 211 million. The final budget stands at EUR 2 441.8 million, as the Russian war of aggression against Ukraine, the ensuing global food crisis and other emergencies triggered budgetary reinforcements for a total of EUR 635.7 million ([50]) through transfers from the SEAR, Heading VI instruments and the Virement d'Aide Humanitaire (VAH). In addition to its humanitarian aid operations under the multiannual financial framework, the Commission received and committed EUR 145.5 million from the European Development Fund's 10th and 11th envelopes to address the global food security aggravated by Russia's invasion of Ukraine.
- The starting budget for 2023, which received an additional EUR 150 million (agreed in conciliation as part of the annual budgetary procedure), was initially EUR 1 776.9 million. It ultimately reached EUR 2 408 million ([51]). This increase was due to budgetary reinforcements of EUR 631.1 million to address escalating humanitarian needs in various key crises (including Afghanistan, Sudan, Syria, Armenia/Nagorno-Karabakh, and the war in Gaza, amongst others). The additional funding was sourced from transfers via the SEAR, Heading VI instruments, and the VAH.
- The humanitarian aid budget has been committed in full. The Commission allocated attributions to respond not only to humanitarian crises attracting widespread attention notably in Ukraine or Gaza, but also forgotten crises, i.e. severe, protracted humanitarian crises, often with a low media interest, where affected populations are receiving insufficient international aid.
- In 2023 funds were allocated as follows to address humanitarian crises in the various regions of the world as follows: EUR 895.3 million for Africa, EUR 582.4 million for the Middle East and Türkiye, EUR 411.4 million for Asia, Latin America, the Pacific and Caribbean, EUR 335.5 million for Ukraine, the Western Balkans and Caucasus, and EUR 197.2 for non-geographical allocations. Furthermore, the Commission mobilised in 2023 a total of EUR 300 million for Ukraine, over EUR 91 million for Gaza, EUR 125 million for Sudan, and EUR 149 million for Afghanistan (52).
- The Commission will continue responding to new and protracted crises in 2024. This objective will remain very challenging as humanitarian needs are expected to keep growing. As of March 2024, nearly 300 million people, an increase of 45 million from 2021, will require assistance. This surge is notably marked by the distressing reality that worldwide nearly one child in every five is living in or has fled from conflict zones. Economic turmoil, compounded by a spiralling climate crisis and phenomena like El Niño continue to escalate the situation. Displacement has soared to unprecedented

([50]) Only C1 credits considered.

([51]) Only C1 credits considered.

([52]) Amounts for individual crises do not take into account external assigned revenues received from Member States in 2023.

levels, and acute food insecurity now affects one in every 33 people (258 million people) globally, indicating a severe hunger crisis.

# Contribution to horizontal priorities

**Contribution to green budgeting priorities (million EUR):**

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 840.8 | 1 016.3 | 970.2 | | | | | 2 827.3 | 19% |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

– The figure for 2023 (EUR 970.2 million) is the result of the application of the methodology to track spending contributing to climate mainstreaming. The Commission is implementing central tracking at the commitment level, to improve the accuracy and reliability of data on climate action. The tracking is based on the EU's climate-marker methodology, made up of three scores (0%, 40%, and 100%). Generally, humanitarian aid projects have climate adaptation as a significant objective (40% coefficient), with some exceptions (such as ECHO flight, epidemics or communications actions, which have a 0% contribution to climate), while preparedness actions within humanitarian aid have a 100% contribution to climate, as climate adaptation and/or mitigation are fundamental to the design of their objectives or are the motivation for the activity.

– In order to reduce the carbon footprint and the environmental damage of humanitarian aid, minimum environmental requirements and associated guidance became mandatory in 2023 for all EU-funded humanitarian aid operations. New voluntary environmental indicators were also released in 2023 to help partners reflect the minimum environmental requirements in their projects.

– In the 2023 Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC), the EU, represented by Commissioner Lenarčič, endorsed two relevant non-negotiation outcomes: (1) the 'Declaration on Climate, Relief, Recovery and Peace', focusing on climate action in fragile and conflict-affected settings, underpinned by a package of solutions encompassing individual pledges and announcements by signatories; and (2) 'Getting ahead of disasters: A charter on finance for managing risks', setting out principles for the future of finance for disasters. Furthermore, at the launch event of the Secretariat of the Climate and Environment Charter, the EU became the first financial supporter of the secretariat by announcing EUR 200 000 of financial support.

– The Commission continued to encourage partners to include preparedness measures and climate-, environmental- and conflict-risk considerations in all the humanitarian actions it funds, to help ensure that impacts, including those related to the climate, are accounted for in all sectoral interventions (e.g. displacement). The resilience marker is a tool that supports partners in doing so throughout the design of their interventions by ensuring that they consider and address these risks. The following examples illustrate the Commission's response to the consequences of climate change and the relief of affected populations in 2023.

– In response to the impact of Hurricane Otis on the west coast of Mexico, the EU provided EUR 1.3 million in humanitarian assistance to help address the most urgent needs of the affected population. As many as 270 000 homes were affected to varying extents. Key infrastructure sustained significant damage, with over 120 healthcare facilities and 33 educational institutions affected. The funding will provide assistance to the most vulnerable, including shelter, water, sanitation and hygiene, along with support for livelihoods and other basic needs. Furthermore, the EU activated its Copernicus satellite service to provide damage assessments, producing more than 14 maps to support the Mexican authorities. Moreover, since July 2023, the two regions have been working on the signature of a memorandum of understanding to strengthen their partnership and improve disaster preparedness, early warning and climate resilience for the years to come.

– In response to the devastating climate-induced floods affecting large areas of the Horn of Africa and the resulting overwhelming emergency needs in the region, an additional EUR 10 million in humanitarian assistance (including assistance from the Disaster Response Emergency Fund) was made available in 2023. One example of this intervention is a project entitled 'Improving living conditions of conflict and disaster

affected populations in Somalia', implemented by IOM during a period of 5 months in 2023.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | 2 168.1 | 2 441.8 | 2 408.0 | 7 017.9 |
| 0* | | | | |
| 0 | | | | |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information.

Number of beneficiaries by age and sex reached by humanitarian aid operations available in EVA actions operational data (such data reflect information encoded in Fichops and in HOPE) ([53]). According to this database, the percentage of beneficiaries disaggregated by gender is as follows: 52% female, 45% male, 3% unknown.

- The Commission is committed to ensuring that EU humanitarian aid considers the different needs and capacities of women and men of all ages. Through the Commission methodology for gender expenditure tracking, a gender score of 1 has been assigned to the total voted humanitarian aid budget implementation for 2023 (EUR 2.408 billion). This is a Commission methodology for the whole EU budget and differs from other assessment methods used to track humanitarian funding, such as the Commission's humanitarian gender-age marker and the gender equality marker used by the Development Assistance Committee of the Organisation for Economic Co-operation and Development. The third assessment report on the gender-age marker for 2018-2021 (published in 2023) confirmed that in those years over 90% of humanitarian aid projects included gender and age considerations ([54]). On that basis, it was decided to mark the total voted budget of humanitarian aid as having a gender score of 1.
- The EU continued mainstreaming gender and age across all sectors of intervention, outlining the approach to gender and gender-based violence in humanitarian crises in the staff working document 'Gender: Different needs, adapted assistance'. The EU remained an active member

([53]) Fichops are the forms containing the operational information of every humanitarian project. Data from fichops are consolidated in HOPE, a Commission internal platform.

([54]) gender-age_marker_2018-2021_web.pdf (europa.eu).

of the ‘Call to action on protection from gender-based violence in emergencies’ initiative, reported on the commitments made on the road map for 2021-2025 and included a pledge linked to gender for the 2023 Global Refugee Forum. `

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

The programme does not have the contribution to the digital transition as an objective.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Geographical coverage of the EU humanitarian aid: percentage of countries in need of humanitarian assistance (according to United Nations humanitarian appeals) benefiting from EU-supported operations | 0 | **14%** | 100% annually from 2022 to 2027 | Milestone achieved for 2021. Milestones not achieved for 2022 and 2023 | Deserves attention |
| Percentage of humanitarian aid funding targeting actions in forgotten crises | 0% | **43%** | > 15% annually from 2021 to 2027 | Milestones achieved for 2021, 2022 and 2023 | On track |
| Number of interventions of humanitarian aid operations funded by DG European Civil | 0 | **43%** | 177 annually from 2021 to 2027 | Milestones achieved for 2021, 2022 and 2023 | On track |

| | | | | | |
|---|---|---|---|---|---|
| Protection and Humanitarian Aid Operations (ECHO) (beneficiaries) | | | | | |
| Percentage of the initial budget for humanitarian aid allocated to education in emergencies | 0% | **43%** | 10% annually from 2021 to 2027 | Milestones achieved for 2021, 2022 and 2023 | On track |
| Number of children reached with EU 'education in emergencies' assistance | 0 | **29%** | 1.86 million children annually from 2021 to 2027 | Milestones achieved for 2021 and 2022. Milestone not achieved for 2023 | On track |
| Percentage of humanitarian assistance grants including elements of disaster preparedness, resilience and disaster risk reduction | 0% | **0%** | 75% from 2024 to 2027 | Milestones not achieved in 2021, 2022 and 2023 | Deserves attention |

(*) % of years for which the milestones or target have been achieved during the 2021-2027 period.

– Russia's war of aggression against Ukraine has deeply impacted the global humanitarian landscape, both directly and indirectly, by raising food insecurity worldwide, thus significantly exacerbating the humanitarian situation in many parts of the world, which had already deteriorated drastically. Conflicts and escalating tensions in Sudan or in the Middle East, particularly in and around Gaza, and the major or complex crises in Afghanistan, the Democratic Republic of the Congo, Ethiopia and the Sahel region underscore the persistent challenges faced by vulnerable populations worldwide.

– Furthermore, a contested multilateral order and the challenges deriving from climate change are exacerbating tensions and fuelling existing regional conflicts and protracted crises. Other factors, such as failed governance and structural poverty, have contributed to the current outlook. The deterioration in the humanitarian situation is a visible illustration of a global and sustained increase in humanitarian needs, which are currently at an all-time high. In addition, continued widespread violations of international humanitarian law and impediments to humanitarian access are making the delivery of humanitarian aid even more difficult and dangerous.

– The EU humanitarian aid programme performed well in 2023 in providing emergency assistance to people worldwide, particularly the most vulnerable, hit by human-induced or natural disasters. However, despite these efforts, a record-high funding gap at the global level left millions of the most vulnerable people without needed assistance

(according to the United Nations Office for the Coordination of Humanitarian Affairs, 60% of needs were not met in 2023). The Commission's share of the global humanitarian aid system decreased slightly compared to the previous year ([55]). The EU and its Member States are no longer jointly the world's largest humanitarian aid donors, providing around 30.9% of the global share of committed humanitarian aid contributions. This is partially due to the maintained high share provided by other donors such as the United States (providing over 40% of the funds committed to the global humanitarian system since 2021).

– Owing to the high level of operational knowledge and technical expertise of its unique network of humanitarian field offices, present in 40 non-EU countries, in 2023 the EU maintained a solid platform for reaching most of the areas in the world where humanitarian aid is needed. The EU was able to fund more than 577 million interventions ([56]) ([57]) and provide aid in 95% of the countries for which the United Nations launched an appeal ([58]). The EU was able to take advantage of its comprehensive range of humanitarian partners (around 200 organisations, including United Nations agencies, the International Red Cross and Red Crescent Movement, non-governmental organisations and specialised agencies from Member States), through which people in need can receive assistance, even in the areas of the world that are most difficult to reach.

– In 2023, more than 17% of the initial budget was spent on forgotten crises, thus contributing to the objective of needs-based delivery of EU assistance to people faced with natural and human-made disasters and protracted crises.

([55]) The 2023 result for this indicator decreased compared to figures reported in previous years (the EU share amounted to 11.7% in 2022, whereas the joint value for EU and Member States amounted to 30.9%). This decrease is due to a change in the methodology used in the source platform (UN Financial Tracking Service). From 2023, the indicator has been calculated on the basis of committed funds, whereas in previous years it considered consumed amounts. Applying the new methodology to 2022, the results for the indicator would have been 7.26% (compared to 9.4% in 2023) for the EU share and 30.05% (compared to 32.54% in 2023) for the joint EU and Member State share (including funds coordinated by the EU Facility for Refugees in Turkey (compared to 32.54% in 2023)).

([56]) Interventions refer in this case to the estimated number of action beneficiaries as declared by the partners implementing humanitarian projects funded by the programme.

([57]) The figure of 577 million interventions was extracted from Eva Actions (a data management tool compiling data from humanitarian operations) on 6 February 2024. It should be noted that a beneficiary might be covered by several interventions. The number of direct beneficiaries will be available during the second quarter of 2024. For reference, the number of direct beneficiaries for the Commission´s humanitarian aid actions in 2022 was 106.43 million.

This figure double-counts beneficiaries targeted by more than one intervention, as evidenced in 2021 where over 590 million interventions were recorded, reaching a total of 85 million direct beneficiaries. This difference is partly explained in 2021 due to the vaccination roll-out campaigns, where a single beneficiary received various vaccines.

- The number of interventions changes though time, increasing continually on the basis of the progressive encoding of data by partners (i.e. for 2021 data around 590 million interventions were noted in the first quarter of 2022, while 672 million interventions were registered for the same period in March 2023).

([58]) Of the 74 countries targeted by United Nations appeals in 2023, Bulgaria, Czechia, Estonia, Latvia, Lithuania, Hungary, Poland, Romania and Slovakia were included in the United Nations' Ukraine situation regional refugee response plan. Due to its specific mandate, DG European Civil Protection and Humanitarian Aid Operations (ECHO) does not provide humanitarian aid in Member States, however assistance was provided to them through civil protection actions. The abovementioned Member States were then left out of the calculation of this indicator. DG European Civil Protection and Humanitarian Aid Operations (ECHO) provided humanitarian aid to 63 of the 65 remaining countries targeted by United Nations appeals. The three countries not reached by the EU's humanitarian operations were included in United Nations regional appeals for which the EU a provided response to other countries.

– The programme also contributed to the objective of building the capacity and resilience of vulnerable and disaster-affected communities. In 2023, 32.3% ([59]) of EU-funded humanitarian operations included elements of disaster preparedness. In this context, in order to adapt to a higher number of climate-related disasters, initiatives such as adopting a risk-informed approach to projects (considering current and future risks), scaling up anticipatory action or greening humanitarian operations (through the adoption of the minimum environmental requirements compulsory for EU-funded humanitarian partners) are being implemented in the context of humanitarian aid.

– The following examples illustrate the wide variety and extensive reach of the EU's support in relation to humanitarian crises in 2023.

    • The response to Russia's war of aggression against Ukraine by allocating EUR 300 million to provide life-saving assistance, mainly through cash transfers and humanitarian protection, to populations directly exposed to war and displacement. More than 17.7 million people in the country needed humanitarian support in 2023. Since the start of Russia's war of aggression, almost 984 000 Ukrainian refugees have fled to Moldova, of whom nearly 112 000 remain in the country. In response, the EU made EUR 20 million in emergency assistance available to Moldova, including cash assistance and protection services, to address the needs of refugees and their host communities. Since February 2022, the European Commission has allocated EUR 926 million for humanitarian aid programmes to help civilians affected by the war in Ukraine. This includes EUR 860 million for Ukraine and EUR 66 million for refugees that have fled to neighbouring Moldova. Between January and November 2023, 10.5 million Ukrainians, including in hard-hit-areas, received humanitarian support in Ukraine thanks to the EU and other donors. EU humanitarian funding is helping people inside Ukraine by providing them with (1) food, (2) water, (3) essential household items, (4) healthcare, including mental health and psychosocial support, (5) psychosocial support, (6) emergency and winterised shelter, (7) protection, including education in emergencies, and (8) cash assistance to help cover their basic needs.

    • The escalation of violence in the Middle East following the terrorist attack on Israel on 7 October 2023 led to large-scale destruction in Gaza, the displacement of almost the entire Gazan population of 2.2 million people and massive humanitarian needs in all sectors, accentuated by the serious risk of famine. Violence also escalated in the West Bank, including East Jerusalem. The Commission responded by quadrupling its assistance to Palestine ([60]) to more than EUR 100 million, to address the most basic needs of Palestinians. In 2023, 33 humanitarian air bridge flights were operated in the context of this crisis, and 1 310 tonnes of essential supplies were mobilised. The aid transported includes nutritional items, shelter and logistical equipment, hygiene kits and medicines.

([59]) The original methodology applied to set the baseline and targets for this indicator in the strategic plan was based on individual review of elements in disaster-preparedness projects, in collaboration with operational units. The methodology was changed in 2022 in order to simplify and speed up the procedure. It now only includes projects that have disaster-preparedness-specific results, and does not include those that have disaster-preparedness considerations in other sectors. The result for this indicator in 2022 is stable in comparison with 2022. Other possible methodologies are being discussed in order to overcome such issues.

([60]) This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

- By the end of 2023, the conflict between the Sudanese Armed Forces and the Rapid Support Forces that erupted on 15 April had displaced 7.5 million people, half of whom were children. Sudan is estimated to be the country with the largest number of internally displaced persons, with more than half of the population (24.7 million people) in need of assistance, and one of the five countries with the highest risk of hunger requiring the most urgent attention. In 2023, the programme focused its assistance on basic multisectoral life-saving services, allocating EUR 128 million to address the deteriorating crisis, prioritising emergency actions in the most conflict-affected areas and the localities hosting displaced households. EU humanitarian aid provided health and nutritional care, cash, food assistance, water and sanitation, shelter, protection and education to the most vulnerable households – internally displaced people, refugee families and host communities. Furthermore, the EU contributed to the nutritional treatment and care of children under 5 and pregnant or breastfeeding women across Sudan.
- In February 2023, two earthquakes caused massive destruction and suffering in southeast Türkiye, creating new needs among both refugees and the Turkish people. This disaster further exacerbated the living conditions of the already vulnerable refugees. In 2023, the EU provided EUR 78.2 million in humanitarian funding in response to the earthquake, including some EUR 40 million in fresh funds. Key priorities to address after the earthquakes included access to social assistance and protection for vulnerable groups, namely psychosocial support; the rehabilitation of health and education services; water, sanitation and hygiene; and shelter and protection.
- In 2023, the number of people in need in Afghanistan increased to 29 million, mainly requiring support in the form of food, water, sanitation and hygiene, protection and education. The main drivers of the crisis remain droughts, insecurity and violence, restrictions for women’s participation in society, food insecurity, global and local economic shocks and the deterioration of basic services. In 2023, the EU allocated over EUR 149 million of humanitarian aid to Afghanistan, focusing on emergency food assistance; healthcare and nutrition; education in emergencies; access to clean water and sanitation facilities; shelter, non-food items and winter support; and protection services, including de-mining activities. Moreover, Commission-funded humanitarian air bridge flights delivered 710 tonnes of life-saving medical relief items (mainly) to humanitarian organisations in Afghanistan. The Commission also supported the 5 million people affected by the floods in Pakistan.
- The severe humanitarian crisis in the Horn of Africa continued in 2023, with close to 35 million people in need of humanitarian assistance in Ethiopia, Kenya and Somalia. Conflicts and the impact of natural hazards, such as large-scale droughts and floods, aggravated by the El Niño phenomenon, are driving internal displacement, food insecurity and cross-border flows. Multiple and volatile conflicts are generating wide protection gaps, affecting particularly vulnerable groups, such as women and children. The regional context was further characterised by constrained access and international humanitarian law violations. The Commission continued to support the most vulnerable through multisectoral humanitarian action. Throughout the year, the Commission mobilised additional top-up funding to respond to cholera outbreaks, the regional flood situation and new population displacements,

while facing a growing gap between needs and available funding, along with issues of aid accountability and effectiveness.

- The EU responded to the complex crisis in the Sahel and Lake Chad regions (where humanitarian needs are growing at an alarming pace for 50.5 million people), providing aid to meet the most urgent needs of conflict-affected populations that had been forcibly displaced across the region or affected by food and nutrition crises induced by climate conditions, poverty and insecurity.

– Delivering principled humanitarian assistance is at times extremely difficult in certain protracted crises, where warring parties occasionally disregard humanitarian principles, violate international humanitarian law and interfere with the delivery of assistance in the field. In addition to this, EU humanitarian partners may have to face difficult logistical challenges when delivering assistance in hard-to-reach areas, and other types of unexpected developments in the field that may hinder aid delivery. In that context, the Commission appropriately promoted the consistent inclusion of humanitarian exceptions, in particular humanitarian exemptions in line with the UN Security Council Resolution 2664(2022) in EU sanctions regimes. In 2023, the humanitarian exemption was introduced in approximately 30 EU sanctions regimes, including in Myanmar/Burma, Nicaragua, Niger, Sudan, Syria, Venezuela and Yemen.

– In order to cope with challenges in delivering humanitarian aid, the following two main risks are recurrently considered in activities under the programme.

  - A risk relating to access, referring to the increasing number of countries and set-ups where the governments, or de facto authorities, are limiting access in a way that affects seriously the delivery of humanitarian assistance, for instance in Ethiopia, Myanmar/Burma, Palestine, Ukraine, Venezuela and Yemen. To ensure full, safe, unhindered and durable humanitarian access to people in need, DG European Civil Protection and Humanitarian Aid Operations (ECHO) continuously engages with EU Member States, other donors and the broad humanitarian community on key issues such as humanitarian coordination.
  - A risk relating to physical security, referring to maintaining the security of Commission staff in a deteriorating context that seriously affects the operational environment for humanitarian actors and hinders their ability to carry out life-saving assistance. The Commission constantly monitors such volatile situations, and adapts its security set-up as necessary. In 2023, the Commission’s security sector managed two security incidents involving staff and held several crisis management meetings on ongoing crises. Total evacuation was undertaken for our office in Sudan.

– In 2023, the Commission engaged at all levels with development and peace actors in all relevant settings, with the objective of increasing the coherence of the EU’s action in a given context and thus jointly addressing the causes of fragility and seeking durable solutions for affected populations. In that context, the Emergency Social Safety Net was successfully handed over from humanitarian to development funding under the Neighbourhood, Development and International Cooperation Instrument – Global Europe in July 2023, in line with the EU humanitarian–development–peace nexus approach.

– The Commission also deployed the European Humanitarian Response Capacity, which is a set of operational tools designed to fill gaps in the humanitarian response to sudden-onset natural hazards and human-induced disasters. The mechanism was

launched in 2022 and further developed in 2023. It responded to 16 crises affecting 15 countries (Afghanistan, Armenia, Burkina Faso, the Democratic Republic of the Congo, Egypt/Palestine, Kenya, Madagascar, Mali, Nepal, Niger, Somalia, Sudan, Chad, Syria and Ukraine). EUR 56 million has been allocated for the development and deployment of the European Humanitarian Response Capacity. Since its creation it has contributed to assisting more than 100 partners with logistical and stockpile services in 15 different countries, delivering humanitarian goods and transporting humanitarian workers to hard-to-reach areas. It has been a key tool in overcoming one of the main challenges of the programme, which is providing humanitarian aid assistance in zones where access is difficult.

– Regarding food security, the situation in 2023 remained largely unchanged compared to 2022, with 258 million people considered acutely food insecure in the world. At the end of 2023, five countries were considered at risk of famine, with Palestine being the most severe food crisis in recent times. This led to a surge in humanitarian needs throughout the year, far exceeding the available funding and resources. Food security appeals were funded only at around 35%. The proliferation and escalation of conflicts, high global food prices as a result of the Russian war of aggression in Ukraine, economic shocks and climatic events such as El Niño contributed to this situation. In this context, the Commission managed to mobilise additional resources from reserves, reaching around EUR 670 million for humanitarian food assistance in 2023. Whilst this is lower than the exceptional levels reached in 2022, it remains high compared to the average level of funding over the last several years. The Team Europe response to the global food crisis, adopted by the EU and its Member States in 2022, remains the frame of reference for a joint EU response. The European Commission committed EUR 8.3 billion for 2021-2024. Including Member State commitments, the pledge reached approximately EUR 18 billion for the same period.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | Yes | |

| | | |
|---|---|---|
| SDG2 | Yes | EU humanitarian funding for nutrition, which aims at providing life-saving interventions to the most vulnerable populations, has targeted severely malnourished children in Sudan, as well as children under 5 years of age and pregnant and lactating women in many countries including Syria. Moreover, the EU supports World Food Programme initiatives such as a voucher programme for fresh food with high nutritional values in Syria or emergency food distribution and cash in South Sudan. |
| SDG3 | Yes | |
| SDG4 | Yes | In Sudan – the third largest country in Africa – almost all school-age children (19 million) are currently not learning due to school closures related to the conflict that started in April 2023. The EU support specifically targets children affected by emergencies to continue their education. The project – implemented by UNICEF – will reach 15 000 girls and boys with digital education to ensure they can continue learning during the crisis. The support will also include establishing safe learning spaces in 100 conflict-affected communities or communities hosting displaced populations and training 200 facilitators on education-in-emergencies and psychosocial support. Total budget EUR 3 million. |
| SDG5 | Yes | In Yemen, the Commission mobilised over EUR 5 million in partnership with Save the Children to monitor and report grave violations and other serious child rights violations and to deliver life-saving child protection. This action was implemented with a specific focus on gender: following specific consultations with girls; targeting specific problems for girls (child marriage, early pregnancies, school dropout and lack of safety); and with the aim of ensuring women and girls empowerment, equal access services as well as to community participation. |
| SDG6 | Yes | Between 2021 and 2023 Water, Sanitation and Hygiene (WASH) services were provided were provided in Gambela, Tigray, Ethiopia under the programme and in collaboration with Oxfam. The budget of the project was around EUR 1.8 million. |
| SDG7 | No | |
| SDG8 | No | |
| SDG9 | No | |
| SDG10 | No | |
| SDG11 | No | |

| | | |
|---|---|---|
| SDG12 | No | |
| SDG13 | Yes | Following the impact of hurricane Otis on the West coast of Mexico, the EU provided EUR 1.3 million in humanitarian assistance to help address the most urgent needs of the affected population. As many as 270 000 homes have been impacted to varying extents. Key infrastructure has sustained significant damage, with over 120 healthcare facilities and 33 educational institutions affected. The funding will provide assistance to the most vulnerable, including shelter, water, sanitation and hygiene, as well as support for livelihoods and other basic needs. Furthermore, the EU has activated its Copernicus satellite service to provide damage assessments, producing over 14 maps to support the Mexican authorities. Moreover, since July 2023 the two regions are working on a signature of a memorandum of understanding to strengthen partnership to improve disaster preparedness, early warning, and climate resilience for the years to come. |
| SDG14 | No | |
| SDG15 | No | |
| SDG16 | No | |
| SDG17 | Yes | |

# CFSP

## COMMON FOREIGN AND SECURITY POLICY

## *Programme in a nutshell*

### Concrete examples of achievements

| 1 000 | 137 | 11 401 | > EUR 1.3 million |
|---|---|---|---|
| patrols were conducted by 50 ceasefire monitors of the European Union Mission in Armenia in 2023 to improve human security along the Armenia-Azerbaijan border. | public hearings on crimes against humanity, war crimes and other crimes under Kosovan (*) law were held in 2023 and streamed in the three languages of the court (Kosovo Specialist Chambers). | surplus or confiscated small arms and light weapons were destroyed worldwide under common foreign and security policy non-proliferation projects in 2023. | worth of equipment (information technology equipment, solar panels, backpacks, radios, bodycams, etc.) was provided in 2023 to Ukrainian civilian security sector authorities by the European Union Advisory Mission Ukraine. |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

(*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 2 682.5 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **2 682.5** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The common foreign and security policy (CFSP) contributes to the EU's objectives of preserving peace, strengthening international security, promoting international cooperation, and developing and consolidating democracy, the rule of law and respect for human rights and fundamental freedoms.

## CHALLENGE

The EU faces several ongoing challenges in international security and stability. Key ones include organised crime, terrorism, people smuggling, irregular migration, the proliferation of conventional weapons and weapons of mass destruction, and security threats stemming from weak rule of law in some non-EU countries.

It is therefore essential for the EU to support non-EU countries in their related reforms, such as security sector reform and help them establish efficient civilian security services, thereby increasing their capacities to tackle internal and external security challenges.

Article 21 of the Treaty on European Union defines the common overarching principles and objectives of the EU's external action, which are namely to 'preserve peace, prevent conflicts and strengthen international security'. While the individual activities of Member States clearly contribute to achieving the goals of the EU's CFSP, the combined political weight of the EU helps to provide a critical mass to respond to global challenges. Regarding non-proliferation and disarmament activities, the EU's support provides significant benefits for the universalisation and effective implementation of international treaties, conventions and agreements addressing the proliferation of both conventional arms and weapons of mass destruction, including their delivery mechanisms.

## MISSION

The CFSP actions aim to ensure the EU's ability to act and intervene to address civilian crises and to promote non-proliferation and disarmament through support for multilateral action. Interventions in both areas help the EU 'preserve peace, prevent conflict and strengthen international security', as envisaged under Article 21 of the Treaty on European Union.

## OBJECTIVES

The CFSP pursues two specific objectives:

– to promote international cooperation in the field of security sector reform, to develop and consolidate democracy and rule of law, and promote human rights and fundamental freedoms;

- to promote strategic cooperation with international partners on the non-proliferation of weapons of mass destruction and on combating the illicit accumulation of small arms and light weapons and other conventional weapons, and to support the EU policy on conventional arms exports.

## ACTIONS

The CFSP pursues its objectives by the following means.

– Various types of civilian common security and defence policy (CSDP) missions, depending on the Council of the European Union's mandate, for example advisory missions counselling host countries on drafting legislation in the security sector, or capacity-building missions providing hands-on operational activities.

– Various types of mandates of EU special representatives promoting EU policies all around the world.

Actions related to non-proliferation and disarmament. These are implemented through agreements with international organisations, notably within the United Nations family, and for specific purposes with other select organisations in the field of non-proliferation and disarmament.

## STRUCTURAL SET-UP OF THE PROGRAMME

The CFSP is implemented primarily through indirect management for civilian CSDP missions and non-proliferation and disarmament actions, and to a lesser extent through direct management. The political direction of these actions is under the Political and Security Committee (PSC) and the High Representative of the Union for Foreign Affairs and Security Policy. The mandates of the civilian CSDP missions are agreed by the EU Member States. The lead service for the programming of CFSP actions is the European External Action Service, while the Commission is responsible for ensuring the sound financial management of the funds.

The CFSP is implemented based on individual decisions adopted by the Council. Under Articles 42(4) and 43(2) of the Treaty on European Union, the Council adopts the legal framework for civilian CSDP missions.

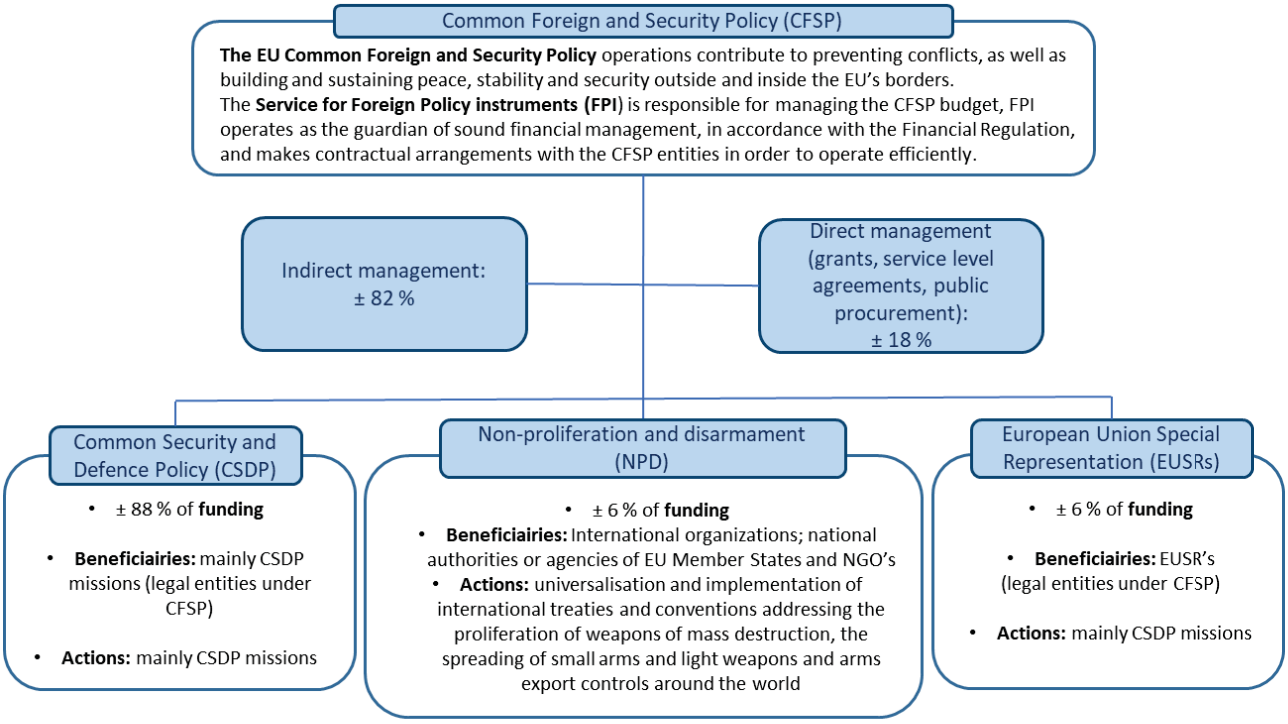
Based on Article 28 of the treaty, Member States may decide to launch operational actions, for example stabilisation actions. As regards actions in the field of non-proliferation and disarmament, the Council adopts decisions based on Articles 28(1) and 31(1) of the treaty.

The main share of funds is allocated to the budget lines in support of civilian CSDP missions to assist partner countries in border management, conflict prevention, combating organised crime and smuggling, reforming national security sectors, or monitoring the judicial system and the rule of law. Missions provide advice and training to local security sector actors and implement small-scale projects.

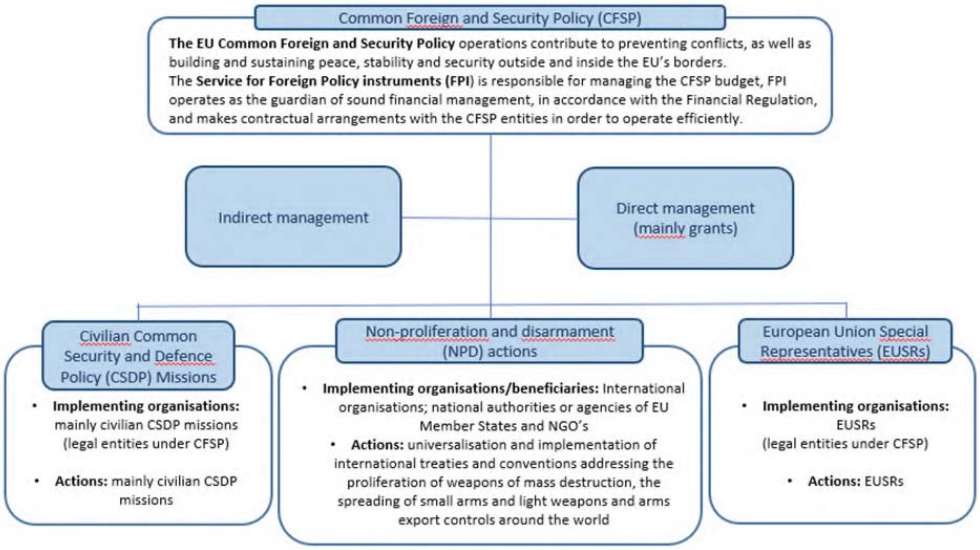
The European Union special representatives are independent CFSP entities that support the work of the High Representative in key regions and countries. They are appointed by the Council and entrusted with a mandate in relation to a particular policy issue.

CFSP-funded non-proliferation and disarmament actions contribute to the universalisation and implementation of international treaties and conventions addressing the proliferation of weapons of mass destruction, support measures to control the spreading of small arms and light weapons and promote effective arms export controls around the world. Actions are implemented through international partner organisations, in particular the United Nations, and for specific purposes by other select organisations in the field of non-proliferation and disarmament.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




*Indirect beneficiaries: national civilian actors in the security sector of crisis-affected countries*




## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

Under the 2021-2027 multiannual financial framework, the CFSP remains a separate tool, but complementary to other conflict and crisis response instruments, for example the rapid response pillar of the Neighbourhood, Development, and International Cooperation Instrument (NDICI). It is expected to provide continued strong support for the non-proliferation of weapons of mass destruction and disarmament, with increased levels of support to match Member States' ambitions.

## FURTHER INFORMATION

– CFSP-website. Impact assessment.

Reports on the implementation of the CFSP are produced annually by the European External Action Service. Further information is available in the CFSP annual reports.

– Relevant regulation.

- Tasks result from the European Commission's prerogatives at institutional level, as provided for in Article 58(2) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.
  The CFSP is implemented based on individual decisions adopted by the Council.
  Under Articles 42(4) and 43(2) of the Treaty on European Union, the Council adopts the legal framework for civilian CSDP missions.

Based on Article 28 of the treaty, Member States may decide to launch operational actions, for example stabilisation actions.
As regards actions in the field of non-proliferation and disarmament, the Council adopts decisions based on Articles 28(1) and 31(1) of the treaty.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 352.2 | 361.7 | 371.8 | 384.7 | 393.7 | 403.6 | 414.7 | 2 682.5 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **352.2** | **361.7** | **371.8** | **384.7** | **393.7** | **403.6** | **414.7** | **2 682.5** |

(*) Only Article 15(3) of the financial regulation.



Financial programming:

**+ EUR 3.8 million (+ 0%)**

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

# Budget implementation

Voted budget implementation (million EUR) ([1]):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 352.0 | 351.9 | 345.9 | 328.7 |
| **2022** | 361.7 | 361.7 | 383.1 | 333.6 |
| **2023** | 371.8 | 371.8 | 386.1 | 380.6 |

(*) Voted appropriations (C1) only.(*) Voted appropriations (C1) only.

- CFSP actions funded under the 2014-2020 multiannual financial framework are still being implemented, and there continues to be a strong and direct link between the CFSP actions implemented under the 2014-2020 multiannual financial framework and the 2021-2027 multiannual financial framework.
- In 2021, 2022 and 2023, the Service for Foreign Policy Instruments committed and paid 100% of the voted appropriations to cover CFSP entities mainly operating through indirect management, as identified by Member States in the corresponding Council decisions.
- One of the main challenges is the structural oversubscription of the CFSP budget. Political ambitions from EU Member States in the Council are not aligned anymore with the available resources. Five new civilian CSDP missions have been established in Iraq, the Central African Republic, Armenia, Moldova and the Gulf of Guinea since 2017, including three in 2023, while only one mission (in Afghanistan) was closed during this period. The Commission has launched, together with the European External Action Service, a process to introduce some structural measures to generate savings and render the budget sustainable again. However, missions continue to struggle with the full implementation of their originally requested budgets. The Commission has therefore inter alia started to strictly implement a policy to allocate budgets based on past absorption rates.
- For 2024, the projected costs related to civilian CSDP missions, European Union special representatives and non-proliferation and disarmament actions already exceed the available commitment and payment credits. The High Representative submitted a proposal for a Council Decision on the EU Diplomatic Academy in 2023 and may submit a proposal for a new EU Special Representative for the Great Lakes in 2024.
- For 2025, the renewal of ongoing civilian CSDP missions, EU special representatives and non-proliferation and disarmament actions is projected to consume/exceed the requested commitment and payment appropriations. The Commission will continue to propose/implement mitigating measures to try and create some margin for new actions / urgent situations.

# Contribution to horizontal priorities

**Contribution to green budgeting priorities (million EUR):**

CFSP actions and CSDP entities are not designed to tackle the green priorities, as is the case with action documents under cooperation instruments.

Some entities have internal procedures favouring green procurement. However, as operations mainly focus on providing advice and developing capacities in the civilian security sector, their impact on the abovementioned horizontal issues remains very limited.

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | | | | | | | | | |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

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**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1 | 291.9 | 281.7 | 264.0 | 837.6 |
| 0* | | | | |
| 0 | 60.1 | 80.0 | 107.8 | 1 085.5 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender-disaggregated information.

- N/A

– The European External Action Service assessed that all civilian CSDP missions, except the newly established EU Partnership Mission in Moldova and the Gulf of Guinea initiative, have gender equality as an important objective (Development Assistance Committee gender equality marker 1 ([61])). This assessment is based on several elements. First, the missions have full-time gender advisers and gender focal point networks. In addition, the missions implement guidelines on gender mainstreaming. The missions also collect sex-disaggregated data, provide training courses on gender mainstreaming and on women, peace and security, and conduct operational activities to advance gender equality and/or the implementation of the women, peace and security agenda. Finally, the European External Action Service and the Member States are committed to enhancing the share of female staff in the missions. The 2023 civilian CSDP compact sets a target of 40% women among international mission staff by the end of 2027. The selection procedures prioritise women over men.

As mentioned above, 100% of the assessed civilian missions have gender equality as an important objective (Development Assistance Committee gender targets score 1), which represents the following paid amounts:

2021: score 1: EUR 341.9 million ([62]),
2022: score 1 : EUR 348.7 million,
2023: score 1: EUR 314.1 million.

**Contribution to the digital transition (million EUR):**

The objective of the programme is to promote international cooperation in security sector reform, democracy building and human rights protection, while also fostering strategic partnerships to address weapons non-proliferation and combat illicit arms accumulation. The programme therefore does not contribute to the digital horizontal priority.

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of the total envelope |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

([61]) The OECD tracks and analyses development financing in support of gender equality and women's rights using the Development Assistance Committee gender equality policy marker.

([62]) As per European External Action Service note Ares(2023)6824349 of 9 October 2023, all civilian missions, except EU Partnership Mission in Moldova and the Gulf of Guinea initiative, are assessed as having Development Assistance Committee gender marker 1 from 2021.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Percentage of contribution agreements with EU special representatives and civilian CSDP missions signed within 4 weeks after the adoption of the Council decision | 0 | **70%** | 100% in 2028 | Average for 2021 to 2023: 70%, compared to a target of 100%. | On track |
| Percentage of civilian CSDP missions coordinating with interventions financed under other EU instruments | 0 | **100%** | 100% annually between 2021 and 2027 | Average for 2021 to 2023: 100%, compared to a target of 100% | On track |
| Percentage of positively pillar (or similar) assessed civilian CSDP missions not requiring supervisory measures | 0 | **94%** | 100% in 2028 | Average for 2021 to 2023: 94%, compared to a target of 100%. | On track |
| Percentage of relevant non-proliferation and disarmament actions that are complementary to actions funded under the peace, stability and conflict prevention programme of the Neighbourhood, | 0 | **100%** | 100% annually between 2021 and 2027 | Average for 2021 to 2023: 100%, compared to a target of 100% | On track |



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| |
|---|
| Development and International Cooperation Instrument – Global Europe |

(*) Average of results compared to average of milestones during the 2021-2022 period.

– The EU has significantly enhanced its operational capacity and footprint in recent years thanks to the key contributions to global peace and security of the 14 civilian CSDP missions and operations within the framework of the EU's integrated approach to external conflicts and crises. This improves the security of the EU and its citizens.

– The European Commission provided the necessary funds in a timely manner through contribution agreements, which ensured the missions' operational capacity. The funds allowed the recruitment and training of staff by the missions and the provision of the logistical support to carry out the operations. Nevertheless, civilian missions operating in sometimes insecure environments are facing continuous difficulties in recruiting the required number of staff with the necessary skills to carry out the relevant job functions.

– In 2023, the Commission continued to support efforts to curb the proliferation of weapons of mass destruction and the illicit accumulation and trafficking of small arms, light weapons and other conventional weapons by implementing 31 non-proliferation and disarmament actions.

– In general terms, despite delays due to the COVID-19 pandemic, the actions launched during the previous multiannual financial framework are performing well when measured against the indicators in the logical frameworks.

– The actions effectively supported the implementation of various non-proliferation treaties, conventions and other instruments or programmes by non-EU countries. This was achieved by strengthening the capacities of their relevant national authorities through training courses, workshops, study visits and other activities and by providing legal assistance, infrastructure investment and equipment. They also effectively supported the documentation and tracing of diverted or trafficked conventional arms and their ammunition, the disposal of surplus or confiscated small arms and light weapons and investigations into the alleged use of chemical weapons, along with outreach activities to support the universalisation of the various non-proliferation treaties, conventions and instruments.

– The EU's support for the non-proliferation multilateral architecture plays a key role in efforts to defend the international rules-based order, which is being undermined following Russia's war of aggression against Ukraine.

– With regard to the indicator 'Percentage of contribution agreements with EU special representatives and civilian CSDP missions signed within 4 weeks after the adoption of the Council decision', the Commission concluded 13 out of 15 agreements (i.e. 86.7%) within the deadline in 2023. The signature of the contribution agreement with the EU security and defence initiative in support of West African countries of the Gulf of Guinea was delayed, as the Political and Security Committee appointed the head of the Civilian Command and Support Cell of the initiative more than 2 months after the adoption of the Council decision establishing the initiative.

– For the indicator on pillar assessments, it should be noted that 10 out of the 14 civilian CSDP missions were exempted from the pillar assessment requirements in October 2023, in accordance with Article 154(6)(a) of the financial regulation. The EU Advisory Mission in the Central African Republic was positively pillar assessed in October 2023. The newly established EU Mission in Armenia and the EU Partnership Mission in Moldova are to be pillar

assessed in 2024. None of the positively pillar assessed civilian CSDP missions require any supervisory measures, and the result for this indicator is therefore 100%.

– Being able to deliver with the CFSP budget will largely depend on enhanced alignment between the political ambitions and the available resources, creating more budgetary space and thus the necessary flexibility to address new and upcoming emergencies and priorities.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | No | |
| SDG2 | No | |
| SDG3 | No | |
| SDG4 | No | |
| SDG5 | Yes | As mentioned above, all civilian CSDP Missions, except the newly established EUPM Moldova and the Gulf of Guinea Initiative, are assessed as having gender equality as an important objective (Development Assistance Committee gender equality marker 1). This assessment is based on the fact that the Missions have full time gender advisers and a gender focal point networks, implement guidelines on gender mainstreaming, implement the strategy and action plan to enhance women's participation in civilian CSDP missions, collect sex-disaggregated data, provide trainings on gender mainstreaming and women, peace and security, and conduct operational activities to advance gender equality and/or implementation of the women, peace and security agenda. |
| SDG6 | No | |
| SDG7 | No | |
| SDG8 | No | |
| SDG9 | No | |
| SDG10 | No | |
| SDG11 | No | |
| SDG12 | No | |

| | | |
|---|---|---|
| SDG13 | No | |
| SDG14 | No | |
| SDG15 | No | |
| SDG16 | Yes | **Civilian CSDP mission in Armenia supporting the reduction of violence**<br>Through the conduct of routine patrolling and reporting on the situation on the ground and on any conflict related incidents, the newly established EU mission in Armenia contributes to confidence-building between Armenia and Azerbaijan. As an impartial and credible actor, the mission contributes to the creation of a safe and stable environment in conflict-affected areas in Armenia, within which improved human security and the normalisation of relations between Armenia and Azerbaijan on the ground will allow for further progress towards a potential peace agreement. In 2023, the Commission committed EUR 16.6 million for the mission.<br>**Arms export control and non-proliferation**<br>The iTrace IV action contributed to the prevention of diversion and illicit trafficking of conventional arms and their ammunition by documenting and tracing those arms and ammunition. In 2020-2023, the iTrace IV action documented 3 885 conventional weapons and 95 308 rounds of ammunition in conflict-affected areas, including Afghanistan, Northeast Syria, Somalia, and the Sahel region. The iTrace IV action also sent 2 488 trace requests to national authorities of the arms exporting states and received 891 responses. The maximum EU contribution for the iTrace IV action was EUR 5.5 million. |
| SDG17 | No | |

# DOAG

## DECISION ON THE OVERSEAS ASSOCIATION, INCLUDING GREENLAND

# *Programme in a nutshell*

## Concrete examples of achievements

| 13 | 76% | 421 | 1 |
|---|---|---|---|
| hotspots were connected to the fibre-optic cable in 2023 infrastructure to create an emergency public Wi-Fi network to allow Saint-Barthélemy's inhabitants to keep communicating and get help in post-disaster situations (63). | of Greenland's (64) children attend preschool in 2023, a rate that is 7 percentage points higher than 10 years ago and that has consistently been on the rise. This is particularly a success in hard-to-reach rural areas, where coverage has increased by almost 10 percentage points (65). | young people (around 30% of the total 'young' population) of Saint Pierre and Miquelon gained skills in sustainable tourism in 2023. This will enable decent jobs to be created and increase the employability of young people as a potential driver of the green and just transition (66). | Sustainable Island Solutions through Science, Technology, Engineering and Mathematics (67) faculty was established at the University of Aruba in 2023, with the capacity to train 29 bachelor's students (34% women), along with five master's students, 10 PhD students and one postdoctoral student (72% women). |

(63) Saint-Barthélemy disaster risk management budget support programme for 2021-2027 (DOAG),

(64) Greenland education budget support programme for 2014-2020 (EU budget).

(65) Greenland education budget support programme for 2021-2022 (EU budget – DOAG).

(66) Saint Pierre and Miquelon budget support programme on sustainable tourism for 2021-2027 (DOAG).

(67) Aruba higher education programme for 2014-2020 (11th European Development Fund).

| 1 | 13 | 4 | |
|---|---|---|---|
| new solar park (with a capacity of 1 megawatt) has been operational in Saba (68) since 2019, achieving renewable energy coverage of 40%, with an ultimate target of 60% by 2025 thanks to new infrastructure (adding extra megawatts), which is yet to be built (69). | municipalities in French Polynesia benefited in 2022 from financial aid intended for the renovation of networks and reservoirs, the installation of meters and technical studies, within the framework of EU support for municipalities in implementing environmental competencies in drinking water and wastewater sanitation ([70]). | Caribbean OCTs' data, statistics or information systems were introduced or updated in 2023 for the protection of marine biodiversity as part of the Caribbean OCTs regional programme ([71]). | |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

## Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 500.0 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 35.0** |
| **Total budget 2021-2027** | **535.0** |

([68]) Saba renewable energy budget support programme for 2014-2020 (11th European Development Fund).

([69]) Saba renewable energy budget support programme for 2021-2027 (DOAG).

([70]) French Polynesia sustainable water management budget support for 2021-2027 (DOAG).

([71]) Regional Caribbean programme for 2014-2020 (11th European Development Fund).

(*) Only Article 15(3) of the financial regulation.

(**) Corresponds to Investment Facility reflows

# Rationale and design of the programme

The decision on the association of the overseas countries and territories (OCTs), including Greenland, with the EU (under the decision on the overseas association, including Greenland – DOAG) providing an updated legal framework to support action by the 13 OCTs in tackling the challenges they face and ensuring their economic and social development. The three main building blocks of the EU OCT partnership are political and policy dialogue, commercial exchanges and financial cooperation. For the first time, the DOAG also incorporates Greenland, placing all OCTs firmly under the same instrument and under the same source of funding: the EU budget (OCTs other than Greenland previously benefited from the European Development Fund).

The OCTs have wide-ranging autonomy, covering areas such as economic affairs, labour market, public health, home affairs and customs. At the same time, as non-sovereign entities, they are part of the territory of three EU Member States (Denmark, France and the Netherlands). For instance, defence and foreign affairs usually remain within the remit of the Member States. While the around 1 million OCT inhabitants are EU citizens, their territory is not directly part of the EU, though they have been associated with the EU since the Treaties of Rome. Except for Wallis and Futuna, OCTs are not eligible for development aid under Organisation for Economic Co-operation and Development criteria.

## CHALLENGE

OCTs are especially vulnerable to climate change and environmental degradation due to their geography (all are islands). At the same time, almost all are in global biodiversity hotspots and – together with the outermost regions – they account for the vast majority of EU biodiversity. They face major challenges in terms of ensuring economic diversification (including moving away from an overreliance on potentially volatile tourism revenues), competitiveness, digital transformation, education, and connectivity (several of the OCT islands are remote and isolated).

The DOAG provides an updated legal framework to support action by OCTs in tackling such challenges and ensuring their sustainable economic and social development.

## MISSION

The EU–OCT associations constitutes a partnership to support the OCTs' sustainable development, as well as to promote the values and standards of the EU in the wider world. The general objective of the DOAG is to promote the economic and social development of the OCTs and to establish close economic relations between them and the EU, which can only be achieved through cooperation at EU level.

The DOAG pursues this general objective by enhancing competitiveness of the OCTs, strengthening their resilience, reducing their economic and environmental vulnerability, and promoting cooperation between them and other partners, including the EU as a whole.

The EU has an interest in supporting the OCTs. They belong to the EU family and share the same values and policy priorities. Located in the Atlantic, Antarctic, Arctic, Caribbean, Indian Ocean, and Pacific regions they connect the EU to all four corners of the globe. They are important EU ambassadors in their regions. OCTs bring with them important assets, such as a vast Exclusive Economic Zone (12 million sqm –highly relevant for ocean governance), host critical infrastructure (Galileo) and avail of many critical raw materials. At the same time, the OCTs benefit from the EU's significant expertise in sustainable development and the green transition as well as the privileged access to the EU market.

## OBJECTIVES

The association between the EU and the OCTs is based on the pillars of political and policy dialogue, trade, and cooperation. The specific objectives of the DOAG are:

– to foster and support cooperation with OCTs, including addressing their major challenges and reaching the United Nations' sustainable development goals;

– to support and to cooperate with Greenland in addressing its major challenges, such as raising the education level, and to contribute to the capacity of its administration to formulate and implement national policies.

## ACTIONS

Cooperation through the DOAG takes place via the following main types of action:

- geographic/bilateral cooperation with individual OCTs;
- regional programmes benefitting OCTs in the Caribbean, Pacific and Indian Ocean regions, based on shared needs;
- intraregional programmes for cooperation between one or a group of OCTs and one or more non-OCT neighbours, who would participate with their own funds;
- technical assistance and institutional support;
- additionally, the DOAG sets aside a 'reserve' to help OCTs respond to unexpected circumstances, emerging challenges (e.g., migratory pressures) and new international priorities.

## STRUCTURAL SET-UP OF THE PROGRAMME

The programme is implemented under direct management by the Commission from its headquarters and/or through the EU delegations and EU offices, and under indirect management by entities such as Member State agencies or international organisations that ensure a level of protection of the EU's financial interests equivalent to that under direct management. Indirect management may also be entrusted to partner countries or the bodies they designate.

The lead directorate-general is DG International Partnerships, in cooperation with DG Regional and Urban Policy, DG Trade and other line directorates-general – especially on the external dimensions of internal policies such as climate, environment, energy and digital.

In line with its specific objectives, the DOAG operates through two main pillars:

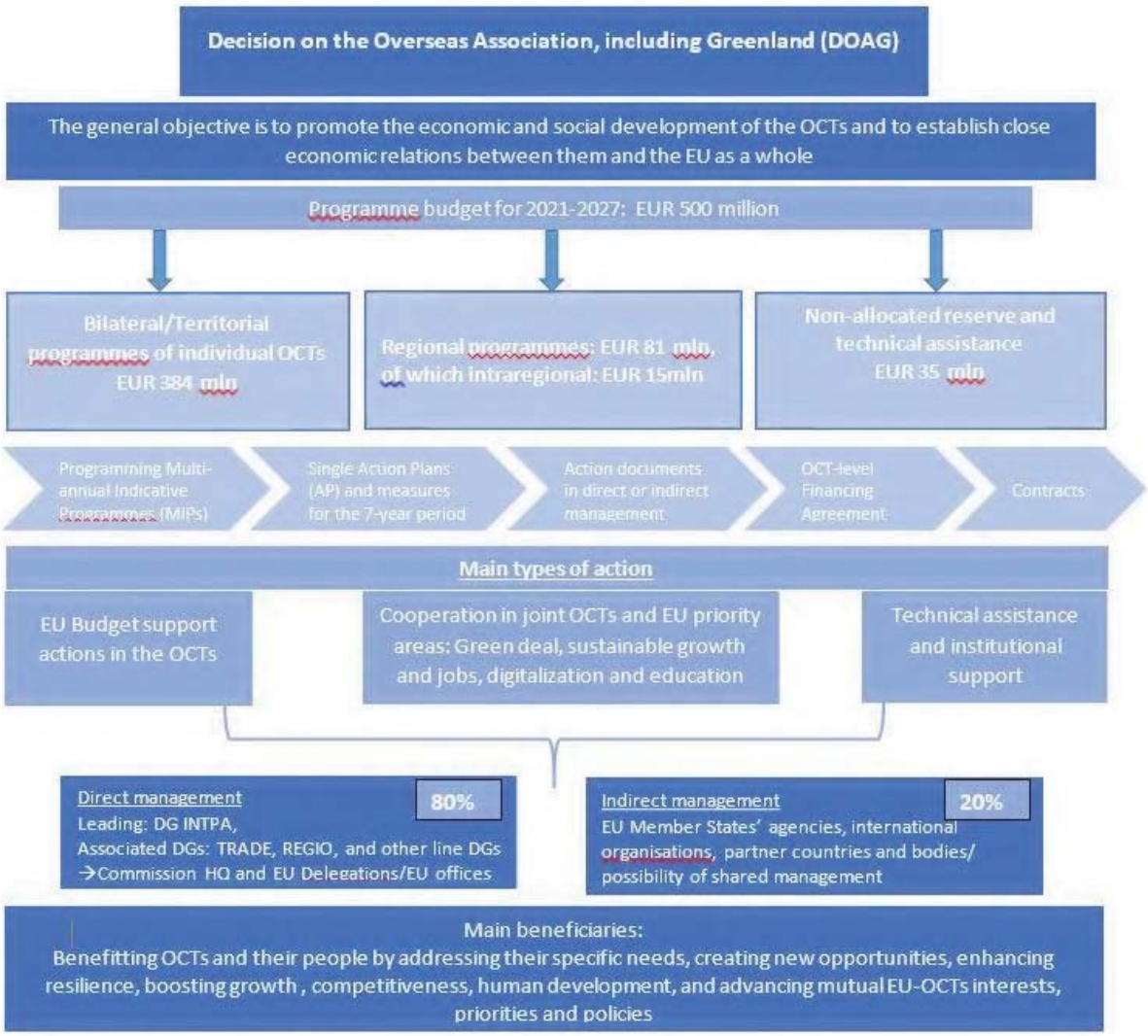
– bilaterally and (intra-)regionally, to support OCTs in addressing major challenges and to achieve the United Nations' sustainable development goals (SDGs);

– through a dedicated pillar for Greenland cooperation notably to raise educational levels and to address other major challenges and to enhance administrative capacity to formulate and implement national policies.

The programme has a reserve for emerging challenges and will also benefit from the EIB Investment Facility reflows.

Moreover, the DOAG programme is transversally reinforced through other EU programmes to which the OCTs are eligible, including for investment with InvestEU, the thematic programmes of the Neighbourhood, Development, as well as other International Cooperation Instruments – such as Global Europe, Erasmus+ and Horizon Europe.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP



## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

Under the 2014-2020 multiannual financial framework, cooperation with OCTs was carried out under both the overseas association decision (which also applied to Greenland) and the additional Greenland decision. For simplification purposes and taking into account the 2017 midterm evaluation of external financing instruments, the overseas association decision and the Greenland decision were merged into a single new DOAG under the 2021-2027 multiannual financial framework.

With the 'budgetisation' of the European Development Fund under the 2021-2027 multiannual financial framework, the EU budget became the unified source of financing for all OCTs. For the first time, the DOAG benefits from an earmarked envelope for strengthened cooperation with non-OCT neighbours and two horizontal spending targets: 25% of the overall DOAG envelope for climate-change objectives; and 7.5% of annual spending for biodiversity objectives in 2024 and 10% in 2026 and 2027.

With the new external financing architecture, OCTs are eligible for investment financing from InvestEU, as the DOAG no longer provides for a dedicated OCT investment facility.

OCTs are also eligible for the thematic and rapid response initiatives of the Neighbourhood, Development, and International Cooperation Instruments – Global Europe, and as a matter of principle they are eligible for EU horizontal programmes.

## FURTHR INFORMATION

- Programme website:
    - DOAG.
- Impact assessment:
    - the impact assessment of the association of the OCTs with the EU was carried out in 2018;
    - for further information please consult: https://europa.eu/!gh96VH.
- Relevant regulation:
    - Council Decision EU 2021/1764.
- Evaluations:
    - strategic evaluation of the EU–OCT financial cooperation 1999-2009;
    - from 2023, the midterm evaluation of the instruments was prepared, including a staff working document – the final evaluation report should be available in 2024.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 67.0 | 69.0 | 70.0 | 71.4 | 72.9 | 74.3 | 75.4 | 500.0 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 35.0** | 0.0 | 0.0 | 0.0 | 0.0 | 35.0 |
| **Total** | **67.0** | **69.0** | **105.0** | **71.4** | **72.9** | **74.3** | **75.4** | **535.0** |

(*) Only Article 15(3) of the financial regulation.

(**) Corresponds to Investment Facility reflows

Financial programming:

+ EUR 0.0 million (+ 0%)

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 206.1 | 535.0 | 38.5% |
| **Payments** | 77.9 | | 14.6% |

Voted budget implementation (million EUR) ([1]):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 63.3 | 67.0 | 0.7 | 25.2 |
| **2022** | 68.2 | 69.0 | 29.2 | 50.5 |
| **2023** | 69.6 | 70.0 | 46.3 | 58.6 |

([1]) Voted appropriations (C1) only. The DOAG allows for automatic carry-over and implementation of appropriations to year *n* + 1 (C2). The two items not reflected in this table are: automatic carryover of 3.7 million on CA that were committed in 2022 and automatic carry-over of 7 million in PA from 2023 to 2024. This additional information gives a more complete picture of financial performance.

- As of December 2023, all the 16 programming documents for OCT cooperation (called multiannual indicative programmes) were adopted.
- The implementation of the financial assistance is well on track.
- Five Commission decisions were adopted in 2023, for a total of EUR 119.75 million, consisting of two annual action plans for bilateral programmes in OCTs: water and sanitation in Bonaire (EUR 4.6 million) and Green Growth in Greenland (EUR 22.5 million), one for regional cooperation (biodiversity in the French Southern and Antarctic Lands, EUR 4 million), and three multiannual decisions on e-government in Aruba (EUR 14.2 million, out of which half of commitments credits in 2023 and the rest in 2024), education in Greenland (EUR 71.25million, out of which zero for commitment credits in 2023 and EUR 30 million in 2024 and EUR 41.25 million in 2025, and one for support initiatives (for a total of EUR 3.4 million, of which EUR 2.2 million commitments credits in 2023 and EUR 1.2 million in 2024).
- For 2024 five annual initiatives are planned for a total of EUR 115.85 million, also requiring multiannual decisions (EUR 58 million of the 2025 commitment appropriations).
- Summarising the above, in 2021 all available funds were focused on providing support to Greenland. In the following year, the attention shifted to territorial, i.e., bilateral programmes. Starting from 2023 onwards all components of the instrument will be covered.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| Implementation | Estimates | |
|---|---|---|

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
|---|---|---|---|---|---|---|---|---|---|
| **Climate mainstreaming** | | 53.4 | 54.7 | | | | | 108.1 | 22% |
| **Biodiversity mainstreaming** | 0.0 | 12.9 | 42.6 | | | | | 55.5 | 11% |
| **Clean air** | | | | | | | | | |

– The Green Deal is pivotal to the new EU–OCT cooperation. The DOAG, with its EUR 500 million envelope for 2021-2027, sets specific targets for priority areas of mutual interest, such as climate change and biodiversity. Spending targets for climate action (25%) and biodiversity (7.5% in 2024, 10% in 2026-2027) are therefore included.

– Given the vulnerabilities of the OCTs as islands, the major sectors of intervention under the 11th European Development Fund for the 2014-2020 period included the environment, climate change and sustainable energy. For 2021-2027, the Green Deal has even emerged as a key priority of EU–OCT cooperation. Most (9 out of 12) bilateral multiannual indicative programmes have a strong Green Deal focus (Bonaire, Curaçao, French Polynesia, Greenland, New Caledonia, Saba, Saint Barthélemy, Sint Eustatius, Sint Maarten), along with the three regional multiannual indicative programmes (Indian Ocean, Pacific and Caribbean). More than 40% of the overall resources will be mobilised for Green Deal cooperation, such as renewable energy, water, disaster risk reduction, sustainable agriculture and green growth.

– In 2021, the Greenland annual action programme and support initiatives were committed. They did not include markers on biodiversity or climate change. In 2022, seven initiatives were committed with positive climate coefficients.

– The 2022 implementing initiatives for French Polynesia, New Caledonia, Saba, Saint Barthélemy, Sint Eustatius, and Saint Pierre and Miquelon will contribute to the climate and biodiversity targets.

– In French Polynesia, the programme (EUR 31.1 million) aims, among other things, to preserve and restore ecosystems and biodiversity and to better monitor, report on and prevent water pollution. The initiative aims to safeguard the environment and biodiversity while also fostering adaptation to climate change by promoting the more efficient use of water.

– In Greenland, the multiannual indicative programme’s second priority area – green growth (EUR 22.5 million) – will support the extension of a renewable energy supply, to ensure that the economic development of the island is sustainable and as carbon neutral as possible. Also in line with the Green Deal and climate adaptation goals is its second goal, the protection of biodiversity, as Greenland’s flora and fauna are particularly affected by climate change in the Arctic region, and the island is heating up more quickly than the rest of the planet. Lastly, as Greenland is an important territory in which to study climate dynamics, the support for research coordination provided for in this priority area will contribute to a better understanding of the related challenges.

– In New Caledonia, the programme (EUR 30.9 million) aims to green the mining sector, develop decarbonised mobility and develop the sustainability and resilience of the territory. Therefore, the direct and indirect results of the programme will contribute to the fight against climate change and will foster environmental protection.

– A clean-energy transition with climate mitigation as the principal objective will be the focus of the 2021-2027 territorial cooperation with Saba (EUR 4.1 million, budget support, implementation will start in 2023), and the multiannual programme for Sint Maarten (EUR 7.7 million) also focuses on the renewable energy transition.

– Saint Barthélemy's budget support programme for disaster risk management (EUR 2.5 million), is interlinked with climate adaptation. The EU's support in this sector will contribute to developing integrated risk reduction management in Saint Barthélemy, but also, more broadly, to the island asserting its role as a leader and main trusted partner in the fight against climate change in the Caribbean region, which one of the regions of the world most vulnerable to its impacts.

– In Saint Pierre and Miquelon, the programme (EUR 27 million) aims to support the development of sustainable tourism. Several planned initiatives with a contribution to the green priorities, to be carried out by the territorial collectivity, are in hand. The forest management plan provides for the protection of natural areas and remarkable sites. Furthermore, the territorial collectivity has developed a planning document for the sustainable development of the territory. This document is intended to both address the risks to the territory and protect the biodiversity of the coastal zone.

– For the first time, the sustainable agriculture sector was selected in an OCT, in Sint Eustatius (EUR 2.9 million, budget support, implementation started in 2023). This was instigated by the current disruptions in food supplies and the need to boost food security and increase the resilience of the island's own food-production systems (the Caribbean OCTs are highly dependent on food imports). The initiative will enhance food security in the face of climate change and biodiversity loss, reduce the island's environmental and climate footprint and provide opportunities for local operators in the different segments of the food value chain. The action is fully aligned with the Green Deal (under the farm-to-fork strategy). In 2023, the project started with the contractualisation of the technical assistance. The first results will be known by the end of 2024, with the first disbursement.

– In 2023, the Aruba programme intends to support Aruba's digital transition (EUR 14.2 million, budget support) by introducing digital technologies into the work processes of government, by ensuring accessible digital public services and by developing new businesses. It will also contribute significantly to gender equality.

– Bonaire's action focuses on water management and sanitation (EUR 4.6 million, budget support). The action will address sustainable sewage collection and treatment for the protection of biodiversity against pollution, safeguarding public health by increasing access to sanitation. It will also promote the circular economy by recycling wastewater resources for agricultural irrigation. It targets the climate, gender and biodiversity.

– The green growth project for Greenland (EUR 22 million, budget support) will support Greenland's sustainable development and economic diversification by increasing the use of renewable energy for the production of clean fuels, enhancing the development of new sustainable raw material value chains and expanding the protection of biodiversity, the environment and the climate. It targets the climate, gender, biodiversity and digitalisation.

– The education project for Greenland (EUR 71.25 million, budget support) will also contribute to the sustainable development and diversification of the Greenlandic economy by improving the quality of the education system, learning outcomes and entrepreneurial and innovation skills; emphasising projected labour market demands; reducing inequality; improving the well-being of students; boosting cohesion and inclusiveness in society; and increasing efficiency in the education sector (including

spending) and completion rates in upper secondary education and vocational education and training, along with the rate of progression from lower secondary.

- The French Southern and Antarctic Lands project (EUR 4 million, project) will improve the management of marine ecosystems and natural resources by strengthening the knowledge and monitoring of marine ecosystems in the south-west Indian Ocean in order to develop appropriate conservation measures.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | 60.0 | 2.4 | 64.7 | **127.1** |
| 0* | | | | |
| 0 | 3.3 | 65.8 | 4.9 | **74** |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender-disaggregated information.

- N/A

– While no specific target was set for 2014-2020 EU–OCT cooperation concerning gender equality, care will continue to be taken to ensure that all cooperation programmes include a focus on gender equality. Indeed, the DOAG programme explicitly states that gender equality should be mainstreamed into all initiatives as a key contribution to the successful achievement of the SDGs. Consequently, all new initiatives aim to ensure that gender aspects are considered to the best extent possible, notably through sex-disaggregated data.

– With OCTs being Member State territory, they are subject to the respective national legislation, which includes the progressive application of EU legislation in this matter even though OCTs are not bound by the EU *acquis*. Therefore, no initiatives target gender equality specifically, but gender equality is mainstreamed in all new cooperation initiatives as a significant objective (G1 marker), while there are no initiatives with gender equality as the main target (G2).

– French Polynesia (G1). Action regarding equitable access to water and to appropriate hygiene conditions responds to a crucial issue regarding the health of women and

children. However, gender-disaggregated data on access to water in French Polynesia do not yet exist. The gender issue in connection with the sustainable management of water will mainly be raised within the framework of the policy dialogue. The action will also support the production of sex-disaggregated data.

– Greenland (G1). Cooperation on education has several indicators disaggregated by gender, and one of its specific objectives is increased equality in the education system, including on gender. Female students perform particularly well in upper secondary and higher education. Young people in Greenland face the specific challenges of underperformance by male students and socio-psychological issues, along with gender-based violence.

– New Caledonia (G1). The energy sector is influenced by a set of persistent gender inequalities, which can be summarised as gender gaps in energy access, in the energy labour market, in energy-related education and in decision-making in the energy sector. The EU initiative and the policy dialogue will help the policies arising from the programme to address these inequalities. Moreover, the initiative will also support the production of sex-disaggregated data.

– Saba (G1). Action on energy transition will support a more affordable, sustainable and reliable energy supply, and will foster gender equality (better access to energy by women). It also has a gender-sensitive indicator, with a specific strategy for the sector to be drafted by 2025 (supported by technical assistance).

– Saint Barthélemy (G1). Cooperation on risk management has a gender-related goal (public policy documents taking gender into consideration).

– Saint Eustatius (G1). Cooperation in the field of sustainable agriculture, promoting a gender-sensitive agricultural-sector policy framework and minimum gender targets for the funding scheme. A gender-sensitive analysis of the agricultural sector will also be done, supported by technical assistance.

– Saint-Pierre and Miquelon (G1). The territorial government is committed to implementing several initiatives for the careers of young women and men in the territory, in particular e-training courses. This training contributes to the better integration of women into the labour market. Moreover, the EU initiative will support the production of sex-disaggregated data and gender analysis relating to the sector. It will also seek to build the capacity of stakeholders in relation to the gender and human-rights approach.

– Support initiatives are driven by demand; therefore, they do not specifically target gender issues and are scored at 0 in the above table.

- Greenland (G1). In 2023, two new programmes were adopted that include targets on gender equality as significant objectives. The new budget support programme on education has an increased focus on gender and a human-rights-based approach to how progress is measured, with additional indicators disaggregated by gender and by age, and is looking into helping the government of Greenland to be able to provide data on the disability status of students. While mainstreaming gender equality (which in Greenland is increasingly an issue for boys and young men, who are underperforming in the education sector), specific actions target student well-being and the issues faced by girls and women, such as gender-based violence. The new green growth programme – centred on renewable energy, critical raw materials and environmental protection – includes the goal of promoting the inclusion of women in these mostly male-dominated sectors.

- Aruba (G1). Cooperation on e-government/digital has the gender-related goal of approaching digitalisation as a key enabler for women’s empowerment and gender

equality, notably by addressing the differentiated impacts of technology and building capacities and partnerships to dismantle discrimination, stereotypes and other barriers.

- Bonaire (G1). Cooperation in the field of water management and sanitation, promoting a gender-sensitive water governance system and mainstreaming gender in the sanitation and wastewater sector (public policy documents taking into account gender responsiveness).
- French Southern Antarctic Lands (G0). These islands are uninhabited.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | 0.0 | 11.8 | 15.7 | 27.5 | 13% |

- During the 2014-2020 period, important work was carried out on digital connectivity with Wallis and Futuna (EUR 19.6 million) and Saint Helena (EUR 21.5 million).
- Under the DOAG programme, cooperation with Aruba in 2021-2027 will prioritise the digital transformation (e-government, EUR 14.2 million). As programming finished in 2022, the formulation of the implementing measure took place in 2023. Implementation will therefore only begin in 2024. The ongoing cooperation on education with Greenland includes the provision to extend and improve the use of digital technologies in the field, for instance to battle the chronic lack of qualified teaching staff in remote locations. The government launched an evaluation of the information technology strategy in education in 2022, and drafted a new action plan for digital and distance learning in 2023.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline (*) | Progress | Target | Results | Assessment |
|---|---|---|---|---|---|
| For OCTs except Greenland, exports of goods and services as a percentage of gross domestic product | 19.2% | N/A | | 29.5% in 2022 | Not applicable |
| For OCTs except Greenland, total government revenue as a percentage of gross domestic product | 26.9% | N/A | | 27% in 2022 | Not applicable |
| For Greenland, exports of goods and services as a percentage of gross domestic product | 26.4% | N/A | | 24.9% in 2021 | Not applicable |
| For Greenland, the percentage of the fisheries sector in total exports | 91.4% | N/A | | 94.4% in 2021 | Not applicable |

(*) Baseline year is 2020.

The indicators presented above are based on data from various statistical sources in each OCT. The baseline was established by calculating a proxy based on available data, with the year 2020 serving as the reference point. As data for 2023 (and 2022 for Greenland) are not yet available, progress is shown using the most recent data available from each OCT, which, in most cases, is from 2022. It is important to note that a direct contribution by the cooperation provided for under the DOAG to the achievement of these indicators cannot be established, as most of the cooperation programmes do not directly support exports of goods and services, and only indirectly support government revenue generation (through cooperation on public financial management). Therefore, no targets are set.

However, the DOAG programme is performing well with efficient and completed programming, the adoption of numerous implementing initiatives and successful implementation, including meeting the targets for variable tranches of budget support. All of the programming documents for the DOAG are in place (16 in total, of which 12 are territorial, three are regional and one is intraregional), and implementation has started swiftly (42% of the total allocation is already committed for the end of 2027). The initiatives are both based on priority policies for the OCTs and in line with EU priorities. Of the 11 initiatives already under implementation, eight are Green Deal related (the clean-energy transition, sustainable agriculture, water management and biodiversity),

one major initiative (to the amount of EUR 60 million) supports Greenland in improving its education system, one will foster the sustainable economic transition by promoting sustainable jobs and growth and one action will improve digitalisation through e-government.

As an alternative to the general proxy indicators, a good marker of the DOAG's performance can be based on individual performance at programme level. One programme, the EU–Greenland education partnership, was running in 2022, using budget support to increase the quality, equality and efficiency of the island's education system. The programme reached all the variable tranche targets in 2022, resulting in the disbursement of the full related amount of EUR 30 million. These targets included: (1) enhancing institutional coordination in the sector (a coordinating body was created); (2) improving social guidance, student well-being and inclusion (an action plan was drafted); (3) embracing digitalisation through e-learning and an overhauled IT strategy (an evaluation was launched); and (4) fostering entrepreneurial skills and innovation (successful stakeholder consultations were held). These initiatives represent important steps towards the programme's goals and confirm budget support as a reform driver.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | yes | With the COVID-19 pandemic and, more recently, high inflation and the global impact of the war in Ukraine on food supplies and food security, global poverty has increased, and this is also the case in the OCTs. As part of the EU's global response to COVID-19, OCTs benefited from reorientations of ongoing programmes and the front-loading of budget support operations, as well as mobilising all remaining funds from the B-envelope (emergency assistance) to the total amount of EUR 111 million. This highlights the importance for the EU–OCT partnership to continue the fight against inequalities and poverty (see also below on SDG 10). |
| SDG2 | yes | OCTs share vulnerabilities, resulting in a complex set of food security and nutrition challenges. For 2021-2027, the EU is supporting sustainable agriculture, food security and nutrition in the Pacific region (regional multiannual indicative programme, EUR 36 million), Caribbean OCTs (regional multiannual indicative programme, EUR 21 million) and in Sint Eustatius (EUR 2.9 million). |

| | | |
|---|---|---|
| SDG3 | yes | The populations in the OCTs are highly dependent on the quality of resources and natural environments. Indeed, the latter provide a large part of the population with essential services such as means of subsistence and a vector of well-being. The regional Pacific multiannual indicative programme (EUR 36 million) is expected to promote sustainable and healthy food consumption, and to ensure that citizens are better informed to make healthy and sustainable choices. The regional Caribbean multiannual indicative programme (EUR 21 million) will also strengthen food and nutrition security through the development of sustainable and resilient local food value chains.<br><br>Over 60% of the population of Wallis and Futuna suffer from obesity and other related health conditions (diabetes, gout, etc.). However, the local offer of treatments is limited. People with serious conditions often need to go to New Caledonia, Australia, or even France for consultations and treatments. The EU budget support under the 11th European Development Fund of EUR 19.6 million (with a EUR 0.56 million top-up for COVID-19 support) helped to finance the territory's connection to the TUISAMOA digital cable and to introduce broadband. This 'digital revolution' enabled the Health Agency to develop its telemedicine capabilities aiming at improving prevention, early detection and treatment of many diseases. |
| SDG4 | yes | Access to quality education fosters equality and is an essential pre-condition for achieving sustainable growth and jobs. This is the rationale of one of the two priority areas of EU cooperation with Greenland 2021-2027. EUR 202.5 million is earmarked for education cooperation in Greenland. This will contribute to increase the quality, the access, and the efficiency of the territory's education system, which is facing a number of complex challenges (lack of skilled staff, geography, social issues). For instance, the rate of students staying in education, and the completion rates have recently shown a positive trend, and several institutional and policy changes are making progress.<br><br>Through the Erasmus+ programme, the EU also supports OCTs in facilitating mobility of individuals and reinforcing intercultural dialogue and understanding. OCT participation has more than doubled since 2018, in the number of both projects and beneficiaries. From 87 projects with 41 beneficiaries (total EUR 3.2 million) in 2018, participation grew to 177 projects and 95 beneficiaries (EUR 5.5 million) in 2020 and to more than EUR 8.2 million in 2022. |

| | | |
|---|---|---|
| SDG5 | yes | Gender equality is a cross cutting issue of EU OCT cooperation. All new initiatives include gender-sensitive indicators and sex-disaggregated data whenever possible. Climate resilience, renewable energy development, water and sanitation are all crucial for gender equality.<br><br>The education programme in Greenland is a good example on how EU action fostered equality, including on gender. Greenland's education policy, which the EU supports since 2007, aims to create a more equal and inclusive society, advancing gender equality. In 2022, the Commission disbursed EUR 30 million, translating to EUR 12 million for gender equality in a G1 action (gender equality as an important, but not principal objective). In fact, female students and pupils tend to outperform their male counterparts (e.g., having an eleven percentage points higher transition rate to upper secondary education). Educational attainment and participation of girls and women has been consistently high, with 65% and 64% of enrolments and completions in upper secondary education. Women outperform men even more in higher education (72% of completions for all diplomas, all numbers for 2020). Enrolment and completion of vocational education are more equally distributed between genders (49% and 50% respectively in 2020). |
| SDG6 | yes | As part of the broader EU support for access to water and sanitation, interventions relating to the construction of water collection systems and of treatment facilities contribute to delivery on SDG 6. There is a focus of the new cooperation with French Polynesia (EUR 31.1 million), Bonaire (EUR 4.6 million) and Curaçao (EUR 18.6 million).<br><br>In French Polynesia, the programme is contributing to the achievement of sustainable development objectives aiming at guaranteeing access to drinking water and sanitation while ensuring an integrated management of water resources in the face of climate change constraints.<br><br>In Bonaire and Curaçao, the population and economic growth (notably linked to the tourism sector) led to increased production of wastewater and solid waste and more pressure on ecosystems. The programmes is therefore aiming to improve water management and increase access to sustainable sanitation. |

| | | |
|---|---|---|
| SDG7 | yes | Sustainable energy transition in New Caledonia (EUR 30.9 million), Saba (EUR 4.1 million) and Sint Maarten (EUR 7.7 million).<br><br>In New Caledonia, the programme is contributing to the decarbonisation of the mining industry, which is the lungs of the economy and responsible for 77% of the territory's total energy consumption. Furthermore, New Caledonia aims at energy autonomy for the territory, based on reliable, decarbonised, resilient and affordable energy.<br><br>The programme in Saba is accelerating the transition to a low carbon economy building on in the 11th European Development Fund action which substantially improved the energy mix of Saba with 40% of renewable energy produced. More action is needed to increase the share of renewable energy in the global energy mix (objective of 60% production by 2025) and energy efficiency (with the launch of a programme to promote the use of LED technologies and solar water heaters).<br><br>In Greenland the cooperation aims at increasing the percentage of renewable energy in the public electricity provision to 90%, and there are initiatives to reduce the carbon footprint of current and future economic developments. |

| | | |
|---|---|---|
| SDG8 | yes | The EU envisaged support 2021-2027 to sustainable tourism (Saint Pierre and Miquelon, EUR 27 million), green growth (Greenland, EUR 22.5 million), sustainable agriculture (Sint Eustatius, EUR 2.9 million) and e-government (Aruba, EUR 14.2 million) will drive progress towards sustained economic growth, full employment and decent work.<br><br>In Saint Pierre and Miquelon, the programme will contribute to the sustainable economic diversification of the territory, relying on the potential and multiplier effect for sustainable growth of the tourism sector. It will reinforce the attractiveness of the territory bringing decent jobs and new opportunities, including for local youth and women.<br><br>For 2021-2027 the EU teams up with Aruba to implement its e-government-strategy. This entails the building of an e-government organisation, an e-ID development and implementation, national cyber security development and the creation and implementation the national digital payments infrastructure. Aruba's digital transformation is contributing to secure the digital access to government services and unlock new economic opportunities for all, including women and youth.<br><br>In Greenland, the EU is supporting initiatives to make the territory's natural riches more accessible to foreign tourists in a manner that is sustainable and respectful of the unique environment, while supporting local populations. |
| SDG9 | yes | Since 2019 the EU is boosting through a EUR 13.05 million programme (11th European Development Fund) the capacity of the University of Aruba. To this end, the EU also collaborated with the University of Leuven. The focus of the programme was put on science, technology, engineering, and mathematics to enhance teaching (at bachelor's and master's levels) and research (at PhD level). A new faculty has been set up, including research facilities and laboratories that comply with the European Qualifications Framework. This action contributes to boost innovation skills and partnerships between research and industries in Aruba.<br><br>In Greenland, the ongoing programme for education includes a goal of including more innovative skills in the curriculum, formulation of which is under way. |

| | | |
|---|---|---|
| SDG10 | yes | The focus of our past territorial cooperation (9th and 10th European Development Fund) was on urban infrastructures (mainly street lighting, paved streets as well as sewage infrastructures) in the most deprived neighbourhoods of Curaçao. These programmes were very well received with a strong ownership of the inhabitants and local neighbourhood organisations. Our cooperation has resulted in important and sustainable impacts by strongly improving the quality lives of poor inhabitants, which represent 1/3 of the population of the island. The ongoing 11th European Development Fund programme on resilient infrastructures of EUR 16.95 million and the new programme for 2021-2027 on water and sanitation of EUR 18.6 million will continue to eliminate the inequalities in access basic infrastructure notably for clean water and sanitation.<br><br>In Greenland, inequality is tackled with the improved access of all children to pre-school education, which lays the ground for future economic security independent of starting conditions. |
| SDG11 | yes | An important part of Bonaire's young population faces social hardship due to growing up in vulnerable single-parent households. For this reason, the EU joined hands to build better social and developmental prospects for children in this Dutch overseas country and territory in the Caribbean. Youth empowerment is at the heart of the EU-Bonaire partnership agenda. The 11th European Development Fund budget support programme of EUR 3.95 million advanced well with the setting-up of a childcare regulation and comprehensive child development centres. |
| SDG12 | yes | The EU support 2021-2027 to Bonaire and Curaçao on water management and sanitation aims to expand the application of the circular economy in water resources management, as a mechanism to achieve greater environmental and health protection (via increased sanitation coverage and greater wastewater treatment capacities as well as reuse of wastewater resources). |

| | | |
|---|---|---|
| SDG13 | yes | The OCTs are especially vulnerable to climate change and environmental degradation due to their geographical locations and characteristics. The ongoing all-OCT thematic programme green overseas and the Caribbean, Indian Ocean, and Pacific regional programmes (for a total of EUR 97.8 million) from the 11th European Development Fund are all dedicated to ensuring the sustainable use of natural resources, protecting biodiversity, and supporting climate initiatives and resilience, showing the vital importance of these areas to all OCTs. The regional initiatives under the DOAG (EUR 36 million for the Pacific OCTs, EUR 21 million for the Caribbean OCTs and EUR 4 million for the French Southern and Antarctic Lands) will build on these achievements.<br><br>EU support to protect biodiversity will continue to be the priority area for cooperation with the French Southern and Antarctic Lands in 2021-2027 (EUR 4 million). This will build on the ongoing Indian Ocean regional programme (EUR 4 million) which aims at improving the surveillance and observation of terrestrial and marine ecosystems in the French Southern and Antarctic Lands, restoring ecosystems, and reinforcing impact prevention mechanisms. The programme 2021-2027 for Saint-Barthélemy (EUR 2.5 million) is also supporting disaster risk management and climate adaptation.<br><br>In addition, the on-going BEST Initiative has helped OCTs to promote the EU's environmental standards and provided an incentive for local actors to engage in environmental initiatives. The new LIFE programme 2021-2027 will continue to scale up the initiatives in OCTs on biodiversity and nature conservation. All these programmes focus therefore on translating SDG 13, 14 and 15 into effective results on the ground and will prepare the work for the future. |
| SDG14 | yes | Same as SDG13 |
| SDG15 | yes | Same as SDG13 |

| | | |
|---|---|---|
| SDG16 | yes | All EU-funded initiatives in the OCTs intend to reinforce the capacity, the accountability and inclusiveness of their institutions.<br><br>Budget support is generally a preferred implementation modality for OCTs' territorial allocations. It is an efficient way of addressing long-term and structural challenges, of improving the performance and accountability of administrations while focusing on the effective achievement of results of territorial policies and of maintaining a constructive policy dialogue. Practice confirms that this modality provides satisfactory results in OCTs through a high level of appropriation from local authorities. This is also supported via a specific instrument, the Technical Cooperation Facility, that OCTs have access to.<br><br>As an example, the territory of Saint Pierre and Miquelon benefited from a public finance management assessment, funded by the facility, which, was finalised in 2022. As a result of the assessment, a plan for the improvement and modernisation of public finances for the 2023-2026 period has been prepared by the local authorities. This document serves as a basis for assessing the Territorial Authority's progress. |
| SDG17 | yes | The special relationship between the EU and the OCTs is based on the association of the OCTs with the EU, which constitutes a partnership. This principle of partnership is embedded in the DOAG programme, which is the framework for political and policy dialogue and cooperation on issues of common interest.<br><br>Recently, the partnership has been further reinforced by including dedicated cooperation on youth engagement. A new initiative of over EUR 560 000 funded by the OCT Technical Facility, the OCT Youth Network, was launched in July 2022 by the EU with the aim of increasing the ties between young people living in OCTs and the EU, and of enhancing the knowledge and involvement of young people in the EU–OCT partnership. A second youth network was launched in July 2023. |

# MFA

FINANCIAL STATEMENT FOR MACROFINANCIAL ASSISTANCE

## *Programme in a nutshell*

### Concrete examples of achievements

| EUR 290 million | EUR 32.5 million | EUR 18 billion | EUR 30.2 billion |
|---|---|---|---|
| was disbursed in the form of loans in 2023 to support the financial stability of Jordan and Moldova. | of macrofinancial assistance support was disbursed to Moldova in 2023, in the context of the energy crisis, in the form of grants totalling EUR 32.5 million. | in macrofinancial assistance plus loans was disbursed to Ukraine in 2023 to provide financial support to the country in the context of Russia's war of aggression. | in loans have been disbursed to Ukraine since 2014 (under the macrofinancial assistance plus instrument in 2023, three emergency operations in 2022 and four regular macrofinancial assistance operations). |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming – grants (*)** | 318.4 |
| **Decommitments made available again (**)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **MFA loans provisioning (**)** | 1 357.5 |
| **Total budget 2021-2027** | 1 675.9 |

(*) MFA loans that are officially part of the budget lines of NDICI – Global Europe and IPA are excluded for reporting in NDICI – Global Europe and IPA and relinked to the MFA PPS. The MFA loans line within NDICI – Global Europe will be reinforced by EUR 57.5 million in 2024, subject to the adoption of EUR 1 billion in MFA to Egypt.

(**) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

Macrofinancial assistance (MFA) is a form of EU financial aid for partner countries experiencing a balance-of-payments crisis, helping to restore their external stability and to bring their economies back to a sustainable path. By relieving the partner country of some financial stress, the MFA operation increases its fiscal space, improves its debt sustainability and allows it to focus on driving necessary reforms.

## CHALLENGE

The economic stability and prosperity of its neighbourhood are of key geostrategic importance for the EU. All EU Member States have a significant interest in supporting neighbouring countries experiencing a balance-of-payments crisis or an unprecedented economic shock (such as the COVID-19 pandemic), to minimise adverse macroeconomic and social spill-overs. EU-level action is thereby justified, as the benefits of prosperity, stability and security in the EU's neighbourhood flow to all Member States.

Russia's unprovoked and unjustified military aggression against Ukraine, which started in February 2022, has inflicted massive human suffering and disrupted Ukraine's economic activity. Confronted with the Russian aggression, the European Union and its Member States have shown unwavering solidarity, and

immediately mobilised support to the Ukrainian government to maintain its functions. In 2023, a structural approach was found for the EU's support to Ukraine, alongside the international community, through the creation of the macrofinancial assistance plus (MFA+) instrument, which allowed the disbursement of EUR 18 billion of highly concessional loans in a constant and predictable manner over the entire year. This followed after three MFA operations to Ukraine in 2022 that had been established on an ad hoc basis in the face of the crisis inflicted by Russia's aggression, which allowed for a disbursement of EUR 7.2 billion. For 2024 and beyond, the EU is setting up a new instrument, the Ukraine Facility. This multi-year instrument will provide a predictable flow of highly concessional loans and non-repayable support of up to EUR 50 billion until 2027 to help Ukraine resist the aggression and rebuild a modern, prosperous country.

## MISSION

MFA is an EU financial instrument extended to partner countries in the enlargement and European neighbourhood policy regions that are experiencing a balance-of-payments crisis. Its primary objective is to help countries overcome acute economic crises and restore their economy to a sustainable growth path, which is to be achieved through economic adjustments and structural reforms that are included in the policy conditionality of the instrument. MFA is usually provided in conjunction with International Monetary Fund financing.

MFA is part of the EU's toolkit for macroeconomic stabilisation, which also includes the balance-of-payments assistance mechanism for Member States outside the euro area and the rescue mechanisms for the euro area created in response to the global financial crisis.

## OBJECTIVES

MFA has the following specific objectives.

- It fulfils a fundamental macroeconomic stabilisation function by addressing exceptional external financing needs faced by neighbouring countries and restoring their economy to a sustainable path.
- It provides a strong incentive for macroeconomic adjustment and policy reform by means of strict conditionality, and supports the EU's accession, pre-accession and association agendas in the beneficiary countries.

It complements the EU's other external instruments, along with resources made available by international financial institutions and other donors, by helping to ensure that beneficiary countries put in place appropriate macroeconomic frameworks and sound economic policies – which are preconditions for the success of other projects by the EU and the donor community aiming at sustainable socioeconomic development.

## ACTIONS

MFA provides financial support to partner countries facing a balance-of-payments crisis. For standard operations, the amount of MFA provided is calculated based on the residual financing needs under an International Monetary Fund programme. MFA is predominantly provided in loans, or a mix of loans and grants (the precise mix in any specific assistance depends on criteria such as the receiving country's level of

development and its debt sustainability / creditworthiness). For the loans, the EU passes on to the beneficiary country its own funding costs (namely the interest rate it must pay to raise funds by issuing bonds) ([72]). This allows the countries receiving assistance to benefit from the low rates available to the EU as a top-rated borrower. The Commission typically disburses MFA assistance in instalments strictly tied to the beneficiary country's progress with respect to:

- macroeconomic and financial stabilisation and economic recovery;
- implementation of the agreed policy reforms, as outlined in the memorandum of understanding;
- sound progress with the International Monetary Fund programme; and
- adherence to respect for human rights, the rule of law and effective democratic mechanisms (the political precondition).

## STRUCTURAL SET-UP OF THE PROGRAMME

MFA is implemented under direct management by the Commission, under the lead of DG Economic and Financial Affairs and with the participation of other Commission services and the European External Action Service.

Throughout the period of the 2021-2027 multiannual financial framework, MFA will continue to be granted based on case-by-case decisions adopted through the ordinary legislative procedure under Article 209, 212 or 213 of the Treaty on the Functioning of the European Union. In turn, the EU's operations and those of the Member States complement and reinforce each other.

The MFA loans are provisioned at a rate of 9% by the External Action Guarantee established by the regulation establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI – Global Europe) (Regulation (EU) 2021/947) ([73]). The guarantee is backed by the Common Provisioning Fund. The MFA decision-making process remains separate from the instrument.

MFA funds are not allocated to specific projects or spending categories and their destination, unless otherwise specified, is left to the national authorities to decide.

In order to ensure that the financial and control framework deployed by the beneficiary country is sufficiently prepared to start/continue implementing the received funds, an *ex ante* operational assessment of the public financial management environment is carried out by the Commission with technical support from consultants. An analysis of accounting procedures and segregation of duties is carried out to ensure a reasonable level of assurance for sound financial management, along with an internal/external audit of the country's central bank and ministry of finance. Should weaknesses be identified, they are translated into conditions, which must be implemented before the disbursement of the assistance. Also, when needed, specific arrangements for payments (e.g., ring-fenced accounts) are put in place.

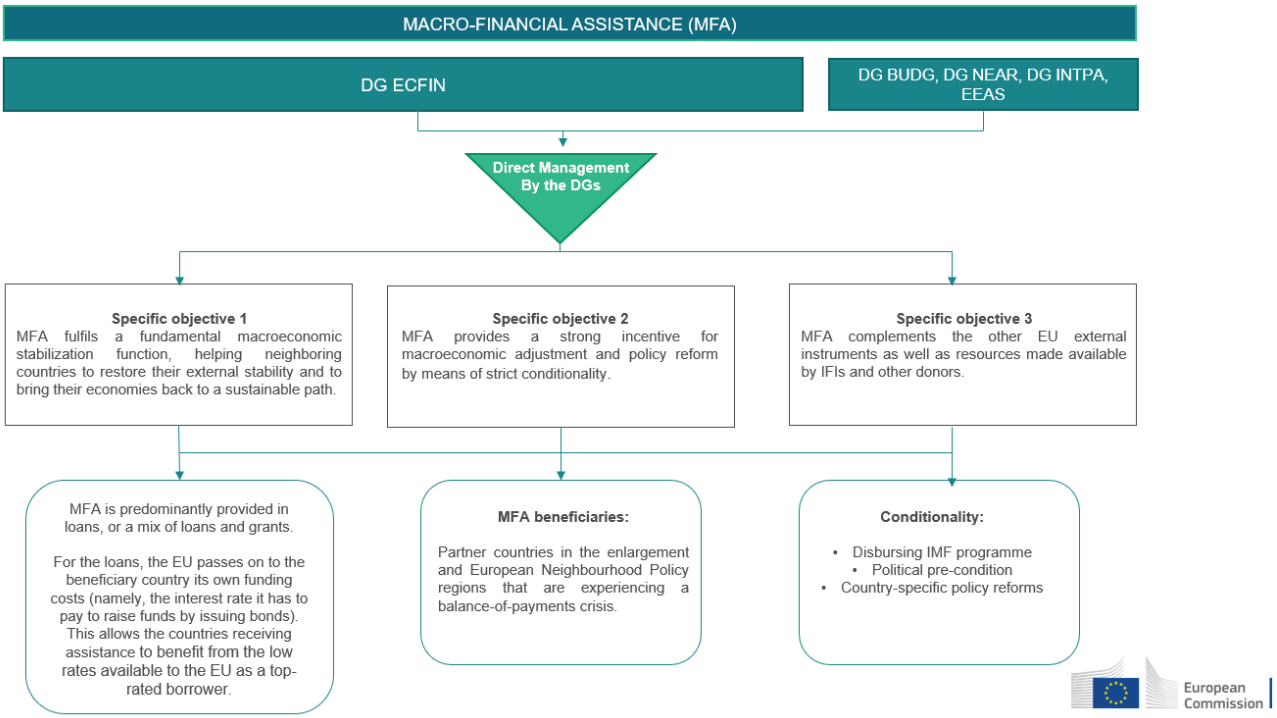
([72]) Given the pressure that Ukraine's fiscal sustainability faces because of Russia's war of aggression, it was decided to lessen the fiscal impact of the loans provided in 2023 under the MFA+ instrument by setting up a subsidy to cover interest costs. In combination with long maturities and grace periods, the debt service from this loan package to Ukraine could be reduced to zero for an extended period.

([73]) The loans provided under the MFA+ instrument deviate from the 9% provisioning from the EU budget. They are backed up by a guarantee from the EU budget headroom, i.e., the budgetary space above the ceiling for payment up to the limit of the own resources ceiling under the multiannual financial framework.

When the MFA is being disbursed, payments are subject to monitoring by staff from DG Economic and Financial Affairs to ensure that the payments/disbursements are eligible and regular, in close coordination with the EU delegations and with external stakeholders, such as the International Monetary Fund, of the implementation of the agreed conditionalities in the memorandum of understanding (the support is underpinned by a set of agreed policy conditions). The disbursement relating to MFA operations may be subject to additional independent *ex post* (documentary and/or on-the-spot) verifications.

MFA complements EU assistance under the EU budget's 'programmed' instruments (e.g., the Instrument for Pre-Accession Assistance III (2021-2027)) and maximises its effectiveness by alleviating the risks of disruption of the regular EU cooperation framework whilst, at the same time, laying the basis for structural change and sustainable economic and social development of the beneficiary countries. MFA is also complementary to the other EU crisis response mechanisms and European Investment Bank lending. Furthermore, by complementing the resources made available by the International Financial Institutions (particularly the International Monetary Fund) and other donors, EU MFA contributes to the overall impact and effectiveness of the financial support agreed by the international donor community.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP



## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

In the 2021-2027 multiannual financial framework, MFA maintains its legal status, with assistance being granted based on case-by-case decisions adopted by ordinary legislative procedure under Article 209, 212 or 213 of the Treaty on the Functioning of the European Union. While under the 2014-2020 multiannual financial framework, the provisioning of the guarantee for MFA loans was managed under the Guarantee Fund for External Action, MFA loans are now guaranteed by the External Action Guarantee under the regulation establishing NDICI – Global Europe, which is backed by the Common Provisioning Fund.

## FURTHER INFORMATION

- Programme website: MFA.
- Relevant regulation: ad hoc decisions under Articles 209, 212 and 213 of the Treaty on the Functioning of the European Union.
- All final reports of completed *ex post* evaluations of MFA operations are published at: https://europa.eu/!pP67Jx.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming – grants (*) | 0.2 | 30.1 | 45.4 | 57.4 | 59.3 | 61.5 | 64.5 | 318.4 |
| Decommitments made available again (**) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MFA loans provisioning (**) | 152.5 | 205.9 | 196.7 | 97.7 | 135.0 | 161.8 | 407.9 | 1 357.5 |
| **Total** | 152.7 | 236.0 | 242.1 | 155.1 | 194.3 | 223.3 | 472.4 | 1 675.9 |

(*) MFA loans that are officially part of the budget lines of NDICI – Global Europe and IPA are excluded for reporting in NDICI – Global Europe and IPA and relinked to the MFA PPS. The MFA loans line within NDICI – Global Europe will be reinforced by EUR 57.5 million in 2024, subject to the adoption of EUR 1 billion in MFA to Egypt.

(**) Only Article 15(3) of the financial regulation.

MFA is predominantly provided in the form of loans underpinned by provisions from the EU budget, and can also be provided in the form of grants. In the budget programming: EUR 1 255 million is dedicated to the provisioning of MFA loans, and EUR 318 million is dedicated to grants.

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR)(*):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 630.8 | 1 675.9 | 37.6% |
| **Payments** | 269.3 | | 16.1% |

(*) MFA loans that are officially part of the budget lines of NDICI – Global Europe and IPA are excluded for reporting in NDICI – Global Europe and IPA and relinked to the MFA PPS, including grants and provisioning of loans.

Voted budget implementation (million EUR) ([1]):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 152.7 | 208.9 | 6.7 | 32.3 |
| **2022** | 236.0 | 207.6 | 95.9 | 57.5 |
| **2023** | 242.1 | 253.4 | 166.8 | 173.9 |

([1]) Grants and provisioning of loans. Including provisioning of MFA loans funded from NDICI – Global Europe and the IPA III instrument's budget.

MFA is predominantly provided in the form of loans, underpinned by guarantees provisioned from the EU budget. In 2023, EUR 290 million in MFA funds was disbursed in loans, while EUR 32.5 million was disbursed in grants. The budget lines for commitments related to provisioning of MFA loans in 2023 amounted to EUR 196.7 million.

– In 2023, a total of EUR 322.5 million in loans and grants were disbursed to aid Moldova in the context of the repercussions of Russia's war of aggression against Ukraine and the energy crisis, and to support Jordan concluding successfully the third MFA operation in the country.

– In 2023, a total of EUR 18 billion in loans was disbursed to Ukraine through the provision of unprecedented financial aid under the MFA+ instrument. DG Economic and Financial Affairs was the lead for the implementation of this instrument, which established the EU's position as Ukraine's most important donor in 2023 thanks to the complete disbursement of the entire envelope of EUR 18 billion in highly concessional loans.

Ukraine

– In the context of the escalating geopolitical tensions preceding Russia's invasion of Ukraine, which found itself cut out of the financial markets; on 1 February 2022 the European Commission adopted a proposal for a Decision on providing new emergency MFA to Ukraine for up to EUR 1.2 billion in loans. The European Parliament and the Council adopted the Decision on 24 February 2022, thereby authorising the sixth MFA operation in Ukraine since 2014. While the first instalment of EUR 600 million in loans was disbursed in March 2022, the outbreak of the war impeded the capacity of the Ukrainian state to implement the structural policy measures associated with the second instalment of the assistance. The Commission decided, with the endorsement by Member States, to disburse the second instalment on 20 May given that the fulfilment of the conditionality was hampered by *force majeure*.

– As a part of the EU's extraordinary support for Ukraine, namely, to finance the immediate funding needs following the unprovoked and unjustified aggression by Russia, on 1 July 2022 the Commission proposed a new EUR 1 billion MFA operation for Ukraine in the form of a highly concessional long-term loan. The adoption of the MFA decision by the European Parliament and the Council on 12 July allowed for the full disbursement of the assistance in August 2022, in two tranches.

– On 7 September 2022, the Commission proposed additional EUR 5 billion in MFA loans to Ukraine. Following the adoption of the decision by the co-legislators on 20 September 2022, the financial assistance was fully disbursed by December 2022, in three instalments. This operation was underpinned by a set of targeted policy conditions that were considered feasible under the conditions of martial law and upon which the Ukrainian authorities delivered.

– Less than 2 months following the request from the European Council on 20 and 21 October 2022 to establish a more structural solution for aiding Ukraine in 2023, the MFA+ regulation entered into force on 17 December 2022. This new instrument ensured predictable, continuous, orderly, and timely financing to enable Ukraine to cover its immediate funding needs in 2023, the rehabilitation of critical infrastructure and initial support for post-war reconstruction, with a view to supporting the country on its path towards European integration. The 20 targeted policy conditions underpinning this operation have been carefully designed in relation to both their relevance and feasibility in the current situation. They covered the four areas of macrofinancial stability, structural reforms and good governance, the rule of law and energy. In its decision on 15 December 2023, the Commission concluded that Ukraine has fulfilled or broadly fulfilled all agreed policy conditions, and as a result disbursed the full amount of EUR 18 billion in highly concessional loans.

Moldova

– In November 2021, following the gas crisis in Moldova, which heavily impacted the economy and contributed to higher financing needs, the authorities sent an official request for a new MFA. In response to this, the EU agreed on a new operation for Moldova of EUR 150 million, of which EUR 120 million was provided in loans and EUR 30 million in grants. The first instalment was successfully disbursed on 1 August 2022. The second disbursement, still of EUR 50 million in loans and grants, was paid in two parts (EUR 10 million in grants on 5 April 2023, and EUR 40 million in loans on 3 May 2023). The availability period runs until December 2024.
– The Moldovan economy has been heavily impacted by Russia's invasion of Ukraine, which contributed to higher financing needs, further amplified by the ongoing energy crisis. Considering this, the authorities requested further international support. On 10 November 2022, the President of the European Commission announced an additional financial support package for Moldova of EUR 250 million, to be partly disbursed via the MFA. On 24 January 2023, the Commission adopted a proposal to increase the ongoing MFA operation by EUR 145 million, including EUR 100 million in loans on concessional terms and EUR 45 million in grants. The proposal was adopted by the European Parliament and Council on 14 June 2023.
– The first additional instalment took place in October 2023 (EUR 50 million in loans and EUR 22.5 million in grants), the second was expected for the first quarter of 2024, subject to new policy conditions added to the existing memorandum of understanding. In late December 2023, the governor of the National Bank of Moldova was dismissed. The procedure under which the governor was dismissed is a source of concern and a potential attack to the bank's independence. In coordination with the IMF, the disbursement of the MFA is expected to continue while remedying actions are undertaken by the country in this regard.

Jordan

The third MFA to Jordan was adopted by the co-legislators on 15 January 2020 initially for an amount of EUR 500 million, and later topped-up by EUR 200 million as part of the COVID-19 MFA package. MFA III was implemented in three instalments. The first instalment of EUR 250 million was disbursed on 25 November 2020. The second instalment of EUR 250 million was disbursed on 20 July 2021. On 3 May 2023, the third and final instalment of EUR 200 million in MFA was disbursed to Jordan, thereby successfully concluding the operation.

- In October 2023, the Jordanian authorities submitted a request for a follow-up MFA operation referring to challenging global economic prospects, restrictive credit conditions due to monetary tightening, high energy costs, inflationary pressures and the burden of the Syrian refugee crisis.
- The call for further assistance comes in a situation of increased uncertainty and regional instability, not least due to the outbreak of the war in neighbouring Israel and Gaza. A new MFA proposal to Jordan of up to EUR 500 million in loans was adopted by the European Commission on 8 April 2024. The MFA is expected to be adopted by the Council and future European Parliament after the summer.

North Macedonia

– Against the backdrop of tighter global financial conditions, higher energy prices and higher-than-expected losses by the domestic, state-owned electricity producer, in a

letter dated 18 October 2022 the government of North Macedonia renewed its request for MFA (the first request for which was received on 18 April 2022). In April, the government had already secured staff approval from the International Monetary Fund for a 24-month precautionary and liquidity line, with an amount of up to EUR 530 million, which was officially approved by the International Monetary Fund Board on 22 November 2022. On 6 February, the Commission adopted a proposal to provide MFA to North Macedonia of up to EUR 100 million.

– On 12 July 2023, the European Parliament and the Council adopted the decision. The MFA is expected to be disbursed in two instalments of EUR 50 million each, in April 2024 and in the second half of 2024, respectively. The release of each instalment will be conditional on progress being made with the implementation of a number of policy measures that are listed in a memorandum of understanding, which was adopted by the Commission in October 2023, along with a satisfactory track record in the implementation of the IMF programme.

Egypt

- Egypt and the European Union have agreed a strategic and comprehensive partnership. On 17 March 2024, Commission President Ursula von der Leyen and Egyptian President Abdel Fattah El-Sisi presented the partnership in Cairo. A EUR 7.4 billion financing package underpins the partnership, consisting of up to EUR 5 billion in MFA, EUR 1.8 billion in additional investments and EUR 600 million in grants, including EUR 200 million for migration management.

- The new MFA to Egypt of up to EUR 5 billion is currently being discussed by the co-legislators. It is divided into a short-term MFA of EUR 1 billion to be disbursed in 2024 and a regular MFA of up to EUR 4 billion over the 2025-2027 period.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | | 0.9 | 0.0 | | | | | 0.9 | 0% |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | 152.7 | 236.0 | 242.1 | 630.8 |
| 0 | | | | |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

# Performance assessment

– The evaluations carried out so far have concluded that MFA operations do contribute, albeit sometimes modestly and indirectly, to improving external sustainability and macroeconomic stability and to achieving structural reforms through conditionality in the recipient country.

– In most cases, MFA operations had a positive effect on the balance of payments of the beneficiary countries and contributed to relaxing their budgetary constraints. They also helped maintain or regain market access and led to slightly higher economic growth.

– An important attribute of the EU's MFA compared to alternative sources of financing is its highly concessional terms, i.e. relatively low interest rates, long maturity and a long grace period. This generates fiscal space and contributes to public debt sustainability in the beneficiary countries.

– The *ex post* evaluations also confirm that previous MFA programmes were implemented efficiently, and were well coordinated with other EU programmes and with the programmes of other donors (notably the International Monetary Fund and the World Bank). MFA policy conditionality is separate from International Monetary Fund conditionality, but is complementary to and reinforces it.

– However, given its specificities, MFA cannot be linked directly to identifiable outputs, and its concrete achievements are therefore difficult to assess, as effects on macroeconomic variables over time cannot solely be attributed to MFA operations.

– MFA disbursements are sometimes delayed compared to initial expectations. External factors that might impact programme timelines include the beneficiary country not fulfilling the political preconditions; the International Monetary Fund programme being off track or having expired; the slow implementation of agreed reforms; and changes of government resulting in shifting policy priorities.

– The most common shortcomings noted in the evaluations are the operation's lack of visibility and, in some cases, the lengthy legislative approval process for a crisis instrument. The experience with the COVID-19 MFA package and the emergency MFA to Ukraine shows that the current MFA set-up can allow for the flexibility necessary for swift adoption. The Commission worked with the Parliament and the Council to agree on the use of existing urgency procedures that allowed the assistance to be adopted within 1 month of the Commission's proposal.

– The COVID-19 pandemic and Russia's war of aggression in Ukraine have both severely challenged the already struggling economies of partners in the Eastern and Southern Neighbourhoods that benefit from MFA. Given the uncertain global outlook and the challenging situation many of our neighbouring countries face, a sustained, high level of demand for MFA support cannot be excluded.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | | |
| SDG10 | | |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | | |
| SDG15 | | |
| SDG16 | | |
| SDG17 | | |

# IPA III

INSTRUMENT FOR PRE-ACCESSION ASSISTANCE

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| 8% | 11 300 | 112 721 | 258 |
| reduction in the waiting time when goods cross borders within Central European Free Trade Area, as measured from 2021 to 2023. | housing units had been built for vulnerable refugees and displaced families under the regional housing programme by the end of 2023. | students, researchers, staff and others participated in Erasmus+ activities involving western Balkans partners in 2014-2020. | court cases involving organised crime and corruption were monitored in the western Balkans in 2023 as part of the cooperation with the Organisation for Security and Cooperation in Europe, leading to recommendations on how to improve the efficiency of judicial responses to those crimes. |

| 183 | 427 000 | 13 400 | 3 400 000 |
|---|---|---|---|
| young people in Bosnia and Herzegovina were employed and 666 were trained through the EU-supported active labour measures. | vulnerable households received financial support to overcome the increase in the price of energy bills in Bosnia and Herzegovina, Kosovo ([74]), Montenegro and Serbia. | young people successfully completed the youth guarantee scheme in the three regions of North Macedonia facing the highest levels of unemployment in the period from 2020 to 2023 under the 'EU for youth' initiative. | Primary healthcare consultations have been provided by the EU's refugee support facilities in Türkiye. |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming (*)** | 14 967.5 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (**)** | N/A |
| **Contributions from other countries and entities** | 39.2 |
| **Total budget 2021-2027** | **15 006.8** |

(*) Macrofinancial assistance loans that are officially part of the budget lines of the Neighbourhood, Development, and International Cooperation Instrument –Global Europe and the Instrument for Pre-accession Assistance are excluded for reporting here and relinked to the macrofinancial assistance PPS.

(**) Only Article 15(3) of the financial regulation.

([74]) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

# Rationale and design of the programme

The Instrument for Pre-accession Assistance (IPA) is how the EU has been supporting reforms in the enlargement region with financial and technical assistance since 2007.

## CHALLENGE

For candidate countries and potential candidates, the path towards accession to the EU is a process of gradual and steady convergence with the membership criteria and the values and principles of the European Union. This requires ambitious political and economic reforms.

Ensuring progress on the fundamentals (rule of law, fundamental rights, functioning democratic institutions and a market economy) remains a key challenge that IPA will continue to pursue. It remains crucial to address the socioeconomic divide between the IPA beneficiaries and the EU, as well as their weak competitiveness, high unemployment and significant brain drain. These challenges have all been further exacerbated by the impact of Russia's war of aggression against Ukraine ([75]). The global economic situation is having an impact on financial assistance as well. With high inflation rates and increasing energy prices, project implementation is generally facing additional challenges, especially in the construction industry. Regional cooperation, good neighbourly relations, and reconciliation efforts to overcome open bilateral issues and the legacy of the past will continue to be a priority. These challenges will have to be addressed in a wider context where transition to a sustainable, socially just, resilient and climate neutral economy needs to be achieved as a global imperative and where digital transformation will continue to shape economies and societies, including those of the IPA beneficiaries.

The annual report on Türkiye, adopted on 8 November 2023, echoed the findings of previous years: Türkiye has been moving away from the EU over the years. Concerns over the rule of law and fundamental rights in Türkiye have grown, underlining the pivotal importance of addressing these key issues for the broader context of EU-Türkiye relations. A discernible deviation from EU values and standards, coupled with a noticeable absence of political commitment to implement the reforms necessary for the accession process persists. However, the EU and Türkiye continued high-level engagement in areas of common interest. Hence, IPA III bilateral assistance has prioritised key areas, notably the sectors covered under the Green and Connectivity agendas, civil society, people to people contacts, climate change and proper functioning of the Customs Union.

Following the European Council conclusions of June 2021, the Commission mobilised EUR 3 billion in additional support to refugees and host communities in Türkiye funded by the EU budget under both IPA III and the Neighbourhood, Development, and International Cooperation Instrument – Global Europe. Assistance focused in particular on basic needs, education, healthcare, socioeconomic support and migration management. The Commission is currently concluding the remaining contracts that are to be signed under this package.

One of the main challenges in the years to come will be the implementation of the EU commitment to provide EUR 1 billion in assistance to those affected by the catastrophic earthquakes of 6 February 2023, resulting in the loss of over 50 000 lives. The earthquakes had severe repercussions on critical sectors such as education, healthcare, livelihoods, and infrastructure, posing substantial challenges for both refugees and host communities. In addition, the Commission will focus on the mobilisation of EUR 1 billion, out of

([75]) This issue is further elaborated upon under the performance section.

which EUR 170 million under IPA III, in support of refugees and host communities in Türkiye under the EU budget for 2024.

In Kosovo, the escalation of violence in the north triggered political and financial measures by the EU, amounting to EUR 258 million by end of 2023 including putting on hold the signatures of new contracts, and the approval of the EU assistance under the Western Balkans Investment Framework and the IPA for the year 2024.

## MISSION

IPA III will support beneficiaries in adopting and implementing the political, institutional, legal, administrative, social, and economic reforms required to comply with EU values and to progressively align with EU rules, standards, policies and practices, with a view to future EU membership, thereby contributing to mutual stability, security, peace and prosperity.

## OBJECTIVES

- IPA III has the following specific objectives:
  - to strengthen the rule of law, democracy, the respect of human rights and fundamental freedoms, including through the promotion of an independent judiciary, reinforced security and the fight against corruption and organised crime, compliance with international law, freedom of media, academic freedom and an enabling environment for civil society;
  - to promote non-discrimination and tolerance, ensure respect for the rights of persons belonging to minorities, promote gender equality and improve migration management, namely by managing borders, tackling irregular migration and addressing forced displacement;
  - to reinforce the effectiveness of public administration and to support transparency, structural reforms and good governance at all levels, including in the areas of public procurement and State aid;
  - to shape the rules, standards, policies and practices of the IPA III beneficiaries in alignment with those of the EU and to reinforce regional cooperation, reconciliation, good neighbourly relations and people-to-people contacts and strategic communication;
  - to strengthen economic and social development and cohesion, with particular attention to youth, including through quality education and employment policies, by supporting investment and private sector development, with a focus on small and medium-sized enterprises and on agriculture and rural development;
  - to reinforce environmental protection, increase resilience to climate change, accelerate the shift towards a low-carbon economy, develop the digital economy and society and strengthen sustainable connectivity in all its dimensions;
  - to support territorial cohesion and cross-border cooperation across land and maritime borders, including transnational and interregional cooperation.

## ACTIONS

Actions are based on the IPA III programming framework (Article 7 of Regulation (EU) 2021/1529 of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA) III; C(2021) 8914 final). It reflects the specific objectives of the IPA III regulation and is focused on the priorities of the enlargement process, articulated through five thematic windows:

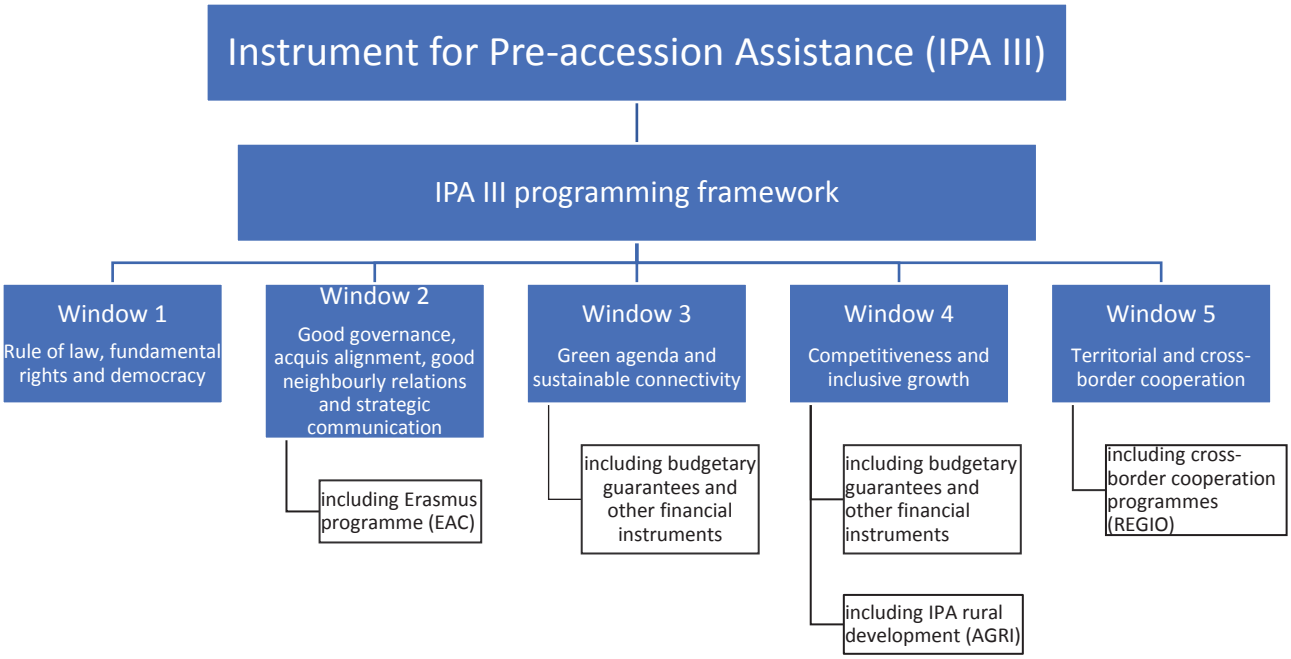
- Window 1: rule of law, fundamental rights and democracy;
- Window 2: good governance, EU *acquis* alignment, good neighbourly relations and strategic communication;
- Window 3: the green agenda and sustainable connectivity;
- Window 4: competitiveness and inclusive growth;
- Window 5: territorial and cross-border cooperation.

Actions are deployed, to the benefit of beneficiaries, through annual or multiannual action plans at national or regional level, or through horizontal initiatives targeting specific types of partners (e.g., civil society) or cross-cutting issues. In addition, several cross-cutting themes, such as climate change, environmental protection, civil society, gender equality, rights-based approach, is mainstreamed and therefore can be implemented under the five windows.

## STRUCTURAL SET-UP OF THE PROGRAMME

IPA III is implemented through direct, indirect, and shared management. The Directorate-General for Neighbourhood and Enlargement Negotiations is the leading service. The Directorate-General for Agriculture and Rural Development is responsible for rural development programmes and the Directorate-General for Regional and Urban Policy for cross-border cooperation programmes between IPA beneficiaries and EU Member States.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

IPA II had been the catalyst for important reforms. IPA III builds on these achievements and ensures their continuation in terms of objectives and priorities. It further improves the alignment of assistance with the enlargement strategy.

The programming of IPA III ensures a stronger performance-based approach while at the same time guaranteeing the principle of fair share. There is also a stronger focus on relevance and maturity at the Commission selection stage, with the aim of ensuring stronger linkage with the reform agenda, accelerating implementation, and reducing backlog.

## FURTHER INFORMATION

- Programme website:
  - IPA III
- Impact assessment.
  - The impact assessment of IPA III was carried out in 2018.
  - For further information, please consult: https://europa.eu/!KK86Tv.
- Relevant regulation:
  - Regulation (EU) 2021/1529 of the European Parliament and of the Council.
- Evaluations.
  - In 2023, several strategic evaluations covering the enlargement and neighbourhood regions were under implementation. These strategic evaluations will feed into high level strategic political priorities such as the global gateway and into the midterm review exercise.
  - The evaluation of budget support in Albania was finalised in 2023, providing a useful assessment of the contribution of EU budget support implemented between

2014 and 2020 as well as recommendations for future EU assistance including budget support. The evaluation on EU cooperation with North Macedonia is being finalised in early 2024. Another evaluation which will be finalised in 2024 is the implementation of EU blending in neighbourhood and western Balkans regions.

- In line with the legal provisions ([76]), the final evaluation of the EU's instruments for financing external action under the 2014-2020 multiannual financial framework and the midterm evaluation of the EU's instruments for financing external action for the current multiannual financial framework were carried out during 2023. DG Neighbourhood and Enlargement Negotiations, the Service for Foreign Policy Instruments, DG International Partnerships, and the European External Action Service were in the driving seat for these exercises, which were tackled as one evaluation.
- The strategic evaluation of EU's support to Connectivity was launched at the end of 2022 and is currently under implementation. The overall objective of the evaluation is to provide the relevant EU Institutions and the wider public with an overall assessment of the EU support to connectivity for the 2014-2022 period in enlargement and neighbouring countries. It focuses on transport and energy and will result in extracting the lessons learnt.
- The strategic evaluation of EU support to private sector development in the enlargement and neighbourhood regions (2016-2022) was launched at the end of 2022 and is under implementation. Among the objectives of the evaluation is to assess the EU's support on private sector development in terms of policy and implementation. This evaluation is a follow-up to the previous evaluation on support for the competitiveness of small and medium-sized enterprises ([77]), which covered the period from 2010 to 2015.
- The strategic evaluation on EU's support on the waste management and urban wastewater treatment in the western Balkans region (2016-2022) was under implementation during 2023.. The overall objective of the evaluation is to provide the relevant EU Institutions and the wider public with an assessment of the support under a possible circular economy approach. This objective dovetails with the need to extract key lessons learnt in waste management and urban wastewater treatment in the western Balkans region.
- The strategic evaluation of EU support to youth in the enlargement and neighbourhood regions was under implementation during 2023. One of the aims of the evaluation is to provide an assessment in both qualitative and quantitative terms on the relevance, conditions of implementation and performance of EU external action support to youth, particularly its efficiency, effectiveness, coherence, sustainability, and impact.
- During 2023 the strategic evaluations of EU support to PAR/PFM in the enlargement and Neighbourhood regions, the EU cooperation on migration in the western Balkans, Kosovo and the European Union's support to Roma inclusion projects were launched and are going to be finalised at the end of 2024.

([76]) Common Implementing Regulation (EU) No 236/2014, Regulation (EU) 2021/947 on the Neighbourhood, Development and International Cooperation Instrument – Global Europe, Regulation (EU) 2021/1529 on IPA III, Regulation (Euratom) 2021/948 on the European Instrument for International Nuclear Safety Cooperation and Decision 2021/1764 on overseas association, including Greenland.

([77]) https://neighbourhood-enlargement.ec.europa.eu/evaluation-support-sme-competitiveness-enlargement-and-neighbourhood-countries_en.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming (*) | 1 883.7 | 1 984.8 | 2 529.6 | 2 110.7 | 2 169.7 | 2 201.7 | 2 087.4 | 14 967.5 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (**) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 31.3 | 3.8 | 4.2 | 0.0 | 0.0 | 0.0 | 0.0 | 39.2 |
| **Total** | **1915.0** | **1 988.6** | **2 533.8** | **2 110.7** | **2 169.7** | **2 201.7** | **2 087.4** | **15 006.8** |

(*) Macrofinancial assistance loans that are officially part of the budget lines of the Neighbourhood, Development, and International Cooperation Instrument –Global Europe and the Instrument for Pre-accession Assistance are excluded for reporting here and relinked to the macrofinancial assistance PPS.

(**) Only Article 15(3) of the financial regulation.



Financial programming:

**+ EUR 806.1 million (+ 5%)**

compared to the legal basis (*)

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

Since the beginning of the current multiannual financial framework, IPA III has been reinforced by EUR 631 million for the support to the refugees and host communities in Türkiye, out of which EUR 71 million and EUR 106 million came from the Heading 6 margin in 2022 and in 2023, respectively, while EUR 454 million came from the special instruments in 2023. On the other hand, EUR 67.6 million was transferred from IPA III to the Solidarity and Emergency Aid Reserve, to DG European Civil Protection and Humanitarian Aid Operations (ECHO) (for the crisis in Afghanistan) ([78]), to DG International Partnerships (for technical assistance facilities) and to the European External Action Service (for staff expenditure in delegations).

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR) (*):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 6 429.1 | 15 006.8 | 42.8% |
| **Payments** | 1 644.9 | | 11.0% |

(*) Macrofinancial assistance loans that are officially part of the budget lines of the Neighbourhood, Development, and International Cooperation Instrument –Global Europe and the Instrument for Pre-accession Assistance are excluded for reporting here and relinked to the macrofinancial assistance PPS.

Voted budget implementation (million EUR) (*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 1 566.1 | 1 901.3 | 35.2 | 65.2 |
| **2022** | 1 981.2 | 2 010.1 | 407.0 | 635.8 |
| **2023** | 2 523.5 | 2 529.6 | 1 164.4 | 1 072.7 |

(*) Voted appropriations (C1) only. Excluding MFA loan provisioning.

([78]) Compensated for by the use of assigned revenue originating from recoveries originating from the Instrument for Pre-accession Assistance for rural development.

– The regular programming of bilateral and multi-country assistance follows the key criteria of the IPA III programming framework: the policy-driven approach, the relevance of proposed IPA interventions, the maturity of the proposals and the progress of the beneficiaries on their enlargement agenda. The programming considered the performance of each beneficiary and the fair share principle, by targeting and adjusting assistance to the specific situation of each beneficiary.

– In 2023, the Commission committed EUR 2.5 billion (98%) of the initial voted appropriations. EUR 4.5 million of operational expenditures has been carried over to 2024 and is planned to be duly committed in early 2024. Appropriations were implemented through annual action plans contributing to the western Balkans energy support package in favour of beneficiaries adopted in 2022, and the annual action plan in favour of Türkiye, individual measures in support of the Syrian refugees and host communities in Türkiye, individual measures for migration-related actions in western Balkans, the individual measure in favour of the OHR in Bosnia and Herzegovina, multi-country multiannual action plans, multiannual support measures adopted in 2021, the Erasmus + programme, IPA rural development programmes, IPA III cross-border cooperation programmes between IPA III beneficiaries as well as between IPA III beneficiaries and Member States and finally the provisioning of the External Action Guarantee.

– After the devastating earthquakes of 6 February 2023, the European Commission and the Swedish Presidency of the Council moved swiftly to mobilise help for those affected in Türkiye and in Syria and organised on March 20th an International Donors' Conference that generated a total of EUR 7 billion in pledges. The EU pledged a total of EUR 1 billion for Türkiye. By the end of 2023, almost the entire amount had been mobilised.

– In 2024, the Commission plans to commit EUR 2.1 billion, including:

  • EUR 1.3 billion for western Balkans beneficiaries and Türkiye

  • EUR 170 million in support to the Syrian refugees and host communities in Türkiye.

  • EUR 62.4 million for the Erasmus+ programme;

  • EUR 158 million for the IPA rural development III programme;

  • EUR 22.87 million for IPA III cross-border cooperation programmes between IPA III beneficiaries;

  • EUR 69.96 million for the Interreg IPA III cross-border cooperation between Member States and IPA III beneficiaries;

  • EUR 229.7 million for provisioning of the external action guarantee ([79]);

  • EUR 18 million for support measures;

  • EUR 58 million for administrative expenditure.

– In 2025, the Commission plans to commit EUR 2.2-2.3 billion, out of which:

  • EUR 1.3 billion for western Balkans and Türkiye bilateral and multi-country action plans and other measures;

  • EUR 300 million in support of the Syrian refugees and host communities in Türkiye;

([79]) Excluding macro-financial assistance.



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- EUR 60.9 million for the Erasmus+ programme;
- EUR 175 million to cover the IPA rural development III programmes;
- EUR 11.1 million to cover for the 2021-2027 IPA III cross-border cooperation programmes between IPA III beneficiaries adopted in 2022;
- EUR 74.4 million to cover for the 2021-2027 Interreg IPA III cross-border cooperation between Member States and beneficiaries adopted in 2022;
- EUR 214.5-278.5 million for the provisioning;
- EUR 60.8 million for administrative expenditures.

– For the western Balkans, the assistance reflects the enlargement policy priorities, priorities of the economic and investment plan and of the green agenda for the western Balkans.

– For Türkiye, the assistance reflects the state of EU's relations with the country and focuses on strategic sectors of cooperation like the green and connectivity agendas.

– The continued support to the Syrian refugees and host communities in Türkiye under IPA III will focus in 2025 on migration management and socioeconomic support aimed to build capacity and strengthen refugee resilience and self-reliance. It should complement support provided under the Neighbourhood, Development and International Cooperation Instrument – Global Europe, which is to focus on education support, more particularly the continuation of the Promoting the Integration of Syrian Children into the Turkish Education System and the Conditional Cash Transfer for Education programmes implemented under direct grants with the Ministry of Education.

– When it comes to external factors affecting the implementation of IPA III, the Russian war of aggression against Ukraine resulted in the Commission moving quickly in adjusting the IPA III programming where this was warranted. The implementation of the western Balkans energy support package to stabilise the energy sector and support businesses and vulnerable households against increasing energy prices is well on track. The Commission has disbursed 90% (EUR 450 million) of the EUR 500 million in form of budget support. The disbursements have been made in favour of Serbia (EUR 148.5 million), North Macedonia (EUR 72 million), Montenegro (EUR 27 million), Kosovo (EUR 67.5 million), Albania (EUR 72 million) and Bosnia and Herzegovina (EUR 63 million). The remaining EUR 50 million will be disbursed in 2024 after the EC assessment confirming the positive implementation of the Energy Action Plans and the public finance management reform as well as the continuous positive track record in maintaining stable macroeconomic policy and budget transparency. The Commission also further scaled up the support to the energy transition, including renewable energy, energy efficiency and connectivity of gas and electricity networks. In addition, the multiannual IPA rural development programmes and bilateral measures on agriculture are key in addressing food security. By their nature, IPA rural development programmes have been designed to strengthen food security in the beneficiary countries, which has become even more relevant in the context of the war. Investment project implementation in the agriculture sector resulted in an increasing trend of project cancelations but to the more complex macroeconomic context.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | 671.7 | 550.7 | 603.4 | 560.0 | 566.0 | 568.0 | 569.0 | 4 088.8 | 27% |
| **Biodiversity mainstreaming** | 33.1 | 71.7 | 91.9 | 96.0 | 96.0 | 97.0 | 102.0 | 587.5 | 4% |
| **Clean air** | | | | | | | | | |

**Climate mainstreaming**

- It is estimated that IPA III measures will contribute EUR 4 billion to climate mainstreaming in 2021-2027, and that IPA III contributed EUR 617 million in 2023.
- IPA III contributes to mainstreaming climate action in the EU's policies and to achieving an overall target of 30% of EU budget expenditure supporting climate objectives. Measures under IPA III are expected to contribute 18% of the overall financial envelope of the programme to climate objectives, with the objective of increasing this percentage to 20% by 2027.
- Estimates reflect the reporting methodology of the Organisation for Economic Co-operation and Development's Development Assistance Committee for the Rio markers on climate change mitigation and climate change adaptation. The budget for interventions contributing to climate change is weighted at 100% if mitigation or adaptation is the 'principal objective' of the measure and 40% if it is a 'significant objective'.
- The partial results for 2021-2023 suggests that the evolution of this marker for IPA III is on track in relation to climate mainstreaming. The quality review of 2023 data will be performed during 2024. The Commission is committed to stepping up its efforts to achieve the climate target by the end of the multiannual financial framework.
- In 2023, two measures with climate adaptation and mitigation as a principal objective were adopted, namely the annual action plan in favour of Türkiye (environment and climate change, supporting climate-resilient sustainable agriculture and fisheries in Türkiye in line with European Green Deal objectives and its related policies).
- IPA III supports the beneficiaries in their efforts to align themselves with the climate change and energy package and in the implementation of the external dimension of the European Green Deal. In particular, the measures support the implementation of several priorities of the economic and investment plan for the western Balkans (clean energy, environment, transport) and the green agenda for the western Balkans, especially under thematic window 3 (green agenda and sustainable connectivity) of the IPA III programming framework. A great deal of support in relation to clean energy and smart transport is channelled to the beneficiaries via the Western Balkans Investment Framework, the European Fund for Sustainable Development Plus and the Green for Growth Fund. In Türkiye, the establishment of the Turkey Investment Platform in 2022 will ensure that the country can take advantage of the European Fund for Sustainable



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Development Plus and that investment is channelled to support the implementation of the Green Deal in Türkiye.

– In Bosnia and Herzegovina, climate action has been successfully mainstreamed through the EU's assistance. A successful example is the EU's support for the preparation of a flood risk management plan in Bosnia and Herzegovina, which contributes to climate change adaptation. This intervention has supported the implementation of the action plan for flood protection and water management and thus increases the capacities of key stakeholders in Bosnia Herzegovina to manage flood risks, including prevention, protection and preparedness to respond to potential hazards, all in relation to the EU integration process.

– In Kosovo, the 'support to waste management in Kosovo' project improved the knowledge and skills of authorities and civil society in waste management, the circular economy and inter-municipal cooperation. The introduction of online waste-fee payments and an improved reporting system has increased the number of municipality reports from three in 2018 to 35 in 2022. A total of 36 municipalities adopted waste management plans, and 28 of them also adopted municipal regulations for specific waste streams (organic, bulky, and construction and demolition waste). The first deposit refund system for beverage containers has been established, together with applied measures for reducing the use of plastic bags. This was paired with investment in waste collection and separation. As a result, the number of illegal landfills decreased from 2 246 in 2019 to 747 in 2023. Today, 94% of the population has access to basic waste services, which is 36% more than in 2016.

Biodiversity mainstreaming.

– It is estimated that IPA III measures will contribute EUR 587 million to biodiversity mainstreaming in the 2021-2027 period, and that they contributed EUR 91.7 million in 2023.

– Estimates reflect the reporting methodology of the Organisation for Economic Co-operation and Development's Development Assistance Committee for the Rio marker on biodiversity. The budget for interventions contributing to climate change is weighted at 100% if biodiversity is the 'principal objective' of the measure and 40% if it is a 'significant objective'.

– The partial results for 2021-2023 suggest that IPA III is in the early stages of implementation, while the evolution of this marker is on track. The quality review of 2023 data will be performed during 2024. The Commission is committed to stepping up its efforts to achieve the biodiversity target by the end of the multiannual financial framework.

– In 2022 and 2023, two new initiatives with biodiversity as a principal objective were adopted, namely the 2022 annual action plan in favour of Türkiye (environment and climate change) and the 2023 annual action plan in favour of Türkiye (climate resilient and sustainable agriculture and fisheries in the context of the European Green Deal).

– Biodiversity, ecosystem protection and ecosystem restoration are key pillars of the green agenda for the Western Balkans. The thematic window 'green agenda and sustainable connectivity' will be the primary entry point for supporting action on ecosystems and biodiversity. However, measures under other thematic windows of the IPA III programming framework, such as the 'competitiveness and inclusive growth' window, including the agriculture and rural development priority, will also contribute to biodiversity protection and the management of natural resources, in line with the goals

of the European Green Deal. The EU biodiversity strategy for 2030 requires that all EU neighbourhood countries be on board, particularly those aspiring to EU membership. In those countries, which are biodiversity hotspots, specific support is provided to further align legislation with the EU's *acquis*, notably the EU birds and habitats directive, and to prepare for the designation of Natura 2000 sites. Technical assistance is targeted at, among other things, supporting the management of protected areas and forestry management. For example, the EU4green project is supporting the preparation of nature and biodiversity data for floodplains in protected areas that are potential Natura 2000 sites in the western Balkans. These sites will serve as an example for other ecologically important habitats to develop nature. Considerable progress has been made in terms of *acquis* alignment, but challenges remain in ensuring its effective implementation, for instance with respect to illegal logging and the use of environmental impact assessments.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | 0.0 | 11.0 | 72.7 | 83.6 |
| 1 | 521.9 | 896.4 | 1 138.7 | 2 557.0 |
| 0* | | | | |
| 0 | 1 044.2 | 1 073.8 | 1 312.2 | 3 430.2 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- N/A

The initially estimated IPA III contribution to gender mainstreaming in 2023 was EUR 73.4 million through measures with gender equality as a principal objective (2) and EUR 1.2 billion through measures with gender equality as a significant objective (1). Please note that 2023 data are not final and will be quality checked.

Since 2021, 19 measures have been marked as G2, 225 have been marked as G1, and 108 have been marked as G0, which gives a percentage of 69% of measures marked as G1 or G2. In 2023, 18 measures were marked as G2, 88 were marked as G1 and 28 were marked as G0, which gives a percentage of 79% of measures marked as G1 or G2. Please note that data for 2023 are provisional and will be updated in the course of the year.

On 25 November 2020, the gender action plan III (2021-2025), a joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy, was adopted. It defines clear objectives and targets concerning gender mainstreaming in policies and programmes. The plan therefore established that, by 2025, at least 85% of all new external actions should have gender equality and women's and girls' empowerment as a significant objective or as a principal objective, and that at least one action with gender equality as a principal objective should be supported in each country and region. Such objectives apply to actions funded under IPA III, as established by recital 27 of the IPA III regulation and the IPA III programming framework. In November 2023, the European Commission and the European External Action Service adopted a joint midterm report on the implementation of the gender action plan III.

The Commission's gender expenditure tracking methodology for the EU budget is in line with the Development Assistance Committee's gender equality policy marker methodology. Score 2 equals G2 and implies that gender equality is principal objective; score 1 equals G1 and implies that gender equality is a significant objective; score 0 equals G0 and means that gender equality is not targeted. The use of the Organisation for Economic Co-operation and Development gender marker is also aligned with the methodology established by the gender action plan III.

**1. Making IPA III deliver on the objectives of the gender action plan III**

- The gender action plan III has fostered a policy-driven, context-specific approach, in a Team Europe spirit. Country-level implementation plans are in place in six (out of seven) IPA countries. Set up by EU delegations in cooperation with EU Member States and based on meaningful consultations with partners including civil society and women's rights organisations, they are the political and operational roadmaps for EU action to reach the objectives of the gender action plan III.

**2. Implementation of the gender action plan III by thematic area of engagement**

- Combating **gender-based violence** is a priority for the EU in the western Balkans and Türkiye, where we promote the alignment with the EU *acquis* and relevant international standards, namely the Istanbul Convention. Many targeted interventions have been adopted or are under preparation to promote legal and policy reforms, changes in social norms and support for survivors. Through the EU–Council of Europe Horizontal Facility for the Western Balkans and Türkiye (EUR 41 million), the EU supports the improvement of access to justice for women victims of gender-based violence and/or domestic violence.
- In the area of **sexual and reproductive health and rights**, through the EU for improved health, social protection and gender equality programme in North Macedonia (EUR 11 million), the European Commission contributes to the provision of adequate equipment for maternal and neonatal care, training for healthcare professionals and awareness-raising activities to improve access to safe and effective healthcare for women and newborn children.
- Women's **economic and social empowerment** is a priority for the Commission. It is key to achieving poverty reduction, inclusive and sustainable growth within the framework of the 2030 Agenda and holds enormous potential for economic growth in our partner countries. The Commission promotes women's economic empowerment through (a) support for regulatory and policy reforms and practices to tackle the underlying barriers women face in their economic participation; (b) increased investment targeting women's economic empowerment, such as through the European Fund for Sustainable Development Plus and

global gateway investment; and (c) targeted actions supporting increased economic opportunities for women, such as through support for women entrepreneurs and increased access to finance. Through the EU4 mitigating socio-economic consequences of COVID-19 pandemic in Bosnia and Herzegovina programme (EUR 12 million), the European Commission seeks to improve women's access to finance and to formal employment, in view of, among other things, a future 'green' and 'digital' economy.

- To promote **equal participation and leadership**, for example through the annual action plan in favour of Turkey for 2021 (EUR 11 million), the European Commission supported an increase in women's participation in local decision-making processes for women-friendly cities.
- The EU action plan on **women, peace and security** was integrated as one of the thematic areas of engagement of the gender action plan III. While, under IPA III, there are currently no actions planned that focus specifically on women, peace and security, the gender perspective is integrated into a number of actions. For example, through the demining action – annual action plan in favour of Kosovo for 2021, the European Commission supports the clearance and release of minefields and cluster-strike areas, improving the protection of women and men civilians as a contribution to public safety and security. Gender equality is integrated through gender analyses in the background section, policy analysis and intervention logic of the action.

- The gender action plan III introduced a new and innovative focus on the promotion of gender equality in the formulation of **green transition and digital transformation** policies and operations. Through the EU for circular economy and green growth action in Albania, for example (EUR 30.9 million), the European Commission supports the systematic incorporation of a gender lens in the design of a circular economy, ensuring a more active role for women in the ecological transition, including through a comprehensive, gender-responsive and inclusive awareness-raising campaign.

- In Kosovo, gender equality has been successfully mainstreamed through EU assistance. A successful example is the EU's support for the digital transformation of the economy by improving the digital skills of the workforce. The share of women ICT professionals who successfully completed a high-quality business and management training programme is very high (48.5%). 38.33% of the 1 513 people who obtained in-demand certification in cybersecurity, web application development, Enterprise Java and mobile applications, web development, Python, big-data analytics, machine learning or artificial intelligence are young women.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | 306.4 | 385.0 | 268.5 | 959.9 | 15% |

– Since 2021, the IPA III has contributed EUR 960 million to the digital transition, including EUR 286.5 million in 2023.

– Digitalisation is an indicator of the global Europe results framework level 3 (indicator 3.2), and is reported as such in the annual report on EU external action. The marker has been operational since late 2020, therefore the commitments and payments for 2021 correspond to a complete year. The marker exists for the whole of heading 6 of the budgets, including IPA III.

– The budget for interventions contributing to digital transformation is weighted at 100% if measures are marked as a 'principal objective' or 40% if they are marked as a 'significant objective'. No quality review has yet been performed. For an action to be considered to relate to digitalisation, the following general considerations must be taken into account.

  • An analysis of the digitalisation context must be conducted to inform future steps and facilitate the identification of the measure's digital component.

  • After the analysis, the existence of a digitalisation-situation specific objective or result should be identified. It is important to make sure that this objective is backed by at least one indicator from the sector indicator guidance on digitalisation.

  • It should be kept in mind that the data and indicators found in the action document should be disaggregated by sex, age, socioeconomic status and region, where appropriate and applicable.

  • In 2023, the Commission launched the neighbourhood regional window of the Digital for Development Hub. This hub aims to improve the EU's and Member States' coordination on digital issues in the western Balkans, in Türkiye and in other EU neighbourhood countries, with the possible development of Team Europe initiatives in the sector.

– Since 2021, the Commission has concentrated its efforts on reducing data roaming prices within the western Balkans and the EU. In this context, the following two main milestones were achieved: (1) on 1 October 2023, the voluntary agreement on gradual roaming charges between the EU and the western Balkans, agreed at the 2022 EU–Western Balkans Summit and signed by 38 operators, entered into force; (2) the removal of data roaming within the western Balkans since July 2021. In 2022, the Commission approved two digital infrastructure projects with a value of EUR 45 million in IPA funding within the Western Balkans Investment Framework. This concerns the roll-out of rural broadband in Serbia and the establishment of smart labs in the Albanian education system.

– In addition, concerning the western Balkans, the Commission is preparing an IPA regional digital programme for adoption in 2024 (EU4digital). This programme will accelerate the digital transition for the whole region, focusing on four main strands: (1) secure and sustainable digital and telecom infrastructure across the region; (2) enhancing the interoperability of public services; (3) digitalising businesses; and (4) developing digital skills.

– The IPA regional cybersecurity programme has been ongoing since 2023, aiming at increasing the cyber resilience of the western Balkans through (1) alignment with EU *acquis* and international standards; (2) supporting the design of governance frameworks; (3) increasing risk management capacities; and (4) building the capacities of computer security incident response teams.

– In 2023, executed commitment appropriations were adopted with regard to seven measures with digital transformation as a significant objective:

- the multi-country multiannual action plan on an EU civil-society facility and media programme in favour of the western Balkans and Turkey for 2021-2023;
- the EU's contribution to the Western Balkans Investment Framework for 2021-2023;
- the annual action plan in favour of Türkiye for 2023;
- the annual action plan in favour of Türkiye (employment, education, social policies, EU support for participation in EU programmes and agencies for 2023 and 2024, environment and climate change, improving road safety in the context of the European Union acquis and the EU road safety strategy, supporting climate resilient sustainable agriculture and fisheries in Türkiye in line with European Green Deal objectives and its related policies).

– Digitalisation and the digital transition are an important part of the common regional market action plan, which aims to create a regional digital area focusing on roaming, digital skills, the digital economy, the recognition of electronic signatures and other forms of electronic identification, and the protection of data. This was the most important part of IPA III's digital contribution in 2021, 2022 and 2023. Digital has also been recognised as an enabler, and has been integrated as a component in measures across different sectors.

– In Türkiye, through IPA III's contribution to the third phase of the Horizontal Facility for the Western Balkans and Türkiye, a child-friendly digital citizenship education handbook was produced, and 42 teachers and school administrators from 14 pilot schools were trained on digital citizenship education.

– In Albania, through the support of the third phase of the Horizontal Facility for the Western Balkans and Türkiye, the IT Centre for the Justice Sector produced a roadmap for the development of the new content management interoperability services and a first draft of the interoperability framework for the justice sector of Albania, in line with European Commission for the Efficiency of Justice guidelines, on how to drive change towards cyberjustice. Moreover, in the run-up to the 14 May 2024 local elections, the Central Election Commission launched the Electronic Platform on Financial Monitoring and Reporting to help monitor the financing of political parties and electoral campaigns.

– In Kosovo, through the support of the third phase of the Horizontal Facility for the Western Balkans and Türkiye, the Judicial Council finalised its 2024-2029 IT strategic plan, taking into consideration the revised European Commission for the Efficiency of Justice cyberjustice methodology.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Composite indicator on political criteria – western Balkans | 2.1 | **0%** | 2.8 in 2027 | 2.1 compared to a target of 2.8 | On track |



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| | | | | | |
|---|---|---|---|---|---|
| Composite indicator on political criteria – Türkiye | 1.8 | **< 0%** | 2.0 in 2027 | 1.5 compared to a target of 2.0 | Deserves attention |
| Readiness of enlargement countries on public administration reform – western Balkans | 2.5 | **0%** | 3.0 in 2027 | 2.5 compared to a target of 3.0 | On track |
| Readiness of enlargement countries on public administration reform – Türkiye | 2.5 | **0%** | 3.0 in 2027 | 2.5 compared to a target of 3.0 | Deserves attention |
| Composite indicator on EU *acquis* alignment – western Balkans | 2.50 | **45%** | 2.7 in 2027 | 2.59 compared to a target of 2.70 | On track |
| Composite indicator on EU *acquis* alignment – Türkiye | 2.90 | **20%** | 3.1 in 2027 | 2.94 compared to a target of 3.10 | On track |
| Composite indicator on economic criteria – western Balkans | 2.30 | **34%** | 3.0 in 2027 | 2.54 compared to a target of 3.00 | On track |
| Composite indicator on economic criteria – Türkiye | 4.5 | **0%** | 5.0 in 2027 | 4.5 compared to a target of 5.0 | On track |
| Number of cross-border partnerships established, formalised and implemented | 101 | **39%** | 300 in 2027 | 179 compared to a target of 300 | On track |

(*) % of target achieved by the end of 2023.

– With IPA III, the EU is the largest donor in the enlargement region, generating added value through its substantial financial resources. By the end of December 2023, the Commission had committed (for annual programmes) or earmarked (for multiannual programmes) around EUR 8.68 billion out of EUR 14.162 billion in IPA III funds.

– By the midterm of the multiannual financial framework, IPA III had demonstrated its general effectiveness as a pre-accession instrument and was on track to deliver its

main objectives, although it still faced some limitations. This was confirmed by the annual IPA assessment and the midterm evaluation of external financing instruments, conducted in 2023 and adopted in May 2024 80.

– Assistance under IPA III is based on a performance-based approach and a fair-share principle. Assistance is differentiated in scope and intensity according to the performance of the beneficiaries, in particular as regards their commitment and progress in implementing reforms, and also according to their needs. The fair-share principle means that no IPA III beneficiary committed to objectives of the instrument should receive a disproportionally low level of assistance compared to other beneficiaries. Therefore, the selection of actions prioritises their relevance in relation to the EU's key strategic priorities and their maturity, requiring strong ownership and strategic planning capacity by its beneficiaries on bilateral programming. However, balancing performance assessment with the fair-share principle has limited the financial reward to well-performing beneficiaries, as affirmed by the midterm evaluation of IPA III.

– Based on the IPA III indicators, the overall picture for the western Balkans remains positive.

– The key performance indicator on political criteria in the western Balkans has remained stable compared to 2022. Slight improvements were seen in the indicators on the functioning of the judiciary, the fight against corruption, the fight against organised crime and freedom of expression. Progress was achieved, for example, with the advancement of judicial reforms supported by IPA III in Albania and Serbia. Some efforts were also made to strengthen the fight against corruption, though progress was limited across the western Balkans.

– IPA III support for fundamental rights has contributed to a greater understanding of the importance of guaranteeing these rights and freedoms, but some negative trends have continued, for example in relation to gender-based violence, which remains prevalent.

– For Türkiye, the key performance indicator on political criteria remained stable compared to 2022, and it stills lags behind the value of 2018, confirming the continued backsliding on fundamentals. This in turn continues to impact the level of IPA III assistance, which is limited in the areas of common interest, given that Türkiye continues to move further away from the European Union and that Türkiye's accession negotiations have effectively come to a standstill.

– The key performance indicator on readiness for public administration reform remained stable from 2022. This was expected given the scale of reforms needed across the administration and the overall time it takes to implement comprehensive administrative reforms. However, as stated in the 2023 enlargement package, enlargement countries remain, overall, at best moderately prepared in terms of quality of their public administration.

– Concerning alignment with the acquis, the indicator is very close to reaching the target for 2027, both in the western Balkans and in Türkiye, which is in line with the funding allocated in 2021-2023 (39%) to IPA III window 2 'Good governance, EU acquis

80 ([1]) European Commission (May2024), Commission evaluation report and SWD on the evaluation of the EU's External Financing Instruments for the 2014-2020 and 2021-2027 https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2024)208&lang=en, backed by an independent study https://international-partnerships.ec.europa.eu/publications/evaluation-european-unions-external-financing-instruments-2014-2020-and-2021-2027_en

alignment, good neighbourly relations and strategic communication'. The value of the indicator 'Attitude towards the EU: percentage of population with a positive general attitude towards the EU' has surpassed the milestone value set for 2023, showing the positive trajectory of the main indicators of window 2 for both the western Balkans and Türkiye.

– Regarding the key performance indicator on economic criteria, progress was made in the western Balkans compared to 2022. As the October 2023 Berlin Process Summit confirmed, some progress was made with the common regional market following the signature of the Agreement on the Recognition of Professional Qualifications of Nurses, Veterinary Surgeons, Pharmacists, and Midwives and a number of joint statements relating to regional cooperation. However, as reaffirmed by the 2023 enlargement package, overall progress towards fulfilling the economic accession criteria remained too slow to substantially narrow the economic gap with the EU. The design of IPA III, especially the need to take into account a fair share according to the needs and capacities of the beneficiaries, along with performance, limits the possibility of accelerating the implementation of structural reforms.

– On this basis, in November 2023, the Commission proposed a complementary financing instrument, the Reform and Growth Facility for the Western Balkans, to accelerate fundamental socioeconomic reforms with a new type of funding and ex ante payment conditionalities.

– The midterm evaluation of external financing instruments, which was conducted in 2023 (along with the final evaluation of the external financing instruments of the previous multiannual financial framework), confirmed that IPA III has been efficient in deploying a mix of methods and tools, including budget support, grants, loans and guarantees to holistically respond to its objectives. This derives from the following developments, among others, which aim to promote socioeconomic development.

  i. A substantial proportion of IPA III funding has been allocated to the key enlargement policy priority: the economic and investment plan for the western Balkans. Since the adoption of the plan in October 2020, the Western Balkans Investment Framework has endorsed 59 flagship investments, amounting to EUR 8.9 billion, in key railway, road and waterway interconnections, renewable energy, energy efficiency and power interconnectors, waste and water management, new health and education facilities, digital infrastructure and private-sector development. The EU and bilateral donors contribute EUR 2.6 billion in grants to these investments.
  ii. Thanks to the European Fund for Sustainable Development Plus guarantee, further support is provided for reconstruction in Türkiye following the 2023 earthquake. Under window 1 of the fund, a framework loan for a total amount of European Investment Bank lending of EUR 400 million has been approved, which is expected to mobilise investment amounting to EUR 1.55 billion. The underlying operations will focus on the rehabilitation, construction and extension of facilities for sanitation and drinking water in the provinces affected by the earthquake in south-eastern Türkiye.

– Following the Russian war of aggression against Ukraine and the earthquakes in Türkiye, the flexibility of IPA III was tested. IPA III demonstrated adaptability and responded well to emerging crises. For example, the 2023 programming exercise for the western Balkans was refocused to address the immediate impact of the war in Ukraine, in order to cushion against increases in energy prices and their impact on vulnerable households and small and medium-sized enterprises, through the preparation and swift payout (90%) of six energy support packages amounting to EUR 450 million in budget support.

– IPA III exploits synergies and contributes to several cross-cutting priorities at the same time, such as climate and gender.

– IPA III supports the beneficiaries in their efforts to align to the climate change goals. Several priorities of the economic and investment plan for the western Balkans (clean energy, environment, transport), along with the green agenda for the western Balkans, showcase numerous interventions increasing this alignment. EU4green supports Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia in implementing the green agenda. It succeeds in building synergies, encouraging new ideas, improving the quality of decisions, enhancing regulatory reforms and improving monitoring and reporting. Furthermore, evaluations also point out that there is evidence that the EU has been in instrumental in encouraging the development of incentives and instruments for the greening of small and medium-sized enterprises, with an emphasis on energy efficiency and renewable energies, mostly through blending interventions, while also addressing gender.

– As concerns the gender equality target, IPA III has increased the number of actions with gender equality as a principal or a significant objective in the first 2 years of implementation, although more effort is needed to meet the target. Actions under IPA III focus on horizontal priorities. In line with the EU gender action plan III and its key thematic areas of engagement, the European Commission's efforts in relation to gender equality and women's empowerment aim to take into account the challenges and opportunities offered by the green transition and the digital transformation. In this sense, actions financed under the IPA III instrument also approach gender equality from an intersecting point of view, by focusing on cross-cutting themes. Through the EU for circular economy and green growth action in Albania (EUR 30.9 million), for example, the Commission supports the systematic incorporation of a gender lens into the design of the circular economy, ensuring a more active role for women in the ecological transition, including through a comprehensive, gender-responsive and inclusive awareness-raising campaign.

– IPA III aims to ensure complementarity and synergies with the various types of programmes it supports. By the end of 2023, the Commission had adopted 2021-2027 IPA rural development programmes for Albania, Montenegro, North Macedonia, Serbia and Türkiye, along with nine cross-border cooperation programmes between western Balkans and IPA III beneficiaries, 10 cross-border cooperation programmes between IPA III beneficiaries and Member States, one transnational cooperation programme and one interregional cooperation programme, which is also available for western Balkan partners. Although implementation is at an early stage, the complementarity will build on the lessons learnt from IPA II.

# 2014-2020 multiannual financial framework – Instrument for Pre-accession Assistance (IPA) II

Prepared in partnership with the beneficiaries, IPA II set a new framework for providing pre-accession assistance for the 2014-2020 period.

IPA is a unique programme that supports IPA beneficiaries in their ambitious political and economic reforms and in their progressive alignment with the European Union's rules, standards, policies, and practices on their path towards EU membership. It fosters reforms in candidate and potential candidate countries through a combination of financial assistance and policy dialogue, preparing them for the rights and obligations that come with EU membership.

# Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 12 813.1 | 12 893.6 | 99.4% |
| **Payments** | 10 062.2 | | 78.0% |

– As of 31 December 2023, the Commission had implemented 99.4% of the IPA II commitment appropriations and 78% of the payment appropriations.

– The payment rate is the result of IPA II being first and foremost an investment budget that finances projects that run over a long period of time.

– In average 2.3 years are needed to pay the total costs of legal commitments, less than the internal Commission target of 4 years for external action programmes. The implementation of IPA II payment appropriations is expected at the level of EUR 0.7 billion in 2024 and EUR 0.5 billion in 2025. This should bring the implementation of payment appropriations up to 83.7% of the total 14-20 envelope at the end of 2024 and 87.5% at the end of 2025.

– In 2023, 43.1% of IPA II payments were dedicated to measures in social infrastructure and services and 13.1% to multisector measures. 75.1% were implemented through indirect management, 22.7% through direct management and 2.2% through shared management.

– Finally, 176.6 million of IPA II voted budget appropriations was paid in 2023 under the Facility for Refugees in Turkey, while Member States contributed EUR 112.7 million.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Cross-border cooperation programmes concluded (IPA–IPA) | 8 | 50% | 10 in 2023 | 9 compared to a target of 10 | Moderate progress |
| Cross-border cooperation programmes | 12 | 100% | 10 in 2023 | 10 compared to a target of 10 | Achieved |

| | |
|---|---|
| concluded (IPA–EU Member States) | |

(*) % of target achieved by the end of 2023.

- IPA II is making progress towards achieving its overall objectives despite the large influence of external factors. The Russia's war of aggression against Ukraine has left a heavy impact on the western Balkans, including on food and energy security, hindering the economic rebound following the COVID-19 pandemic.
- IPA II provided a clearer response to the pre-accession objectives in line with the Enlargement Strategy and its 'Fundamentals first' approach. In particular, a substantial portion of the IPA II funds was allocated to the sectors of Democracy and Governance and Rule of Law and Fundamental Rights. This approach made IPA II particularly fit for institution building.
- The most important novelty of IPA II was its strategic planning focus with Indicative Strategy Papers for each beneficiary for the 7-year period. These planning documents ensured a stronger ownership through integration of beneficiary reform agendas with enlargement priorities. A Multi-Country Strategy Paper addressed priorities for regional cooperation and territorial cooperation.
- According to evaluations (midterm evaluation of IPA II ([81]) in 2017 and the final evaluation of IPA II which was conducted in 2023), IPA II allowed for a more systematic use of sector budget support and gave more weight to performance measurement. It was nevertheless also noted that while the introduction of the sector approach improved the strategic focus of IPA II, there was uneven uptake and implementation among beneficiaries.
- Regarding the key performance indicator on political criteria in the western Balkans, this has remained stable compared to 2022. Based on the 2023 enlargement reports, progress was achieved, for example with the advancement of judicial reforms in Albania and Serbia. Some efforts were also made to strengthen the fight against corruption, however the progress was limited across the western Balkans.
- On the other hand, the 2023 annual report on Türkiye echoed the findings of previous years on backsliding from the EU values and standards, especially on rule of law and fundamental rights, and a lack of political commitment to implement the reforms necessary for the accession process, which has effectively come to a standstill in 2018, and therefore the EU and Türkiye relations continue on areas of common interest, subject to the conditions set out by the European Council.
- Regarding alignment with the EU *acquis*, the western Balkans partners have generally improved their preparations. One of the key EU-funded tools for *acquis* alignment, the Technical Assistance and Information Exchange Instrument (TAIEX), allows the sharing of EU best practices and supports the alignment of national legislation in all chapters of the *acquis*. The sector approach promoted structural reforms especially through budget support and helped to transform a given sector and bring it up to EU standards. The cooperation with Member States through twining has also paid an important role. The combination of sector budget support and other forms of assistance has allowed to move towards a more targeted assistance, ensuring efficiency, sustainability and focus on results. Furthermore, progress is made in aligning with EU standards in the agri-food sector via their respective IPA rural development programmes.
- Concerning the indicator on the Cross Border Cooperation (CBC) programmes concluded, this remained stable compared to 2022. The reason for not achieving the target value is related to the Serbia-Kosovo CBC programme. Despite the agreement on the path to normalisation that was reached last year, the situation has worsened after September 2023, impacting also the aforementioned programme. Of note, through the CBC Bosnia and Herzegovina –

([81]) LexUriServ.do (europa.eu).

Montenegro programme, the project Increasing Capacities to Prevent, Prepare and Respond to Disasters – Resilient Border (EUR 500 000) strengthened capacities for managing risks from natural and other disasters by building training grounds, equipping protection and rescue teams and holding training sessions for members of the cross-border team. In the CBC Kosovo–North Macedonia programme, the CBCEcoKid project (EUR 351 212.72) strengthened the capacity of partner municipalities in enforcing environmental protection standards and values, which led to a reduction in energy costs of up to 30% in financial costs and minimised the impact on climate change.

- The added value of the 2014-2020 Interreg IPA programmes is significant. These programmes have addressed issues that require both a territorial approach and coordination between all policies and funding instruments so that all go in the same direction. While transnational programmes focus more on 'soft' projects (e.g. studies, etc.), the cross-border ones emphasise rather on 'concrete' projects.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |

| | | |
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| SDG3 | Yes | The regional project ‘Strengthening health systems resilience in the western Balkans’ supports progress towards SDG 3 targets, by strengthening all-hazard emergency response capacities, helping to reform health financing systems to ensure universal health coverage, and increasing vaccination levels. In 2023, the project contributed to risk and capacity assessments, information management systems, and national plans on health security; produced reports and publications on financial protection based on data collection and analysis, and launched an online platform to track progress on affordable health care. The project helped to recover routine immunisations disrupted by the COVID-19 pandemic through catch-up vaccination, development of national action plans and normative guidance for national immunisation programs, and improvement of information systems.<br><br>The EU supports North Macedonia in implementing its Health strategy 2021-2030. The needs for developing a national comprehensive psychiatric service focused on children and adolescents have been mapped, and the annual public health programmes have been assessed with recommendations to improve their planning, budgeting and monitoring in line with the EU member states’ practices. Having appropriate budgets and staffing remain key for the country to implement these recommendations. |
| SDG4 | Yes | The economic and investment plan for the western Balkans highlights the need to invest in human capital particularly in education and skills. The Western Balkans school exchange scheme is a regional initiative that contributes to increasing skills and knowledge of young people in the western Balkans. It enhances education systems and promotes cooperation by building capacities of schools to develop and implement quality school exchange projects. In total, 2 500 students aged 15-17 were expected to participate by the end of 2023 from participating 100 schools, including young people with mental disabilities and visual impairment.<br><br>The EU invested in inclusive and equitable quality education and promoting lifelong learning opportunities by constructing the Faculty of Mathematics and Natural Sciences of the University of Pristina (EUR 8.9 million), and two schools in Prizren and Ferizaj (EUR 8.4 million). The EU also helped to reform the basic and upper secondary education zooming on curricula and teachers’ qualification (EUR 2.9 million), and provided new learning and education opportunities for children with special needs and children from non-majority groups. |

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| SDG5 | Yes | The advancement of gender equality in the enlargement region has been supported by the European Institute for Gender Equality (EIGE), through the implementation of the regional programme ‘Increased capacity of EU candidate countries and potential candidates to measure and monitor impact of gender equality policies (2018-2022)’ with a total cost of EUR 0.93 million.<br><br>As regards tackling gender-based violence, the regional programme ‘Ending violence against women in the western Balkans and Turkey: Implementing Norms, Changing Minds, Phase II’, implemented by the UN Women, finished in 2023. A total of 77 civil-society organisations were directly supported by the programme, thanks to which 376 civil-society organisations are engaged in monitoring and reporting on the implementation of the Istanbul Convention and CEDAW, and are thus able to provide services to survivors of gender-based violence and mobilise communities to build more equal societies..<br><br>The Commission has also supported the empowerment of women with minority backgrounds. Specific projects such as ‘Romani women power of change in the western Balkans and Turkey’ (EU contribution EUR 1 million) aimed to increase the participation of Roma women in the local decision-making.<br><br>The Gender Equality Facility, implemented together with UN Women, helps aligning Kosovo’s legislation with the EU *acquis* and international standards, supports Kosovo in gradual shift to gender responsive budgeting and planning, teaches central and local authorities how to enhancing the gender perspective in their operations, and mainstreams the gender perspective in programming of the EU funds. |

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| SDG6 | Yes | The EU is financing (EUR 22.9 million since 2009) the construction of a wastewater treatment plant in Podgorica, Montenegro, as well as a sludge incineration plant, and extension of the sewerage network. The investments will make possible the collection and treatment of the wastewater generated by the city in line with EU standards, increasing thus the hygienic and health conditions, as well as the quality of life of all people connected to the new system. Improved infrastructure will also create jobs, stimulate economic growth, and attract more investors to the region. The project will ensure responsible and sustainable use of natural resources for generations to come.<br><br>In 2023, the EIB signed a EUR 70 million EU investment grant with the government of North Macedonia to build a central wastewater treatment plant in Skopje. The plant will service nine of the ten municipalities of the city with over a half a million residents. It will account for approximately 75% of the nation's wastewater treatment capacity by 2028, and ultimately purify 90% of the capital’s wastewater. Currently, the wastewater generated by the city is discharged without treatment into the Vardar River, a major cross-border watercourse that flows into Greece. This investment will deliver significant environmental benefits, improve living standards, and contribute to the country’s compliance with the EU *acquis*. |

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| SDG7 | Yes | The building sector accounts for over 40% of total energy consumption in the western Balkans. Renovating public and private buildings to meet energy performance standards can make a significant contribution to energy savings, reduce greenhouse gas emissions and improve living standards.<br><br>Since 2023, the regional energy efficiency programme has blended policy support with loans, technical assistance and incentives to support energy efficiency and renewable energy investments in the public and private sectors in the western Balkans. Since its inception, the integrated package offered through the regional energy efficiency programme has reached over 1 000 small and medium-sized enterprises, 16 000 households and 400 public buildings across 700 cities and towns. Related investments translate into 964 000 MWh/year energy saved and 540 000 $tCO_2$/year emissions avoided, which is equivalent to removing 135 000 cars from the road.<br><br>Vau i Dejës Floating Solar: Photovoltaic Power Plant. This investment project will install a 12.9 MW floating solar photovoltaic power plant at Vau i Dejës, a reservoir that hosts one of the largest hydropower plants in Albania. This will be the first medium-size hybrid floating solar and hydropower plant and the first application of pure floats technology in the western Balkans. The investments are expected to have a significant demonstration effect and be easily replicated on other hydro reservoirs in Albania and the region. The plant is expected to produce over 18 GWh of electricity and displace 8 700 tonnes of CO2 annually.<br><br>The gas interconnector between Serbia (Niš) and Bulgaria (Sofia) was completed and inaugurated in 2023, allowing the transfer of 1.8 billion cubic metres of natural gas annually. |

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| SDG8 | Yes | In North Macedonia, under the ‘EU for Youth’ budget support, over 13 400 young people successfully completed the youth guarantee scheme in the three regions facing the highest levels of unemployment in North Macedonia in the 2020-2023 period. The Youth Guarantee scheme, contributed to improving young people’s skills and decreasing youth unemployment from 30.5% in 2019 to 24% in Q3 2023. Working in synergy, EU and national funds contributed to a decrease of the rate of early school leavers from 7.1% in 2019 to 6.2% in 2022. The EU supports North Macedonia in addressing the mismatch between the educational offer and the demand in the labour market through the reform of its vocational education and training. The enrolment in VET schools increased by 6% in the 2021–2022 school year compared to the previous school year.<br><br>The Structural Reform Facility – competitiveness policy priorities for western Balkans programme contributes in particular to the fulfilment of SDG target 8.3. The action focuses on the needs of micro, small and medium-sized enterprises and promotes policy measures necessary to enable small, young and/or innovative firms to become more competitive within the region and internationally. Additionally, it supports digitalisation and innovation as enablers of competitiveness, while being aligned with green transition principles (energy efficiency, decarbonisation and circular economy).<br><br>SMEs go green digital in the western Balkans (EUR 22.5 million) contributes to the fulfilment of SDG target 8.2 by increasing access to finance to enable higher utilisation of digitalisation, automation and competitiveness technologies, supporting greening of small and medium-sized enterprises, and increasing innovation, competitiveness, growth and trade potential of the private sector via targeted investments and increased awareness within small and medium-sized enterprises, thus facilitating regional and EU integration. |
| SDG9 | Yes | |

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| SDG10 | Yes | In the enlargement region, the EU promoted the children's rights through a regional project (EUR 5 million), implemented by UNICEF, to mitigate the impact of COVID-19 on the lives of children and families, focusing on health and nutrition services, child protection services, education and early childhood development services. More than 290 000 children profited from equitable and inclusive digital learning in Bosnia and Herzegovina, Kosovo, Montenegro, and North Macedonia.<br><br>In North Macedonia, the EU has supported the education of students with special needs in three consecutive years. Specifically, 467 students with special needs received scholarships, and 180 schools received guidance on how to enhance their ability to cater to the needs of children with disabilities. While financial support for families is a crucial aspect of the EU assistance, it is important to note that this initiative goes beyond mere financial aid. The project adopts an integrated approach aimed at making public-school education more inclusive. To achieve this inclusivity, the project involves individual tutoring for students with disabilities. Simultaneously, training courses are provided for school inclusion teams and education assistants. This comprehensive strategy ensures that the education system becomes more accessible and supportive for all students, regardless of their abilities. Moreover, another Works project has enabled 15 schools to enhance their physical accessibility for children with disabilities. The EU funding in North Macedonia not only offers financial aid through scholarships but also implements a holistic approach to transform the education system. By combining financial support, individual tutoring, training for education professionals, and physical improvements to school infrastructure, the project aims to create an inclusive learning environment and promote awareness of the benefits of inclusive education policies.<br><br>In Kosovo, the EU funded community stabilisation programme channelled over EUR 500 000 to 51 individual family businesses and 25 community-based initiatives in non-majority communities securing 80 jobs and creating economic and development momentum for non-majority communities. |

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| SDG11 | Yes | In 2023 in Serbia, 127 families with 361 family members (171 male and 190 female) moved to the new constructed social housing flats and 819 beneficiaries received income generating support.<br><br>In the area of sustainable transport, in North Macedonia as part of EU4Municipalities programme, the municipality of Strumica constructed more than 2km of cycling tracks with EU grant funding and organised promotion and awareness raising campaigns for the use of bicycles. The Municipality of Veles, also a grant beneficiary under the programme, marked and hosted the European Mobility Week 2023.<br><br>In North Macedonia, the EU support for the regional and local development, along with the EU Delegation's continued communication effort towards municipalities, has enhanced the policy dialogue with local communities and has reaffirmed the role of local authorities in the development process and the EU accession (also SDG 8 and SDG 17). The support provided in this area through the IPA 2019 project EU for Growth and the IPA 2020 programme EU for municipalities, as well as the regional programme on local democracy in the western Balkans 2 (Reload2), continued to help the mobilisation of private and public resources for local development (8 municipal projects to introduce innovation in local service provision; 20 small-scale projects in 6 different municipalities and 21 small and medium-sized enterprises supported in the 3 least developed regions).<br><br>83 000 North Macedonians became more aware of the prevention and management of manmade risks and natural disasters thanks to the two projects under the IPA Cross Border Cooperation programme for North Macedonia-Albania. Border area of Struga and Librazd (222 703 ha) was covered by common monitoring actions against the effects of wildfires. More specifically one joint wildfire's emergency centre was established, and two joint wildfire emergency measures were developed and included in the routine of relevant bodies in the cross-border area. An information, coordination and notification system to prevent and mitigate the consequences of manmade hazards and natural disasters at local and central level was set up. The respective public administrations are equipped to better manage cross-border disasters and deal with climate change. 1 350 $km^2$ of cross-border area is now under monitoring for wildfires out of which 300 $km^2$ agricultural area and 1050 $km^2$ forest area. One cross-border team was established and empowered to deal with emergency situations.<br><br>In Kosovo, the 'Support to Waste Management in Kosovo' project improved the basic services and modernised the waste management system in line with the EU legislation |

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| | | and the best international practices. The project improved the knowledge and skills of authorities and civil society in waste management, circular economy, and inter-municipal cooperation. 36 municipalities adopted waste management plans and 28 of them - municipal regulations for specific waste streams (organic, bulky and construction and demolition waste). Waste separation was tested on a pilot basis in 7 municipalities bringing the separate collection rate to 21.63% of 189 630 households. 24 municipalities received waste management equipment (7 waste trucks, 3 tractors, 15 5000 and 3 500 home-composters). The number of illegal landfills decreased from 2 246 in 2019 to 747 in 2023. Online waste fee payment is introduced, and the reporting system was improved resulting in increased number of municipality reports from 3 in 2018, to 35 in 2022. Moreover, the project supported Kosovo in its transition to circular economy. The first in the country Deposit Refund System for beverage containers is established, together with applied measures for the reduction the use of plastic bags. Today, 94% of the population has access to basic waste services; this represents 36% increase compared to 2016. |
| SDG12 | Yes | |

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| SDG13 | Yes | Under the EU4 Energy Transition project (EUR 8 million), the EU has been supporting cities and towns in the western Balkans and Türkiye in delivering on their pledges under the Covenant of Mayors for Climate and Energy initiative. From 2021 to 2025, among other measures, the programme is supporting 20 cities and towns in developing and implementing energy and climate action measures focusing on local solutions for energy efficiency and renewable energy.<br><br>In Kosovo, the EU, through the Energy Support Package, provided energy subsidies for electricity and wood fuel to around 200 000 vulnerable households, and supported over 20 000 households to install solar water heating systems, efficient home appliances (e.g. washing machines, dishwashers, fridges), and efficient heating equipment such as heat pumps and biomass boilers and stoves. Over 2 000 families benefit from thermal insulation measures for single houses, in addition to the 28 social housing buildings hosting 785 families. About 1 000 small and medium enterprises are expected to benefit from the heating-related energy efficiency measures, launched in November 2023.<br><br>In Bosnia and Herzegovina, the ‘Technical Assistance for preparation of the Flood Risk Management Plan in Bosnia and Herzegovina’ project increases country’s adaptation to the climate changes by increasing capacities of key stakeholders to manage flood risks, including their prevention, protection and preparedness to respond to potential hazards. |
| SDG14 | | |
| SDG15 | Yes | In North Macedonia the EU supports the national land consolidation programme. Two consecutive projects foster land consolidation policy across the country and support the upgrade of the practice, legislation, and policy as well as the national land consolidation strategy and action plan for the new 2024-2034 strategic period. Overall, 6 267 farmers and landowners benefitted from a more efficient land structure in 14 areas in North Macedonia. The new land structures optimise the use of agriculture machinery and substances and contribute to reduction of pollutants in these areas. 10 plans for land re-allotment or for agricultural infrastructure improvement were developed. The first full land consolidation in North Macedonia in the village of Egri (Bitola Municipality) was fully completed in 2022. Two more land consolidation sites in the village of Chiflik and Dabjani are ongoing with EU support. The improved agricultural land structure in these locations is complemented with the construction of agricultural infrastructure based on the needs of the local community. |

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| SDG16 | Yes | The EU, through its partnership with the Council of Europe, supported the first ever training of police officers from Brčko District of Bosnia and Herzegovina on hate crime and hate speech towards the LGBTI community. In Türkiye, it supported the launching of a grant scheme for legal aid services to vulnerable women, as well as the training of 586 lawyers on women's access to justice. In North Macedonia, the new Law on Whistleblower protection was finalised and published for public opinion. In Serbia, IT equipment was provided to the National Anti-trafficking Co-ordination Office (NATCO), the National Rapporteur on trafficking in human beings, the Centre for Human Trafficking Victims' Protection and the NGO ASTRA, in order to strengthen their capacities in monitoring and reporting human trafficking and in protecting victims.<br><br>The EU support helped to establish an online National Centralised Criminal Record in Kosovo (NCCR) providing opportunity for citizens to request and receive certificates of criminal records within few minutes. By September 2023, NCCR had provided 203 441 certificates of criminal records. The system enables Kosovo to meet one of the requirements for Schengen visa liberalisation for its citizens taking effect in 2024. |
| SDG17 | | The regional programme supporting to the Central European Free Trade Area Secretariat (EUR 4 million, started in 2022) facilitates trade negotiations, trade flows and strengthens trade surveillance in western Balkans and Moldova. Various rounds of trade negotiations took place in 2023 in relation to trade in goods and services and progress was observed at technical level, pending political approval of common decisions. Through the Systematic Exchange of Electronic Data platform, pre-arrival customs data contributed to reduce border-crossing time of containers. The programme also supports the exchange of certificates between customs authorities and phytosanitary, veterinary and medical agencies and various pilot activities are carried-out, in particular in the area of risk-management. Market surveillance authorities in the region are also supported through a common regional database for the sharing of information on unsafe products. |

# EGF

EUROPEAN GLOBALISATION ADJUSTMENT FUND FOR DISPLACED WORKERS

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| 69<br>applications were received between 2014 and 2023, including 15 between 2021 and 2023, excluding those that were withdrawn or rejected. | 61 269<br>workers were offered assistance between 2014 and 2023, including 7 431 workers targeted in applications received between 2021 and 2023 | 3 369<br>young people not in employment, education or training were offered assistance between 2014 and 2020. | EUR 217 941 277<br>in contributions from the EGF was requested by 12 Member States between 2014 and 2023, including about EUR 38 million requested through the 2021-2023 applications. |
| 60%<br>is the average rate of beneficiaries who found employment following an EGF intervention between 2014 and 2020. | | | |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 727.3 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **727.3** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

With a view to achieving economic, social, and territorial cohesion in the EU, it is necessary to develop a coordinated strategy for employment. This strategy should particularly focus on the promotion of a skilled, trained, and adaptable workforce as well as on labour markets' responsiveness to economic change. To this end, the EU will contribute to a high level of employment by supporting and, if necessary, complementing action by Member States through the mobilisation of the European Globalisation Adjustment Fund for Displaced Workers (EGF) to co-finance measures to support redundant workers in case of major restructuring events. These events, by their scale and effects, cause a significant impact and can test the limits of what regular national labour market programmes are able to provide to assist displaced workers.

## CHALLENGE

Globalisation and technological change are likely to increase further the interconnectedness and interdependence of world economies. Labour reallocation is an integral and inevitable part of such economic change. These trends risk further tilting the already unequal distribution of the benefits from globalisation, causing a significant impact on the people and regions adversely affected.

Ensuring a fair distribution of the benefits of change calls for aiding displaced workers. When the number of displaced workers is particularly large, aiding may go beyond the means of the individual Member State, requiring EU-level action. EU intervention through the EGF generates European added value by increasing the number, variety and intensity of services offered to even more dismissed workers and for a longer period than would be possible without EGF funding.

## MISSION

The EGF aims at supporting socioeconomic transformations that are the result of globalisation and of technological advance as well as of environmental changes by helping displaced workers and self-employed persons whose activity has ceased to adapt to structural change.

The EGF is an emergency fund that operates reactively to assist displaced workers affected by major restructuring events. It is guided by—and helps implement—the principles defined under the European Pillar of Social Rights ([82]) (including equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion) and enhances social and economic cohesion among regions and Member States. It adds to existing mainstream restructuring assistance programmes and services for labour market actors, without replacing existing resources.

## OBJECTIVES

The EGF's objectives are to demonstrate solidarity and promote decent and sustainable employment by helping in the case of major restructuring events. Emphasis shall be placed on measures that help the most disadvantaged groups.

## ACTIONS

The EGF co-finances coordinated packages of personalised services designed to facilitate the re-integration of the beneficiaries, the most disadvantaged among them, into employment or self-employment. Its focus is on active labour market measures (e.g., training and retraining, up-skilling, job-search assistance and guidance, outplacement assistance, aid for self-employment or business start-ups, temporary financial incentives and allowances). Assistance is granted for a limited period.

## STRUCTURAL SET-UP OF THE PROGRAMME

The EGF is implemented under shared management. DG Employment, Social Affairs and Inclusion is the lead for the Commission.

The employment policies are a shared competence between the EU and the Member States ([83]). The two parties shall work towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce, and labour markets' responsiveness to economic change with a view to achieving economic, social and territorial cohesion in the EU. The EU will contribute to a high level of employment by supporting and, if necessary, complementing action by Member States ([84]).

In compliance with the principles of subsidiarity and proportionality ([85]), funding from the EU budget concentrates on activities whose objectives cannot be sufficiently achieved by the Member States alone and where EU intervention can bring additional value compared to action by Member States alone.

([82]) European Pillar of Social Rights action plan.

([83]) Articles 2 to 5 of the Treaty on the Functioning of the European Union.

([84]) Articles 145 and 147 of the Treaty on the Functioning of the European Union.

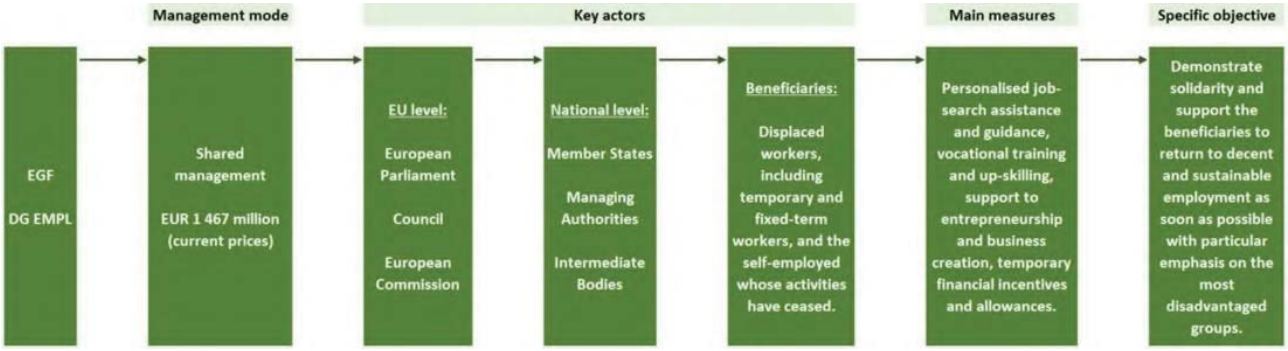
([85]) Article 5 of the Treaties (2002) C 325/01.

Therefore, the mobilisation of the EGF to co-finance measures to support redundant workers can be justified in case of major restructuring events that, by their scale and effects, cause a significant impact and can test the limits of what regular national labour market programmes are able to provide to assist displaced workers. Assistance from the EGF is always offered in addition to the efforts of the Member States at a national, regional and local level. The EGF generates European added value by increasing the number, variety and intensity of services offered to even more dismissed workers and for a longer period of time than would be possible without EGF funding ([86]) ([87]).

The 2021-2027 multiannual financial framework ([88]), the Interinstitutional Agreements on Better Law-Making ([89]) between the European Parliament, the Council of the European Union and the European Commission, and the Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources, of 16 December 2020 ([90]), determine the budgetary framework of the EGF. The objective, scope and conditions for the mobilisation are set out in the EGF regulation ([91]). For each eligible case, the EGF is mobilised jointly by the European Parliament and the Council through a decision adopted in accordance with the provisions of the EGF regulation and a transfer from the reserve budget line to the EGF operational budget line.

The EGF's design shows a clear complementarity with the more preventive assistance offered by the European Social Fund Plus which consists of multiannual programmes that support long-term goals such as the anticipation and management of changes and restructuring. Unlike the European Social Fund Plus, the EGF is established to provide support in exceptional circumstances and outside a multiannual programming scheme. EGF and European Social Fund Plus measures are sometimes used by Member States to complement each other to provide both short- and long-term solutions ([92]).

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




([86]) Mid-Term Evaluation of the European Globalisation Adjustment Fund (EGF) 2014-2020.

([87]) Ex-post evaluation of the European Globalisation Adjustment Fund (EGF) 2014-2020.

([88]) Council Regulation (EU, Euratom) 2020/2093.

([89]) Interinstitutional Agreements on Better Law-Making.

([90]) Interinstitutional Agreement of 16 December 2020.

([91]) Regulation (EU) 2021/691.

([92]) SWD(2018) 192 final, page 34.

## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The EGF builds on its predecessor under the 2014-2020 multiannual financial framework. It remains outside the budgetary ceiling of the multiannual financial framework given the non-programmable nature of its mandate. The maximum amount for the 2021–2027 period is set at almost EUR 1.467 billion in current prices.

For the 2021-2027 multiannual financial framework, the EGF was redesigned to ensure greater inclusiveness and flexibility to better respond to current and future economic challenges, such as automation and digitalisation, the transition to low-carbon economy, etc. Therefore, its scope has been broadened to any type of significant restructuring event regardless of the cause, and the eligibility threshold has been lowered from 500 to 200 displaced workers. Moreover, the EGF co-financing rate has been aligned with the highest European Social Fund Plus co-financing rate in the respective Member State.

## FURTHER INFORMATION

- Programme website:
  - EGF
- Impact assessment:
  - The impact assessment of the EGF was carried out in 2018.
  - For further information please consult SWD(2018) 289 final.
- Relevant regulation:
  - Regulation (EU) 2021/691 of the European Parliament and of the Council.
- Biennial reports:
  Every 2 years the Commission reports to the European Parliament and the Council on the activities of the EGF. The latest report (August 2023) covers the 2021-2022 period.
- Evaluations:
- The midterm evaluation of the EGF 2014-2020 was published in 2018. For further information please consult SWD(2018) 192 final.
- The ex-post evaluation of the EGF 2014-2020 was published in 2021. For further information please consult SWD(2021) 381) final ([93]).
- To improve monitoring of the EGF, a beneficiary survey will be conducted at the end of each intervention. By means of the survey, the broader impacts of the EGF on beneficiaries' general employability, such as the acquisition of new skills, gain of self-confidence, increased motivation, etc. will be measured.
- The midterm evaluation of the EGF 2021-2027 is due by mid-2025 and is expected to offer first insights on the fund's performance.

([93]) SWD/2021/381 final.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 181.3 | 201.3 | 205.4 | 33.8 | 34.5 | 35.1 | 35.9 | 727.3 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **181.3** | **201.3** | **205.4** | **33.8** | **34.5** | **35.1** | **35.9** | **727.3** |

(*) Only Article 15(3) of the financial regulation.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 44.2 | 727.3 | 6.1% |
| **Payments** | 35.6 | | 4.9% |

Voted budget implementation (million EUR) (*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | Voted budget implementation | Initial voted budget | Voted budget implementation | Initial voted budget |
| **2021** | 8.0 | 197.4 | 6.6 | 20.0 |
| **2022** | 27.9 | 201.3 | 22.3 | 25.0 |
| **2023** | 8.4 | 205.4 | 6.7 | 30.0 |

(*) Voted appropriations (C1) only.(*) Voted appropriations (C1) only.

– In 2021, five applications, submitted at the end of 2020 by five Member States, were adopted. As a result, they were paid out partly from assigned revenues from the 2014-2020 period and partly from the budget allocated for 2021-2027. Four of these applications were submitted in relation to the repercussions of the COVID-19 crisis, and one application was linked to a trade-related restructuring event.

– The new EGF regulation for 2021-2027 only entered into force in May 2021 but it has been applied retroactively since 1 January of that year. A derogation clause was therefore introduced to ensure that funding gaps would be avoided. In 2021, eight applications were submitted by four Member States, requesting a total of EUR 18 million to assist 740 dismissed workers. In four cases, the COVID-19 pandemic was the main factor that led to the dismissals. Three cases had a trade-related background and one had crisis. The EGF was mobilised in 2021 in four cases while the rest, received in the second half of 2021, benefited from EGF support in the first half of 2022. In 2022, three applications were submitted by three Member States, requesting a total of EUR 21 million to assist 2 442 dismissed workers. The first case had the COVID-19 pandemic as the main factor that led to the dismissals, the second was due to a company take-over and the third one had a trade-related background. Only one case was mobilised in 2022 (EUR 17.7 million), while the remaining two benefited from EGF support in the first half of 2023 (EUR 3.2 million). In 2023, four applications were submitted by three Member States, requesting a total of EUR 9.8 million to assist 2 249 dismissed workers. The main factor that led to the dismissals was bankruptcy for two of the cases and trade for the other two. Two cases were mobilised (EUR 4.98 million). The other two received in November-December 2023 will be put forward to the Budgetary Authority in the first quarter of 2024.

– The low number of EGF applications after 2020 has been a surprise to the Commission. During the EGF Contact Persons meeting that took place on 24 November 2022, participants were invited to share their thoughts on the low uptake of the EGF in the current programming period. The principal reason behind the low number of applications is the good situation on national labour markets, often with many unfilled vacancies. Jobs have been preserved thanks to the measures to maintain them, such as short-term work schemes. Also, there is currently a lot of funding available to absorb from other EU programmes like the REACT-EU, which was oftentimes easier to access or offered more favourable conditions. Furthermore, considerable support was available to keep people in employment during the pandemic, which contributed to the underutilisation of the EGF. Furthermore, several countries are faced with administrative overload due to the launch of the 2021-2027 European Social Fund Plus programmes. The EGF and the European Social Fund Plus are usually implemented by

the same managing authorities and have limited capacity to concentrate on possible EGF applications due to the European Social Fund Plus negotiations.

– Despite the economic recovery and declining inflation (although still higher than before),, uncertainty persists, in relation to (i) geopolitical instability, (ii) the persistence of supply chain bottlenecks and (iii) the economic consequences of the EU sanctions against Russia over Ukraine.

– As an emergency response tool, the EGF will be ready to react to these challenges and to help in possible further major restructuring events in 2024, if needed.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | | | | | | | | | |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

Not applicable to the EGF.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | 8.0 | 27.9 | 8.4 | 44.3 |
| 0 | | | | |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);

- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- N/A

The EGF regulation provides for the Commission and the Member States to ensure that equality between men and women and the integration of the gender perspective are integral parts of and promoted during all stages of the implementation of the financial contribution from the EGF. To that end, the Member States formally confirm the respect of this principle at the time of application, when they provide gender-disaggregated information on the workers expected to make use of the programme's assistance. In case of doubt, the Commission requests that Member States provide further information on the gender aspect during its assessment of an application. This is, however, a general principle applied across the implementation and final reporting of the EGF cases, and estimating budget contributions is not relevant. Evaluations of the EGF always include an analysis of both genders' disaggregated data and qualitative information (beneficiary surveys, interview with implementers, etc.) regarding possible gender discrimination. During EGF evaluations, external contractors conduct case studies on each EGF case, and they are also asked to take the gender perspective into account. Past evaluations did not detect gender discrimination in either the delivery of measures or the targeting of beneficiaries. Moreover, in many cases, authorities aim to help participants overcome gender stereotypes when looking for a new job.

Between 2014 and 2016, the greatest number of redundant workers benefiting from EGF support came from sectors that traditionally employ more men than women (automotive, computing, electronics, machinery and building construction). Therefore, most workers made redundant and then offered EGF assistance were male (75% men versus 25% women). However, from 2017, a significant number of redundancies took place in sectors that employ high numbers of women (retail trade, call centres, clothing, financial services and tourism-related activities). Therefore, 57% of those offered EGF assistance between 2017 and 2020 were men and 43% were women. In 31% of EGF cases, women represent at least 40% of workers offered assistance, and in 20% of cases they represent more than 50%.

Between 2021 and 2023, many redundancies occurred in sectors that employ a high proportion of men (metalworking, air transport, manufacture of motor vehicles, transport equipment logistics, electrical equipment), hence 65% of those offered EGF assistance were men and 35% were women.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of the total envelope |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

The EGF does not have any indicators that specifically measure the contribution to the digital transition. The indicators are general result indicators. However, the dissemination of digital skills is a horizontal element for the design of coordinated packages of measures. The need for and level of training is adapted to the qualifications and skills of each beneficiary. In theory, every beneficiary is thus expected to have received some sort of digital skills training.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Total EGF beneficiaries in a given case | NA | NA | NA | No results | NA |
| Percentage of EGF beneficiaries who gained a qualification | NA | NA | NA | No results | NA |
| Percentage of EGF beneficiaries in education or training | NA | NA | NA | No results | NA |
| Percentage of EGF beneficiaries in employment (dependent/self-employed) | NA | NA | NA | No results | NA |

(*) % of target achieved by the end of 2023.

– The main sources of information on the EGF's results are (1) the final reports submitted by the Member States, 7 months after the end of implementation, and (2) the beneficiary surveys, which are conducted 6 months after the implementation of the case.

– Even though the EGF's main aim is sustainable reintegration into quality employment, the mere comparison of reintegration rates is not sufficient to measure the performance of the EGF. This is due, among other reasons, to differences in the characteristics of the beneficiaries offered the assistance and in the socioeconomic situations of the regions affected. Therefore, beneficiary surveys were introduced as a new tool in the 2021-2027 period. Beneficiary surveys will help assess the extent to which the assistance offered had an impact on the perceived change in the employability of beneficiaries or, for those who have already found employment, on the quality of the employment found (e.g. in terms of changes in working hours). Such information will be broken down by gender, age group, education level and level of professional experience. Furthermore, by broadening the scope of the EGF and by making the application procedure easier and faster in the current programming period, the fund is expected to be more inclusive and to reach more displaced workers in need of assistance.

– Considering the delayed start of the 2021-2027 programming period, and taking into account that the implementation of an EGF case takes 24 months from the date of the decision on the mobilisation of the fund, the aforementioned information, which is necessary to assess the EGF's performance, is only expected to be available as from

mid 2024. In 2022, the Commission mobilised assistance for the natural disaster applications received in 2021.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | YES | In the 2019 ‘Goodyear’ EGF case in Germany, 60% of the workers offered the assistance had no suitable qualification and used to hold elementary occupations (including a high number of people with migrant background). Backed by EGF with EUR 2 165 231, one third of 622 beneficiaries upskilled and improved their employment level. Overall, 58% of the workers had found a new job while the other 5% were participating in upskilling measures for a longer duration (e.g., getting a vocational qualification), by the reporting date. |
| SDG5 | YES | The EGF is helping to achieve gender equality by providing support to all dismissed workers. Since 2017, a significant number of redundancies took place in sectors with high numbers of employed women (retail trade, call centre, wearing apparel, financial services, and tourism-related activities). For example, in the 2017 ‘Retail’ case in Finland 1 173 women (representing 80% of total beneficiaries) were helped by EGF. EUR 2.5 million were mobilised from the EGF to support the ICT and language training, job and career coaching and job-seeking training. Overall, 84% of the beneficiaries had found a new job at the end of the implementation period. |
| SDG6 | | |
| SDG7 | | |

| | | |
|---|---|---|
| SDG8 | YES | In NUTS 2 level regions where youth unemployment rates are at least 20%, the EGF may provide personalised services to young people not in employment, education, or training. For example, in cases implemented between 2017 and 2019 in Belgium (‘Caterpillar’ case, 1 931 beneficiaries and EUR 1.6 million of EGF funding mobilised), and in Spain (Castilla y León mining of coal case, 396 beneficiaries and EUR 1 million of EGF funding mobilised), the support offered to the young people provided them with the assistance that they would not have received through national mainstream services. |
| SDG9 | | |
| SDG10 | YES | The EGF is an emergency fund and is only mobilised in redundancy events that have a significant impact on the regional economy. By offering upskilling measures to workers made redundant, the EGF helps regions to offer measures to make their workers ready for future labour market needs, thereby fostering economic growth.<br>Some EGF cases include measures that improve labour mobility of displaced workers. For instance, in the ‘Microsoft 2’ case in Finland (883 beneficiaries and EUR 3.5 million of EGF funding mobilised) implemented between 2017 and 2019 the measures offered to the dismissed workers supported labour mobility in cooperation with the European Job Mobility Portal (EURES) services (i.e., foreign job advertisements and the exchange of experiences in online meetings) |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | | |
| SDG15 | | |
| SDG16 | | |
| SDG17 | | |

# EUSF

EUROPEAN UNION SOLIDARITY FUND

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| Over EUR 454 million | 4 | Over EUR 755 million | 5 |
| in EUSF assistance was approved in 2023 to assist with disasters that occurred in 2022 and 2023. | EUSF applications were assessed in 2023. | was paid out to four Member States in 2023 to support the recovery and reconstruction of the regions affected by the natural disasters of 2021 and 2022 (*). | new EUSF natural-disaster-related applications were received. Assessments for two of the applications concluded in 2023, and assessments for the remaining three began in 2023 and will continue in 2024. |

.

(*) The amount includes the payment of carried-over payment credits from 2022 – the EUSF assistance awarded to Belgium and Germany. However, the amount does not include advances paid in 2023.

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | 6 927.2 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027 (**)** | **6 927.2** |

(*) Only Article 15(3) of the financial regulation.

(**) The total budget does not include the total amounts for the Solidarity and Emergency Aid Reserve.

# Rationale and design of the programme

The European Union Solidarity Fund (EUSF), created in 2002, is activated at the request of an eligible state when major national or regional natural disasters occur (such as earthquakes, floods, droughts, forest fires or storms) or in the case of a major public health emergency.

The EUSF brings EU added value to Member States and accession countries, notably because of its readiness to intervene with additional financial resources. Its financial contribution to post-disaster efforts to assist the affected population and help with reconstruction is greatly appreciated. Despite its limited size, the fund is widely recognised as a particularly tangible expression of EU solidarity and support. It is also highly visible and raises a great deal of interest among politicians and the media.

## CHALLENGE

Solidarity is one of the fundamental values of the EU and a guiding principle of the European integration process. The EUSF turns solidarity into tangible aid for Member States and countries negotiating their accession to the EU if they are affected by a major national or regional natural disaster or a major public health emergency.

Climate change is causing more frequent and extreme weather events in Europe and around the world. The increasing number and scale of natural disasters in the past few years and the inclusion of health emergencies within the scope of the EUSF have created unprecedented demand and considerable budgetary pressure on the limited resources allocated to the EUSF in accordance with the 2021-2027

multiannual financial framework regulation. This, together with greater uncertainty about the available budget for the EUSF under the new Solidarity and Emergency Aid Reserve budgetary mechanism, has put a strain on the Fund, making it challenging to fully satisfy demand.

The available amount for the EUSF in 2023 was lower in absolute and relative terms than at the time of the Fund's inception in 2002. When the EUSF was created, it had a maximum annual allocation of EUR 1 billion in current prices, which was maintained from 2002 to 2013.

In February 2023, two very large earthquakes caused EUR 78.8 billion of direct physical damage in Türkiye. This was the largest damage caused by a disaster following which a Member State or accession country applied for EUSF assistance in the history of the Fund. EUR 400 million from the 2023 EUSF budget was allocated to support Türkiye following this disaster.

## MISSION

The EUSF is designed to contribute to post-disaster relief in Member States and countries negotiating their accession to the EU that are confronted with devastating natural disasters or major public health emergencies.

## OBJECTIVES

The EUSF's objective is to  grant financial assistance to eligible states in the event of a major or regional natural disaster or a major public health emergency with serious repercussions on living conditions, the natural environment, or the economy. The fund's resources can be used to finance emergency and recovery operations undertaken by public authorities in support of the affected population.

Support from the EUSF is used to cover part of public expenditure incurred in response to the disaster. The fund is designed in such a way that the amount of support is related to the size of the disaster. It also considers the country's capacity to cope on its own with the financial burden triggered by the disaster.

## ACTIONS

The EUSF can (re-)finance public emergency and recovery operations from the very onset of the disaster or health emergency. In the case of a natural disaster, it can provide financing for restoring to working order infrastructure and plants in the fields of energy, water and wastewater, telecommunications, transport, health, and education; provide temporary accommodation; fund rescue services to help the affected population; and secure preventive infrastructure and cleaning-up operations. In the case of a health emergency, it can finance rapid assistance, including medical aid to the population, and protect the population from the risk of being affected, including by preventing, monitoring, and controlling the spread of diseases, combating severe risks to public health, or mitigating the impact on public health.

## STRUCTURAL SET-UP OF THE PROGRAMME

The EUSF is a targeted, flexible instrument aimed at assisting eligible States affected by major natural disasters and public health emergencies. As such EU-wide solidarity cannot be achieved by Member States alone on an ad hoc basis, a systemic, regular, and equitable method of granting assistance was developed at

the EU level. Financial assistance from the EUSF is mobilised from appropriations raised by the European Parliament and the Council over and above the normal EU budget appropriations.

Eligibility is determined by total direct damage exceeding a threshold specific to each Member State or country negotiating their accession to the EU. It is set at the national level (major disasters) or at the regional level (regional disasters). The number and size of eligible disasters determine the amount of aid each year.

The total annual budgetary allocation to the fund laid down in the multiannual financial framework is a ceiling rather than a spending target. Disbursements from the fund are therefore not programmable, as they entirely depend on the unpredictable occurrence, nature, and magnitude of these disasters.

The Commission may not activate the EUSF on its own initiative. Financial assistance from the EUSF is mobilised from appropriations raised by the European Parliament and the European Council over and above the normal EU budget appropriations. This ensures that, in each case, the aid comes as an expression of solidarity with the full backing of Member States and the Parliament, not just as an administrative act by the Commission.

Once the appropriations become available in the EU budget, the Commission adopts a decision awarding aid to the affected state, which receives it immediately and in a single instalment. Once paid out, the affected state is responsible for the implementation, including the selection of operations and their audit and control. Emergency and recovery operations may be financed retroactively from day one of the disaster.

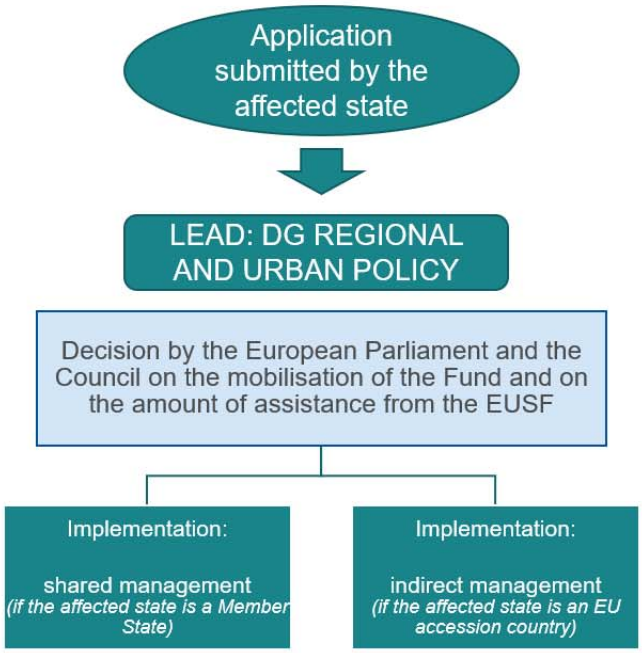
The Directorate-General for Regional and Urban Policy is the lead DG for EUSF implementation. EUSF assistance is implemented through shared management (indirect management for countries negotiating their accession to the EU). However, to minimise the administrative burden on countries struggling with a serious disaster and to maximise the budgetary effect, there are no programming or national co-financing requirements.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP

*Figure 1. Concise EUSF process*




*Figure 2. Graphic overview of the EUSF implementation structure and actors*


Application submitted by the affected state
LEAD: DG REGIONAL AND URBAN POLICY
Decision by the European Parliament and the Council on the mobilisation of the Fund and on the amount of assistance from the EUSF
Implementation:
shared management
(if the affected state is a Member State)
Implementation:
indirect management
(if the affected state is an EU accession country)


Associated DGs:
Secretariat-General
Legal Service
DG Budget
DG Employment, Social Affairs and Inclusion
DG Agriculture and Rural Development (*)
DG Environment (*)
Joint Research Centre
DG Health and Food Safety (*)
DG Neighbourhood and Enlargement Negotiations (**)
DG European Civil Protection and Humanitarian Aid Operations
(*) Involvement depends on they type of the disaster.
(**) in case the applicant is a candidate country.

## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The EUSF is a special instrument outside the normal EU budget. Its mobilisation requires the approval of the European Parliament and the Council. In the 2021-2027 multiannual financial framework, the EUSF will be financed through the Solidarity and Emergency Aid Reserve. The maximum annual amount of the reserve is EUR 1.2 billion (in 2018 prices).

According to Council Regulation 2024/765 of 29 February 2024 amending the multiannual financial framework (MFF) the annual allocation for the Solidarity and Emergency Aid Reserve (SEAR) was **increased for the years 2024-2027. The SEAR shall be constituted of two instruments,** the European Solidarity Reserve and the Emergency Aid Reserve (EAR) with a **specific maximum annual allocation per instrument**. The European Solidarity Reserve will provide assistance to respond to emergency situations resulting from disasters that are covered by the EUSF.

The maximum annual allocation of the European Solidarity Reserve between 2024-2027 is EUR 1 016 million (in 2018 prices).

In 2024 prices, the annual allocation for the EUSF is **EUR 1 144.1 million**.

- **EUR 50 million** is reserved for advance payments;
- The EUSF Regulation stipulates that **25% of the annual allocation (i.e. EUR 286 million for 2024) can be used only after 1 October**.

## FURTHER INFORMATION

– Programme website:
  - EUSF.

– Impact assessment:
  - no impact assessment was carried out for the EUSF, however an *ex post* evaluation was completed in 2019 (https://ec.europa.eu/regional_policy/information-sources/publications/evaluations/2019/ex-post-evaluation-of-the-european-union-solidarity-fund-2002-2016_en).

– Relevant regulation:

Council Regulation (EC) No 2012/2002 establishing the EUSF: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014R0661;

2020 amendment (Regulation (EU) 2020/461): https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32020R0461.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming (**) | 844.2 | 718.5 | 649.5 | 1 144 | 1 167 | 1 190 | 1 214 | 6 927.2 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **844.2** | **718.5** | **649.5** | **1 144** | **1 167** | **1 190** | **1 214** | **6 927.2** |

(*) Only Article 15(3) of the financial regulation.

(**) The total budget does not include the total amounts for the Solidarity and Emergency Aid Reserve.

As part of the Coronavirus Response Investment Initiative, the EUSF regulation was amended to include major public health emergencies. Regulation (EU) 2020/461 increased the percentage of the advance payments from 10% to a maximum of 25% of the anticipated financial contribution from the EUSF, limited to EUR 100 million (increased from the previous EUR 30 million).

In accordance with Article 9(3) of the multiannual financial framework regulation, the appropriations from the SEAR are entered in the general budget of the EU as a provision. Therefore, whenever there is a need to mobilise the EUSF, a transfer from the reserve line of the SEAR to the operational line of the EUSF is proposed to the budgetary authority (Article 31 of the financial regulation).
In addition, Article 4a(4) of the EUSF regulation requires an amount of EUR 50 million out of the total available amount to be inscribed in the general budget of a given financial year (in commitments and payments) for the payment of advances.

According to Council Regulation 2024/765 of 29 February 2024 amending the MFF the **annual allocation for the Solidarity and Emergency Aid Reserve (SEAR) was increased for the years 2024-2027** and the **EUSF and the Emergency Aid Reserve (EAR) were split with a guaranteed amount per instrument**.
As a result, the annual budget of the EUSF and the EAR between 2024-2027 is:

- The European Solidarity Reserve (this is the budget line from which the EUSF is funded) will have an amount of EUR 1 016 million per year in total (in 2018 prices), i.e. the EUSF received an increase of EUR 216 million per year (in 2018 prices).
- The EAR will have an amount of EUR 400 million per year increased by EUR 108 million per year (in 2018 prices); i.e. EUR 508 million per year (in 2018 prices).

In 2024 prices, the annual allocation for the EUSF is EUR 1 144.1 million.
EUR 50 million is reserved for advance payments;
The EUSF Regulation stipulates that 25% of the annual allocation (i.e. EUR 286 million for 2024) can be used only after 1 October.

# Budget implementation

Voted budget implementation (million EUR)(*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 791.4 | 477.5 | 791.4 | 477.5 |
| **2022** | 18.1 | 487.1 | 18.1 | 487.1 |
| **2023** | 249.5 | 496.8 | 249.5 | 496.8 |

(*) Voted appropriations (C1) only, does not include the total amounts for the Solidarity and Emergency Aid Reserve. The payments for 2022-2023 include carried over appropriations from the previous year (not C1s)

In 2023, the Commission finalised the assessment of four applications relating to natural disasters that occurred in 2022 and 2023: the ‘major natural disaster’ application from Romania relating to the drought in 2022; the ‘regional natural disaster’ from Italy regarding the flood in the Marche region in September 2022; the ‘major natural disaster’ application of Türkiye regarding the earthquakes of February 2023 and the ‘major natural disaster’ application of Italy regarding the floods in the Emilia Romagna region in May 2023. The Commission made a proposal based on the first three of these applications; while Italy (Emilia Romagna floods) will be treated in 2024.

As a result, based on the Commission’s proposal, over EUR 454 million of EUSF was awarded in 2023 to Romania, Italy (Marche flood) and Türkiye.

In terms of payments, over EUR 755 million was paid out in 2023 to four Member States: Germany (floods in 2021), Belgium (floods in 2021), Romania (drought in 2022) and Italy (Marche flood 2022). Belgium and Germany were awarded EUR 87 million and EUR 612 million, respectively, based on the budget authority’s mobilisation of the funds in December 2022. Accordingly, the payments were made in March and April 2023. Meanwhile, the payment of close to EUR 21 million to Italy (Marche flood) and close to EUR 34 million to Romania were made in December 2023. Türkiye received the EUR 400 million of EUSF assistance in April 2024.

In total, the Commission received five natural disaster applications in 2023:

- a ‘major natural disaster’ application from Türkiye relating to the earthquakes in February 2023;
- a ‘major natural disaster’ application from Italy following the floods in the Emilia Romagna region in May 2023;
- a ‘major natural disaster’ application from Slovenia regarding the floods in August 2023;
- a ‘neighbouring country disaster’ application from Austria for the same flooding event that hit Slovenia;
- and a ‘major natural disaster’ application from Greece related to the floods in September 2023.

The assessment of the Turkish and Italian applications were finalised, while the Slovenian, Austrian and Greek applications started at the end of 2023 and will continue in 2024.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | | | | | | | | | |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

Due to its nature, the EUSF has no significant bearing on climate, clean air or biodiversity.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | | | |
| 0 | 791.4 | 18.1 | 249.5 | **1 059.0** |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);

- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- N/A

Due to its nature, the EUSF has no specific bearing on gender equality.

Contribution to the digital transition (million EUR):

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of the total envelope |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

Due to its nature, the EUSF has no significant bearing on the digital transition.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Population of EUSF-supported countries and regions | 0 | **N/A** | No targets (demand driven) | 115.3 million | N/A |
| Number of countries supported by the EUSF | 0 | **N/A** | No targets (demand driven) | 4 | N/A |

(*) % of target achieved by the end of 2023.

In 2023, the Commission mobilised assistance for the natural-disaster applications received in 2022.

- Applications from Romania (drought) and Italy (Marche region flood) in 2022. Neither Member State requested an advance payment. The Commission mobilised over EUR 54 million in total. Romania received over EUR 34 million, while Italy received over EUR 21 million.

– Over EUR 87 million for Belgium and over EUR 612 million for Germany (floods) was paid out at the beginning of 2023.

The Commission also granted Türkiye (earthquakes) EUR 400 million, paid in April 2024. The Commission granted Italy (Emilia Romagna region floods) and Slovenia (floods) advance payments of close to EUR 95 million and EUR 100 million, respectively. The payments were made in December 2023. The balance payment will be mobilised in 2024.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | N/A | |
| SDG2 | N/A | |
| SDG3 | X | As part of the Coronavirus Response Investment Initiative, Regulation (EU) 2020/461 of the European Parliament and of the Council of March 2020 amended the EUSF regulation by including major public health emergencies within the scope of the EUSF. Since April 2020, EU Member States and accession countries have also been able to apply for support from the EUSF for public health emergency reasons, to alleviate the burden from the first-response measures. |
| SDG4 | N/A | |
| SDG5 | N/A | |
| SDG6 | N/A | |
| SDG7 | N/A | |
| SDG8 | N/A | |
| SDG9 | N/A | |

| | | |
|---|---|---|
| SDG10 | X | Solidarity is one of the core values of the European Union and a guiding principle of the European integration process. The EUSF is an instrument designed to provide financial means expressing EU solidarity by contributing to post-disaster relief in Member States and accession countries confronted with devastating natural disasters and major public health emergencies. |
| SDG11 | N/A | |
| SDG12 | N/A | |
| SDG13 | X | The EUSF contributes to post-disaster emergency relief in Member States and accession countries confronted with devastating natural disasters, which often can be seen as manifestations of climate change. |
| SDG14 | N/A | |
| SDG15 | N/A | |
| SDG16 | N/A | |
| SDG17 | N/A | |

# INNOVATION FUND

INNOVATION FUND

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| ± EUR 6.5 billion<br>had been committed in grants for innovative clean-tech projects by the end of 2023. | ± EUR 35 billion<br>worth of investment had been mobilised through projects that signed a grant agreement by the end of 2023. | 104<br>large- and small-scale projects were under implementation in 2023. | 66<br>proposals had been awarded project development assistance by the European Investment Bank by the end of 2023. |
| A 442-million-tonne<br>reduction in carbon-dioxide-equivalent greenhouse gases was planned over the first 10 years of operation by ongoing projects at the end of 2023. | | | |

(*) Key achievements in the table state which period they relate to. Some come from the implementation of the predecessor programmes under the 2014-2020 multiannual financial framework. This is expected and is due to the multiannual life cycle of EU programmes and the projects they finance, where results often follow only after completion of the programmes.

### Budget for 2020-2030

The revised EU emissions trading system directive defines the basic elements of the Innovation Fund, such as its size, scope, maximum funding rate (i.e., the maximum support that can be given to a project) and

disbursement rules. It stipulates that the Innovation Fund will be endowed with the revenues from the auctioning of around 530 million allowances from 2020 to 2030 and any unspent revenues from the second call of the predecessor programme, the NER 300, which translates into around EUR 40 billion (at a carbon price of EUR 75 per tonne of carbon dioxide).

# Rationale and design of the programme

The Innovation Fund aims at catalysing funding for highly innovative technologies and flagship projects in all Member States that can yield significant emission reductions.

## CHALLENGE

To meet the objective of a climate-neutral EU by 2050 and the EU target of a domestic reduction in greenhouse gas emissions of at least 55% by 2030 compared to 1990, there is a need to support and incentivise innovative and low-carbon technologies. The challenge is to enable EU companies to take the lead in developing, deploying, and commercialising net-zero and low-carbon solutions. Low-carbon technology demonstration projects are inherently high-risk endeavours and struggle to attract the required capital. However, they have potentially vast positive beneficial effects, well beyond the individual company or Member State that finances them or carries them out, which warrants public support at the EU level.

## MISSION

The Innovation Fund aims at catalysing funding for highly innovative technologies and flagship projects in all Member States that can yield significant emission reductions by:

– creating the right financial incentives to invest now in the next generation of technologies needed for the EU's low-carbon transition; and

– boosting growth and competitiveness by empowering EU companies with a first-mover advantage to become global technology leaders.

The goal is to help businesses and industry invest in clean technologies, thus boosting economic growth, creating local future-proof jobs and reinforcing the EU's technological leadership on a global scale.

## OBJECTIVES

The Innovation Fund has the following operational objectives:

- to support projects demonstrating highly innovative technologies, processes or products, that are sufficiently mature and have a significant potential to reduce greenhouse gas emissions;
- to support projects that are sufficiently mature, have a significant potential to reduce greenhouse gas emissions and are aimed at scaling up innovative technologies, processes or products to achieve their broad commercial roll-out across the EU;

- to offer financial support tailored to market needs and risk profiles of eligible projects, while attracting additional public and private resources;to ensure that the revenues of the Innovation Fund are managed in accordance with the objectives of Directive 2003/87/EC.

## ACTIONS

The Innovation Fund supports highly innovative technologies by sharing their risk with project promoters via:

- grants through calls for large-, medium- and small-scale projects focusing on:
  - innovative low-carbon technologies and processes in energy-intensive industries, including products substituting carbon-intensive ones,
  - carbon capture and utilisation,
  - construction and operation of carbon capture and storage,
  - innovative renewable energy generation,
  - energy storage;
  - net-zero mobility (maritime, road transport, aviation) and buildings.
- grants awarded through competitive bidding procedures (auctions). This instrument aims at being a cost-efficient allocation of funds to certain types of projects (e.g. subject to payments based on unitary production) that can also be directed to scaling up projects by covering the green premium (e.g. in the form of a fixed premium payment to production). This support helps in de-risking the projects and, therefore, in mobilising private investment.
- contributions to blending operations under the EU investment support instrument; and
- prizes and procurement.

The Innovation Fund resources may contribute to InvestEU financial instruments, to provide debt or equity financing to innovative clean-tech projects.

## STRUCTURAL SET-UP OF THE PROGRAMME

The EU emissions trading system, the world's largest carbon pricing system, is providing the revenues for the Innovation Fund. The Innovation Fund was established by Article 10a(8) of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union, and amending Council Directive 96/61/EC ([94]) to support innovation in low-carbon technologies and processes across all Member States. The actual implementation of the fund is detailed in Delegated Regulation (EU) 2019/856 of 26 February 2019, supplementing Directive 2003/87/EC on the operation of the Innovation Fund.

Both the emissions trading system directive and the innovation fund delegated regulation were amended in 2023 to extend the scope of the funding both in terms of sectors (maritime, buildings, road transport) and in terms of the level of innovation allowing support for upscaling innovative technologies; and to introduce new financing mechanisms whereby projects are selected based on

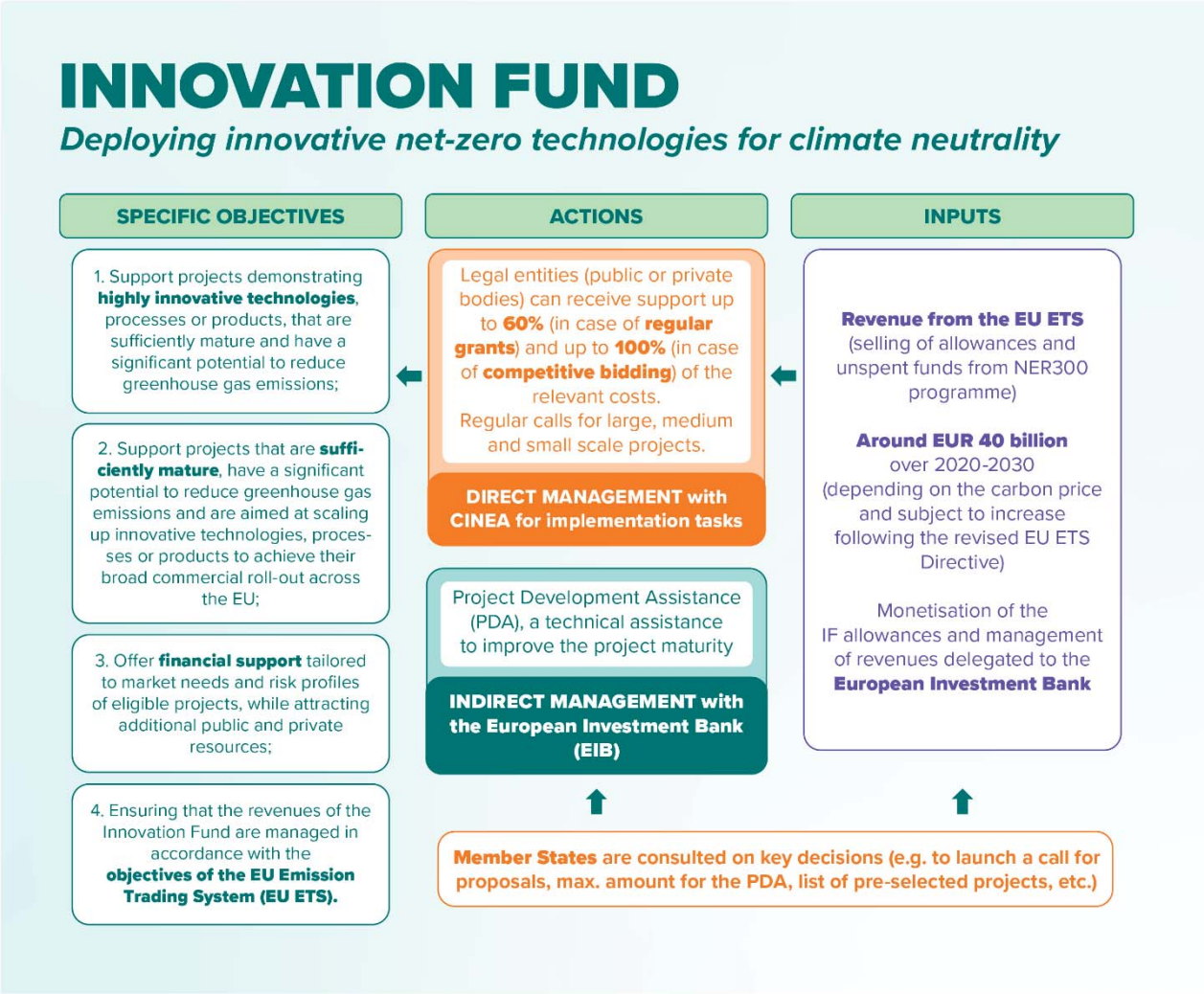
([94]) OJ L 275, 25.10.2003, p. 32. Consolidated version available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02003L0087-20210101.

competitive bidding (auction) and are supported through fixed premium contracts, contracts for difference or carbon contracts for difference. Other amendments focused on the project development assistance and technical assistance for member states with low effective participation.

The Innovation Fund is a key funding instrument for delivering the EU's economy-wide commitments under the Paris Agreement and its objective to be climate neutral by 2050, as recognised in the European Green Deal investment plan. It aims to support the demonstration of breakthrough low-carbon technologies that are key for achieving the EU's climate and competitiveness objectives defined in the energy union and industrial policy strategy.

The Innovation Fund is implemented in direct management by the Commission (DG Climate Action) with the assistance of the European Climate, Infrastructure and Environment Executive Agency, to which the implementation of the grant component of the programme is delegated. Some activities are implemented in indirect management, through the European Investment Bank, for the management of the project development assistance support, and the channelling of Innovation Fund resources via financial instruments. The monetisation of the Innovation Fund allowances, and the management of the Innovation Fund revenues have also been delegated to the European Investment Bank.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The Innovation Fund builds on its predecessor, the NER 300 programme (which was an off-budget fund, thus not part of the 2014-2020 multiannual financial framework), but it is open also to projects from energy-intensive industries, has a larger grant coverage, provides support in more flexible ways, and – following recommendations from the European Court of Auditors – has a streamlined governance and simplified decision-making.

## FURTHER INFORMATION

– Programme website:
    - Innovation Fund website
    - European Climate, Infrastructure and Environment Executive Agency website related to the Innovation Fund

- Funding and tender portal

– Impact assessment:
  - The impact assessment of the Innovation Fund was carried out in 2019.
– Relevant regulation:
  - Commission Delegated Regulation (EU) 2019/856.
– Evaluations: first expected programme evaluation in 2025

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities (revenues from auctions) | 3 816.2 | 2 897.4 | 1 633.6 | 0.0 | 0.0 | 0.0 | 0.0 | 8 347.2 |
| **Total** | **3 816.2** | **2 897.4** | **1 633.6** | **0.0** | **0.0** | **0.0** | **0.0** | **8 347.2** |

(*) Only Article 15(3) of the financial regulation.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 6 725.2 | 8 347.2 | 80.6% |

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Payments** | 201.3 | | 2.4% |

By the end of 2023, six different calls for proposals were launched under the Innovation Fund: three calls for large-scale projects and three calls for small scale projects. These resulted in 104 projects under implementation by 31 December 2023, and 20 other projects still in grant agreement preparation. Apart from these, two projects that were initially awarded a grant terminated their agreement with the European Climate, Infrastructure and Environment Executive Agency.

**Project development assistance**

Project development assistance under the Innovation Fund aims to accelerate the bankability and general maturity of projects, so that they are ready to reapply to the fund. The implementation of the contribution agreement on project development assistance signed with the European Investment Bank in April 2021 continued in 2023. In total, by the end of the reporting period, 66 projects were awarded project development assistance, worth in total EUR 21 940 000.

**InvestEU financial instruments**

In 2021, EUR 100 million from the Innovation Fund was allocated to InvestEU through Commission Decision C(2021) 7404 of 19.10.2021 and its Annex on the activities related to the Innovation Fund, serving as the financing decision for 2021 and as a decision launching the second calls for proposals. The guarantee agreement with the European Investment Bank was signed in 2022. The first results were achieved in 2023 with one project being signed.

On the revenue side, the implementation is progressing well. A contribution agreement was signed in January 2021 between the EU and the European Investment Bank, ensuring that the monetisation of the allowances set aside for the Innovation Fund is carried out in accordance with the auctioning regulation and the revenues of the Innovation Fund are managed in accordance with the objectives of the EU emissions trading system directive.

The Innovation Fund revenues from the auctioning of allowances need to cover the fund's contribution to RepowerEU for the 2023-2026 period, set at EUR 12 billion. Until December 2023 a total of EUR 1.5 billion has already been transferred from the Innovation Fund to RepowerEU. Additionally, in order to support the switch to electrification and hydrogen, including through an EU-wide auction instrument supporting the production of hydrogen as a renewable fuel of non-biological origin, and a dedicated call topic to enhance the EU's manufacturing capabilities for innovative zero and low carbon equipment, such as electrolysers, next generation solar/wind, and other technologies. part of the Innovation Fund resources was frontloaded i.e. auction volumes were increased rather than auctioning equal volumes over the duration of the IF.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Climate mainstreaming** | 146.2 | 2 944.8 | 3 520.8 | | 6 611.7 | 100% |
| **Biodiversity mainstreaming** | | | | | | |
| **Clean air** | | | | | | |

– The entire Innovation Fund contributes to green budgeting priorities, with a specific focus on climate-mitigation investments.

– In terms of taxonomy-relevant expenditure, the Innovation Fund only finances the most innovative decarbonisation projects on the basis of their potential for greenhouse gas emissions reduction. Since the revision of the emissions trading system directive in 2023, projects are also assessed on the basis of their contribution to environmental and circularity objectives. From 2025, only projects that meet the 'do no significant harm' criteria contained in the EU taxonomy will be eligible for support from the Innovation Fund.

– It is important to note that the fund is not part of the multiannual financial framework and does not count towards the achievement of the 30% climate target.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | 146.2 | 2 944.8 | 3 520.8 | 6 611.7 |
| 0 | | | | |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

- No gender-disaggregated information is available.

– Gender balance is not relevant for the programme, as it does not target gender policies. However, the programme may have a likely positive impact on gender equality.

Contribution to the digital transition (million EUR):

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of 2021-2023 |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

– N/A.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Absolute greenhouse gas emissions avoidance planned (million tonnes of carbon dioxide equivalent) | 0 | **N/A** | N/A | 442 | N/A |
| Absolute greenhouse gas emissions avoidance achieved | 0 | **N/A** | N/A | 39.9 | N/A |
| Participants in knowledge events on clean-tech solutions | 0 | **58%** | 2 000 | 1 155 compared to a target of 2 000 | On track |
| Number of projects supported through grants | 0 | **N/A** | N/A | 104 | N/A |
| Investment mobilised by the | 0 | **N/A** | N/A | EUR 35.3 billion | N/A |



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| | | | | | |
|---|---|---|---|---|---|
| Innovation Fund grants: planned | | | | | |
| Investment mobilised via financial instruments | 0 | **N/A** | N/A | EUR 60 million | N/A |
| Technology sectors covered | 0 | **> 100%** | 18 | 19 compared to a target of 18 | On track |
| Geographically balanced locations | 0 | **76%** | 29 | 22 compared to a target of 29 | On track |

(*) % of target achieved by the end of 2023.

– The third round of Innovation Fund calls contributed significantly to increasing the planned volumes of greenhouse gas emissions to be avoided and to diversifying the Innovation Fund's beneficiaries in terms of sectors and Member States covered. The calls continue to be oversubscribed, especially in terms of large-scale projects, and the quality of applications was relatively higher. With a special focus on the priorities of the repowerEU plan, the third call for large-scale projects provided additional support towards ending the EU's dependence on imports of Russian fossil fuels and key priorities relating to the deployment of clean-technology manufacturing. The evaluation results still showed a very good project pipeline for large-scale projects, which were rejected due to insufficient budget being available.

– In terms of its specific objectives, the Innovation Fund has performed well in terms of supporting projects with highly innovative technologies, processes or products that are sufficiently mature and have significant potential to reduce greenhouse gas emissions. At the end of 2023, there were 104 projects in the fund's portfolio, planning to avoid 442 million tonnes of carbon dioxide equivalent in terms of absolute greenhouse gas emission reduction ([95]). Of these, 19 projects have already reached financial close ([96]) and four have entered into operation ([97]). For the first time, the projects started to report on the actually achieved greenhouse gas avoidance (the reporting takes place 1 year after entry into operation). The programme outcomes are aligned with the goals of the proposed Strategic Technologies for Europe Platform to support investment in clean technologies, as the portfolio of projects covers a wide range of sectors, from renewable energy to sustainable alternative fuels, hydrogen, and carbon capture, utilisation and storage.

– In addition, the public funds invested in these grants have a positive effect on attracting additional resources – public or private – as many of the successful projects are

([95]) An additional project that expects to avoid 36.9 million tonnes of carbon dioxide equivalent over 10 years of operation (as calculated based on the methodology for calculating greenhouse gas emission avoidance for the specific call for proposals) is to be considered an outlier for statistical purposes and is thus excluded from the main indicator (project Greenfoil).

([96]) Financial close is defined as the moment in the project development cycle when all the project and financing agreements and permits have been signed and all the required conditions contained in them have been met.

([97]) Entry into operation is defined as the moment in the project development cycle when all elements and systems required for operation of the project have been tested and activities resulting in effective avoidance of greenhouse gas emissions have commenced. For projects with multiple phases (meaning several entry-into-operation dates in connection with the implementation of successive phases, e.g. for manufacturing projects), the entry into operation is defined as the entry into operation of the last phase of the project.

benefiting from other types of support. The overall amount of investment mobilised by the portfolio of projects under implementation at the end of 2023 was around EUR 35 billion, compared to around EUR 6.5 billion worth of grants provided, meaning that EUR 1 of grants leverages EUR 5 in total investment in clean technologies. Lastly, through the Innovation Fund design and eligibility criteria, it can also be stated that the fund's revenues are managed in accordance with the objectives of the EU emissions trading system of cost-effectively reducing greenhouse gases emissions and combating climate change. In 2023, Delegated Regulation (EU) 2019/856 (the legal basis of the Innovation Fund) was amended to accommodate the modifications made necessary by the revision of the EU emissions trading system directive. The changes covered the expansion towards new sectors (such as maritime), new types of projects (medium-scale), project development assistance, technical assistance for Member States with a low level of effective participation in the context of more focus on geographical balance, etc.

– However, one of the most important amendments of the delegated regulation was the possibility to run competitive bidding procedures under the Innovation Fund, with the first such auction launched on 23 November 2023 within the framework of the European Hydrogen Bank. The auction was prepared following a broad process of consultation with stakeholders carried out in May 2023. The budget of EUR 800 million will be awarded in the form of a fixed premium payment upon production of verified and certified renewable hydrogen. Projects participating in the auction are expected to enter into operation within 5 years after signing the grant agreement. The auction also included the auctions-as-a-service scheme, through which Member States can allocate national budget to be awarded under the Innovation Fund's auction criteria for projects located in their territory and that cannot be funded within the fund's available budget. For the pilot auction, Germany contributed an additional EUR 350 million to the scheme.
– Further to the auction, a new call for regular grants was also launched in 2023, with a total budget of EUR 4 billion, the highest so far. The call is open to large-, medium- and small-scale projects, defined as follows:
    - 'small-scale project' means a project with a total capital expenditure not exceeding EUR 20 000 000;
    - 'medium-scale project' means a project with a total capital expenditure above EUR 20 000 000 and not exceeding EUR 100 000 000;
    - 'large-scale project' means a project with a total capital expenditure above EUR 100 000 000.
– The call also features topics dedicated to clean-technology manufacturing (with an indicative budget of EUR 1.4 billion, double the previous call) and pilot projects (focused on testing and validating the breakthrough technologies). The deadline to submit applications is 9 April 2024, and the results will be known in the last quarter of the year. This is in line with the priorities put forward in the Net-Zero Industry Act, which aims to scale up the manufacturing of clean technologies in the EU.
– The project development assistance feature of the Innovation Fund was also amended to ensure the greater eligibility of projects.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | NO | |
| SDG2 | NO | |
| SDG3 | NO | |
| SDG4 | NO | |
| SDG5 | NO | |
| SDG6 | NO | |
| SDG7 | Yes | The Innovation Fund contributes to ensuring access to affordable, reliable, sustainable and modern energy for all through funding renewable energy or energy storage projects, such as the N2OWF – Nordsee 2 offshore windfarm innovation project, which aims to build and operate a first-of-its-kind offshore wind farm, with a capacity of 450 megawatts (MW), combined with on-site production, storage and offtake of green hydrogen. Through its pilot topic, the Innovation Fund is also supporting breakthrough innovations on offshore wind, such as HIPPOW – innovative prototype of a powerful offshore wind turbine generator. |
| SDG8 | NO | |
| SDG9 | Yes | The Innovation Fund supports energy intensive industries to foster innovation, such as these projects in the chemicals sector: PULSE – pre-treatment and upgrading of liquefied waste plastic to scale up circular economy. The project consists in the chemical recycling of waste plastic and gradually integrating it into the company's refinery operations in Porvoo, Finland. H2GreenSteel – integrated steel plant in Boden, Northern Sweden, for the large-scale production of renewable hydrogen, green iron and green steel. |
| SDG10 | NO | |
| SDG11 | NO | |
| SDG12 | NO | |

| | | |
|---|---|---|
| SDG13 | Yes | The entire Innovation Fund is designed to answer this goal and take urgent action to combat climate change and its impacts. All the projects funded contribute to this. Some of the best examples of supported projects include the following.<br>Ecoplanta – reduction of carbon dioxide emissions from municipal non-recyclable waste to produce methanol.<br>SUN2HY – first small-scale deployment of a pre-commercial plant based on photo electrocatalytic technology for hydrogen production.<br>TANGO – Italian PV giga factory.<br>ASTURIAS H2 VALLEY – production and supply of renewable hydrogen.<br>TopSOEC – stack module factory for electrolysers |
| SDG14 | NO | |
| SDG15 | NO | |
| SDG16 | NO | |
| SDG17 | NO | |

# BAR

BREXIT ADJUSTMENT RESERVE

## *Programme in a nutshell*

### Concrete examples of achievements

Member States shall submit applications for a financial contribution from the Brexit Adjustment Reserve (BAR) by 30 September 2024. The Member States provide information on their expenditure stemming from measures carried out with BAR support, among other areas. Against this background, the achievements stemming from the BAR's implementation can only be examined after 2024.

Discussions with Member States suggest that measures in the following categories were set up: fisheries and coastal communities; private and public businesses, in particular small and medium-sized enterprises (including advisory support), export and trade promotion (some also considered tourism); customs and border controls/ports (installations and construction/rental of buildings to accommodate additional inspection services (customs/veterinary/phytosanitary); job creation and protection, reskilling and training.

| EUR 296 million | EUR 2.1 billion | | |
|---|---|---|---|
| was disbursed as 2023 pre-financing tranches to seven Member States. | Was transferred to repowerEU by 23 Member States in 2023. | | |

# Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming(*)** | 2 796.7 |
| **NextGenerationEU** | 0.0 |
| **Decommitments made available again (**)** | N/A |
| **Contributions from other countries and entities** | 0.0 |
| **Total budget 2021-2027** | **2 796.7** |

(*) excluding amounts transferred/to be transferred to the RRF (REPowerEU) and redeployment.

(**) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The withdrawal of a Member State from the EU was unprecedented. The overarching logic behind the BAR was to provide support to the economies of Member States to master the transition from the United Kingdom being an EU Member State to it being a non-EU country.

In that regard the reserve supports regions, areas and local communities most adversely affected by the United Kingdom’s withdrawal (due to decreased market share, employment, trade volumes, turnover, etc.), and thus mitigate the negative impact on economic, social, and territorial cohesion.

## CHALLENGE

Since 1 February 2020, the United Kingdom is no longer a member of the EU. The withdrawal of a Member State from the EU is unprecedented. The challenge is to identify and counter the most adverse consequences of Brexit for Member States and specific regions.

Challenges encountered throughout the reference period:

### a) Delays during the notification phase

Only two Member States (IT, IE) provided a timely notification whereas the last Member State (FI) did so two years later, i.e. end December 2023, which coincided with the closing of the reference period for this instrument.

It was not only constitutional set ups, which hindered a timely notification but also the need for the Member State to implement the crisis and recovery measures under 2014-2020 programmes, as well as the Recovery and Resilience Facility. The BAR regulation does not provide for any form of penalty in case of delayed notifications.

The notification delay directly impacted the adoption of the respective Implementing Acts and led to an uneven disbursement of pre-financing tranches for 2021, 2022 and 2023.

### b) Hard vs soft Brexit and call for extension

Apart from the fishery sector where the impact was felt imminently, it has become clear over the last months that the impact of Brexit has been rather incremental than of a cliff-edge nature.

Reasons included (1) the repeated postponement of announced measures by the UK; (2) the COVID-19 pandemic; (3) negotiations of RRPs and cohesion programmes; and (4) challenges relating to complying with the State-aid framework.

As a consequence, several Member States have been struggling with delays in implementation and were pushing for an extension of the deadline. The Russian war of aggression against Ukraine and the intertwined energy crisis have further aggravated the situation. Therefore, the possibility of transfers from the BAR to the REPowerEU plan was introduced in the amended Recovery and Resilience Facility regulation. Member States were to notify the Commission by 1 March 2023 of any intention to transfer BAR funds (part or all) to the Recovery and Resilience Facility (even retroactively). This possibility enabled Member States with implementation delays to make use of the funds in a related instrument. 23 out of 27 Member States submitted a reasoned request for transfer from the BAR to REPowerEU (10 out of which called for a full transfer).

## MISSION

In July 2020, the European Council agreed to establish a new special instrument with an allocation of EUR 5.5 billion (in current prices). The regulation establishing the BAR was adopted in October 2021. The BAR is a temporary, targeted instrument, which aimed to provide swift support to Member States to address their specific Brexit-related challenges. Support from the reserve can be used for national measures specifically taken between January 2020 and December 2023.]

## OBJECTIVES

The BAR supports those regions, areas and local communities most adversely affected by the United Kingdom's withdrawal, and thus mitigate the related impact on economic, social, and territorial cohesion.

It aimed to provide swift support to Member States, allowing them to address their specific Brexit-related challenges while minimising administrative burden. For this reason, it did not ask for advance programming or planning of measures and offered flexibility in the implementation in line with the subsidiarity principle.

## ACTIONS

The regulation left it to Member States to decide which sectors, regions or communities are worst affected and require support. It provides a list of indicative measures to counter the adverse consequences of the United Kingdom's withdrawal. This list is non-exhaustive to allow for the flexible use of funds according to the specific situation of the sectors, regions, and communities in Member States.

To be eligible, each Member State needs to demonstrate: (1) the adverse consequences of Brexit; (2) the direct link between consequences of Brexit and the measures taken; (3) fulfilment of the eligibility criteria set out by the regulation.

## STRUCTURAL SET-UP OF THE PROGRAMME

The BAR is implemented through shared management. To minimise the administrative burden, there are neither programming nor national co-financing requirements.

80% of the total BAR allocation was paid in three tranches of pre-financing in 2021, 2022 and 2023, subject to having received complete notification by the Commission of the designated body or bodies to which the pre-financing will be paid and confirmation that the descriptions of the management and control systems have been drawn up. The remaining amount will be paid in 2025 against the assessment of eligible expenditure.

The EU's contribution takes the form of reimbursement of eligible costs actually incurred and paid by public authorities in Member States, including payments to public or private entities, for measures carried out and for the benefit of the Member State.

Each Member State must apply to the Commission for a financial contribution from the reserve by 30 September 2024. In this application, the Member States provide information on expenditure stemming from measures carried out with BAR support. Against this background, the Commission assesses and determines eligibility for the BAR and also assesses whether additional payments need to be made or whether funds need to be recovered.

The Directorate-General for Regional and Urban Policy is the lead DG for the implementation of the BAR.

# VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




The notification phase is spread out over time as a pre-condition for the first, second and third instalments of pre-financing.

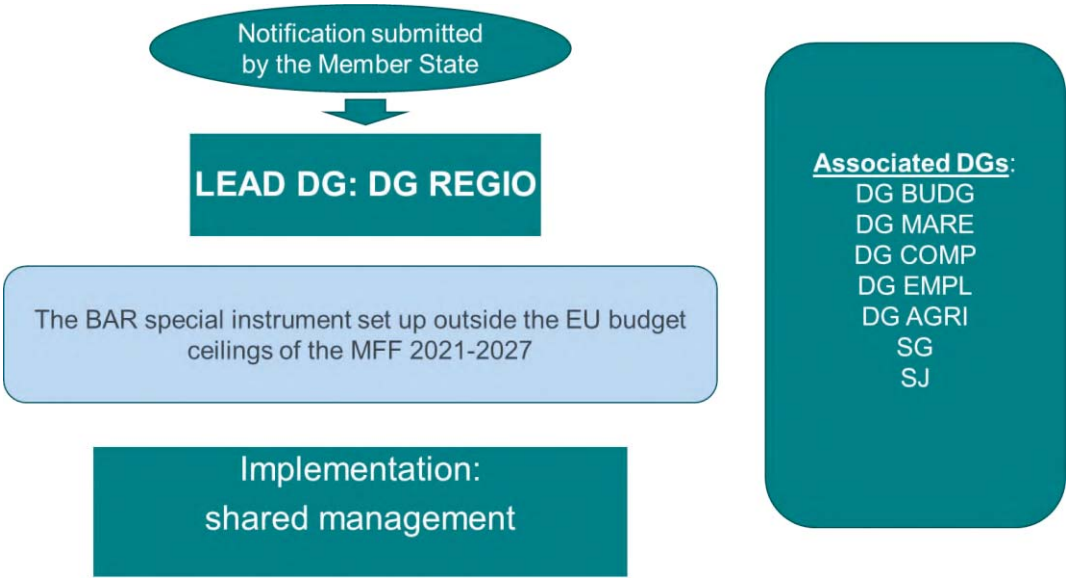
(*) Decision adoption – the Commission pays the 2021 instalment of pre-financing within 30 days following the adoption of the implementing act. For the second and third instalments, the implementing act is adopted to disburse funds to Member States by April 2022 and April 2023 respectively.

(**) Pre-financing is subject to a complete notification provided by the Member State; the first instalment of the pre-financing upon complete notification, the second by April 2022 and third by April 2023 (second and third payments only when complete notification is confirmed).

(***) The implementation phase runs from January 2020 (with retroactivity) to December 2023.

(****) The application phase covers the submission of Member States' application reports by 30 September 2024 and the Commission's assessment, including determining residual payments or recoveries in 2025 and 2026.

(*****) The evaluation phase encompasses three parts: (1) information provided by the Commission to the European Parliament and the Council of the European Union by June 2024; (2) an evaluation by the Commission by 30 June 2027; (3) a report on implementation by the Commission by 30 June 2028.



## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The BAR is a programme under special instruments set up outside the annual ceilings of the multiannual financial framework (Chapter 16). It addresses challenges created by Brexit.

## FURTHER INFORMATION

- Programme website:
    - Inforegio – Brexit Adjustment Reserve (europa.eu).
- Impact assessment:
    - no impact assessment was carried out for the BAR.
- Relevant regulation:
    - Regulation (EC) No 2021/1755 of the European Parliament and of the Council (OJ L 357, 8.10.2021, p. 1);
    - Commission Implementing Decision (EU) 2021/1803 (OJ L 362, 12.10.2021, p. 3)

      setting out the provisional amounts allocated to each Member State from the resources of the Brexit Adjustment Reserve and the minimum amount of support to local and regional coastal communities [notified under document (2021) 7330] (OJ L 362, 12.10.2021, p. 3).
    - Commission Implementing Decision (EU) 2023/837 of 17 April 2023 amending Implementing Decision (EU) 2021/1803 setting out the provisional amounts allocated to each Member State from the resources of the Brexit Adjustment Reserve and the minimum amount of support to local and regional coastal communities [notified under document C(2023) 2459] (OJ L 105, 20.4.2023, p. 55
    - Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 of February 2021 establishing the Recovery and Resilience Facility (OL L 57, 18.2.2021, p. 17)
    - Commission Implementing Decision C(2023)2451
    - Commission Implementing Decision (EU) 2023/837
- Evaluations: not available.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming(*) | 1 574.9 | 964.0 | 257.8 | 0.0 | 0.0 | 0.0 | 0.0 | 2 796.7 |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (**) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **1 574.9** | **964.0** | **257.8** | **0.0** | **0.0** | **0.0** | **0.0** | **2 796.7** |

(*) excluding amounts transferred/to be transferred to the RRF (REPowerEU) and redeployment.

(**) Only Article 15(3) of the financial regulation.

Two-stage process:

- pre-financing phase 2021, 2022, 2023 (80%);
- 2025, for the final payment (20%) against the assessment of sufficient eligible expenditure.

Note on zeros in 2024: Member States submit their application for the final contribution. The final payments will take place in 2025; 2026 is zero due to unused commitment and payment appropriations that will be automatically carried over and may be used until 2026; 2027 is zero for possible delays in payments / financial corrections.

Based on the provisions of the Recovery and Resilience Facility regulation as amended by the REPowerEU regulation, which entered into force in March 2023, Member States had the possibility to request transfers from the BAR to the Recovery and Resilience Facility (largely take up by 23 Member States) According to the European Council Conclusions of 1 February 2024 concerning the midterm revision of the multiannual

financial framework and in line with the revised multiannual financial framework regulation ([98]), the remaining 2025 funds of the BAR envelope will be redeployed for other purposes.

# Budget implementation

Cumulative implementation rate at the end of 2023(*) (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 2 789.6 | 2 796.7 | 99.7% |
| **Payments** | 2 789.6 | | 99.7% |

(*) excluding amounts transferred/to be transferred to the RRF (REPowerEU) and redeployment

Voted budget implementation (million EUR) (*):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 284.1 | 1 574.9 | 284.1 | 1 574.9 |
| **2022** | 2 209.0 | 964.0 | 2 209.0 | 964.0 |
| **2023** | 296.4 | 257.8 | 296.4 | 257.8 |

(*) Voted and carried-over appropriations (C1 and C2), excluding amounts transferred/to be transferred to the RRF (REPowerEU) and redeployment.

Member States receive their first pre-financing instalment as soon as they submitted the complete notification to the Commission. As of December 2022, 25 Member States had notified the Commission and received their 2021 and 2022 pre-financing instalments. This represents 98.9%, with the remaining 1.5% of the total allocation for the first and second instalments that has not yet been paid out relating to Czechia (1%) and Slovenia (0.1%). Member States currently design and implement their measures under their own responsibility and will report to the Commission by September2024. The Commission assisted Member States in helping them identify eligible measures in informal dialogues. In line with shared management rules, the Commission does not provide written confirmation in advance on the eligibility of measures considered by Member States for support under the BAR.

([98]) Council Regulation (EU, Euratom) 2024/765 of 29 February 2024.

Following the transfer to REPowerEU, the Commission timely disbursed the 2023 tranche to seven Member States. Since Finland only notified the Commission at the end of 2023, it received its remaining 2023 amount in the course of Q1 2024.

The regulation does not provide for any form of penalty in the case of delayed notifications.

In the context of the recovery from the COVID-19 pandemic, the Russian war of aggression against Ukraine, the ensuing migratory and energy crises and other recent geopolitical turbulences, the implementation of the BAR proved challenging. Several Member States experienced delays in implementation and called for an extension of the deadline. Therefore, the possibility of transfers from the BAR to the REPowerEU plan was introduced in the amended Recovery and Resilience Facility regulation. Member States were to notify the Commission by 1 March 2023 of any intention to transfer BAR funds to the Recovery and Resilience Facility (even retroactively). As a result, 23 Member States took the opportunity to transfer to the Recovery and Resilience Facility all or part of the amounts of the provisional allocation set out in the implementing acts (10 called for full transfer and 13 for a partial transfer). The total requests for transfer amount to over EUR 2.1 billion and represent 38% of the total BAR allocation.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total | % of the total envelope |
| **Climate mainstreaming** | | | | | | | | | |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

Given the very specific and targeted purpose of the BAR, there is no pre-established requirement for Member States regarding the level of contributions to achieve climate objectives.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | | | |
| 0 | 407.2 | 1 253.2 | 250.7 | 1 911.1 |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- N/A

– Due to its specific nature, the BAR does not contribute to gender equality. However, the objectives of the reserve should be pursued in line with the principles set out in the European Pillar of Social Rights, including the inherent contribution to the elimination of inequalities and to the promotion of gender equality and gender mainstreaming, while ensuring respect for fundamental rights.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of the total envelope |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

Due to its specific nature, the BAR does not contribute to the digital transition.

# Performance assessment

The BAR was established in October 2021. Support from the reserve can be used for national measures specifically taken between January 2020 and December 2023. The Commission will only assess and determine eligibility for BAR funds once Member States have applied for a financial contribution from the reserve, by 30 September 2024. In this application, the Member States will provide information on their expenditure stemming from measures carried out with BAR support, among other areas. Against this background, the achievements stemming from the BAR's implementation can only be examined after 2024.

Indicators to measure performance will become available as output indicators through the reports.

The Commission has provided and continues to provide support to Member State authorities through bilateral meetings, written replies, a website and seminars on the clarification of practicalities behind the BAR regulation and the preparation of their potential measures.

**Performance assessment in a nutshell.** The BAR was conceived and designed at a moment of uncertainty about the scale and speed of Brexit, and its gravity for on Member States. With the benefit of hindsight, several findings should be noted, such as the following. (1) Even though Brexit formally took effect 4 years ago, the economic and political consequences are still unfolding beyond the reference period of the BAR. (2) Evidence suggests that despite its high level of flexibility (neither programming nor national co-financing requirements; large pre-financing), numerous Member States have been struggling with setting up national measures with a clear direct link to Brexit endangering the full use of available funds – the innovative and simplified set-up with its own legal basis seems to have complicated implementation. (3) New challenges stemming from multiple crises, geopolitical turbulences and uncertainty called for immediate action by Member States and further hampered the smooth implementation of the BAR. This included the programming and implementation of much bigger funding sources (such as the Recovery and Resilience Facility, recovery assistance for cohesion and the territories of Europe, etc.) crowding out the implementation of the rather small contribution by the BAR. As a result, large transfers by Member States from the BAR to REPowerEU were requested. The remaining BAR allocation stands at EUR 3.4 billion, of which EUR 584 million was envisaged to be paid in 2025 upon receipt of documentation attesting to sufficient eligible expenditure.

According to the European Council conclusions of 1 February 2024 concerning the midterm revision of the multiannual financial framework, and in line with the revised multiannual financial framework regulation ([99]), the remaining 2025 funds of the BAR envelope will be redeployed for other purposes. This decision will directly impact 12 Member States, most of which have already set up measures to counter the impact of Brexit and have incurred and paid the 2025 tranche. The Commission will carry out an evaluation of the reserve in 2027 and will submit a report to the Parliament and the Council in 2028.

# Sustainable development goals

## Contribution to the sustainable development goals

The objectives of the reserve will be pursued in line with the objective of promoting sustainable development as set out in article 11 TFEU, considering the United Nations sustainable development goals, the Paris Agreement and the ‘do no significant harm’ principle.

As there is no programming involved for this temporary instrument, it is up to Member States to carry out specific measures and report on these by 30 September 2024. No intermediate reporting from Member States is expected before this date.

Therefore, the Commission will assess the contribution of the measures to the sustainable development goals based on the information made available by Member States in the final report on the implementation of the reserve.

([99]) Council Regulation (EU, Euratom) 2024/765 of 29 February 2024

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | | |
| SDG10 | | |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | | |
| SDG15 | | |
| SDG16 | | |
| SDG17 | | |

# SOCIAL CLIMATE FUND

PROGRAMME FOR FINANCIALLY SUPPORTING PEOPLE AND BUSINESSES MOST IMPACTED BY THE INTRODUCTION OF A NEW EMISSIONS TRADING SYSTEM

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| | | | |
| | | | |

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming** | |
| **NextGenerationEU** | |
| **Decommitments made available again (*)** | |
| **Contributions from other countries and entities** | |
| **Total budget 2021-2027** | |

(*) Only Article 15(3) of the financial regulation.



www.parlament.gv.at

# Rationale and design of the programme

The Social Climate Fund is a funding programme designed to contribute to a socially fair transition in the Union's effort to reach climate neutrality by 2050. It aims to address the social and economic impact of the climate transition on vulnerable groups. Notably, it aims to tackle energy and transport poverty and counterbalance the rising costs of fossil fuels resulting from extending the scheme for greenhouse gas emission trading to additional sectors in the European Union.

A political agreement was reached between the Council and the European Parliament in mid December 2022. The adopted text was published in the *Official Journal of the European Union* on 16 May 2023 and entered into force on 5 June 2023. The regulation establishing the Social Climate Fund makes available funding to Member States for the period from January 2026 to December 2032 to tackle the social and distributional challenges and help finance investments in energy efficiency, new heating and cooling systems, and cleaner mobility. Overall, the aim is to address challenges linked to energy poverty for vulnerable households and micro-enterprises and support vulnerable transport users. In order to benefit from the available funding, Member States should submit their final social climate plans to the Commission indicatively by 30 June 2025.

## CHALLENGE

The climate transition necessitates an urgent and coordinated response both at the EU level and the national level. In order to address the social and economic impact of climate action at the EU level and to cushion the increasing costs of fossil fuels on vulnerable groups, the Social Climate Fund provides support to Member States.

The European Union is implementing its commitment towards climate neutrality and taking coordinated action to accelerate the reduction of greenhouse gas emissions, while underlying the importance of considerations of fairness and solidarity and leaving no one behind. The Social Climate Fund is a bridging solution at the EU level to help Member States address the social and economic impact of introducing the emissions trading system for buildings and road transport on vulnerable groups in the medium term. It will provide funding to Member States for the 2026-2032 period and support a socially fair green transition.

## MISSION

As part of the European Green Deal, the Social Climate Fund will tackle the adverse impact of the climate transition on vulnerable groups. It will provide a coordinated response at European level to help vulnerable households, micro-enterprises and transport users counter the additional cost resulting from the extension of the EU emissions trading system on additional sectors. The Social Climate Fund will provide funding to Member States for structural support measures and investments directed towards vulnerable groups affected by the inclusion of greenhouse gas emissions from buildings and road transport. Ultimately, the fund aims to enhance a socially fair transition towards climate neutrality.

## OBJECTIVES

The general objective of the Social Climate Fund is to contribute to a socially fair transition towards climate neutrality by addressing the social impacts of the inclusion of greenhouse gas emissions from buildings and road transport. To this end, the fund aims at mitigating the adverse impact of the climate transition on vulnerable groups.

The specific objective of the fund is to support vulnerable households, vulnerable micro-enterprises and vulnerable transport users through temporary direct income support and through measures and investments intended to increase the energy efficiency of buildings; decarbonise the heating and cooling of buildings, including through the integration in buildings of renewable energy generation and storage; and grant improved access to zero- and low-emission mobility and transport. It will provide Member States with financial support with a view to achieving milestones and targets set out in social climate plans.

Each Member State is expected to submit a social climate plan detailing structural measures and investments it plans to implement between 2026 and 2032. Each disbursement is subject to the Member State's satisfactory fulfilment of a set of milestones and targets, identified in relation to the implementation of the plan.

## ACTIONS

The Social Climate Fund provides non-repayable financial support (grants) to Member States to support the public investments and structural measures set out in the national social climate plans.

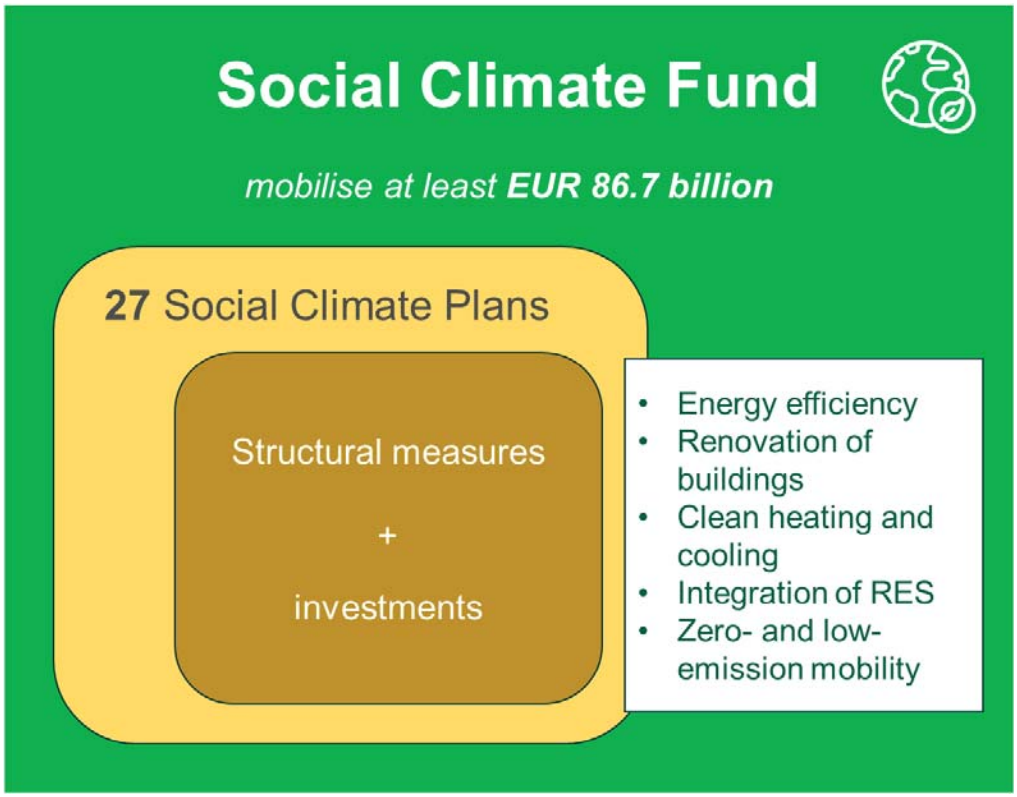
## STRUCTURAL SET-UP OF THE PROGRAMME

The Social Climate Fund allows the Commission to disburse funds to support Member States in implementing structural measures and investments, which contribute to a socially fair transition towards climate neutrality by addressing the social impact of the inclusion of greenhouse gas emissions from buildings and road transport. The plan should help Member States reach the EU's 2030 climate and energy targets and, ultimately, achieve climate neutrality by 2050. Moreover, the plan should be in line with the reforms and commitments included in Member States' updated integrated national energy and climate plans, and also with the directive on energy efficiency, the European Pillar of Social Rights action plan, the cohesion policy programmes, the territorial just transition plans, the recovery and resilience plans, the Modernisation Fund and the Member States' long-term building renovation strategies.

The structural set-up consists in the provision of non-repayable financial support (grants) to Member States. This will be generated on an exceptional and temporary basis through the auctioning of allowances under the emissions trading system. Notably, the fund will make available a maximum amount of EUR 65 billion for its implementation for the 2026-2032 period, and together with the mandatory co-financing from Member States it will mobilise at least EUR 86.7 billion.

The Social Climate Fund is implemented by the Commission in direct management in accordance with the financial regulation. The Recovery and Resilience Task Force (part of the Secretariat-General) and DG Climate Action work in close cooperation to steer the design and implementation of the Social Climate Fund.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

The Social Climate Fund is a new fund. There are no precursors to it in the 2014-2020 multiannual financial framework.

## FURTHER INFORMATION

Programme website:

Social Climate Fund – European Commission (europa.eu).

Relevant regulation:

Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a Social Climate Fund and amending Regulation (EU) 2021/1060.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming | | | | | | | | |
| NextGenerationEU | | | | | | | | |
| Decommitments made available again (*) | | | | | | | | |
| Contributions from other countries and entities | | | | | | | | |
| **Total** | | | | | | | | |

(*) Only Article 15(3) of the financial regulation.

Financial programming:

+ EUR million (+ %)

compared to the legal basis.*

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

No data are available yet since the implementation of the Social Climate Fund will only start as of 2026.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | | | % |

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Payments** | | | % |

Voted budget implementation (million EUR):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | | | | |
| **2022** | | | | |
| **2023** | | | | |

No information is available yet since the implementation of the Social Climate Fund will only start as of 2026.

# Contribution to horizontal priorities

**Contribution to green budgeting priorities (million EUR):**

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** | **Total** | **% of the total envelope** |
| **Climate mainstreaming** | | | | | | | | | |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

No data are available yet since the implementation of the Social Climate Fund will only start as of 2026.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | | | |

0

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Gender disaggregated information:

- N/A.

No data are available yet since the implementation of the Social Climate Fund will only start as of 2026.

**Contribution to the digital transition (million EUR):**

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of the total envelope |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

No data are available yet since the implementation of the Social Climate Fund will only start as of 2026.

# Performance assessment

## KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| Number of vulnerable households that have benefitted from at least one | N/A | N/A | N/A | N/A | N/A |

| | | | | | |
|---|---|---|---|---|---|
| structural measure reducing their emissions in the buildings sector | | | | | |
| Number of buildings having undergone deep renovation | N/A | N/A | N/A | N/A | N/A |
| Additional operational capacity installed for renewable energy (in MW) | N/A | N/A | N/A | N/A | N/A |
| Number of vulnerable transport users that have benefitted from at least one structural measure reducing their emissions in the road transport sector | N/A | N/A | N/A | N/A | N/A |
| Number of zero-emission vehicles supported by measures and investments financed under the Fund | | | | | |
| Reduced or free public transport tickets (Number of users of public transport supported by measures | N/A | N/A | N/A | N/A | N/A |
| Dedicated cycling infrastructure supported in number of km | N/A | N/A | N/A | N/A | N/A |
| Number of vulnerable micro-enterprises that have benefitted from at least one structural measure reducing their emissions in the | N/A | N/A | N/A | N/A | N/A |

| | | | | | |
|---|---|---|---|---|---|
| buildings sector and road transport sector | | | | | |
| Number of vulnerable households and vulnerable transport users (measured unit: by households) that have received temporary direct income support | N/A | N/A | N/A | N/A | N/A |

(*) % of target achieved by the end of 2023.

No data are available yet since the implementation of the Social Climate Fund will only start as of 2026.

# Sustainable development goals

## Contribution to the sustainable development goals

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | | |
| SDG10 | | |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | | |
| SDG15 | | |
| SDG16 | | |
| SDG17 | | |

# UKRAINE FACILITY

THE EU PROGRAMME TO SUPPORT UKRAINE

## *Programme in a nutshell*

### Concrete examples of achievements

| | | | |
|---|---|---|---|
| | | | |
| | | | |

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming – grants** | 17 **000.0** |
| **Loans** | 33 000.0 |
| **NextGenerationEU** | |
| **Decommitments made available again (*)** | N/A |
| **Contributions from other countries and entities** | |
| **Total budget 2021-2027** | **50 000.0** |

(*) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

In the context of Russia's war of aggression against Ukraine, the Ukraine Facility will bring together the bilateral support provided by the EU to Ukraine, providing predictable medium-term financial support for the recovery, reconstruction and modernisation of Ukraine over the 2024-2027 period.

## CHALLENGE

Russia's war of aggression has had devastating consequences for Ukraine – for its people, its economy and its infrastructure. While fighting an existential war, Ukraine has also engaged in its EU accession path. Given the scale and complexity of the challenges for both the reconstruction and the reforms underpinning the enlargement process, Ukraine needs the EU's sustained support in addressing these challenges. Significant and flexible support to the Ukrainian government is needed for it to maintain its functions and provide public services, and to support the recovery, reconstruction and modernisation of the country.

## MISSION

The general objectives of the facility will be to support Ukraine to:

(a) address the social, economic and environmental consequences of Russia's war of aggression, thereby contributing to the peaceful recovery, reconstruction, restoration and modernisation of the country and to the post-war recovery of Ukrainian society, including by creating the social and economic conditions for internally displaced persons and persons under temporary protection to return;

(b) foster social and territorial cohesion, democratic, economic, environmental resilience, progressive integration into the EU and global economy and markets, and upward economic, social and environmental convergence towards EU standards;

(c) adopt and implement the political, institutional, legal, administrative, social and economic reforms required to align with EU values and to progressively align with EU rules, standards, policies and practices (the *acquis*) with a view to future EU membership, thereby contributing to mutual stability, security, peace, prosperity and sustainability.

## OBJECTIVES

The specific objectives of the facility will include:

(a) helping to maintain the macrofinancial stability of the country and easing Ukraine's external and internal financing constraints to ensure the continued functioning of the Ukrainian state;

(b) rebuilding and modernising infrastructure damaged by the war;

(c) contributing to demining and other mine action efforts, restoring food production capacities, helping to address social and health challenges, and improving and strengthening the social care systems and their accessibility, in particular for vulnerable groups;

(d) strengthening security against hybrid threats, such as cyber threats, and strengthening resilience against disinformation, foreign information manipulation and interference;

(e) fostering the transition to a sustainable, climate-neutral and inclusive economy and a stable investment environment;

(f) supporting the integration of Ukraine into the internal market; repairing, rebuilding, safeguarding and improving social infrastructure; and strengthening economic and social development and inclusion, with particular attention paid to women and young people;

(g) promoting science and research, the creative sector and independent media and culture and cultural heritage, including cultural infrastructure; strengthening strategic economic sectors and fostering an institutional framework for investment and competition; supporting sustainable agriculture and rural development, aquaculture and fisheries; reforming Ukraine's financial and banking sector, improving access to loans and insurance coverage;

(h) further strengthening the rule of law, democracy, respect for human rights and fundamental freedoms, including through strengthening democratic institutions, and promoting an independent judiciary to support deoligarchisation efforts and strengthen the fight against fraud and all forms of corruption;

(i) strengthening the freedom and independence of the media and artistic and academic freedom, along with an enabling environment for civil society; promoting non-discrimination to ensure and strengthen respect for the rights of people belonging to all minorities and promote of gender equality; reinforcing the effectiveness of public administration; encouraging access to information and the participation of civil society in decision-making processes and public scrutiny; and supporting transparency, structural reforms and good governance at all levels;

(j) developing and strengthening environmental protection and a sustainable and just green transition in all economic sectors, including Ukraine's transition towards climate neutrality, in accordance with the Paris Agreement; supporting ecological rehabilitation following the environmental damage inflicted by military operations;

(k) supporting political and administrative decentralisation and local development, especially by supporting meaningful consultation and a level playing field for all levels of government;

(l) supporting cross-border cooperation with the Member States bordering Ukraine in areas such as trade, environmental protection and the fight against international crime.

## ACTIONS

The Ukraine Facility provides predictable, flexible and continued support to Ukraine of up to €50 billion in non-repayable support and highly concessional loans for the 2024-2027 period.

To obtain the budget support under the first pillar of the facility, Ukraine must fulfil the quantitative and qualitative steps linked to reforms and investments set out in the Ukraine plan.

Under the second pillar, the facility supports public and private investment by providing guarantees and blending operations through implementing partners such as international finance institutions.

The third pillar provides technical assistance to Ukraine and support to civil society through project-based activities.

All support under the facility is conditional upon Ukraine upholding democratic mechanisms, including a multiparty parliamentary system, the rule of law and human rights, including the rights of persons belonging to minorities.

# STRUCTURAL SET-UP OF THE PROGRAMME

The facility will be implemented either under direct management or under indirect management. EU funding may be provided in any of the forms laid down in Regulation (EU, Euratom) 2018/1046, in particular grants, prizes, procurement, budget support, financial instruments, budgetary guarantees, blending operations and financial assistance.

The facility will provide support to Ukraine under the following three pillars:

(a) pillar I: financial support provided to Ukraine for the delivery of reforms and investment to implement the Ukraine plan and to maintain the macrofinancial stability of the country;

(b) pillar II: a specific Ukraine investment framework to support investment and provide access to finance;

(c) pillar III: technical assistance and related support to Ukraine to design and implement EU accession-related reforms and to foster Ukraine's administrative capacity, borrowing costs subsidies and provisioning, along with other relevant activities.

# VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP




# LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

N/A.

## FURTHER INFORMATION

- The Ukraine Facility – European Commission (europa.eu).
- https://neighbourhood-enlargement.ec.europa.eu/european-neighbourhood-policy/countries-region/ukraine/ukraine-facility_en.
- Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility.

# Budget implementation and performance

## Budget programming

Budget programming (million EUR):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| **Financial programming - Grants** | **0.0** | **0.0** | **0.0** | **4 767.5** | **4 320.4** | **3 895.2** | **4 016.9** | **17 000.0** |
| **Loans** | **0.0** | **0.0** | **0.0** | **13 000.0** | **11 000.0** | **6 075.0** | **2 250.0** | **33 000.0** |
| NextGenerationEU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Decommitments made available again (*) | N/A | N/A | N/A | | | | | 0.0 |
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.0** | **0.0** | **0.0** | **17 767.5** | **15 320.4** | **9 970.2** | **6 266.9** | **50 000.0** |

(*) Only Article 15(3) of the financial regulation.

Financial programming:

# + EUR 0.0 million (+ 0%)

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR, only grants):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 0.0 | 17 000.0 | 0.0% |
| **Payments** | 0.0 | | 0.0% |

Voted budget implementation (million EUR, only grants):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 0.0 | 0.0 | 0.0 | 0.0 |
| **2022** | 0.0 | 0.0 | 0.0 | 0.0 |
| **2023** | 0.0 | 0.0 | 0.0 | 0.0 |

## Contribution to horizontal priorities

**Contribution to green budgeting priorities (million EUR):**

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** | **Total** | **% of the total envelope** |
| **Climate mainstreaming** | | | | | | | | | |

| | |
|---|---|
| **Biodiversity mainstreaming** | |
| **Clean air** | |

At least 20% of the overall amount corresponding to support under the Ukraine investment framework and to investment under the Ukraine plan will contribute, to the extent possible in a war-torn country, to climate-change mitigation and adaptation; environmental protection, including biodiversity conservation; and the green transition.

Activities under the facility will comply, to the extent possible in a war-torn country, with the climate and environmental standards of the EU. Those activities will mainstream climate-change mitigation and adaptation, environmental protection and biodiversity conservation, and to the extent possible will be compatible with the principle of 'do no harm' and with the sustainability-mainstreaming approach underpinning the European Green Deal.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | | | |
| 0 | | | | |

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

Activities under the facility will mainstream gender equality and non-discrimination, where relevant.

Contribution to the digital transition (million EUR):

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of the total envelope |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

The medium-term perspective provided by the Ukraine plan through a single instrument will encourage Ukraine to channel investment and reforms towards the transition to a digital economy.

## Performance assessment

### KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(*) % of target achieved by the end of 2023.

# Sustainable development goals

## Contribution to the sustainable development goals

Those activities financed by the Ukraine Facility will support progress towards the United Nations sustainable development goals (SDGs).

| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | | |
| SDG10 | | |
| SDG11 | | |

| |
|---|
| SDG12 |
| SDG13 |
| SDG14 |
| SDG15 |
| SDG16 |
| SDG17 |

# REFORM AND GROWTH FACILITY FOR THE WESTERN BALKANS

## *Programme in a nutshell*

### Concrete examples of achievements

N/A.

### Budget for 2021-2027

(million EUR)

| | |
|---|---|
| **Financial programming (*)** | |
| **Grants (**)** | 2 000.0 |
| *Of which provisioning for loans* | *360.0* |
| **Loans** | 4 000.0 |
| **NextGenerationEU** | |
| **Decommitments made available again (***)** | N/A |
| **Contributions from other countries and entities** | |
| **Total budget 2021-2027** | **6 000.0** |

(*) Financial programming corresponds to EUR 2 billion in non-repayable support (grants), and an additional EUR 4 billion will be concessional loans provided by the EU.

(**) Provisioning for loans (EUR 360 million) and technical and administrative support for the implementation of the facility (EUR 30 million) are financed from the grant component. The total grant support to be disbursed is EUR 1 610 million.

(***) Only Article 15(3) of the financial regulation.

# Rationale and design of the programme

The new growth plan for the Western Balkans has the aim of bringing the Western Balkan partners closer to the EU through offering some of the benefits of EU membership to the region in advance of accession, boosting economic growth and accelerating socioeconomic convergence.

Insufficient socioeconomic convergence between the Western Balkans and the EU has been a long-standing issue, exacerbated by the economic impact of Russia's unprovoked and unjustified war of aggression against Ukraine and before that by the COVID-19 pandemic. The Western Balkans' level of economic convergence in terms of GDP per capita in purchasing power standards, currently stands at 30% to 50% of the EU average and is not progressing at a satisfactory pace.

The facility is an integral part of the new growth plan for the Western Balkans, which is structured around four pillars and aims to:

- Enhance economic integration with the European Union's single market, subject to the Western Balkans aligning with single market rules and opening the relevant sectors and areas to all their neighbours at the same time, in line with the Common Regional Market.
- Boost economic integration within the Western Balkans through the Common Regional Market, based on EU rules and standards, which could potentially boost their economic growth by 10%.
- Accelerate fundamental reforms, including on the fundamentals cluster, supporting the Western Balkans' path towards EU membership, improving sustainable economic growth including through attracting foreign investments and strengthening regional stability;
- Increase financial assistance to support the reforms through a Reform and Growth Facility for the Western Balkans for the 2024-2027 period with a new instrument worth EUR 6 billion, consisting of EUR 2 billion in grants and EUR 4 billion in concessional loans, with payment conditioned on the Western Balkans partners fulfilling specific socioeconomic and fundamental reforms.

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# CHALLENGE

It is essential for the Western Balkans, for the European Union and for the accession process that this rate of convergence accelerates. A higher level of convergence will greatly facilitate the integration of the Western Balkans into the EU. Economic convergence is a key benefit of EU membership, as seen in the fifth round of enlargement where some newer Member States have achieved income levels close to the EU average. This shows how economic integration and market access through the single market, combined with cohesion policy, can drive economic convergence. Given the specificities of the region, progressive integration into the single market even prior to accession may be able to unlock some of the benefits earlier. Prior to such progressive integration, it is crucial to engage in through regional cooperation and integration as a preparatory measure.

The facility will introduce an innovative mix of grants and loans, disbursed upon fulfilment of *ex ante* conditionality set out in tailor made plans, the reform agendas. It represents a performance-based instrument whereby all payments are directly linked to successful delivery of key socioeconomic and fundamental reforms.

# MISSION

The general objectives of the facility shall be to:

(a) support the enlargement process by accelerating the alignment with EU values, laws, rules, standards, policies and practices (the *acquis*) through the adoption and implementation of reforms with a view to future EU membership;

(b) accelerate regional economic integration and progressive integration into the EU's single market;

(c) accelerate the socioeconomic convergence of the beneficiaries' economies with the EU;

(d) Foster regional cooperation, good neighbourly relations, reconciliation and the settlement of disputes in the Western Balkans, as well as people-to-people contact,

# OBJECTIVES

The specific objectives of the facility shall be to:

(a) further strengthen the fundamentals of the enlargement process, including the rule of law and fundamental rights, the functioning of democratic institutions, including at regional and local level and including de-polarisation, public administration and fulfil the economic criteria; this includes promoting an independent judiciary, reinforcing security and stability in the region, strengthening the fight against fraud and all forms of corruption, including high-level corruption and nepotism, organised crime, cross-border crime and money laundering as well as terrorism financing, tax evasion and tax fraud, tax avoidance; increasing compliance with international law; strengthening freedom and independence of media and academic freedom; combating hate speech; enabling an environment for civil society, fostering social dialogue; promoting gender equality, gender mainstreaming and the empowerment of women and girls, non-discrimination and tolerance, to ensure and strengthen respect for the rights of persons belonging to minorities, including national minorities and Roma, as well as rights of lesbian, gay, bisexual, transgender and intersex persons;

(b) move towards full alignment of the beneficiaries with the EU's common foreign and security policy, including EU restrictive measures;

(c) fight disinformation and foreign information manipulation and interference against the EU and its values;

(d) move towards harmonisation of visa policies with the EU;

(e) reinforce the effectiveness of public administration, build local capacities and invest in administrative staff in the beneficiaries; ensure access to information, public scrutiny and the involvement of civil society in decision-making processes; support transparency, accountability, structural reforms and good governance at all levels, including as regards their powers of oversight and inquiry over the distribution of and access to public funds as well as in the areas of public financial management and public procurement and State aid control; support initiatives and bodies involved in supporting and enforcing international justice in the beneficiaries;

(f) accelerate the transition of the beneficiaries to sustainable, climate-neutral and inclusive economies, that are capable of withstanding competitive market pressures of the EU's single market, and to a stable investment environment and reduce their strategic dependencies;

(g) boost regional economic integration in particular through progress in the establishment of the Common Regional Market;

(h) foster economic integration of the beneficiaries with the EU's single market, in particular through increased trade and investment flows, and resilient value chains;

(i) support regional economic integration and enhanced integration with the EU's single market through improved and sustainable connectivity in the region in line with trans-European networks to reinforce regional cooperation, good neighbourly relations, reconciliation, as well as people-to-people contact;

(j) accelerate the inclusive and sustainable green transition to climate neutrality by 2050, in accordance with the Paris Agreement and the Green Deal, in line with the 2020 green agenda for the Western Balkans and covering all economic sectors, particularly energy, including the transition towards a de-carbonised, climate-neutral, climate-resilient and circular economy, while ensuring that investments respect the 'do no significant harm' principle;

(k) promote the digital transformation and digital skills as an enabler of sustainable development and inclusive growth;

(l) boost innovation, research, and cooperation between academic institutions and industry in support of the green and digital transitions, promoting local industries with a particular emphasis on locally based micro, small and medium-sized enterprises and start-ups;

(m) boost quality education, training, reskilling and upskilling at all levels, with a particular focus on youth, including tackling youth unemployment, preventing brain drain and supporting vulnerable communities and support employment policies, including labour rights, in line with the European Pillar of Social Rights, and fighting poverty.

## ACTIONS

Actions carried out through the programme will be based on reform agendas of each beneficiary. Those will represent a comprehensive, coherent and prioritised set of targeted reforms and priority investment areas in each beneficiary, including payment conditions that indicate satisfactory progress or completion of related measures, and an indicative timetable for their implementation. They will focus on key socioeconomic reforms, as well as reforms related to the fundamentals of the enlargement process. Upon fulfilment of a given payment condition, a pre-defined amount will be released either directly to the beneficiary's treasury, or to the Western Balkans Investment Framework Operation Board for consideration of eligible projects.

The current financial assistance to the Western Balkans and Türkiye under the Instrument for Pre-Accession Assistance will continue in its current form and target the increasing alignment of national legislation and public administration to the EU *acquis* and standards with a view to future EU membership. The new facility will therefore complement the approach of the Instrument for Pre-Accession Assistance by focusing on the specific determinants for social and economic growth. In addition, this new facility will have a payment mechanism based on *ex ante* conditionality, mixing in an innovative manner grants and loans, which will bring about a stronger incentive to implement key structural reforms by the beneficiaries. Such delivery, as well as setting of *ex ante* conditionality, is not possible under the Instrument for Pre-Accession Assistance.

The funds under this facility will be disbursed through two delivery mechanisms:

- Direct financial assistance will follow the logic of budget support and will be released in the form of loans.
- Investments will be delivered through the Western Balkans Investment Framework using a mix of loans and grants. These investments will target sectors that will function as key multipliers for socioeconomic development: connectivity, including transport, energy, green

and digital transitions, education and skills development. Related projects or programmes will be implemented in cooperation with international financial institutions and EU Member States development banks and will attract additional investments from them and the private sector.

The release of funds under the facility will be fully dependent on meeting of all layers of conditionality, including:

- Preconditions: the beneficiaries will need to uphold and respect effective democratic mechanisms, including a multiparty parliamentary system, free and fair elections, pluralistic media, an independent judiciary and the rule of law, and guarantee respect for all human rights obligations, including the rights of persons belonging to minorities. A specific precondition will be that Kosovo ([100]) and Serbia engage constructively with measurable progress and tangible results in the normalisation of their relations with a view to fully implementing all of their respective obligations stemming from the Agreement on the Path to Normalisation and its Implementation Annex as well as all past dialogue agreements and engage in negotiations on the Comprehensive Agreement on normalisation of relations.
- General conditions: macrofinancial stability, sound public financial management, transparency and oversight of the budget, representing the founding conditions for budget support.
- Payment conditions: tailored conditions for the release of funds that take the form of observable and measurable qualitative or quantitative steps to be implemented by a beneficiary, as set out in the reform agenda.

In case of non-fulfilment of a given payment condition as per the indicative timeline set in the decision approving the reform agenda, the disbursement of funds corresponding to that condition will be withheld. The beneficiary will be given up to twelve months after the original deadline set out in the indicative timeline to fulfil the payment conditions. In the first year of implementation, that deadline should be extended to 24 months from the initial negative assessment. Should a beneficiary fail to meet the conditions after the grace period, the amounts will be reduced and may be redistributed among other beneficiaries.

## STRUCTURAL SET-UP OF THE PROGRAMME

The facility has a total budget of EUR 6 billion, provided in the following forms.

- Loans: EUR 4 billion, raised by the Commission on behalf of the EU on the capital markets or from financial institutions in accordance with Article 220a of the financial regulation.
- Grants: EUR 2 billion, granted in the revision of the multiannual financial framework. Provisioning for loans at 9% provisioning rate, as well as administrative and technical assistance are provided from the grant component.

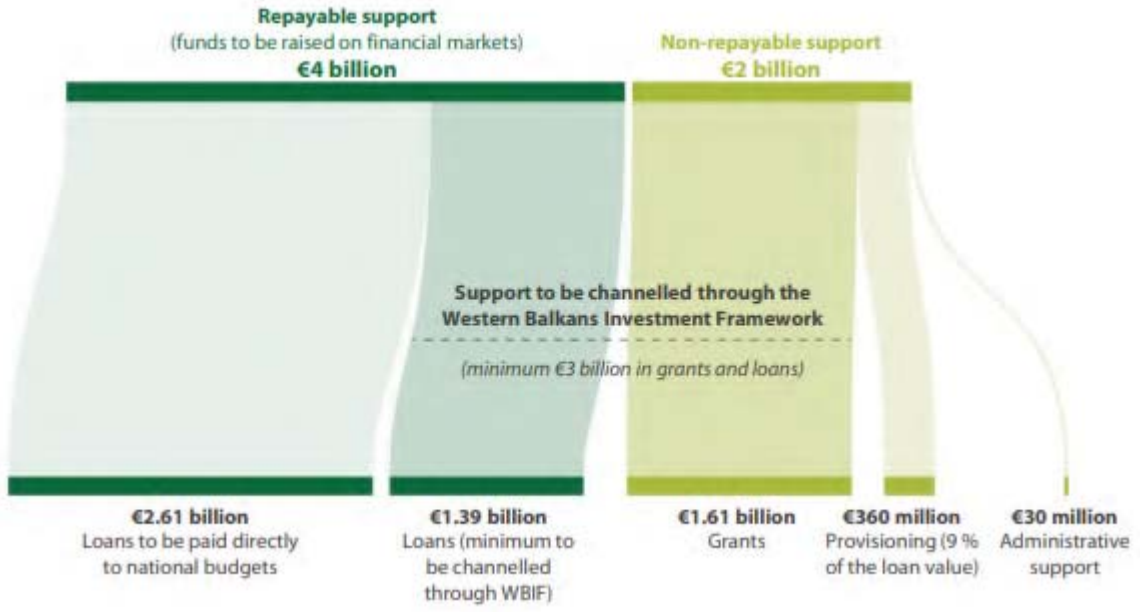
The facility shall be implemented in accordance either in direct management or in indirect management. It will be implemented through two delivery mechanisms:

- (1) as direct financial assistance disbursed directly to the beneficiaries' treasuries only the form of loans, or

([100]) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

- (2) through the existing Western Balkans Investment Framework in the form of loans and grants, representing at least 50% of the total budget.

## VISUAL REPRESENTATION OF THE STRUCTURAL SET-UP



## LINK TO THE 2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK

N/A

## FURTHER INFORMATION

– New growth plan for the Western Balkans
– Commission welcomes political agreement
– Website Latest news: EU enhance engagement with the Western Balkans – European Commission (europa.eu).
– Communication from the Commission: New growth plan for the Western Balkans
– Regulation of the European Parliament and of the Council

# Budget implementation and performance

## Budget programming

Budget programming (million EUR, only grants):

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Financial programming (*) | | | | | | | | |
| Grants (**) | 0.0 | 0.0 | 0.0 | 500.0 | 500.0 | 500.0 | 500.0 | 2 000.0 |
| *Of which grants* | *0.0* | *0.0* | *0.0* | *90.0* | *90.0* | *90.0* | *90.0* | *360.0* |
| Loans | 0.0 | 0.0 | 0.0 | 1 000.0 | 1 000.0 | 1 000.0 | 1 000.0 | 4 000.0 |
| NextGeneration EU | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| Decommitments made available again (***) | N/A | N/A | N/A | | | | | 0.0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Contributions from other countries and entities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | 0.0 | 0.0 | 0.0 | 1 500.0 | 1 500.0 | 1 500.0 | 1 500.0 | 6 000.0 |

(*) Financial programming corresponds to EUR 2 billion in non-repayable support (grants), and an additional EUR 4 billion will be in concessional loans provided by the EU.

(**) Provisioning for loans (EUR 360 million) and technical and administrative support for the implementation of the facility (EUR 30 million) are financed from the grant component. Total grant support to be disbursed is EUR 1 610 million.

(***) Only Article 15(3) of the financial regulation.



Financial programming:

+ EUR 0.0 million (+ 0%)

compared to the legal basis (*).

(*) Top-ups pursuant to Article 5 of the multiannual financial framework regulation are excluded from financial programming in this comparison.

Implementation of the facility will start over the course of 2024, following adoption of the legal basis on 14 May 2024.

## Budget implementation

Cumulative implementation rate at the end of 2023 (million EUR, only grants):

| | Implementation | Budget | Implementation rate |
|---|---|---|---|
| **Commitments** | 0.0 | 2 000.0 | 0.0% |
| **Payments** | 0.0 | | 0.0% |



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Voted budget implementation (million EUR):

| | Commitments | | Payments | |
|---|---|---|---|---|
| | **Voted budget implementation** | **Initial voted budget** | **Voted budget implementation** | **Initial voted budget** |
| **2021** | 0.0 | 0.0 | 0.0 | 0.0 |
| **2022** | 0.0 | 0.0 | 0.0 | 0.0 |
| **2023** | 0.0 | 0.0 | 0.0 | 0.0 |

Implementation of the facility will start over the course of 2024, following adoption of the legal basis on 14 May 2024.

# Contribution to horizontal priorities

Contribution to green budgeting priorities (million EUR):

| | Implementation | | | Estimates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** | **Total** | **% of the total envelope** |
| **Climate mainstreaming** | | | | | | | | | |
| **Biodiversity mainstreaming** | | | | | | | | | |
| **Clean air** | | | | | | | | | |

– Activities under the facility will support progress towards EU social, climate and environmental standards and support progress towards the United Nations' sustainable development goals (SDGs), the Paris Agreement adopted under the United Nations Framework Convention on Climate Change, the United Nations Convention on Biological Diversity and the United Nations Convention to Combat Desertification. Activities should not contribute to environmental degradation or cause harm to the environment or the climate.

– Measures funded under the facility will be in line with the beneficiaries' energy and climate plans, their nationally determined contribution and their ambition to reach



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climate neutrality by 2050. The facility will contribute to the mitigation of climate change and to the ability to adapt to its adverse effects, and will foster climate resilience. In particular, funding under the facility will promote the transition towards a decarbonised, climate-neutral, climate-resilient and circular economy.

– The facility will contribute to the achievement of an overall target of 30% of EU budget expenditure supporting climate objectives, and of 7.5% of expenditure in 2024 and 10% in 2026 and 2027 supporting biodiversity objectives.

– At least 37% of the non-repayable financial support channelled through the Western Balkans Investment Framework should go towards climate objectives. That amount should be calculated using the Rio markers following the obligation to report the EU's international climate finance to the Organisation for Economic Co-operation and Development, along with other international agreements or frameworks. As early as June 2025, the EU climate coefficients, applicable across all programmes under the 2021-2027 multiannual financial framework and set out in the Commission staff working document entitled 'Climate mainstreaming architecture in the 2021-2027 multiannual financial framework' (SWD(2022) 225), will also be applied to climate expenditure under the multiannual financial framework's heading 6 ('Neighbourhood and the world'). The facility will align with the approach of other heading 6 instruments, including the Instrument for Pre-Accession Assistance, in order to ensure consistent climate reporting in the region.

– The facility should support activities that fully respect the climate and environmental standards and priorities of the EU and the principle of 'do no significant harm' within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council.

– The reform agendas will be consistent with and support the reform priorities identified in the context of the beneficiary's accession path, and other relevant documents, such as the stabilisation and association agreement, the national energy and climate plan, the nationally determined contribution under the Paris Agreement and the ambition to reach climate neutrality by 2050.

– Each reform agenda will include an explanation of the extent to which the measures are expected to contribute to climate and environmental objectives and their compatibility with the 'do no significant harm' principle.

– Implementation of the facility will start in the course of 2024, pending the adoption of the legal basis. Estimates of contribution to horizontal priorities will be calculated once implementation starts.

**Contribution to gender equality (million EUR) (*):**

| Gender score | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| 2 | | | | |
| 1 | | | | |
| 0* | | | | |



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0

(*) Based on the applied gender contribution methodology, the following scores are attributed at the most granular level of intervention possible:

- 2: interventions the principal objective of which is to improve gender equality;
- 1: interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
- 0: non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);
- 0*: score to be assigned to interventions with a likely but not yet clear positive impact on gender equality.

– Activities under the facility will mainstream gender equality.

– Beneficiaries and the Commission will ensure that gender equality, gender mainstreaming and the integration of a gender perspective are taken into account and promoted throughout the preparation of the reform agendas and the implementation of the facility. Beneficiaries and the Commission will take appropriate steps to prevent any discrimination based upon gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The Commission will report on these measures in the context of its regular reporting under the gender action plans.

– Each reform agenda will contain an explanation of the extent to which the measures are expected to contribute to gender equality and the empowerment of women and girls, and the promotion of women and girls' rights.

– Implementation of the facility will start over the course of 2024, following adoption of the legal basis on 14 May 2024.

Contribution to the digital transition (million EUR):

| | 2021 implementation | 2022 implementation | 2023 implementation | Total | % of the total envelope |
|---|---|---|---|---|---|
| **Digital contribution** | | | | | |

– Digitalisation is one of the key components of the facility. It represents both one of the key areas for reforms, to be identified under the reform agendas, and one of the key priority areas for investment under the Western Balkans Investment Framework.

– The specific objectives of this facility include promoting digital transformation and digital skills as an enabler of sustainable development and inclusive growth and boosting



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innovation, research and cooperation between academic institutions and industry in support of the green and digital transitions.

– The facility should support investment and reforms that promote the beneficiaries' path to the digital transformation of their economy and society in line with the EU vision for 2030 presented in the Commission communication '2030 digital compass'.
– Implementation of the facility will start over the course of 2024, following adoption of the legal basis on 14 May 2024.
– Each reform agenda will contain an explanation of the extent to which the measures are expected to contribute to digital transformation.

## Performance assessment

### KEY PERFORMANCE INDICATORS

| | Baseline | Progress (*) | Target | Results | Assessment |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(*) % of target achieved by the end of 2023.

– Implementation of the facility will start over the course of 2024, following adoption of the legal basis on 14 May 2024.

# Sustainable development goals

## Contribution to the sustainable development goals

Those activities financed by the Reform and Growth Facility for the Western Balkans will support progress towards the UN SDGs.

Implementation of the facility will start over the course of 2024, following adoption of the legal basis on 14 May 2024. Action level information will only be available after the adoption of the reform agendas.



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| SDG | Does the programme contribute to the goal? | Example |
|---|---|---|
| SDG1 | | |
| SDG2 | | |
| SDG3 | | |
| SDG4 | | |
| SDG5 | | |
| SDG6 | | |
| SDG7 | | |
| SDG8 | | |
| SDG9 | | |
| SDG10 | | |
| SDG11 | | |
| SDG12 | | |
| SDG13 | | |
| SDG14 | | |
| SDG15 | | |
| SDG16 | | |
| SDG17 | | |