Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a Partnership Instrument for cooperation with third countries

{SEC(2011) 1475 final}
{SEC(2011) 1476 final}
EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

This proposal for a Partnership Instrument replaces the financing Instrument for Cooperation with Industrialised and other high income countries and territories (ICI)\(^1\), which came into force in 2007, and which has been the EU’s main vehicle for collaboration with developed countries. The ICI has proved an effective toolbox for providing a differentiated and appropriate response to widen and deepen the cooperation with 17 countries (industrialised countries and high-income territories in North America, the Asia-Pacific region and the Gulf region). It has been recently extended to developing countries with the adoption of the ICI+ proposal. However, as it is due to expire by the end of 2013; a new financial instrument is needed.

Moreover, since the ICI Regulation entered into force, we have seen in particular the emergence of economies such as India, China and Brazil which are playing an increasingly prominent role in the international economy and trade, in multilateral fora (UN and G20) and in addressing challenges of global concern. While development and poverty alleviation remain a key concern, these countries are progressively leaving behind the status of developing nations. To sustain its own economic recovery, the EU has a strategic interest in stimulating plausible efforts from these countries to adequately tackle global challenges such as climate change.

The EU has also developed broad based agreements with key partners and emerging economies to address bilateral issues and matters of global concern. Implementation of these instruments (i.e.: as agreements, declarations, action plans etc) requires a dedicated financing instrument so that the EU has the means to promote its interests effectively worldwide and to deal with global issues wherever the need arises.

In addition, the evolution of the relationship with Russia, the financial crisis that has posed new challenges to the world economy and its economic order, the increasing interdependence between the EU and its key partners; the changing trade patterns, the growing role of civil society and business/trade communities both in Europe and in partner countries require more dialogue, integration and exchanges. There is an increasing need to address social challenges (globalisation benefits unevenly distributed and the heavy impact of the economic downturn on consumption, incomes and job creation) as well as environmental and climate change challenges. In this context, the growing role of emerging economies including on south-south trade and cooperation issues, the need to combine development assistance, trade instruments, business dialogues, infrastructural and technological developments, and investment to support smart and inclusive growth, trade integration, private sector development, social cohesion, reform and modernisation programmes, have all made it necessary to put in place a new Instrument.

\(^1\) USA, Japan, Canada, the Republic of Korea, Australia and New Zealand); certain Asian industrialised countries and territories which are excluded from the DAC list of recipient countries (Singapore, Hong Kong, Macao, Taiwan and Brunei) as well as the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) similarly excluded from the DAC list of ODA recipients.
The EU does not currently possess a genuine instrument that would allow it to co-operate with new emerging economies on issues related to advancing core EU interests and on common challenges of global concern (such as climate change for instance or the need to promote sustainable development at all levels). Although the ICI has been extended to cover developing countries, with the adoption of the ICI+ on 1st December 2011, it is limited in scope.

The proposed Partnership Instrument is designed to overcome this limitation of the EU’s ability to engage internationally in the most effective way. It would fill the gap described above and, in particular, allow the EU to pursue agendas beyond development cooperation with global players, but also to defend core EU interests with any other partner country as the need arises. It could also underpin new relationships with countries graduating from bilateral development assistance.

In particular, it would pursue the following specific objectives:

(a) implementing the international dimension of the “Europe 2020” strategy by supporting EU bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogues and by developing collective approaches and responses to challenges of global concern such as energy security, climate change and environment;

(b) improving market access and developing trade, investment and business opportunities for European companies, in particular SMEs, by means of economic partnerships and business and regulatory cooperation;

(c) enhancing widespread understanding and visibility of the Union and its role on the world scene by means of public diplomacy, education/academic cooperation and outreach activities to promote Union’s values and interests.

The Partnership Instrument will therefore advance and promote EU and mutual interests and give the “Europe 2020” strategy a global reach, by responding in an effective and flexible manner to cooperation objectives arising from the Union's relations with partner countries and by addressing challenges of global concern. It will have a global reach with a particular focus on strategic partners and emerging economies. There will be no mandatory classification of expenditure as official development assistance (ODA), although it should remain possible especially for Aid for Trade and Trade Related Assistance. The financial amount for the period 2014-2020 is €1,131 million.

The Partnership Instrument will be an integral part of the overall architecture of external action Financial Instruments organised around four main chapters: a policy-based chapter aiming primarily at cooperation with partner countries at all levels; chapters on working on cross-cutting priorities and values: human rights and democracy, humanitarian assistance and civil protection, and crisis management and prevention.

One of the key priorities of the “Europe 2020” strategy is to restore growth that is compatible with Europe's vision for a low carbon future and sustainable development objectives. The agenda recognises that fast-growing emerging economies with an expanding middle class will play a critical role in sustaining European exports of goods and services in which the EU has a comparative advantage. As an example, the future climate policies (or lack of them) in China, India, Brazil and the US will have significant impact on future competitiveness, R&D and
scientific cooperation across those regions, as well as on international trade. It is in our interest to promote maximum alignment and cooperation. The Partnership Instrument should be instrumental in supporting trade policy\(^2\), in particular as regards the strategic economic partners. The support for market access for European companies will supplement action financed under the Competitiveness and SME Programme.

Emerging economies are playing an increasingly prominent role as responsible partners in addressing challenges of global concern in the context of the on-going economic crisis. The EU recognises the importance of increasing responsibilities of emerging economies towards least developed countries and other developing countries. Critical issues such as poverty alleviation, competitiveness and trade liberalisation, the environment, climate change, energy, sustainable development, decent work, including respect for core labour standards and social dialogue, enhancing digital literacy skills and inclusion, pandemics, cyber security, terrorism and organised crime including piracy can only be tackled in an international context. Against the backdrop of accelerating globalisation, it is essential that the internal agenda of securing sustainable growth and jobs in Europe and the EU's internal policies in general are backed up by appropriate external financial assistance. This external dimension of internal policy should bring greater consistency and coherence to EU external action avoiding duplication and increasing impact.

The Partnership Instrument will therefore give priority to supporting other external EU policies like trade as well as the external dimension of EU policies on climate change, the environment, energy, transport, employment and social policy, as well as information and communication technologies. Under the Partnership Instrument, climate mainstreaming and climate objectives will be particularly relevant to activities promoting policy dialogue with industrialised and emerging economies.

Resource efficiency will be crucial to keeping economic growth sustainable within environmental constraints. The EU is adopting a Resource Efficiency Strategy as one of the flagships of the “Europe 2020” strategy. This will affect EU norms but will only be truly effective if resource-efficient practices are adopted by all major economies. Emerging economies have the opportunity to leapfrog the unsustainable consumption and production patterns that were often followed by the EU and other advanced economies during their industrialisation and the EU has every interest in helping them to do so.

However, emerging economies, especially India and China, also have huge populations living in absolute poverty and depending on healthy ecosystems such as clean water and productive seas and forests for their livelihoods. At the same time, Brazil, South Africa, India and China have huge biodiversity. These economies also shape resource utilisation in the rest of the developing world, especially in poorer developing countries. Cooperation on the protection of ecosystems and managing them sustainably are in the mutual interest of the EU and its partners.

Dialogue and practical co-operation with the key global energy producers and consumers are essential in order to address the challenge of safeguarding the EU’s energy security, particularly as we become more import dependent, along with promoting a global low-carbon

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agenda, sustainable energy policies, transparency and predictability on global energy markets and technology cooperation.

As a number of countries graduate from bilateral development assistance, they are seeking new forms of cooperation. In the field of technology and innovation, if it is to remain a strategic partner and continue to be a leader in global standards, the EU must be able to establish partnerships in these areas based on mutual interest.

The external projection of the EU’s internal policies will therefore be fully integrated in the programming of the Partnership Instrument. Within its limited financial envelope, it can complement the external dimension of internal policies conducted under other EU programmes (such as action under the Horizon 2020 Framework Programme for Research and Innovation, the Competitiveness and SME Programme including cooperation on Tourism, the Migration Fund and the Internal Security Fund as well as the "Erasmus for All" Programme) in order to avoid any duplication. It can also support other EU external policies such as trade. Coherence and complementarity with other external action geographical instruments, in particular the Development Cooperation Instrument, will be taken into account throughout the programming stage while integrating the principles of differentiation and concentration.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The European Commission held a public consultation on future funding for EU external action between 26 November 2010 and 31 January 2011. This process was based on an online questionnaire accompanied by a background paper 'What funding for EU external action after 2013?' prepared by Commission and EEAS staff.

The majority of the respondents (around 70%) confirmed that EU financial assistance provided substantial added value in the main policy areas supported by EU financial instruments for external action. Many mentioned EU added value as the main driver for the future: they considered that the EU should harness this comparative advantage — linked to its global presence, wide-ranging expertise, supranational nature, its role as a facilitator of coordination — and economies of scale.

Nearly all respondents (92%) supported a more differentiated approach, tailored to the situation of the beneficiary country and based on sound criteria and efficient data collection, as a way to increase the impact of EU financial instruments.

Opinions were mixed on simplification of the instruments and the balance between geographical and thematic instruments. Many feared that reducing the number of EU thematic programmes could imply a decrease in the overall amount available for thematic action and, instead, called for simplification of the rules governing access to and implementation of thematic funding. Increasing the geographical flexibility of the EU instruments was supported by a significant majority as a way to respond to inter-regional challenges.

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i.e. peace and security, poverty reduction, humanitarian aid, investing in stability and growth in enlargement and neighbourhood countries, tackling global challenges, promoting EU and international standards and values, and supporting growth and competitiveness abroad.
When asked to prioritise different areas of interest, most stakeholders mentioned ‘macro-economic and financial stability, economic growth’ and ‘promotion of trade and investments’, followed by ‘energy, resource efficiency and climate change’ and ‘employment and social issues (inclusive growth and decent work)’.

A vast majority of respondents also agreed that the private sector is the main driving force for economic development and, as such, contributes significantly to sustainable growth. For this reason, they advocated more extensive EU engagement with the business community as a partner in the EU and in third countries in order to involve the private sector increasingly — both financially and in knowledge-gathering — as a driver for sustainable development.

Many agreed that joint programming and co-financing with Member States could increase the impact and coherence of EU external action, simplify delivery of aid and reduce overall transaction costs.

With respect to performance evaluation, a stronger focus on monitoring activities during implementation of projects and programmes, along with greater simplification of the rules governing external financing, received wide approval as a means to ensure that EU external instruments deliver the expected impact.

A large number of stakeholders supported stepping up information and communication activities to raise the profile of EU external funding, in particular in beneficiary countries. However, EU visibility appears to be better served by effective policies, strategies and presence in third countries than by additional spending on communication. The idea of reinforcing the EU’s coordinating role among other donors and of ensuring that implementing partners give more visibility to EU funding also received strong support.

Before submitting this proposal for the Partnership Instrument, the Commission considered four policy options: discontinue the ICI; maintain the status quo; amend the DCI to allow expenditure that is not official development assistance; or introduce a new instrument building on the ICI/ICI+.

After careful evaluation, neither discontinuing the ICI nor maintaining the status quo were deemed to be politically viable solutions. Limiting expenditure exclusively to action linked to poverty alleviation or maintaining this sole focus for cooperation with emerging economies would artificially limit the EU’s external action and neglect core EU interests.

The option of amending the Development Cooperation Instrument to allow expenditure not related to official development assistance would have the advantage of geographical coherence (one instrument per country), but the difficulties of managing an instrument with two very different objectives were considered a serious handicap.

Assessment of impacts

Economic:

Introduction of a new Partnership Instrument would provide the EU with another opportunity to promote its enterprises (SME’s in particular) and products. It could support EU businesses in third countries, providing incentives for EU competitiveness and innovation complementary to actions financed under the Competitiveness and SME Programme and under Horizon 2020 (research and innovation). It could support EU international trade and investment which, in turn, could facilitate foreign investment into the EU. It can also play a
role in south-south trade and cooperation by promoting responsible business practices by our partners in third countries, especially poorer developing countries. Numerous areas of cooperation could be pursued including climate change, energy, the environment, approximation of technical regulations and standardisation, corporate social responsibility, intellectual property rights, protection of personal data, best practices in economic, trade, investment, tax and financial matters and tourism. This could strengthen the EU’s economic security and create new jobs which, ultimately, would contribute to economic growth. The new Instrument could foster well developed forms of economic cooperation between the EU and partner countries. In this context, it would allow the EU to ensure that policy and programme design and implementation take adequate account of environmental, sustainable energy, social, employment and other welfare values.

Social:

By aligning the EU’s and Member States’ financing instruments and by supporting joint activities with other bilateral and multilateral donors, the new Instrument could have a significant impact on the social fabric of emerging countries. It could support reforms of welfare systems, national employment policies, national training and skills’ development policies, education, research and innovation capacity building programmes and measures to strengthen national safety “nets”. Creating extra “green” jobs would increase income and strengthen social cohesion and poverty alleviation strategies at national level. In this respect, it would contribute to successful implementation of the international social agenda promoted by the UN International Labour Organisation and the G8/G20.

Environmental:

EU partnerships under the new Instrument will aim to encourage and support growth and long-term environmental sustainability. In this respect, the new Instrument is expected to play a key role in providing support for both EU and partner countries’ environmental and climate change-related actions and policy dialogues. The Instrument could support a low-carbon business model by providing incentives to the European private sector. Building on the successful results of the COP-16 United Nations Conference on Climate Change in Cancún, it could be used to help EU businesses to develop effective and low-cost policies to achieve environmentally friendly goals in the partner countries. It would also help partner countries to reap the full environmental, ecological and energy-efficiency benefits of innovation. It could promote the transition to a green and resource efficient economy. Rising demand for commodities in emerging economies means that there is a need to promote the exchange of private sector best practice and greening procurement policies. The Instrument could allow cooperation to gain a better understanding of the economic and social costs of biodiversity loss and ecosystem degradation in countries of global significance.

3. LEGAL ELEMENTS OF THE PROPOSAL

In the discussions held by the legislative authority on the Commission’s proposal on the ICI+ (COM/2009/197) and following the entry into force of the Lisbon Treaty, an understanding has been reached between the three institutions to use Articles 207(2) and 209(1) of the Treaty on the Functioning of the European Union to carry-out activities beyond development

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cooperation in developing countries. For countries “other than developing countries”, Article 212(2) of the TFEU is used.

Further to that agreement, the proposed Partnership Instrument would therefore be based on the combination of the following three articles of the TFUE: Articles 212(2), 207(2) and 209(1).

The EU has numerous international agreements with partner countries all over the world, unmatched by individual Member States, which gives the Union influence in virtually every field of international relations. With 27 Member States acting within common policies and strategies, the EU has the critical mass to respond to global challenges. The EU is also in a unique position to promote EU norms and standards, and turn them into global standards through international cooperation.

The proposed Partnership Instrument will offer greater added value than the existing situation as it embraces the “Europe 2020” strategy based on green growth oriented cooperation, with a stronger emphasis on EU interests in cooperation with emerging and industrialised countries and a stronger focus on improving the climate for business, investment, trade and research and innovation. It should develop a proactive agenda of mutual interests with partner countries with a specific focus on EU strategic partners.

The new Partnership Instrument would also honour better the EU’s commitments to third countries with which it has concluded Partnership and Cooperation/Framework Agreements. It would add credibility and consistency to the EU’s external policy of linking the promotion of its values and interests with specific cooperation activities. Within the framework of the agreements, the Partnership Instrument could also act as a catalyst for joint EU and Member States projects, as the EU and its Member States are bound by their provisions. Finally, it would support the EU’s regional and bilateral policies, along with the EU’s commitments to regional and international cooperation processes and bodies.

The EU’s economic cooperation activities, business dialogues and other forms of external economic action could be a powerful foreign policy tool. They could contribute to project the EU’s visibility and influence externally. This could support Europe’s ambition to become a key economic and political player on the international scene both bilaterally and within multilateral bodies such as the G20.

Moreover, joint action with EU Member States and innovative ways to mobilise resources could become more frequent and feasible under the Partnership Instrument than in the current situation under the ICI. More money will be available to support co-financing operations in cooperation with EU Member States bilateral aid or financial bodies or agencies. Multiannual programming would allow more structured and integrated business. Public and private partnerships could be more achievable, involving several stakeholders from the European business community. Blending grants and loans could also become a preferred option whenever relevant.

**Choice of Instrument**

The Commission considers that extending the scope of the Development Cooperation Instrument to cover non-development action creates the risk of tension between different objectives and could lead to significant delays in decision-making and implementation. It recommends creating a single new global instrument focusing on defending core EU interests
and addressing challenges of global concern with a clearly defined scope of activities. Therefore, the Commission recommends proposing a new instrument.

Tabling a proposal for a new instrument is considered the best option. There is broad consensus on building on the current set of financial instruments, although it is necessary to reflect the institutional changes brought by the Lisbon Treaty. Under this option, the current structure of the instruments, which both stakeholders and EU Member States consider pertinent and adequate, would remain largely unchanged. However, a new Partnership Instrument with global reach and focused objectives will contribute to a thorough adaptation of the existing methods of policy making, programming and delivering results.

4. BUDGETARY IMPLICATION


To ensure its predictability, funding for higher education activities in third countries in the context of "Erasmus for All" programme will be made available, in line with EU external action objectives, through 2 multi annual allocations only covering the first 4 years and the remaining 3 years respectively. This funding will be reflected in the multiannual indicative programming of the Partnership Instrument, in line with the identified needs and priorities of the countries concerned. The allocations can be revised in case of major unforeseen circumstances or important political changes in line with the EU external priorities. The provisions of the "Erasmus for All" Regulation (EU) No [--] of the European Parliament and of the Council establishing "Erasmus for All" will apply to the use of those funds.

5. OPTIONAL ELEMENTS

Simplification

One priority for the Commission in this new Regulation, as in other programmes under the Multi-annual Financial Framework, is to simplify the regulatory environment and facilitate access to Union assistance for partner countries and regions, civil society organisations, etc. to the extent that these pursue the objectives of the Regulation.

The new PI Regulation would allow swifter adoption of implementing measures and, thus, more leeway for cooperation. Furthermore, the revision of the Financial Regulation, which is particularly substantial with regard to the special provisions on external action, will facilitate participation by civil society organisations and SMEs in funding programmes, for example by simplifying rules, reducing the costs of participation and accelerating award procedures. The Commission intends to implement this Regulation using the new flexible procedures provided for in the revised Financial Regulation.

The implementation rules are contained in the Regulation (EU) No of the European Parliament and of the Council of [-] establishing the common rules and procedures for the implementation of the Union's instruments for external action.

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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a Partnership Instrument for cooperation with third countries

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 207(2), 209(1) and 212(2) thereof,

Having regard to the proposal from the European Commission,

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

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) This Regulation constitutes one of the instruments providing direct support for the European Union’s external policies. It will replace the Regulation of the European Parliament and of the Council No 1934/2006 of 21 December 2006 establishing a financing instrument for cooperation with industrialised and other high income countries and territories (ICI). \(^6\)

(2) Over the last decade, the Union has consistently strengthened its bilateral relations with a broad range of industrialised and other high-income countries and territories across different regions of the world, primarily in North America, East Asia and Australasia, but also in South-East Asia and the Gulf region.

(3) Furthermore, since 2007 the Union has strengthened and deepened its cooperation and partnership with developing and transition countries in Asia, Central Asia, and Latin America and with Iraq, Iran, Yemen and South Africa on the basis of Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (DCI).

(4) The scope of cooperation under the geographic programmes with developing countries, territories and regions established under the Development Cooperation Instrument is limited to financing measures designed to fulfil the criteria set for official development assistance (ODA) set by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (DAC/OECD).

Preparatory actions such as business dialogues, trade promotion and scientific exchanges were set up to strengthen and deepen cooperation in areas outside the scope of the Development Cooperation Instrument with India and China and with middle-income group countries in Asia and Latin America.

Furthermore, the Union has been strengthening its bilateral relations with other increasingly prominent middle-income developing countries in Asia and Latin America by expanding cooperation partnership and policy dialogues to areas and subjects beyond development cooperation. In the case of Russia, relations have also evolved, including through the Union-Russia Partnership for Modernisation, underlining the importance of Russia as a strategic partner for the Union both in bilateral relations and in global affairs.

It is in the Union’s interest to deepen its relations with partners who are playing an increasingly important role in the international economy and trade, in south-south trade and cooperation, in multilateral fora including Group of Twenty Finance Ministers and Central Bank Governors (G 20), in global governance and in addressing challenges of global concern. The Union needs to build comprehensive partnerships with new players on the international scene, in order to promote a stable and inclusive international order, pursue common global public goods, defend core interests of the Union and increase knowledge of the Union in these countries.

The EU needs a financial instrument of global scope allowing the financing of measures that might not qualify as ODA but which are crucially important for deepening and consolidating its relations with the partner countries concerned, in particular through policy dialogues and development of partnerships.

Notwithstanding the specific focus on global players, the scope of this Regulation should be worldwide enabling to support cooperation measures with developing countries where the Union has significant interests in accordance with the objectives of this Regulation.

In the “Europe 2020” strategy the Union has reiterated its sustained commitment to promote in its internal and external policies smart, inclusive and sustainable growth bringing together three pillars: economic, social and environmental.

The Union is committed in relations with its partners worldwide to promoting decent work for all along with ratification and effective implementation of the internationally recognised labour standards and multilateral environmental agreements.

In particular, fighting climate change is recognised as one of the great challenges which the Union faces and the area where urgent international action is necessary. In accordance with the intent stated in the Commission Communication “A budget for Europe 2020” of increasing the climate related proportion of the Union budget to at least 20%, this Regulation should contribute to that goal.

The Union is committed to helping to meet the global 2020 biodiversity targets and to deliver on the associated Strategy for resource mobilisation.

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8 COM/2011/500.
(14) Under this Regulation, the Union should support the implementation of the “Europe 2020” strategy, in particular objectives relating to climate change, the transition to a greener economy and resource efficiency, trade and investment, business and regulatory cooperation with third countries, and should promote public diplomacy, education/academic cooperation and outreach activities.

(15) Promotion of diversified cooperation and partnership initiatives within a single instrument should, furthermore, allow economies of scale, synergy effects, greater effectiveness, more streamlined decision-making and management and a high degree of visibility for the Union’s external action.

(16) In order to achieve the objectives of this Regulation it is necessary to pursue a differentiated and flexible approach by developing models for cooperation with key partner countries which take into account their economic, social and political contexts and also the Union’s specific interests, policy priorities and strategies, whilst maintaining the ability to intervene all over the world wherever needed.

(17) The Union should be able to respond in a flexible and timely manner to evolving and/or unforeseen needs in order to make its commitment to promote its interests in its relations with third countries more effective, by adopting special measures not covered by multi-annual indicative programmes.

(18) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity and proportionality as set out in Article 5 of the Treaty of the European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives.

(19) In order to adapt the scope of this Regulation to the rapidly evolving reality in third countries, the power to adopt acts in accordance with Article 290 of the Treaty of the Functioning of the European Union should be delegated to the Commission in respect of the detailed areas of cooperation defined in the Annex. It is of particular importance that the Commission should carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

(20) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation N° 182/2011 of 16 February 2011 laying down the rules and general principles concerning the mechanisms of control by Member States of the Commission’s exercise of implementing powers. Taking into account the nature of those implementing acts, in particular their policy orientation nature or their financial implications, the examination procedure should in principle be used for their adoption, except for technical implementing measures of a small financial scale.

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(21) Common rules and procedures for the implementation of the Union's instruments for external action are laid down in Regulation (EU) No …/… of the European Parliament and of the Council of …., hereinafter referred to as ‘the Common Implementing Regulation’.

(22) The organisation and functioning of the European External Action Service are described in Council Decision 2010/427 EU.

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter and objectives

(1) This Regulation establishes a Partnership Instrument for cooperation with third countries to advance and promote EU and mutual interests. The Partnership Instrument shall support measures that respond in an effective and flexible manner to objectives arising from the Union's bilateral, regional or multilateral relationships with third countries and address challenges of global concern.

(2) The measures to be financed under this Instrument shall reflect the following specific Union objectives:

(a) implementing the international dimension of the “Europe 2020” strategy by supporting Union’s bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogues and by developing collective approaches and responses to challenges of global concern such as energy security, climate change and environment. This objective shall be measured by the uptake of the “Europe 2020” policies and objectives by key partner countries;

(b) improving market access and developing trade, investment and business opportunities for European companies by means of economic partnerships and business and regulatory cooperation. This objective shall be measured by the Union’s share in foreign trade with key partner countries and by trade and investments flows to partner countries specifically targeted by actions, programmes and measures under this Regulation;

(c) enhancing widespread understanding and visibility of the Union and its role on the world scene by means of public diplomacy, education/academic cooperation and outreach activities to promote Union’s values and interests. This objective may be measured, inter alia, by opinion surveys or evaluations.

Article 2

Scope

(1) All third countries, regions and territories may be eligible for cooperation under this Regulation.
(2) However, this Regulation shall primarily support cooperation measures with developed and developing countries which play an increasingly prominent role in the international economy and trade, in multilateral fora, in global governance and in addressing challenges of global concern and where the Union has significant interests.

Article 3

General principles

(1) The Union seeks to promote, develop and consolidate the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law on which it is founded by means of dialogue and cooperation with third countries.

(2) To enhance the impact of the Union’s assistance, a differentiated and flexible approach shall be pursued, where appropriate, in designing cooperation with partner countries to take account of their economic, social and political contexts as and also of the Union’s specific interests, policy priorities and strategies.

(3) Within their respective spheres of competence, the Union and the Member States shall promote a multilateral approach to global challenges and shall foster cooperation with international or regional organisations and bodies, including international financial institutions, United Nations agencies, funds and programmes, OECD, and the Group of Twenty Finance Ministers and Central Bank Governors (G20) and other bilateral donors.

(4) In implementing this Regulation, the Union shall aim to ensure coherence and consistency with other areas of its external action, in particular the Development Cooperation Instrument for developing countries, and with other relevant Union’s policies when formulating policy, strategic planning and programming and implementing measures.

(5) Measures financed under this Regulation shall be based, where appropriate, on cooperation policies set out in instruments such as agreements, declarations and action plans between the Union and the third countries and regions concerned, and shall also relate to areas linked to the Union’s specific interests, policy priorities and strategies.

(6) Union support under this Regulation shall be implemented in accordance with the Common Implementing Regulation.

Article 4

Areas of cooperation

Detailed areas of cooperation to be pursued by the Union’s assistance under this Regulation are listed in the Annex. The Commission shall be empowered to adopt delegated acts in accordance with Article 7 to amend or supplement the Annex.
Article 5

Programming and Indicative allocation of funds

(1) Multi-annual indicative programmes shall be adopted by the Commission in accordance with the examination procedure referred to in Article 15 (3) of the Common Implementing Regulation. This procedure shall also apply to substantial reviews which have the effect of changing significantly the strategy or its programming.

(2) The multi-annual indicative programmes shall set out the Union’s strategic and/or mutual interests and priorities, the specific objectives and expected results. For countries or regions for which a Joint Framework Document, laying down a comprehensive Union strategy has been established, the multi-annual indicative programmes shall be based on this document.

(3) The multiannual indicative programmes shall also set out the priority areas selected for financing by the Union and shall outline the indicative financial allocation of funds, both overall, per priority area and per partner country or group of partner countries for the period concerned including the participation in global initiatives; these amounts may, where appropriate, be expressed in the form of a range.

(4) The multiannual indicative programmes shall be adjusted where necessary, taking into account any mid-term or ad hoc reviews of the reference document on which they are based.

(5) A Reserve for unallocated funds may be established in the multi-annual indicative programmes. The allocation of these funds shall be decided in accordance with the Common Implementing Regulation.

(6) The examination procedure referred in paragraph (1) shall not apply to non-substantial modifications to multianual indicative programmes, making technical adjustments, reassigning funds within the indicative allocations per priority area or increasing or decreasing the size of the initial overall allocation by less than 20%, provided that these modifications do not affect the priority areas and objectives set out in the multi-annual indicative programmes. Such adjustments shall be communicated within one month to the European Parliament and to the Council.

(7) The procedure referred in Article 15(4) of the Common Implementing Regulation may be applied for modifying multiannual indicative programmes where a swift response from the Union is required.

Article 6

Committee

The Commission shall be assisted by the Partnership Instrument committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
**Article 7**

*Exercise of delegation*

(1) The delegation of powers referred to in Article 4 shall be conferred for the period of validity of this Regulation.

(2) The delegation of powers may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

(3) As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and the Council.

(4) A delegated act adopted shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 months of notification of the act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or the Council.

**Article 8**

*Financial reference amount*

1. The financial reference amount for implementation of this Regulation for the period from 2014 to 2020 shall be EUR 1 131 000 000. Annual appropriations shall be decided by the budgetary authority as part of the annual budget procedure within the limits set in the Multiannual Financial Framework.

2. As referred to in Article 13, paragraph 2 of the "Erasmus for All" Regulation, in order to promote the international dimension of higher education, an indicative amount of EUR 1 812 100 000 from the different external instruments (Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for Pre-accession Assistance, Partnership Instrument and the European Development Fund), will be allocated to actions of learning mobility to or from non EU countries and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of the "Erasmus for All" Regulation will apply to the use of those funds.

The funding will be made available through 2 multiannual allocations only covering the first 4 years and the remaining 3 years respectively. This funding will be reflected in the multiannual indicative programming of these instruments, in line with the identified needs and priorities of the countries concerned. The allocations can be revised in case of major unforeseen circumstances or important political changes in line with the EU external priorities.
Article 9

European External Action Service

Application of this Regulation shall be in accordance with Council Decision 2010/427 EU establishing the organisation and functioning of the European External Action Service.

Article 10

Entry into force

1. This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Union*. It shall apply from 1 January 2014.

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

Done at Brussels,

For the European Parliament
The President

For the Council
The President
ANNEX

DETAILED AREAS OF COOPERATION UNDER THE PARTNERSHIP INSTRUMENT

To support the objectives provided for in Article 1, Union assistance may include, *inter alia*, the following areas of cooperation:

(a) support to specific initiatives, including research work, studies, pilot schemes or joint projects destined to respond in an effective and flexible manner to cooperation objectives arising from the Union’s relationships with third countries concerned;

(b) the promotion of cooperation, partnerships and joint undertakings between economic, social, cultural, governmental and scientific actors in the Union and third countries;

(c) the facilitation of (and support of) trade relations and trade integration processes, including south-south, support to Union investment flows and economic partnerships, including a focus on small and medium-sized enterprises;

(d) the promotion of policy and sectoral dialogues involving Union and non-Union political, economic, regulatory, environmental, social, research and cultural actors and non-governmental organisations;

(e) the promotion of outreach activities, intellectual exchanges and the enhancement of intercultural dialogues;

(f) the promotion of initiatives and actions of Union or mutual interest in areas such as climate change, environmental matters including biodiversity, resource efficiency, raw materials, energy, transport, science, research and innovation, employment and social policy, sustainable development, including promotion of decent work, and corporate social responsibility, south-south trade and cooperation, education, culture, tourism, information and communication technologies, health, justice, customs, taxation, financial, statistics and any other matter pertaining to the Union’s specific interests or of mutual interest between the Union and third countries;

(g) the enhancement of awareness about and understanding of the Union and of its visibility in third countries.
LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE
   1.1. Title of the proposal/initiative
   1.2. Policy area(s) concerned in the ABM/ABB structure
   1.3. Nature of the proposal/initiative
   1.4. Objective(s)
   1.5. Grounds for the proposal/initiative
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3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE
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LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation of the European Parliament and of the Council (EC) N° …… establishing a Partnership Instrument for cooperation with third countries

1.2. Policy area(s) concerned in the ABM/ABB structure

Title 19: External relations

Activity 19 05: Relations and cooperation with industrialised third countries.

The title of this budget chapter 19 05 corresponds to the current structure of the financial instruments 2007-2013. It is proposed to keep the same activity 19 05 but to modify the title of this chapter for the period 2014-2020 as follows:

19 05 : Cooperation with third countries under the Partnership Instrument

1.3. Nature of the proposal/initiative

☒ The proposal/initiative relates to a new action

☐ The proposal/initiative relates to a new action following a pilot project/preparatory action

☐ The proposal/initiative relates to the extension of an existing action

☐ The proposal/initiative relates to an action redirected towards a new action

1.4. Objectives

1.4.1. The Commission’s multiannual strategic objective(s) targeted by the proposal/initiative

This financing instrument aims to support the following strategic objective as stated in the Commission’s Communication “A budget for Europe 2020 Strategy – Part II” of 29 June 2011 (COM/2011/500 - Budget for Europe 2020 Strategy - Part II. Policy Fiche “External Action”, p. 42):

“Projecting EU policies in support of addressing major global challenges such as combating climate change, reversing biodiversity loss, and protecting global public goods and resources should be further strengthened. The Commission proposes to develop a proactive agenda of EU and mutual interests with third countries, with a specific focus on strategic partners.”

1.4.2. Specific objective(s) and ABM/ABB activity(ies) concerned

Under the activity 19 05, the following three specific objectives will be pursued:

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10 ABM: Activity-Based Management – ABB: Activity-Based Budgeting.
11 As referred to in Article 49(6)(a) or (b) of the Financial Regulation.
1) implementing the international dimension of the “Europe 2020” strategy by supporting Union’s bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogues and by developing collective approaches and responses to challenges of global concern.

2) improving market access and developing trade, investment and business opportunities for European companies by means of economic partnerships and business and regulatory cooperation.

3) Enhancing Europe’s strong presence in the global economy and its role on the world stage by supporting public diplomacy, education/academic cooperation and outreach activities and networks to promote EU values and interests.

ABM/ABB activity(ies) concerned
Activity 19 05 to be “re-titled” as follows: Cooperation with third countries under the Partnership Instrument

1.4.3. Expected result(s) and impact
An innovative Partnership Instrument would enable the EU to push forward its policies across the world.

Impact on the EU economy and EU economic dialogues with partner countries

The implementation of a new Partnership Instrument would provide the EU with another window of opportunity to promote its enterprises (SMEs in particular) and products. It would create the financial possibility to support EU business in third countries, providing incentives for EU competitiveness and innovation in a way that should remain complementary to the actions financed under the Competitiveness and SME programme and under Horizon 2020 (research and innovation), support EU international trade and investment which, in turn, could lead to the facilitation of foreign investment into the EU. Numerous areas of cooperation could be pursued including climate change, environment, approximation of technical regulations and standardisation, corporate social responsibility, intellectual property rights, protection of personal data, best practises in economic, trade, tax and financial matters, south-south trade and cooperation. Thus, the EU’s economic security could be strengthened and possibly new jobs created which, ultimately, would contribute to economic growth.

This Instrument could reinforce EU trade relations with partner countries having a positive impact on the EU balance of payments, economic and trade relations with the rest of the world while being consistent with market access/open market principles. As such, it could also contribute to lessen the risk of protectionism as well as supporting international competitiveness and the ongoing globalisation process while making sure that all countries benefit in line with the principles of the “Europe 2020” strategy.

The new Partnership Instrument would also contribute to support the EU’s competitiveness through targeted human resource development: the availability of highly skilled people and their capacity to innovate and undertake science and technology development is a prerequisite for economic prosperity.

Economic Impact on partner countries

The new Instrument could foster well developed forms of economic cooperation between the EU and partner countries. In this context, it would allow the EU to ensure that environmental,
sustainable energy, social, employment and other welfare values are adequately considered in policy programme design and implementation.

Increased investment by EU companies would also contribute to economic growth in the hosting country. Actions aiming at promoting Corporate Social Responsibility will improve social, labour and environmental rules and implementation in the partner country.

By contributing technical assistance, the Instrument could identify sustainable paths for fiscal consolidation of growth, thus helping countries in efforts to gain control of their accounts. It could also support initiatives to improve administrative efficiency, the productive use of workers’ remittances and to promote new investments and transfers of technology in national industrialisation programmes or infrastructural developments in order to promote resource efficiency and sustainability, including in the production and use of energy.

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**Impact on economic governance**

The Partnership Instrument is also expected to have an impact on economic governance. With the crisis, hard lessons have been learnt about the limits of markets. It has called for revisiting the role of government, redefining the balance between state and market and searching for ways to boost citizens’ trust in both.

The crisis demonstrated that public policies are the critical anchor of national economies in times of economic unrest as governments halted financial market freefall and avoided financial catastrophe. However, the ensuing fiscal pressures in many countries have increased the need to cut public expenditures, which in most cases means streamlining the state. This effort calls for reassessing the role of government intervention to achieve better and more effective governance, sound institutions and effective rules and procedures.

Another important governance issue refers to anti-corruption, transparency and integrity. The new Instrument could be directed to improving anti-corruption tools and reinforcing their implementation. New initiatives could enhance coordination of anti-corruption and transparency actions worldwide as well as compliance with relevant international conventions, “best practices” and guidelines.

Finally promoting the full engagement of strategic partners in global environmental policy making and governance especially with regard to Multilateral Environmental Agreements will be crucial to promoting sustainable economic change.

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**Social impact on the EU economy**

The EU's ambition is to address interlinked social policies and identify strategic orientations going beyond growth. This could be enhanced by economic cooperation with partner countries, strengthening national and international regulatory frameworks and contributing to improved national, regional or global economic governance. These strategies and approaches could have a positive impact on EU employment and social policies such as the EU welfare model of social protection, the creation of “green” jobs, the “EU 2020” social agenda etc. Growing competition from emerging economies could also act as a strategic incentive for Europe to allocate more resources to training and re-training, improving the quality of teaching and research and to the reform of domestic welfare systems.

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**Social impact on partner countries**
By harmonising the EU and EU Member States’ financing instruments and by supporting joint activities with other bilateral and multilateral donors, the new Instrument could have an important impact on the social fabric of emerging countries. It could provide support to the reform of welfare systems, national employment policies, national training and skills’ development policies, education, research and innovation capacity building and programmes as well as the strengthening of national safety “nets”. Its contribution to extra “green” jobs creation, income-per-capita increases and effective social cohesion and poverty alleviation strategies at national level will be relevant. In this respect it would contribute to the successful implementation of the international social agenda promoted by the UN International Labour Organisation and G8/G20.

Environmental impact on EU and partner countries

Making “green” growth work, implementing the strategy and supporting partner countries in their policies for a more ecological growth path will figure among the top strategic priorities of the new Instrument for the coming years.

EU partnerships through the new Instrument will aim at encouraging and supporting growth and long-term environmental sustainability. In this respect, the new Instrument is expected to play a key role in providing support for both EU and partner countries’ environmental and climate change-related actions and policy dialogues.

The Instrument could support a low-carbon business model by providing incentives to the European private sector. Building on the successful results of the COP-16 United Nations Conference on Climate Change in Cancún, it could be used to help EU business to develop effective and least-cost policies to achieve environmentally friendly goals in the partner countries. It will also help partner countries’ economies to reap the full environmental, ecological and energy-efficient benefits of innovation.

The Instrument could allow cooperation to better understand the economic and social costs of biodiversity loss and ecosystem degradation in countries of global significance.

1.4.4. Indicators of results and impact

The three specific objectives will be monitored through the following three indicators:

1) Uptake of the “Europe 2020” policies and objectives by key strategic partner countries and influence on policy formulation in these countries.

2) EU share in foreign trade with key partner countries as well as trade and investments flows to partner countries specifically targeted by actions, programmes and measures under this Regulation.

3) Better perception and enhanced mutual understanding of the EU in key strategic partner countries illustrated by inter alia surveys and/or evaluations.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

See Explanatory Memorandum of the legislative proposal and Impact Assessment:

The proposed Partnership Instrument is designed to overcome the limitation of the EU’s ability to engage internationally in the most effective way. It will allow the EU to pursue agendas beyond development cooperation with new powers and to defend the core EU agenda globally with any other partner country if the need arises. The main features of the proposed partnership Instrument
compared to the preceding Instrument for Cooperation with Industrialised countries are the following:

**Geographical coverage: global reach**, with a special focus on strategic partners (industrialised countries, emerging economies, Russia).

**Objective:** Focus on advancing **EU interests and “Europe 2020” strategy**, by responding in an effective and flexible manner to cooperation objectives arising from the Union's **bilateral/regional relationship** with partner countries and by addressing **challenges of global concern**.

**Priority areas:** international dimension of the "Europe 2020" strategy, policy dialogues, challenges of global concern, business and regulatory cooperation, bilateral/trilateral/regional cooperation, public diplomacy, education/academic cooperation and outreach.

**Programming:** not bound to ODA requirements, multi-annual programmes for long-term investments, non-programmable provisions for swift response to changing environments and ad-hoc actions.

1.5.2. **Added value of EU involvement**

The EU has numerous international agreements with partner countries all over the world, not matched by individual Member States, which gives to all of them influence in virtually all fields of international relations. With 27 Member States acting within common policies and strategies, only the EU has the critical weight to respond to global challenges. The EU as a global player has the credibility and the neutrality which is not available to individual Member States. The EU is also in a unique position to promote EU norms and turn them into global standards through international cooperation.

The proposed Partnership Instrument will demonstrate enhanced added value compared with the existing situation as it embraces the “Europe 2020” strategy based on green growth oriented cooperation, a stronger emphasis on EU interests in cooperation with emerging and industrialised countries and a stronger focus on improving the climate for business, investment, trade and research and innovation. It should develop a proactive agenda of mutual interests with partner countries with a specific focus on EU strategic partners.

The new Partnership Instrument would also better honour the EU’s commitments towards third countries with which it has concluded Partnership and Cooperation/Framework Agreements. It adds credibility and consistency to the EU external policy of linking the promotion of its values and interests with specific cooperation activities. Within the framework of the agreements, the Partnership Instrument could also act as a catalyst for joint EU and Member States projects as the EU and Member States are bound by their provisions. Finally, it would support the EU’s regional and bilateral policies, as well as the EU’s commitments towards regional and international cooperation processes.

1.5.3. **Lessons learned from similar experiences in the past**

The **Mid-Term Review (MTR) (COM/2009/196)** of the financial Instrument for external actions, carried out in 2009, concluded that the limited scope of the Development Cooperation Instrument (DCI) was impeding the financing of activities which were not “partner-focused” as Official Development Assistance (ODA), but were of mutual benefit in the context of globalisation. The Instrument for Development Cooperation (DCI) was not considered suitable for addressing the problem as its main objective is the promotion of the economic development and welfare of developing countries, more specifically the eradication of poverty in partner countries and regions.
in the context of sustainable development, including the pursuit of the Millennium Development Goals. This limitation was affecting the most dynamic regions of the world (e.g. Latin America, Asia, South Africa) and the EU was left without a financial instrument to support the evolution of international relationships linked to globalisation, in particular with regards to emerging economies. For that purpose, **Preparatory Actions** in Latin America and Asia were created by the Budget Authority to temporarily fill the legislative gap. In April 2009, the European Commission proposed a legislative follow up (COM/2009/197) to allow the financing of measures in countries falling under the DCI Regulation to extend the geographical scope of the current Industrialised Countries Instrument (ICI) to developing countries (including emerging economies) of Asia and Latin America, and to Iran, Iraq, Yemen and South Africa.

The Mid-Term Review (MTR) also recognised that the ICI, on which the current proposal for a new instrument is built on, has provided a flexible basis to develop cooperation with a wider number of industrialised and high-income territories, although the financial envelope was rather limited.

In addition to the Mid-Term Review, **evaluations of flagship programmes** financed under the ICI Instrument “EU Gateway programme for Japan and the Republic of Korea” (financing EU pavilions in trade fairs) and the EU Centres (university consortia delivering "EU studies" modules and disseminating key information about the EU to a very broad audience) were carried out in the past years and were very positive.

Regarding the **Executive Training Programme (ETP)** (language and training programmes for managers), the evaluation conducted in 2010\(^1\)\(^2\) has shown that the ETP presents a unique offering in terms of programme structure (familiarity with Japanese and Korean business culture are invaluable attributes) and target audience (both large and small and medium sized companies value the programme). It provides an opportunity to potential participants from Member States who offer no similar initiative. Moreover, it provides a good visibility for the EU. The ETP has had a positive impact on EU companies committed to establishing/growing their business activities with Japan and Korea in terms of assisting the EU company to access Japanese/Korean markets; bringing sustained impact on EU companies’ business, rather than a short term and temporary effect, and in terms of broadening the business possibilities of EU companies in other Asian countries.

The evaluation, conducted in 2010\(^1\)\(^3\), on **EU Centres** (dedicated to public diplomacy) Initiative has shown that “the Centres are adding real value and that the Commission benefits from the Initiative to a great extent. The amount of work conducted by the Centres compensates by far the costs that the Commission incurs on the programme”. The programme has achieved a solid base in those countries that have been pioneers to the Initiative (USA and Canada) and is successfully striving towards higher levels of maturity in Australia and New Zealand. The EU funding has the capacity to act as seed money, mainly by attracting other sources of funding that are pulled towards the Initiative to ensure its long term sustainability.

### 1.5.4. Coherence and possible synergy with other relevant instruments

The Lisbon Treaty sets out common principles and objectives and defines a new institutional framework for the Union’s external action (notably the EEAS), leading to high expectations in the field of external action both internally within the EU and by partners at national and regional level, including in the multilateral context. The Partnership Instrument (PI) will be an integrative element in the overall architecture of external action financial instruments organised around four main chapters: a policy-based chapter aiming primarily at cooperation with partner countries at the bilateral, regional and international level, as well as chapters on working on cross-cutting priorities

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and values: human rights and democracy, humanitarian assistance and civil protection, crisis management and prevention. The PI falls under the first chapter, that is working with partner countries. Its main objective is to project EU policies in support of the “Europe 2020” strategy agenda, addressing major global challenges, developing a proactive agenda of EU and mutual interests with industrialised countries and emerging economies, with a specific focus on strategic partners.

One of the key priorities of “Europe 2020” strategy is to restore growth. The Agenda recognises that fast-growing emerging economies with an expanding middle class will play a critical role in sustaining European export of goods and services in which the EU has a comparative advantage. The Partnership Instrument should be instrumental in supporting trade policy14, in particular as regards the strategic economic partners. The support to market access for European companies will complement actions financed under the competitiveness and SME programme.

Emerging economies play also an increasingly important role as responsible partners in addressing challenges of global concern: issues such as poverty alleviation, migration, competitiveness and trade liberalisation, environment, climate change, energy, enhancing digital literacy skills and inclusion, pandemics, cyber security, terrorism and organised crime can only be tackled in an international context. Against the backdrop of accelerating globalisation, it is essential that the internal agenda of securing sustainable growth and jobs in Europe and the EU’s internal policies in general are complemented by an external dimension. This external dimension of internal policy should enhance the consistency and coherence of EU external action and should complement it, while avoiding duplication of efforts.

Therefore, the Partnership Instrument will give priority to supporting the external dimension of EU policies on climate change, environment, energy, trade and sustainable development, as well as information and communication technologies. The EU has already designed the most sophisticated set of incentives, rules and regulations to facilitate our own transition to low carbon economy and unilaterally adopted ambitious targets. This framework provides comprehensive and concrete policy insight that could and should be used to facilitate similar ambitions by our key strategic partners. Such action would clearly be good for the environment while acting as catalyst for broad based investment in research and innovation, capacity building and programmes, new greener technologies and providing commercial openings for EU industry. For the Partnership Instrument, climate mainstreaming and climate objectives will be particularly relevant to activities enabling policy dialogue with industrialised and emerging economies.

Resource efficiency will be crucial to ensuring that economic growth remains sustainable within environmental planetary constraints. The EU is adopting a Resource Efficiency Strategy as one of the Flagships of the 2020 Strategy. This will, inter alia, affect EU norms and will only be truly effective if resource-efficient practices are adopted by all major economies. Emerging economies have the opportunity to leapfrog the polluting unsustainable consumption and production patterns so often followed by the EU and other advanced economies during our industrialisation and the EU has every interest in helping them to do so. However, emerging economies especially India and China also have large, absolutely poor populations reliant on healthy ecosystems such as clean water and productive seas and forests for their livelihoods while Brazil, South Africa, India and China are mega-biodiverse. Dialogue and cooperation on the economics of protecting and sustainable managing ecosystems is in the mutual interest of the EU and its partners.

Dialogue and practical co-operation with the key global energy producers and consumers is essential to address the challenge of ensuring the EU's energy security, particularly as the EU becomes more import dependent, as well as promoting a global low-carbon agenda, sustainable energy policies, transparency and predictability on global energy markets and technology cooperation.

States leaving developing country status request new forms of cooperation in technological and innovative areas. To remain a strategic partner in these fields and continue to be a leader in the promotion of global standards, the EU must be able to set up cooperation partnerships in these areas.

To sum up, the external projection of the EU's internal policies will be fully integrated in the programming of the Partnership Instrument that will also, within its limited financial envelope, complement the external dimension of internal policies conducted under other EU programmes (such as action under the Horizon 2020 Framework Programme for Research and Innovation, the Competitiveness and SME Programme including cooperation on Tourism, the "Erasmus for all" Programme, the Migration Fund and the Internal Security Fund) in order to avoid any duplication. Coherence and complementarity with other external action geographical instruments, in particular the Development Cooperation Instrument, will be taken into account throughout the programming stage while integrating the principles of differentiation and concentration.

1.6. Duration and financial impact

- Proposal/initiative of limited duration
  - Proposal/initiative in effect from 01/01/2014 to 31/12/2020
  - Financial impact from 01/01/2014 to 31/12/2020
  - Proposal/initiative of unlimited duration
    - Implementation with a start-up period from YYYY to YYYY,
    - followed by full-scale operation.

1.7. Management mode(s) envisaged

- Centralised direct management by the Commission
- Centralised indirect management with the delegation of implementation tasks to:
  - executive agencies
  - bodies set up by the Communities
  - national public-sector bodies/bodies with public-service mission

15 Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

16 As referred to in Article 185 of the Financial Regulation.
– □ persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

□ Shared management with the Member States

□ Decentralised management with third countries

□ Joint management with international organisations (to be specified)

If more than one management mode is indicated, please provide details in the "Comments" section.

Comments
2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

The European Commission's Monitoring and Evaluation systems are increasingly focussed on results. They involve internal staff as well as external expertise.

Task Managers in Delegations and Headquarters continuously monitor the implementation of projects and programmes in various ways, including wherever possible through field visits. Monitoring provides valuable information on progress; it helps managers to identify actual and potential bottlenecks, and to take corrective action.

External, independent experts are contracted to assess the performance of EU external actions through three different systems. These assessments contribute to accountability, and to the improvement of ongoing interventions; they also draw lessons from past experience to inform future policies and actions. The tools all use the internationally-recognised OECD-DAC evaluation criteria including (potential) impact.

Firstly, at the project level, the Headquarters-managed Results Oriented Monitoring (ROM) system provides a brief, focused snapshot of the quality of a sample of interventions. Using a highly structured, standardised methodology, independent ROM experts attribute grades which highlight the strengths and weaknesses of the project and give recommendations on how to improve effectiveness.

Project-level evaluations, which are managed by the EU Delegation in charge of the project, deliver a more detailed, in depth analysis and help project managers to improve ongoing interventions and prepare future ones. External, independent experts with thematic and geographic expertise are hired to conduct the analysis and gather feedback and evidence from all stakeholders, not least the final beneficiaries.

The Commission also conducts strategic evaluations of its policies, from programming and strategy to the implementation of interventions in a specific sector (such as health, education etc), in a country or region, or for a specific instrument. These evaluations are an important input to the formulation of policies and the design of instruments and projects. They are all published on the Commission's website and a summary of the findings is included in the Annual Report to the Council and the European Parliament.

2.2. Management and control system

2.2.1. Risk(s) identified

The operational environment of the Partnership Instrument is characterised by the following risks to achieving the instrument's objectives:

- geographically dispersed projects and programmes: the PI will have a global reach with a specific focus on strategic partners. It will continue the current cooperation with the industrialised countries and territories (of the current ICI) but will enter into new projects/programmes with a group of countries where cooperation was focused on ODA. The worldwide coverage may pose logistical/resource challenges to monitoring - particularly any 'on-the-spot' follow-up of activities;
- launch of new programmes/projects, together with a risk of lack of institutional and administrative capacity in some partner countries, may lead to difficulties and delays in the design and implementation of interventions;

- difficulties to follow-up and quantify the impact of such cooperation for the EU and partner countries may hinder the Commission's ability to report on and be accountable for results;

- economic/political agenda may lead to difficulties and delays in the design and implementation of interventions;

- since the PI is a new instrument, a lack of human resources and administrative credits to support the implementation of the instrument in delegations and at headquarters may lead to difficulties to properly manage the instrument.

2.2.2. *Control method(s) envisaged*

The Commission's internal control / management process is designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of its operations, the reliability of its financial reporting and compliance with the relevant legislative and procedural framework.

To ensure the effectiveness and efficiency of its operations, and to mitigate the high level of risk in its external cooperation environment, in addition to all the elements of the Commission wide Strategic Policy and Planning process, internal audit environment and other requirements of the Commission's Internal Control Standards, the following elements will apply:

- Where appropriate, a devolved management of the cooperation by EU delegations in the field;

- Clear lines of financial accountability via sub-delegation from the Sub-delegated Authorising Officer (Director/Head of Service) at HQ to the Head of Delegation;

- Regular reporting from EU Delegations to HQ including an annual Statement of Assurance by the Head of Delegation;

- Provision of a substantial programme of training for staff both at HQ and in delegation;

- Significant HQ/Delegation support and guidance (including via internet);

- Regular ex-post controls;

- A project and programme cycle management methodology including:

  - Quality support tools for the design of the intervention, its delivery method, financing mechanism, management system, assessment and selection of any implementing partners etc.

  - Programme and project management, monitoring and reporting tools for effective implementation including regular external on-the-spot monitoring of projects.

  - Significant evaluation and audit components.
2.3. Measures to prevent fraud and irregularities

Given the high risk environment in external actions, systems need to anticipate a significant occurrence of potential compliance errors (irregularities) in transactions and build in a high level of prevention, detection and correction controls as early as possible in the payment process. This means in practice that compliance controls will place most reliance on significant ex-ante checks on a multi-annual basis by both external auditors and Commission staff in the field before final project payments (while still executing some ex-post audits and checks), going well beyond the financial safeguards required by the Financial Regulation. Compliance framework is made up of the following significant components:

- Preventative measures
  - Compulsory core training covering fraud issues for cooperation management staff;
  - Ex-ante compliance assessments to ensure that appropriate anti-fraud measures to prevent and detect fraud in the management of EU funds are in place in all implementing partners;
  - The Commission signed the International Aid Transparency Initiative (IATI) in Accra in 2008, agreeing on a standard for aid transparency which ensures more timely, detailed and regular data on aid flows and documents.

- Detective and corrective measures
  - Ex-ante transactional checks performed by Commission staff on all contract and payment transactions;
  - External audits and verifications (both mandatory and risk based) including the European Court of Auditors;
  - Retrospective checks (on a risk basis) and recoveries.

In addition where irregularity is suspected to be intentional (fraud), the following measures may apply:

- Suspension of time-limit for payments and notification to the entity;
- Specific audits (ad hoc/forensic audit);
- Early Warning System & reinforced monitoring of contracts;
- Suspension/termination of contract;
- Exclusion procedure.

The Commission services will be working in full partnership with OLAF for the implementation of the Action Plan of the Commission's new anti-fraud strategy adopted by the College in 2011 to ensure inter alia that:

- internal anti-fraud related controls are fully aligned with the CAFS;
- fraud risk management approach is geared to identify fraud risk areas and adequate responses;
the systems used for spending EU funds in third countries enable relevant data to be retrieved with a view to feeding this data into fraud risk management (e.g. double funding);

where necessary, networking groups and adequate IT tools dedicated to analysing fraud cases related to the external aid sector could be set up.

2.4 Estimate of the costs and benefits of the controls

The Partnership Instrument’s internal control/management costs should be similar to the costs calculated by EuropeAid for the management of its external actions instruments (i.e. 6% of the envelope):

For the EuropeAid portfolio as a whole, internal control / management costs total an estimated annual average of € 658 million in commitments in the 2014-2020 budget planning. This figure includes the management of the EDF which operates in an integrated way within the management structure of EuropeAid. These 'non operational' costs represent approximately 6.4% of the estimated annual average of € 10.2 billion planned for the overall (operational + administrative) commitments by EuropeAid on its expenditure portfolio financed by the General Budget of the EU and the European Development Fund for the period 2014-2020.

These management costs take into account all EuropeAid staff at HQ and in Delegations, infrastructure, travel, training, monitoring, evaluation and audit contracts (including those launched by beneficiaries).

EuropeAid plans to reduce the management / operational activities ratio over time under the improved and simplified arrangements of the new instruments, building on changes likely to come in under the revised Financial Regulation. The key benefits of these management costs are realised in terms of meeting policy objectives, efficient and effective use of resources, and the exercise of robust cost-effective preventative measures and other checks to ensure the legal and regular use of funds.

While improvements in the nature and targeting of management activities and compliance checks in relation to the portfolio will continue to be pursued, these costs are globally necessary to effectively and efficiently achieve the objectives of the instruments at a minimal risk of non compliance (below 2% residual error). They are significantly less than risks involved in removing or scaling back internal controls in this high risk area.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

<table>
<thead>
<tr>
<th>Heading of multiannual</th>
<th>Budget line</th>
<th>Type of expenditure</th>
<th>Contribution</th>
</tr>
</thead>
</table>

EN 32
### Heading 4 - Global Europe

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Type of expenditure</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 01 04 08 - Industrialised Countries Instrument (ICI) – Expenditure on administrative management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 05 01 - Cooperation with industrialised non-member countries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 05 02 - KEDO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 05 03 - Pilot Project on transatlantic methods for handling global challenges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 09 03 - Cooperation activities other than Official Development Assistance (Latin America)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 09 02 - Preparatory Action - Cooperation with middle-income countries in Latin America</td>
<td>Diff.</td>
<td>NO NO NO NO</td>
</tr>
<tr>
<td>19 10 04 - Cooperation activities other than Official Development Assistance (Asia, Central Asia, Iraq, Iran, Yemen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 10 01 03 - Preparatory action on business and scientific exchanges with India</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 10 01 04 - Preparatory action on business and scientific exchanges with China</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 10 01 05 - Preparatory action - Cooperation with middle-income countries in Asia</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- New budget lines requested

---

17 Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations
18 EFTA: European Free Trade Association.
19 Candidate countries and, where applicable, potential candidate countries from the Western Balkans.
### Heading 4 - Global Europe

| 19 01 04 08 – Partnership Instrument (PI) – Expenditure on administrative management. |
| 19 05 01 - Cooperation with third countries under the Partnership Instrument. |
| 19 05 02 - Cooperation with industrialised non-member countries – completion of previous programme 2007-2013 (Former BL 19 05 01). |

Nb: Other existing budget lines under chapter 19 09 and 19 10 will remain under closure of the actions (with “pm” for commitments).
3.2. **Estimated impact on expenditure**

3.2.1. **Summary of estimated impact on expenditure**

<table>
<thead>
<tr>
<th>Heading of multiannual financial framework:</th>
<th>Number</th>
<th>Heading 4 - Global Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational appropriations (Current prices @ 2% from 2011 prices)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 05 01 - Cooperation with third countries under the Partnership Instrument.</td>
<td>Commitments (1)</td>
<td>128,853</td>
</tr>
<tr>
<td></td>
<td>Payments (a) (2)</td>
<td>27,753</td>
</tr>
<tr>
<td>Appropriations of an administrative nature financed from the envelop of specific programs20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 01 04 08 – Partnership Instrument (PI) – Expenditure on administrative management (b)</td>
<td>(3)</td>
<td>4,847</td>
</tr>
<tr>
<td>TOTAL appropriations for DG FPI</td>
<td>Commitments 1+1a +3</td>
<td>133,700</td>
</tr>
<tr>
<td></td>
<td>Payments 2+a +3</td>
<td>32,600</td>
</tr>
</tbody>
</table>

(a) Payments for operational expenditure have been calculated using a standard project cycle of 4 years of 20%-30%-30%-20%.

---

20 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.
(b) An amount of 4% of the envelope has been set aside for administrative support expenditure

<table>
<thead>
<tr>
<th>Heading of multiannual financial framework:</th>
<th>5</th>
<th>&quot; Administrative expenditure &quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>DG: FPI</td>
<td></td>
<td>TOTAL</td>
</tr>
<tr>
<td>• Human resources</td>
<td></td>
<td>22,111</td>
</tr>
<tr>
<td>• Other administrative expenditure</td>
<td></td>
<td>1,116</td>
</tr>
<tr>
<td>TOTAL DG FPI</td>
<td></td>
<td>23,227</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL appropriations under HEADING 5 of the multiannual financial framework</th>
<th>(Total commitments - Total payments)</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,377 3,348 3,319 3,291 3,294 3,297 3,301</td>
<td>23,227</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments</td>
<td>137,077 144,048 152,419 162,091 173,294 186,097 199,301</td>
</tr>
<tr>
<td>Payments</td>
<td>35,977 76,948 119,619 152,291 161,694 172,497 184,601</td>
</tr>
</tbody>
</table>
3.2.2. *Estimated impact on operational appropriations*

- ☐ The proposal/initiative does not require the use of operational appropriations
- ☐ The proposal/initiative requires the use of operational appropriations, as explained below:

<table>
<thead>
<tr>
<th>Indicate objectives and outputs</th>
<th>Year N</th>
<th>Year N+1</th>
<th>Year N+2</th>
<th>Year N+3</th>
<th>… enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPECIFIC OBJECTIVE No 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projecting the external dimension of “Europe 2020” strategy, policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).
<table>
<thead>
<tr>
<th>SPECIFIC OBJECTIVE No 1</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Sub-total for specific objective N°1</th>
</tr>
</thead>
<tbody>
<tr>
<td>dialogues, challenges of global concern</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>70,861 74,571 79,023 84,164 90,10 96,884 103,88 599,483</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SPECIFIC OBJECTIVE No 2</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Sub-total for specific objective N°2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic partnerships, business and regulatory cooperation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26,740 28,140 29,820 31,76 34,00 36,560 39,20 226,220</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SPECIFIC OBJECTIVE No 3</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Output</th>
<th>Sub-total for specific objective N°3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public diplomacy, academic/education cooperation and outreach</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total for specific objective №3</td>
<td>24,567</td>
<td>25,840</td>
<td>27,372</td>
<td>29,137</td>
<td>31,182</td>
<td>33,522</td>
<td>35,932</td>
<td>207,452</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>---------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated reserve</td>
<td>6,685</td>
<td>7,035</td>
<td>7,455</td>
<td>7,940</td>
<td>8,500</td>
<td>9,140</td>
<td>9,800</td>
<td>56,555</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL COST</td>
<td>128,853</td>
<td>135,586</td>
<td>143,670</td>
<td>153,001</td>
<td>163,782</td>
<td>176,106</td>
<td>188,812</td>
<td>1,089,710</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N.B.: the breakdown per specific objectives is as follows out of the financial envelope of 1.131,000 EUR Million:

Objective № 1: 53%

Objective № 2: 20%

Objective № 3: 18%

Unallocated reserve: 5% to be programmed between the 3 objectives according to the needs.

Allocations among outputs are not appropriate due to the nature of the instrument (no standard number of outputs and no average cost).
3.2.3. *Estimated impact on appropriations of an administrative nature*

### 3.2.3.1. Summary

- □ The proposal/initiative does not require the use of administrative appropriations
- ☑ The proposal/initiative requires the use of administrative appropriations, as explained below:

**EUR million (to 3 decimal places)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resources</td>
<td>3,227</td>
<td>3,195</td>
<td>3,163</td>
<td>3,131</td>
<td>3,131</td>
<td>3,131</td>
<td>3,131</td>
<td>22,111</td>
</tr>
<tr>
<td>Other administrative expenditure</td>
<td>0,150</td>
<td>0,153</td>
<td>0,156</td>
<td>0,159</td>
<td>0,163</td>
<td>0,166</td>
<td>0,169</td>
<td>1,116</td>
</tr>
<tr>
<td>Subtotal HEADING 5 of the multiannual financial framework</td>
<td>3,377</td>
<td>3,348</td>
<td>3,319</td>
<td>3,291</td>
<td>3,294</td>
<td>3,297</td>
<td>3,301</td>
<td>23,227</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resources</td>
<td>3,565</td>
<td>3,658</td>
<td>3,778</td>
<td>3,925</td>
<td>4,139</td>
<td>4,384</td>
<td>4,631</td>
<td>28,080</td>
</tr>
<tr>
<td>Other expenditure of an administrative nature</td>
<td>1,282</td>
<td>1,456</td>
<td>1,652</td>
<td>1,875</td>
<td>2,079</td>
<td>2,310</td>
<td>2,557</td>
<td>13,210</td>
</tr>
<tr>
<td>Subtotal outside HEADING 5 of the multiannual financial framework</td>
<td>4,847</td>
<td>5,114</td>
<td>5,430</td>
<td>5,799</td>
<td>6,218</td>
<td>6,694</td>
<td>7,188</td>
<td>41,290</td>
</tr>
</tbody>
</table>

| TOTAL | 8,224 | 8,462 | 8,750 | 9,090 | 9,512 | 9,991 | 10,489 | 64,517 |

---

22 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.
3.2.3.2. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources

- ☒ The proposal/initiative requires the use of human resources, as explained below:

*Estimate to be expressed in full amounts (or at most to one decimal place)*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>• Establishment plan posts (officials and temporary agents)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XX 01 01 01 (Headquarters and Commission’s Representation Offices)</td>
<td>17,4</td>
<td>17,3</td>
<td>17,1</td>
<td>16,9</td>
<td>16,9</td>
<td>16,9</td>
<td>16,9</td>
</tr>
<tr>
<td>XX 01 01 02 (Delegations)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XX 01 05 01 (Indirect research)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 01 05 01 (Direct research)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>• External personnel (in Full Time Equivalent unit: FTE)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XX 01 02 01 (CA, INT, SNE from the &quot;global envelope&quot;)</td>
<td>13,0</td>
<td>12,9</td>
<td>12,8</td>
<td>12,6</td>
<td>12,6</td>
<td>12,6</td>
<td>12,6</td>
</tr>
<tr>
<td>12,6XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)</td>
<td>2,0</td>
<td>1,9</td>
<td>1,9</td>
<td>1,9</td>
<td>1,9</td>
<td>1,9</td>
<td>1,9</td>
</tr>
<tr>
<td>19 01 04 08 24</td>
<td>- at Headquarters</td>
<td>39,4</td>
<td>40,4</td>
<td>41,8</td>
<td>43,4</td>
<td>45,7</td>
<td>48,4</td>
</tr>
<tr>
<td>- in delegations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XX 01 05 02 (CA, INT, SNE - Indirect research)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 01 05 02 (CA, INT, SNE - Direct research)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other budget lines (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>71,8</td>
<td>72,5</td>
<td>73,5</td>
<td>74,9</td>
<td>77,2</td>
<td>79,9</td>
<td>82,7</td>
</tr>
</tbody>
</table>

Human resources under Heading 5 correspond to the necessary staff to manage the new Partnership Instrument. It encompasses the existing FPI staff managing the current ICI, i.e. 3,6 AD; 7 AST; 4,3 ACs, 2 ALs in Washington = 17 FTE, and a request for additional staff estimated at 4 AD, 3 AST, 9 AC = 16 FTE. 19 is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

<table>
<thead>
<tr>
<th>Officials and temporary agents</th>
<th>Management of the programme and project cycle</th>
</tr>
</thead>
</table>

23 CA= Contract Agent; INT= agency staff ("Intérimaire"); JED= "Jeune Expert en Délégation" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

24 Under the ceiling for external personnel from operational appropriations (former "BA" lines).
| External personnel | Management of the programme and project cycle |
3.2.4. Compatibility with the current multiannual financial framework


– Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

– Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework.25

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. Third-party contributions

– The proposal/initiative does not provide for co-financing by third parties

– The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to 3 decimal places)

<table>
<thead>
<tr>
<th></th>
<th>Year ( N )</th>
<th>Year ( N+1 )</th>
<th>Year ( N+2 )</th>
<th>Year ( N+3 )</th>
<th>… enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specify the co-financing body</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL appropriations cofinanced</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

25 See points 19 and 24 of the Interinstitutional Agreement.
3.3. **Estimated impact on revenue**

- [x] Proposal/initiative has no financial impact on revenue.

- [ ] Proposal/initiative has the following financial impact:
  - [ ] on own resources
  - [ ] on miscellaneous revenue

<table>
<thead>
<tr>
<th>EUR million (to 3 decimal places)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Budget revenue line:</th>
<th>Appropriation/s available for the ongoing budget exercise</th>
<th>Impact of the proposal/initiative&lt;sup&gt;26&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year N</td>
<td>Year N+1</td>
</tr>
<tr>
<td>Article ………………</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For miscellaneous assigned revenue, specify the budget expenditure line(s) affected.

Specify the method for calculating the impact on revenue.

---

<sup>26</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.