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THE EUROPEAN PARLIAMENT

THE COUNCIL

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REGULATION
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
ESTABLISHING A PARTNERSHIP INSTRUMENT
FOR COOPERATION WITH THIRD COUNTRIES

REGULATION (EU) No .../2014
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 11 March 2014

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,

Having regard to the opinion of the Committee of the Regions¹,

Acting in accordance with the ordinary legislative procedure²,

¹ OJ C 391, 18.12.2012, p. 110.

² Position of the European Parliament of 11 December 2013 (not yet published in the Official Journal) and decision of the Council of 11 March 2014.

Whereas:

- (1) The Union should seek to develop relations and build partnerships with third countries. This Regulation constitutes a new and complementary instrument providing direct support for the Union's external policies, expanding cooperation partnerships and policy dialogues to areas and subjects beyond development cooperation. It builds on the experience gained with industrialised countries and high-income countries and territories under Council Regulation (EC) No 1934/2006¹.
- (2) The scope of cooperation pursuant to the geographic programmes with developing countries, territories and regions under the financing instrument for development cooperation established by Regulation (EC) No 1905/2006 of the European Parliament and of the Council² is almost entirely limited to financing measures designed to fulfil the criteria for official development assistance (ODA) established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (DAC-OECD).
- (3) Over the last decade, the Union has consistently strengthened its bilateral relations with a broad range of industrialised and other high-income or middle-income countries and territories across different regions of the world.

¹ Council Regulation (EC) No 1934/2006 of 21 December 2006 establishing a financing instrument for cooperation with industrialised and other high-income countries and territories (OJ L 405, 30.12.2006, p. 41).

² Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (OJ L 378, 27.12.2006, p. 41).

- (4) The Union needs a foreign policy financial instrument of global scope allowing the financing of measures which might not qualify as ODA, but which are crucially important for deepening and consolidating its relations with the third countries concerned, in particular through policy dialogues and the development of partnerships. That new instrument, innovative in terms of scope and objectives, should create a positive environment for a deepened relationship between the Union and relevant third countries, and should promote core Union interests.
- (5) It is in the Union's interest to deepen its relations and dialogue with countries with which the Union has a strategic interest in promoting links, especially developed and developing countries which play an increasingly important role in world affairs, including in global governance, foreign policy, the international economy, multilateral fora and bodies such as the G8 and the G20, and in addressing challenges of global concern.
- (6) 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, promote core interests of the Union and increase knowledge of the Union in those countries.
- (7) The scope of this Regulation needs to be worldwide, allowing for support for cooperation measures, as appropriate, to underpin relations with any country in which the Union has strategic interests, in accordance with the objectives of this Regulation.

- (8) It is in the Union's interest to continue to promote dialogue and cooperation with countries which no longer qualify for bilateral programmes under the Development Cooperation Instrument established by Regulation (EU) No.../2014 of the European Parliament and of the Council^{1*} (the 'Development Cooperation Instrument').
- (9) Furthermore, it is in the Union's interest to have inclusive global institutions based on effective multilateralism and to work towards that goal.
- (10) Under this Regulation, the Union should support the implementation of the external dimension of the strategy, outlined by the Commission in its Communication of 3 March 2010 entitled 'Europe 2020 – A Strategy for smart, sustainable and inclusive growth' ('Europe 2020'), bringing together three pillars: economic, social and environmental. In particular, this Regulation should support objectives relating to global issues such as climate change, energy security and resource efficiency, the transition to a greener economy, science, innovation and competitiveness, mobility, trade and investment, economic partnerships, business, employment and regulatory cooperation with third countries, and better market access for companies from the Union, including the internationalisation of small and medium-sized enterprises (SMEs). It should also promote public diplomacy, cooperation in educational and academic matters and outreach activities.

¹ Regulation (EU) ... /2014 of the European Parliament and of the Council of ... establishing a financing instrument for development cooperation for the period 2014-2020 (OJ L ...).

* OJ: please insert the number of the Regulation in PECONS 127/13 and complete the footnote.

- (11) In particular, the fight against climate change is recognised as one of the great global challenges faced by the Union and the broader international community. Climate change is an area where urgent international action is necessary and where achievement of the Union's goals requires cooperation with partner countries. The Union should therefore intensify its efforts to promote global consensus in this respect. In accordance with the Commission Communication of 29 June 2011 entitled 'A budget for Europe 2020', which calls on the Union to increase the climate related proportion of its budget to at least 20 %, this Regulation should contribute to the attainment of that goal.
- (12) Transnational challenges, such as environmental degradation and access to and sustainable use of raw materials and rare earths, require a rule-based, inclusive approach.
- (13) The Union is committed to helping to meet the global 2020 biodiversity targets and to delivering on the associated Strategy for resource mobilisation.
- (14) The Union is committed, in its relations with its partners worldwide, to promoting decent work for all, as well as ratification and effective implementation of internationally recognised labour standards and multilateral environmental agreements.

- (15) An important strategic interest of the Union is to boost growth and jobs by promoting fair and open trade and investment at the multilateral and bilateral level and by supporting the negotiation and implementation of trade and investment agreements to which the Union is a party. Under this Regulation, the Union should contribute to creating a secure climate for increased trading and investment opportunities worldwide for companies from the Union, not least SMEs, including by supporting regulatory cooperation and convergence, promoting international standards, improving the protection of intellectual property rights and targeting the removal of unwarranted barriers to market access.
- (16) Pursuant to Article 21 of the Treaty on European Union (TEU), the Union's action on the international scene is to be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world, namely democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principle of equality and solidarity, and respect for the principles of the United Nations Charter and international law.
- (17) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between this Regulation, other instruments for financing external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under the instruments for financing external action.

- (18) In order to ensure the visibility towards citizens of the beneficiary countries and Union citizens of the Union's assistance, there should, where appropriate, be targeted communication and information by adequate means.
- (19) In order to achieve the objectives of this Regulation, it is necessary to pursue a differentiated and flexible approach with key partner countries which takes into account their economic, social and political contexts, as well as the Union's specific interests, policy priorities and strategies, whilst maintaining the ability to intervene anywhere in the world where needed. The Union should apply a comprehensive approach to foreign policy, including the Union's sectoral policies.
- (20) In order to make its commitment to the promotion and defence of its interests in its relations with third countries more effective, the Union should be able to respond in a flexible and timely manner to evolving or unforeseen needs by adopting special measures not covered by multi-annual indicative programmes.
- (21) The objectives of this Regulation should, whenever possible and appropriate, be pursued in consultation with relevant partners and stakeholders, including civil society organisations and local authorities, taking into account the importance of their roles.

- (22) The Union's external action under this Regulation should contribute to clear results (covering outputs, outcomes and impacts) in countries benefiting from Union assistance. Whenever appropriate and possible, the results of the Union's external action and the efficiency of the instrument established by this Regulation should be monitored and assessed on the basis of pre-defined, clear, transparent and, where appropriate, country-specific and measurable indicators, adapted to the specificities and objectives of that instrument.
- (23) Actions under this Regulation should, where appropriate, take due account of the resolutions and recommendations of the European Parliament.
- (24) 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 priorities defined in the Annex. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

- (25) 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 (EU) No 182/2011 of the European Parliament and of the Council¹. Given the nature of those implementing acts, in particular their policy orientation nature and their financial implications, the examination procedure should be used for their adoption, except in the case of technical implementing measures of a small financial scale.
- (26) Common rules and procedures for the implementation of the Union's instruments for financing external action are laid down in Regulation (EU) No .../2014 of the European Parliament and of the Council^{2*}.
- (27) This Regulation lays down a financial envelope for its period of application which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management³, for the European Parliament and the Council during the annual budgetary procedure.

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

² Regulation (EU) No .../2014 of the European Parliament and of the Council of ... laying down common rules and procedures for the implementation of the Union's instruments for financing external action (OJ....).

* OJ: please insert the number of the Regulation in PECONS 130/13 and complete the footnote.

³ OJ C 373, 20.12.2013, p. 1.

- (28) The organisation and functioning of the European External Action Service are established in Council Decision 2010/427/EU¹.
- (29) Since the objectives of this Regulation, in particular the establishment of a Partnership Instrument for cooperation with third countries, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. 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.
- (30) It is appropriate to align the period of application of this Regulation with that of Council Regulation (EU, Euratom) No 1311/2013². Therefore, this Regulation should apply from 1 January 2014 until 31 December 2020,

HAVE ADOPTED THIS REGULATION:

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

² Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

Article 1

Subject matter and objectives

1. This Regulation establishes a Partnership Instrument for cooperation with third countries (the 'Partnership Instrument') to advance and promote Union 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 shall address challenges of global concern and ensure an adequate follow-up to decisions taken at a multilateral level.
2. The measures to be financed under the Partnership Instrument shall reflect the following specific Union objectives:
 - (a) supporting the Union's bilateral, regional and inter-regional cooperation partnership strategies by promoting policy dialogue and by developing collective approaches and responses to challenges of global concern. The attainment of that objective shall be measured, inter alia, by the progress made by key partner countries in the fight against climate change or in promoting the environmental standards of the Union;
 - (b) implementing the international dimension of 'Europe 2020'. The attainment of that objective shall be measured by the uptake of the 'Europe 2020' policies and objectives by key partner countries;

- (c) improving access to partner country markets and boosting trade, investment and business opportunities for companies from the Union, while eliminating barriers to market access and investment, by means of economic partnerships, business and regulatory cooperation. The attainment of that objective shall be measured by the Union's share in foreign trade with key partner countries and by trade and investment flows to partner countries specifically targeted by actions, programmes and measures under this Regulation;
- (d) enhancing widespread understanding and visibility of the Union and of its role on the world scene by means of public diplomacy, people-to-people contacts, cooperation in educational and academic matters, think tank cooperation and outreach activities to promote the Union's values and interests. The attainment of that objective may be measured, inter alia, by opinion surveys or evaluations.

Article 2

Scope

1. This Regulation primarily supports cooperation measures with countries with which the Union has a strategic interest in promoting links, especially developed and developing countries which play an increasingly prominent role in global affairs, including in foreign policy, the international economy and trade, multilateral fora and global governance, and in addressing challenges of global concern, or in which the Union has other significant interests.

2. Without prejudice to paragraph 1, all third countries, regions and territories may be eligible for cooperation under this Regulation.

Article 3

General principles

1. The Union seeks to promote, develop and consolidate the principles of democracy, equality, 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, where appropriate, be pursued in designing cooperation with third countries, taking into account their economic, social and political contexts, as well as the Union's specific interests, policy priorities and strategies.
3. The Union shall promote a coherent 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, and other bilateral donors.
4. In implementing this Regulation and in formulating policy, strategic planning and programming and implementing measures, the Union shall aim to ensure coherence and consistency with other areas of its external action, in particular the Development Cooperation Instrument, and with other relevant Union policies.

5. Measures financed under this Regulation shall, where appropriate, be based on cooperation policies set out in instruments, such as agreements, declarations and action plans, agreed between the Union and the international organisations concerned or between the Union and the third countries and regions concerned.

Measures financed under this Regulation shall also cover areas linked to the promotion of the Union's specific interests, policy priorities and strategies.

6. Union support under this Regulation shall be implemented in accordance with Regulation (EU) No .../2014*.

Article 4

Programming and indicative allocation of funds

1. Multi-annual indicative programmes (MIPs) shall be adopted by the Commission in accordance with the examination procedure referred to in Article 16(3) of Regulation (EU) No .../2014*.
2. MIPs 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 MIPs shall be based on that document.

* OJ: please insert the number of the Regulation in PECONS 130/13.

3. MIPs shall also set out the priority areas selected for financing by the Union and shall outline the indicative allocation of funds, in overall terms, per priority area and per partner country or group of partner countries, for the period concerned, including the participation in global initiatives. Those amounts may, where appropriate, be expressed in the form of a range.
4. MIPs may provide for an amount of funds, not exceeding 5 % of the total amount, that is not allocated to a priority area or partner country or group of countries. Those funds shall be committed in accordance with Article 2(2), (3) and (5) of Regulation (EU)No .../2014*.
5. The procedure referred to in Article 16(4) of Regulation (EU) No .../2014* may be applied for the purpose of modifying MIPs on duly justified imperative grounds of urgency.
6. With regard to attaining the objectives set out in Article 1, the Commission may take into account the geographic proximity of the Union's outermost regions and overseas countries and territories in the Union's cooperation with third countries.
7. Any programming or review of programmes taking place after the publication of the mid-term review report referred to in Article 17 of Regulation (EU)No .../2014* (the 'mid-term review report') shall take into account the results, findings and conclusions of that report.

* OJ: please insert the number of the Regulation in PECONS 130/13.

Article 5
Thematic priorities

The Commission shall be empowered to adopt delegated acts in accordance with Article 6 to amend the thematic priorities to be pursued by the Union's assistance under this Regulation, as laid down in the Annex to this Regulation. In particular, following the publication of the mid-term review report, and based upon the recommendations contained in that report, the Commission shall adopt a delegated act amending the Annex to this Regulation by 31 March 2018.

Article 6
Exercise of the delegation

1. The power to adopt delegated acts referred to in Article 5 is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 5 shall be conferred on the Commission for the period of validity of this Regulation.
3. The delegation of power referred to in Article 5 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the 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.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and the Council.
5. A delegated act adopted pursuant to Article 5 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

Article 7
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 8
Financial envelope

1. The financial envelope for the implementation of this Regulation for the period 2014-2020 shall be EUR 954 765 000.

The annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.

2. In accordance with Article 18(4) of Regulation (EU) No 1288/2013 of the European Parliament and of the Council¹, in order to promote the international dimension of higher education, an indicative amount of EUR 1 680 000 000 from the different instruments for financing external action (the Development Cooperation Instrument, the European Neighbourhood Instrument established by Regulation (EU) No .../2014 of the European Parliament and of the Council^{2*}, the Instrument for Pre-accession Assistance (IPA II) established by Regulation (EU) No .../2014 of the European Parliament and of the Council^{3**} and the Partnership Instrument), shall be allocated to actions in respect of learning mobility to or from partner countries within the meaning of Regulation (EU) No 1288/2013, and to cooperation and policy dialogue with authorities, institutions and organisations from those countries. Regulation (EU) No 1288/2013 shall apply to the use of those funds.

¹ Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing "Erasmus+": the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC (OJ L 347, 20.12.2013, p. 50).

² Regulation (EU) No .../2014 of the European Parliament and of the Council of ... establishing a European Neighbourhood Instrument (OJ L ...).

* OJ: please insert the number of the Regulation in PECONS 126/13 and complete the footnote.

³ Regulation (EU) No .../2014 of the European Parliament and of the Council of ... establishing an Instrument for Pre-accession Assistance (IPA II) (OJ L ...).

** OJ: please insert the number of the Regulation in PECONS 123/13 and complete the footnote.

The funding shall be made available through two multiannual allocations covering the first four years and the remaining three years respectively. The allocation of that funding shall be reflected in the multiannual indicative programming provided for in this Regulation, in line with the identified needs and priorities of the countries concerned. The allocations may be revised in case of major unforeseen circumstances or important political changes in line with the priorities of the Union's external action.

3. Actions within the scope of Regulation (EU) No 1288/2013 shall be funded by the Partnership Instrument only in so far as they are not eligible for funding under other instruments for financing external action and they complement or reinforce other initiatives under this Regulation.

Article 9

European External Action Service

This Regulation shall apply in accordance with Decision 2010/427/EU.

Article 10
Entry into force

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

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

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

Done at Strasbourg,

For the European Parliament
The President

For the Council
The President

ANNEX

THEMATIC PRIORITIES UNDER THE PARTNERSHIP INSTRUMENT: GENERAL FRAMEWORK FOR THE PROGRAMMING

1. Objective set out in point (a) of Article 1(2):

Support for the Union's bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogue and by developing collective approaches and responses to challenges of global concern.

- Supporting the implementation of Partnership and Cooperation Agreements, action plans and similar bilateral instruments;
- Deepening the political and economic dialogue with third countries of particular relevance in world affairs, including in foreign policy;
- Supporting engagement with relevant third countries on bilateral and global issues of common concern;
- Promoting an adequate follow-up or coordinated implementation of the conclusions of international fora such as the G20.

Reinforcement of cooperation on global challenges, addressing in particular climate change, energy security and the protection of the environment.

- Stimulating efforts in partner countries to reduce greenhouse gas emissions, in particular by promoting and supporting adequate regulatory and performance standards;
- Boosting the greening of production and trade;
- Developing energy cooperation;
- Promoting renewable and sustainable energy sources.

2. Objective set out in point (b) of Article 1(2):

Implementing the international dimension of 'Europe 2020', bringing together three pillars: economic, social and environmental:

- Enhancing policy dialogue and cooperation with relevant third countries, taking into consideration all areas within the scope of 'Europe 2020';
- Promoting the Union's internal policies with key partner countries and supporting regulatory convergence in this regard.

3. Objective set out in point (c) of Article 1(2):

Facilitation and support of economic and trade relations with partner countries:

- Promoting a secure environment for investment and business, including protection of intellectual property rights, tackling market access barriers, reinforced regulatory cooperation, and promotion of opportunities for the Union's goods and services, especially in areas in which the Union has a competitive advantage, and international standards;
- Supporting the negotiation, implementation and enforcement of trade and investment agreements to which the Union is a party.

4. Objective set out in point (d) of Article 1(2):

- Enhancing cooperation in higher education: enhancing student and academic staff mobility, leading to the creation of partnerships aimed at improving the quality of higher education and of joint degrees leading to academic recognition ('Erasmus+ Programme');
- Enhancing widespread knowledge of the Union and raising its profile: promoting the Union's values and interests in partner countries through enhanced public diplomacy and outreach activities in support of the objectives of the instrument.
