



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 18 December 2013

17632/13

**Interinstitutional File:
2011/0406 (COD)**

**CODEC 2925
DEVGEN 335
ACP 208
RELEX 1155
FIN 939
NIS 83
PESC 1516
CADREFIN 371
COHOM 283
PE 600**

INFORMATION NOTE

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

I. INTRODUCTION

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

¹ OJ C 145, 30.6.2007, p. 5.

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

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

II. VOTE

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

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

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

¹ Documents 17508/13, 17512/13, 17519/13, 17520/13, 17525/13 and 17631/13.

Establishing a financing instrument for development cooperation *I**

European Parliament legislative resolution of 11 December 2013 on the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation (COM(2011)0840 – C7-0493/2011 – 2011/0406(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0840),
 - having regard to Article 294(2) and Article 209(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0493/2011),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the Committee of the Regions of 9 October 2012¹,
 - having regard to the undertaking given by the Council representative by letter of 4 December 2013 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Development and the opinions of the Committee on Foreign Affairs, the Committee on International Trade, the Committee on Budgets and the Committee on Women's Rights and Gender Equality (A7-0450/2013),
1. Adopts its position at first reading hereinafter set out;
 2. Approves the statement by Parliament and the joint statement by Parliament, the Council and the Commission annexed to this resolution;
 3. Takes note of the Commission statements annexed to this resolution;
 4. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 5. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 391, 18.12.2012, p. 110.

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

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the *European* Commission,

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

*Having regard to the opinion of the Committee of Regions*¹,

Acting in accordance with the ordinary legislative procedure²,

* TEXT HAS NOT YET UNDERGONE LEGAL-LINGUISTIC FINALISATION.

¹ *OJ C 391, 18.12.2012, p. 110.*

² Position of the European Parliament of 11 December 2013.

Whereas:

- (1) This Regulation ***forms part of the Union's development cooperation policy and*** constitutes one of the instruments providing support for the European Union's external policies. It ***replaces*** the Regulation of the European Parliament and of the Council No 1605/2006 of 18 December 2006 establishing a financing instrument for development cooperation which expires on 31 December 2013.
- (1a) ***This Regulation should lay down, for the entire duration of the instrument, a financial envelope constituting the prime reference, within the meaning of point [...] of the Interinstitutional Agreement of XX/201Z between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management, for the budgetary authority during the annual budgetary procedure.***
- (2) The fight against poverty remains the primary objective of the development policy of the European Union, as laid down in Title V, Chapter 1 of the Treaty on European Union and Title III, Chapter 1 of Part Five of the Treaty on the Functioning of the European Union, in line with the Millennium Development Goals (MDGs), ***and other internationally agreed development commitments and objectives approved*** by the Union and its Member States ***in the context of the United Nations and other competent international fora.***

- (3) The European Consensus, *which is a joint declaration by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on the development policy of the European Union, and agreed modifications thereto, provide*, the general policy framework, the orientations and the focus to guide the implementation of this Regulation.
- (3a) *Over time, Union assistance should contribute to reducing aid dependence.*
- (4) The Union's action on the international scene should be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of and respect for human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity and respect for the principles of the UN Charter and international law. It seeks to develop and consolidate commitment to these *principles* in partner countries, *territories* and regions through dialogue and cooperation. *While pursuing those principles, the Union, proves its added value as an actor in development policies.*

In implementing this regulation, and in particular during the programming process, the Union should have due regard to the priorities, objectives and benchmarks in human rights and democracy established by the Union for partner countries, in particular its human rights country strategies.

- (4a) *The Union acknowledges that respect for human rights, fundamental freedoms, the promotion of the rule of law, democratic principles, transparency, good governance, peace and stability and gender equality are essential for the development of partner countries and that those issues should be mainstreamed in the Union's development policy, particularly in programming and in agreements with partner countries.*
- (5) *The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. This should be achieved through a comprehensive approach for each country based on complementarity, the creation of synergies and the mutual reinforcement of the programmes devised under this Regulation and the other external instruments of the Union. While striving for overall consistency of the Union's external action in accordance with Article 21 TEU, the Union should ensure policy coherence for development as required by Article 208 TFEU.*

- (6) *Aid effectiveness*, greater *transparency, cooperation and* complementarity and better harmonisation, alignment with partner countries, *as well as* coordination of procedures, both between the Union and its Member States and in relations with other donors and development actors, are essential for ensuring the consistency and relevance of aid whilst at the same time reducing the costs borne by partner countries. Through its development policy, the Union is committed to implementing *the* conclusions of the Declaration on Aid Effectiveness adopted by the High Level Forum on Aid Effectiveness, held in Paris, on 2 March 2005, the Accra Agenda for Action adopted on 4 September 2008 and their follow-up Declaration adopted in Busan on 1st December 2011. ■ These commitments have *led* to a number of conclusions of the Council and of the Representatives of the Governments of the Member States meeting with the Council such as the EU Code of Conduct on Complementarity and Division of Labour in Development Policy¹, and the Operational Framework on Aid Effectiveness². *Efforts and procedures for achieving joint programming should be reinforced.*
- (7) Union assistance should support the Joint Africa-EU Strategy³, *adopted at the Lisbon Summit in December 2007 and subsequent modifications and additions thereto, based on the shared vision, principles and objectives underpinning the Africa-European Union strategic partnership.*

- (8) The Union and the Member States should improve the consistency, ***coordination*** and the complementarity of their respective policies on development cooperation, in particular by responding to partner countries' and regions' priorities at country and regional level. To ensure that the Union's development cooperation policy and that of the Member States complement and reinforce each other, ***and to ensure cost-effective aid delivery while avoiding overlap as well as gaps, it is both urgent and*** appropriate to provide for joint programming procedures which should be implemented whenever possible and relevant.
- (9) The Union's policy and international action for development cooperation are guided by the MDGs, such as the eradication of extreme poverty and hunger, including any subsequent modifications thereto, and by the development objectives, principles ***and commitments*** approved by the Union and its Member States, including in the context of their cooperation within the United Nations (UN) and other competent international ***fora*** in the field of development cooperation. ***The Union's policy and international action is also guided by its commitments and obligations concerning human rights and development, including inter alia the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of all forms of Discrimination Against Women, the United Nations Convention on the Rights of the Child, and the UN Declaration on the Right to Development.***

- (9a) *The European Union is strongly committed to gender equality as a human right, a question of social justice and a core value of the Union development policy; gender equality is central in achieving all MDGs; the Council has adopted the EU Plan of Action on Gender equality and Women's Empowerment in Development (2010-2015).*
- (10) The Union should, *as a matter of high priority*, promote a comprehensive approach in response to crisis and disaster and to conflict-affected and fragile situations, including those of transition *and post-crisis*. This should in particular build on the *Council conclusions on Security and Development* on an EU response to situations of fragility¹ on conflict prevention², as well as any relevant subsequent conclusions. ³

*Particularly in those situations where needs are most urgent and poverty both most widespread and deepest, Union support should be geared at strengthening the resilience of countries and their populations to adverse events. This should be done through the appropriate mix of approaches, responses and instruments in particular by ensuring that the security-oriented, ⁴ humanitarian *and development* approaches *are balanced, consistent and effectively coordinated, thereby linking relief, rehabilitation and development (LRRD)*.*

- (11) Union assistance should focus where it has more impact, having regard to its capacity to act on a global scale and respond to global challenges such as poverty eradication, sustainable and inclusive development and worldwide promotion of democracy, good governance, human rights and the rule of law, its long-term and predictable commitment to development assistance and its role in coordinating with its Member States. To ensure such impact, the principle of differentiation should be applied not only at the level of funds allocation, but also at the level of programming, to ensure that bilateral development cooperation targets partner countries most in need, including fragile states and states with high vulnerability, and with limited capacity to have access to other sources of financing for supporting their own development. ***The EU should engage in new partnerships with countries that graduate from bilateral aid programmes, notably on the basis of regional and thematic programmes under these instruments and other thematic financial instruments for EU external action, in particular the new Partnership Instrument.***
- (11a) ***The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. This should be achieved through coherence and complementarity between Instruments for external action, as well as the creation of synergies between the present Instrument, other Instruments for external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under these Instruments.***

- (12) This Regulation should *allow for* enhanced consistency between Union policies *while respecting Policy Coherence for Development*. It should enable full alignment with partner countries and regions by *using*, where *possible*, national development plans or similar comprehensive development documents, *adopted with the involvement of national and regional bodies concerned, as the basis for the programming of the Union's action*; and pursue a better coordination amongst donors, in particular between the Union and its Member States, through joint programming.
- (13) 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.

- (14) In a globalised world, different internal EU policies such as environment, climate change, ***promotion of renewable energies***, employment (including decent work for all), gender equality, energy, water, transport, health, education, justice and security, ***culture***, research and innovation, information society, migration, agriculture and fisheries, are increasingly becoming part of the EU's external action. ■

A strategy for smart, sustainable and inclusive growth, *i.e. growth patterns that enhance social, economic and territorial cohesion and enable the poor to increase their contribution to, and benefit from national wealth*, underlines the commitment of the Union to promote in its internal and external policies smart, inclusive and sustainable growth bringing together three pillars: economic, social and environmental.

- (15) Fighting climate change and protecting the environment are among the great challenges which face the Union and ***developing countries*** where the need for ***national and international*** action is urgent. ***This*** Regulation should ***therefore*** contribute to the objective of addressing at least 20 % of the EU budget to low carbon and climate resilient society, and the global public goods and challenges programme should use at least 25 % of its funds to cover climate change and environment. Actions in these ■ areas should, wherever possible, be mutually supportive in order to reinforce their impacts.

- (16) *This Regulation should enable the Union to contribute to fulfilling the joint Union commitment of providing continued support for human development to improve peoples' lives. To contribute to that end, at least 25 % of the global public goods and challenges programme should support that area of development.*

At least 20 % of the allocated assistance under this Regulation should be allocated to basic social services, with a focus on health and education, and secondary education, recognising that a degree of flexibility must be the norm such as in cases where exceptional assistance is involved. Data concerning compliance should be included in the annual report referred to in Article 13 of the Common Implementation Regulation.

- (16a) *In the Istanbul Programme of Action, Least-Developed Countries committed to integrate trade and trade capacity-building policies into national development strategies. Furthermore, at the WTO 8th Ministerial Conference, ministers agreed to maintain, beyond 2011, Aid for Trade levels that at least reflect the average of the period 2006-2008. Better and more targeted Aid for Trade and trade facilitation must accompany these efforts.*

- (16b) *While thematic programmes should primarily support developing countries, some beneficiary countries as well as the overseas countries and territories (OCTs), the characteristics of which do not meet the requirements to be defined as Official Development Assistance (ODA) recipients by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC) and which are covered by Article 1(1)(b), should also be eligible for thematic programmes under the conditions set out in this Regulation.*
- (17) *The details of areas of cooperation and [] adjustments of [] financial allocations per geographic area and area of cooperation constitute non-essential elements of this Regulation. Consequently, 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 for updating elements of the Annexes of this Regulation which include details of the areas of cooperation under geographic and thematic programmes and [] indicative financial allocations per geographic area and area of cooperation. 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 further ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.*

- (18) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.
- (19) The implementing powers relating to strategy papers and multiannual indicative programmes laid down in Articles 11 to 14 of this Regulation should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers¹. Taking into account the nature of those implementing acts, in particular their policy orientation nature or their budgetary implications, the examination procedure should in general be used for their adoption, except for measures of a small financial scale. The Commission should adopt immediately applicable implementing acts where, in duly justified cases relating to the need for a swift response from the Union, imperative grounds of urgency so requires.

- (20) 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 ...¹, hereinafter 'the Common *Implementation* Regulation'.
- (21) The organisation and functioning of the European External Action Service are described in Council Decision 2010/427/EU²,

HAVE ADOPTED THIS REGULATION:

TITLE I

INTRODUCTION

Article 1

Subject matter and scope

1. Under this Regulation, the Union may finance:
 - a) geographic programmes aimed at supporting *development* cooperation with developing countries *that* are included in the list of recipients of Official Development Assistance (ODA) of the OECD/DAC, *except*:
 - (i) *countries signatories to the ACP-EU Partnership Agreement signed in Cotonou on 23 June 2000, excluding South Africa;*
 - (ii) *countries eligible for the European Development Fund;*
 - (iii) *countries eligible for Union funding under the European Neighbourhood instrument;*
 - (iv) *beneficiaries eligible for Union funding under the Instrument for Pre-Accession.*

- b) thematic programmes to address *development-related* global public goods and challenges and support civil society organisations and local authorities in *partner countries pursuant to paragraph 1(a) and countries eligible for Union financing under the instruments mentioned in paragraph 1(a)(i) to (iii), and countries and territories covered by the Council Decision* ■ on the association of the overseas countries and territories ■.
 - c) a Pan-African programme to support the *strategic partnership between the Union and Africa and subsequent modifications and additions thereto, to cover activities of a trans-regional, continental or global nature in and with Africa.*
2. For the purposes of this Regulation, a region is defined as a geographical entity comprising more than one developing country.
3. *The countries and territories referred to under paragraph 1 a), 1 b), and 1 c) are hereinafter referred to as "partner countries" or "partner regions" as the case may be under their relevant geographic, thematic or Pan-African programme.*

TITLE II

OBJECTIVES AND GENERAL PRINCIPLES

Article 2

Objectives and eligibility criteria

1. Within the framework of the principles and objectives of the Union's external action *and the European Consensus on Development and agreed modifications thereto*:
 - (a) the primary objective of cooperation under this Regulation shall be the reduction and, in the long term, the eradication of poverty;
 - (b) *consistently with this primary objective*, cooperation under this *regulation* will also contribute to **■** :
 - (i) fostering sustainable economic, social and environmental development, and
 - (ii) *consolidating and supporting* democracy, the rule of law, good governance **■**, human rights *and the relevant principles of international law*.

- 1a. Cooperation under this Regulation shall contribute to the achievement of the international commitments and objectives in the field of development that the Union has agreed to, in particular the MDGs, and post-2015 new development targets.**

The achievement of these objectives shall be measured using relevant indicators, **including human development indicators**, in particular MDG 1 for subparagraph (a) and MDGs 1 to 8 for subparagraph (b) and, **after 2015**, other indicators agreed **at international level** by the Union and its Member States.

- 2. Actions under geographic programmes shall be designed so as to fulfil the criteria for ODA established by the OECD/DAC.**

Actions under the Pan-African and thematic programmes shall be designed so as to fulfil the criteria for ODA established by the OECD/DAC, unless:

- a) they apply to a beneficiary country or territory that does not qualify as an ODA recipient country or territory according to the OECD/DAC, or**

b) the action implements a global initiative, a Union policy priority or an international obligation or commitment of the Union, as referred to in Article 6 (2), and the action does not have the characteristics to fulfil the criteria for ODA.

2a. Without prejudice to point (a), at least 90 % of the expenditure foreseen under the Pan-African and **at least 95 % of the expenditure foreseen under** thematic programmes shall fulfil the criteria for ODA established by the OECD/DAC.

3. Actions covered by Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid¹ and eligible for funding under that Regulation shall not, in principle, be funded under this Regulation, except where there is a need to ensure continuity of cooperation from crisis to stable conditions for development. ***In those cases, special consideration shall be given to ensuring that humanitarian relief, rehabilitation and development assistance are effectively linked.***

Article 3
General principles

1. The Union seeks to promote, develop and consolidate the principles of democracy, the rule of law and respect for human rights and fundamental freedoms on which it is founded, through dialogue and cooperation with partner countries and regions.
2. In the implementation of this Regulation and with the purpose to ensure high impact of Union assistance, a differentiated approach amongst partner countries shall be pursued, in order to ensure that they are provided with specific, tailor-made cooperation based on their:
 - (a) needs, *based on criteria such as population, income per capita, the extent of poverty, income distribution and the level of human development;*
 - (b) capacities to generate and access financial resources and absorption capacities; and
 - (c) commitments and performance, *based on criteria and indicators, such as political, economic and social progress, gender equality, progress in good governance and human rights, and the effective use of aid, in particular the way a country uses scarce resources for development, beginning with its own resources;*

(d) the potential impact of EU development aid.

The differentiated approach shall also be pursued having regard to the potential impact of the Union assistance in partner countries.

The countries most in need, in particular the least developed countries, low income countries and countries in crisis, post-crisis, fragile and vulnerable situation, shall be given priority in the resource allocation process.

Criteria such as the Human Development Index, the Economic Vulnerability Index and other relevant indexes, including for measuring in-country poverty and inequality shall be taken into account to underpin the analysis and identification of countries most in need.

3. ***Throughout all programmes, cross cutting issues as defined in the European Consensus shall be mainstreamed. In addition, conflict prevention, decent work and climate change shall be mainstreamed where relevant.***

The cross-cutting issues referred to in the above subparagraph are understood to encompass the following dimensions, to which specific attention shall be paid where circumstances so require: non-discrimination, the rights of persons belonging to minorities, the rights of persons with disabilities, the rights of persons with life-threatening diseases and other vulnerable groups, core labour rights and social inclusion, the empowerment of women, the rule of law, capacity building for parliaments and civil society, and promoting dialogue, participation and reconciliation, as well as institution building, including at local and regional level.

5. In implementing this Regulation, *policy coherence for development and consistency* with other areas of Union external action and with other relevant Union policies *shall be ensured, in accordance with article 208 of the Treaty on the Functioning of the EU.*

In this regard, measures financed under this Regulation, including those managed by the EIB, shall be based on the *development* cooperation policies set out in instruments such as agreements, declarations and action plans between the Union and the third countries and regions concerned, and on the *relevant* Union decisions, specific interests, policy priorities and strategies.

6. The **Union** and the Member States shall seek regular and frequent exchanges of information, including with other donors, and promote better donor coordination and complementarity by working towards joint multiannual programming **■** based on partner countries' poverty reduction or equivalent **development** strategies. ***They may undertake joint action, including joint analysis of and joint response to these strategies identifying priority sectors of intervention and in-country division of labour***, by joint donor-wide missions and by the use of co-financing and delegated cooperation arrangements.
7. ***The Union*** shall promote a multilateral approach to global challenges and ***shall cooperate with Member States in this respect. Where*** appropriate, ***it shall*** foster cooperation with international organisations and bodies and other bilateral donors.
- 7a. ***Relations between the Union and its Member States and partner countries are based on and will promote shared values of human rights, democracy and the rule of law as well as the principles of ownership and of mutual accountability.***
- Further, relations with partner countries shall take into account their commitment and track record in implementing international agreements and contractual relations with the Union.***

8. The Union shall promote effective cooperation with partner countries and regions in line with international best practice. It shall align its support with partners' national or regional development strategies, reform policies and procedures *wherever possible, and support democratic ownership, as well as domestic and mutual accountability*. To that end, it shall promote:
- (a) a development process that is *transparent and* partner country or region led and owned, *including the promotion of local expertise*;
 - (aa) *a rights based approach encompassing all human rights, whether civil and political, economic, social and cultural, in order to integrate human rights principles in the implementation of this Regulation, to assist partner countries in implementing their international human rights obligations and to support the right holders, with a focus on poor and vulnerable groups, in claiming their rights*;
 - (b) *the empowerment of the population of partner countries*, inclusive and participatory approaches to development and a broad involvement of all segments of society in the development process and in national and regional dialogue, including political dialogue. *Particular attention shall be given to the respective roles of parliaments, local authorities and civil society, inter alia regarding participation, oversight and accountability*;

- (c) effective cooperation modalities and instruments *in line with OECD/DAC best practices*, as set out in Article 4 of the Common *Implementation* Regulation , *including the use of innovative instruments* such as blending grants and loans and other risk-sharing mechanisms in selected sectors and countries and private-sector engagement, *with due regard to the issues of debt sustainability, the number of such mechanisms, and the requirement for systematic assessment of the impact in accordance to the objectives of this Regulation, in particular poverty reduction.*

All programmes, interventions and cooperation modalities and instruments shall be adapted to the particular circumstances of each partner country or region, with a focus on programme-based approaches, on *the* delivery of predictable aid funding, on the mobilisation of private resources, *including from the local private sector, on universal and non-discriminatory access to basic services, and* on the development and use of country systems ;

- (ca) *mobilisation of domestic revenue through the reinforcement of partner countries' fiscal policy with the purpose of reducing poverty and aid dependence;*

- (d) *an improved impact of policies and programming through coordination, consistency and harmonisation between donors to create synergies and avoid overlap and duplication, to improve complementarity and to support donor-wide initiatives;*
- (e) *coordination in partner countries and regions using agreed guidelines and best practice principles on coordination and aid effectiveness;*
- (ea) *results-based approaches to development including through the use of transparent country-level results frameworks, based on, where appropriate, internationally agreed targets and indicators such as those of the MDGs, to assess and communicate the results, including the outputs, outcomes and impact of development aid*



9. The Union *shall* support, *as appropriate*, the implementation of bilateral, regional and multilateral cooperation and dialogue, *the development dimension of* partnership agreements, and triangular cooperation. *The Union shall also promote South-South cooperation.*

- 9a. *The Commission shall inform and have regular exchanges of views with the European Parliament.*
- 9b. *In its development cooperation activities the Union shall as appropriate draw on and share the reform and transition experiences of Member States and lessons learned.*
10. The Commission shall *have* regular exchanges of information with civil society *and local authorities*.
- 10a. *Union assistance under this Regulation shall not be used to finance the procurement of arms or ammunition, or operations having military or defense purposes.*

TITLE III

OBJECTIVES AND GENERAL PRINCIPLES

Article 4 Implementation of Union *Assistance*

Consistently with the overall purpose and scope, objectives and general principles of this Regulation, Union assistance shall be implemented through geographic, thematic and the Pan-African programmes and in accordance with the Common ***Implementation*** Regulation.

Article 5 Geographic programmes

1. Union cooperation activities under this Article will be implemented for activities of national, regional, trans-regional and continental nature.
2. *A* geographic programme shall encompass cooperation in appropriate areas of activity **■** :
 - a) regionally with partner countries ***referred to in Article 1(1a), in particular in view of easing the impact of graduation in partner countries showing high and growing inequalities, and***

- b) bilaterally with partner countries *that are not upper middle income countries on the OECD/DAC list of developing countries or do not have a GDP greater than one per cent of global GDP.*
- c) *In exceptional cases, including in view of phasing out development grant aid, bilateral cooperation may also be undertaken with a limited number of countries when duly justified against the criteria set out in Article 3(2). Phasing out shall take place in close coordination with other donors; ending this type of cooperation will, wherever appropriate, be accompanied by a policy dialogue with the country concerned focusing on the needs of the poorest and most vulnerable groups.*

3. Geographic programmes *shall* be drawn from the areas of cooperation contained in the **■** European Consensus *on Development and subsequent agreed modifications thereto as well as from the following areas of cooperation* in order to attain the objectives provided for in Article 2(1):

I. Human rights, democracy and good governance:

- (a) Democracy, human rights and the rule of law;***
- (b) Gender equality, empowerment of and equal opportunities for women;***
- (c) Public sector management at central and local level;***
- (d) Tax policy and administration;***
- (e) Fight against Corruption;***
- (f) Civil society and local authorities;***
- (g) Promoting and protecting the rights of children***

II. *Inclusive and sustainable growth for human development:*

- (a) *Health, education, social protection, employment and culture;***
- (b) *Business environment, regional integration and world markets;***
- (c) *Sustainable agriculture; food and nutrition security;***
- (ca) *Sustainable energy;***
- (d) *Natural resources management, including land, forestry and water;***
- (e) *Climate change and environment.***

III. Other areas of significance for Development:

- (a) Migration and asylum;**
- (b) Linking humanitarian relief and development cooperation;**
- (c) Resilience and disaster risk reduction;**
- (d) Development and security, including conflict prevention.**

3a. Further details of the above areas of cooperation ■ are set out in Annex IV.

4. Within each country programme, the Union will in principle concentrate its assistance on **a maximum of three sectors, to be agreed with partner country wherever possible.**

Article 6
Thematic programmes

1. Consistent with the overall purpose and scope, objectives and general principles of this Regulation, actions undertaken through thematic programmes shall add value to, and be complementary to, ***and coherent with***, actions funded under geographic programmes.
2. The following conditions shall apply to the programming of thematic actions:
 - (a) Union policy objectives under this Regulation cannot be achieved in an appropriate or effective manner through geographic programmes, ***including, where appropriate, actions in cases where there is no geographic programme or where it has been suspended or where there is no agreement on the action with the partner country concerned***;
 - (b) the actions address global initiatives supporting internationally agreed ***development*** goals or global public goods and challenges ;

█

- (c) the actions *have a* multi-regional, *multi-country* and/or cross-cutting *nature*;
- (d) *the actions implement* innovative policies ■ or initiatives with the objective of informing future actions;

or

- (e) *the actions* ■ reflect a Union policy priority or an international obligation or commitment of the Union *relevant to development cooperation*.

■

3. *Unless specifically provided for in this Regulation, thematic actions shall directly benefit countries or territories specified in point (b) of Article 1(1) and shall be carried out in these countries or territories. These actions may be carried out outside those countries or territories when it is the most effective way of achieving the objectives of the respective programme.*

Article 7
Global public goods and challenges

1. **The** objective of Union assistance under the programme ‘Global public goods and challenges’ shall be to support actions in areas **to be drawn from:**
 - (a) ***Environment and climate change;***
 - (b) ***Sustainable energy;***
 - (c) ***Human development, including decent work, social justice and culture;***
 - (d) ***Food and nutrition security and sustainable agriculture; and***
 - (e) ***Migration and asylum.***
2. ***Further details of the above areas of cooperation*** are set out in Annex V, ***Part A.***

Article 8
Civil Society Organisations and Local Authorities

1. The objective of the programme ***is to strengthen*** civil society organisations and local authorities in ***partner countries and, when provided for in this Regulation, in the Union and beneficiaries eligible under the IPA Regulation. The initiatives to be financed shall be primarily carried out by civil society organisations and local authorities. Where appropriate, in order to ensure their effectiveness, initiatives may be carried out by other actors for the benefit of the*** civil society organisations and ***the*** local authorities ***concerned.***
2. ***Further details of the*** areas of ***cooperation*** under this Article **■** are set out in Annex V, ***Part B.***

Article 9
Pan African Programme

1. Union assistance shall ***finance a Pan-African programme to support the strategic partnership between the Union and Africa, and subsequent modifications and additions thereto***, to cover activities of a trans-regional, continental or global nature ***in and with Africa***.
2. The Pan-African programme ***shall be complementary to and consistent with other programmes under this Regulation, as well as other financing*** instruments of the Union's external action, notably the European Development Fund and the European Neighbourhood Instrument.
3. ***Further details of the areas of cooperation under this Article are set out in Annex VI.***

TITLE IV PROGRAMMING AND ALLOCATION OF FUNDS

Article 10

General framework for programming and allocating funds

1. For geographic programmes, multiannual indicative programmes for partner countries and regions shall be drawn up on the basis of a strategy document, as provided for in Article 11.

For thematic programmes, multiannual indicative programmes shall be drawn up as provided for in Article 13.

The Pan-African multiannual indicative programme shall be drawn up as provided for in Article 13a.

*The Commission shall adopt the implementing measures in accordance with Article 2 of the Common **Implementation** Regulation on the basis of the programming documents referred to in Articles **11, 13 and 13a**.*

Union support may also take the form of measures not covered in these documents, as provided for in *Article 2 of the Common **Implementation** Regulation*.

Programming under this Regulation shall have due regard to human rights and democracy in partner countries.

2. The Union and *the* Member States shall consult each other **■** at an early stage of *and throughout* the programming process in order to promote *coherence*, complementarity and consistency among their cooperation activities. This consultation may lead to joint programming between the Union and its Member States. *The Union shall also consult other donors and development actors including representatives of civil society, local authorities and other implementing bodies. The European Parliament shall be informed.*
3. The Commission shall *adopt* the multiannual indicative allocations within each geographic programme in accordance with the general principles of this Regulation, based on the criteria laid down in Article 3 (2), and taking into account, alongside the specificity of the different programmes, the particular difficulties faced by countries or regions that are in crisis, vulnerable, fragile, in conflict or disaster prone.

4. Funds may be left unallocated *in order to ensure an appropriate response of the Union in cases of unforeseen circumstances, in particular in fragile, crises and post crisis situations, as well as to allow for the synchronisation with partner countries strategy cycles and the modification of indicative allocations as a result of the reviews carried out pursuant to Articles 11 (5), 13 (2) and 13a (3)*. Subject to their subsequent allocation or re-allocation *in accordance with the procedures* provided for in *Article 14*, the use of these funds shall be decided later in accordance with the Common *Implementation* Regulation.

The part of funds left unallocated at the level of each type of programme, shall not exceed 5 %, except for the purpose of synchronisation and for countries referred to in Article 12 (1).

5. *Without prejudice to Article 2.2, the Commission may include a specific financial allocation to assist partner countries and regions in strengthening their cooperation with neighbouring Union outermost regions.*
- 5a. *Any programming or reviews of programmes taking place after the publication of the report referred to in article 16 of the Common Implementation Regulation shall take into account the results, findings and conclusions of it.*

Article 11
Programming documents for geographic programmes

- 1. *The Union documents referred to in this Article shall be considered strategic programming documents within the meaning of Article 2 of the Common Implementation Regulation.*

- 1a. *The preparation, implementation and review of all programming documents under this Article shall comply with the principles of Policy Coherence for Development and those of aid effectiveness: democratic ownership, partnership, coordination, harmonisation, alignment with partner country or regional systems, transparency, mutual accountability and results orientation as laid down in Article 3(5) to (8). Where possible, the programming period shall be synchronised with partner country strategy cycles.*

Programming documents for geographic programmes, including joint programming documents, shall be based, to the extent possible, on a dialogue between the Union, Member States and the partner country or region, including national and regional parliaments, and involve civil society and local authorities and other parties so as to enhance ownership of the process and to encourage support for national development strategies, particularly those for reducing poverty.

1. Strategy papers are documents drawn up by the Union to provide a coherent framework for development cooperation between the Union and the partner country or region concerned, consistent with the overall purpose and scope, objectives, principles and policy *provisions set out in this Regulation*.

■

2. Strategy papers *shall* be reviewed at their mid-term ■ or ad hoc *as* necessary, in accordance, as appropriate, with the principles and procedures laid down in the partnership and cooperation agreements concluded with the partner countries and regions.

3. Strategy papers shall be drawn up for the ■ partner countries or regions ■. No strategy paper will be required for:

- (a) countries having a national development strategy in the form of a national development plan or a similar development document accepted by the Commission as a basis for the corresponding multiannual indicative programme, when adopting ■ the latter document;

- (aa) countries of regions for which a joint framework document laying down a comprehensive Union strategy, including a specific chapter on development policy, has been drawn up;***
- (b) countries or regions for which a joint multiannual programming document between the Union and Member States has been agreed;
- (c) regions having a jointly agreed strategy with the EU ■ ;
- (d) countries where the Union intends to synchronise its strategy with a new national cycle starting before 1 January 2017; in such cases the multiannual indicative programme for the interim period between 2014 and the beginning of the new national cycle shall contain the Union's response for that country.***
- (e) the countries or regions receiving an allocation of Union funds under this Regulation not exceeding EUR 50 million for the 2014-2020 period ■ ;

In the case of (aa) and (e), the multiannual indicative programme for that country or region shall contain the Union's development strategy for that country or region.

5. Multiannual indicative programmes shall be drawn up for each of the countries or regions receiving an indicative allocation of Union funds under this Regulation. Except for countries or regions mentioned ***in point (d) of the second subparagraph of paragraph 3 and*** in paragraph 4, these documents shall be drawn up on the basis of the strategy papers or ***equivalent*** documents ***as*** referred to in ***paragraph 3***.

For the purpose of this Regulation, where it complies with the principles and conditions established in this paragraph, including an indicative allocation of funds, and with the procedures provided for in Article 14, the joint multiannual programming document provided for in paragraph 3(b) may be considered as the multiannual indicative programme.

Multiannual indicative programmes shall set out the priority areas selected for Union financing, the specific objectives, the expected results, ***clear, specific and transparent*** performance indicators ■ the indicative financial ***allocations***, both overall and per priority area ***and, where applicable, aid modalities***. Where appropriate, ***the financial allocations*** may be given in the form of a range and/or some funds may be left unallocated. ***No indicative financial allocations may be foreseen beyond the period provided for in Article 20 (1), unless they are specifically subject to the availability of resources beyond that period.***

The multiannual indicative programmes *may* be *reviewed* where necessary, *including for effective implementation*, taking into account ■ mid-term or ad hoc reviews of the strategy document on which they are based.

Indicative allocations, priorities, specific objectives, expected results, performance indicators and, where applicable, aid modalities may also be adapted as a result of reviews, in particular following a crisis or post-crisis situation.

Such reviews should cover needs as well as the commitment and progress with regard to agreed objectives for development, including those referring to *human rights, democracy, the rule of law and good governance*.

- 5a. *The Commission shall report on joint programming with Member States within the report referred to in Article 16 of the Common Implementation Rules, and shall include recommendations in cases where joint programming was not fully achieved.*

Article 12

Programming for countries in crisis, post-crisis or fragility situations

1. When drawing up the programming documents for countries *and regions* in crisis, post-crisis, ■ fragility situations *or prone to natural disasters*, due account shall be taken of the vulnerability, special needs and circumstances of the countries or regions concerned.

Proper attention should be given to conflict prevention, state and peace building, post-conflict reconciliation and reconstruction measures, *as well as to the role of women and the rights of children in those processes.*

Where partner countries or *regions* are directly involved in, or affected by, a crisis, post-crisis or fragility situation, special emphasis shall be placed on stepping up coordination between relief, rehabilitation and development *amongst all relevant actors* to help ■ the transition from an emergency situation to the development phase. Programmes for countries and regions in fragility or regularly subject to natural disasters shall provide for disaster preparedness and prevention and for managing the consequences of such disasters *and shall address vulnerability to shocks and strengthen resilience.*

2. *On duly justified imperative grounds of urgency, such as* crises ■ *or immediate* threats to democracy, the rule of law, human rights or fundamental freedoms ■ , the ■ procedure *referred to* in Article 14(3) may be used to modify the *documents* referred to in Article 11.

Such reviews may propose a specific and adapted strategy to ensure the transition to long-term cooperation and development, promoting a better coordination and transition between the humanitarian and development policy instruments.

Article 13
Programming documents for thematic programmes

- 1. *The Union documents referred to in this Article shall be considered strategic programming documents within the meaning of Article 2 of the Common Implementation Regulation.***
1. ***Multiannual*** indicative programmes for thematic programmes shall set out the Union's strategy for the theme concerned ***and, with regard to the Global Public Goods and Challenges Programme, for each area of cooperation***, the priorities selected for financing by the Union, the specific objectives, the expected results, ***clear, specific and transparent*** performance indicators, the international situation and the activities of the main partners ***and, where appropriate, the aid modalities.***

Where applicable, resources and intervention priorities shall be laid down for participation in global initiatives. Multiannual indicative programmes shall be ***complementary to geographic programmes and*** consistent with the documents referred to in Article 11(3).

2. The multiannual indicative programmes shall give the indicative financial allocation, overall, **by area of cooperation** and by priority . Where appropriate, this allocation may be given in the form of a range, and/or some funds may be left unallocated.

Multiannual indicative programmes **shall** be **reviewed** where necessary for an effective implementation, taking into account mid-term or ad hoc reviews.

Indicative allocations, priorities, expected results, performance indicators and, where applicable, aid modalities, may also be adapted as a result of reviews.

Article 13a
Programming documents for the Pan-African Programme

1. *The Union documents referred to in this Article shall be considered strategic programming documents within the meaning of Article 2 of the Common Implementation Regulation.*
2. *The preparation, implementation and review of the programming documents under this Article shall comply with the principles of aid effectiveness as laid down in paragraphs 5 to 8 of Article 3.*

Programming shall be based on a dialogue involving all relevant stakeholders, such as the Pan-African Parliament.

The multiannual indicative programme for the Pan-African programme shall set out the priorities selected for financing, the specific objectives, the expected results, clear, specific and transparent performance indicators and, where applicable, aid modalities.

The multiannual indicative programme shall be coherent with geographic and thematic programmes under this Regulation.

3. *The multiannual indicative programme shall give the indicative financial allocations, overall, by area of activity and by priority. Where appropriate, that allocation may be given in the form of a range. The multiannual indicative programme may be reviewed where necessary, to respond to unforeseen challenges or implementation problems, and to take into account any review of the strategic partnership.*

Article 14

Approval of strategy papers and adoption of multiannual indicative programmes

1. Strategy papers shall be approved and multiannual indicative programmes shall be adopted by the Commission in accordance with the examination procedure referred to in Article 15(3) of the Common **Implementation** Regulation. This procedure shall also apply to █ reviews which have the effect of significantly modifying the strategy or its programming.
█
3. On duly justified imperative grounds of urgency relating █ to the circumstances referred to in Article 12(2), the Commission may **review** strategy papers and multiannual indicative programmes in accordance with the urgency procedure referred in Article 15(4) of the Common **Implementation** Regulation.

TITLE V

FINAL PROVISIONS

Article 15

Participation by a third country non eligible under this Regulation

In *exceptional and* duly justified circumstances, and *without prejudice to Article 2(2)*, in order to ensure the coherence and effectiveness of Union financing or to foster regional or trans-regional cooperation, the Commission may decide, *within the Multiannual Indicative Programmes in accordance with Article 14 or the relevant implementing acts in accordance with Article 2 of the Common Implementation Regulation*, to extend the eligibility of actions to countries *and* territories ■ which otherwise would not be eligible for financing pursuant to Article 1, where the action to be implemented is of a global, regional, trans-regional or cross border nature. ■

■

Article 17
Delegation of powers to the Commission

- I.** The Commission shall be empowered to adopt delegated acts in accordance with Article 18 to amend **■** :
- a)** *the details of areas of cooperation referred to in:*
- *Article 5 (3) as set out in Annex IV, Part A and Part B*
 - *Article 7 (2) as set out in Annex V, Part A*
 - *Article 8 (2) as set out in Annex V, Part B*
 - *Article 9 (3) as set out in Annex VI, in particular in follow-up to Africa-EU Summits*
- b)** *indicative financial allocations under the Geographic programmes and under the Global Public Goods and Challenges thematic programme, as set out in Annex VII. The amendments shall not have the effect of decreasing the initial amount by more than 5 %, except for allocations under Annex VII, 1 b.*

2. ***In particular, following the publication of the mid-term report, as referred to in Article 16 of the Common Implementation Regulation, and based on the recommendations contained in the mid-term review report, the Commission shall adopt delegated acts amending the elements listed in paragraph 1 by 31 March 2018.***

Article 18

Exercise of the delegation

1. The delegation of powers referred to in Article 17 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 19
Committee

1. The Commission shall be assisted by the DCI committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. ***An observer from the European Investment Bank shall take part in the committee's proceedings with regard to questions concerning the European Investment Bank.***

Article 20
Financial reference amount

1. The financial reference amount for the implementation of this Regulation over the period 2014-2020 is EUR **19 662 million**. *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. The indicative ■ amounts allocated to each programme referred to in Articles 5 to 9 for the period 2014-2020 are laid down in Annex VII. ■
3. As referred to in Article 13, paragraph 2 of the "Erasmus +" Regulation, in order to promote the international dimension of higher education, an indicative amount of EUR 1 **680 million** from the different external instruments (Development Cooperation Instrument, European Neighbourhood *instrument*, Instrument for Pre-accession Assistance, Partnership Instrument ■) will be allocated to actions of learning mobility to or from non EU countries and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of the "Erasmus +" Regulation will apply to the use of those funds.

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

4. ***The funding from this regulation shall not exceed in total EUR 707 million of the financial reference amount allocated to this instrument. The funds shall be drawn from the financial allocations for geographic programmes, with specification of the expected regional distribution and the types of actions. Funding derived from this Instrument to the financing of actions covered by the "Erasmus + " Regulation shall be used for actions in the partner countries covered by this Regulation, with particular attention for the poorest countries. The student and staff mobility action between participating and third countries funded through the allocation from the Development Cooperation Instrument shall focus on areas that are relevant to the inclusive and sustainable development of developing countries.***

The Commission shall include in its annual report on the implementation of this Regulation a list of all "Erasmus+" actions for which the funding is derived from this instrument and their compliance with the objectives and principles as set out in Articles 2 and 3 of this Regulation.

Article 21
European External Action Service

The 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 22
Entry into force

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

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

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

Done at

For the European Parliament For the Council
The President The President

ANNEX IV¹

AREAS OF COOPERATION UNDER GEOGRAPHIC PROGRAMMES

A. COMMON AREAS OF COOPERATION UNDER GEOGRAPHIC PROGRAMMES

Geographic programmes *shall* be drawn from the areas of cooperation *set out below*, which should not be read to equate with sectors. Priorities will be established in accordance with *international commitments in the area of development policy that the Union has entered into, in particular the MDGs and post-2015 internationally agreed new development targets which modify or replace the MDGs, and on the basis of a policy dialogue with each eligible partner country or region.*

- I. Human rights, democracy and good governance
 - (a) Democracy, human rights and the rule of law
 - *supporting democratisation and strengthening democratic institutions, including the role of parliaments;*

¹ ***NB: Former Annexes I, II and III deleted***

- *strengthening the rule of law and the independence of judicial and protection systems and ensuring unhindered and equal access to justice for all,*
- *supporting the transparent and accountable functioning of institutions and decentralisation; promoting a participatory in-country social dialogue and other dialogues on governance and human rights,*
- *promoting media freedom, including for modern means of communication,*
- *promoting political pluralism, protection of civil, cultural, economic, political and social rights and protection of persons belonging to minorities and to most vulnerable groups,*
- *supporting the fight against discrimination and discriminatory practices on any ground,, inter alia, racial or ethnic origin, caste, religion or belief, sex, gender identity, or sexual orientation, social affiliation, disability, health status or age,*
- *promoting civil registration, especially birth and death registration.*

- (b) Gender equality **■** , the empowerment of *and equal opportunities for* women **■**
- *promoting gender equality and equity,*
 - *protecting the rights of women and girls, including through actions against child marriage and other harmful traditional practices such as female genital mutilation and any form of violence against women and girls and support for the victims of gender-based violence,*
 - *promoting the empowerment of women, including in their roles as development actors and peace-builders.*
- (c) Public sector management *at central and local level*
- *supporting the development of the public sector for enhancing universal and non-discriminatory access to basic services, especially health and education,*
 - *supporting programmes to improve policy formulation, public financial management, including the setting up and reinforcement of audit, control and anti-fraud bodies and measures, and institutional development, including human resource management,*

- *strengthening the technical expertise of parliaments, enabling them to assess and contribute to the formulation and oversight of national budgets, including on domestic revenues from resource extraction and tax matters.*

(d) Tax policy and administration ■

- *supporting the building-up or strengthening of fair, transparent, effective, progressive and sustainable domestic tax systems,*
- *strengthening monitoring capacities in developing countries in the fight against tax evasion and illicit financial flows,*
- *supporting the production and dissemination of work on tax fraud and its impact, in particular by oversight bodies, parliaments and civil society organisations,*
- *supporting multilateral and regional initiatives on tax administration and tax reforms,*

- *supporting developing countries to participate more effectively in international tax cooperation structures and processes,*
- *supporting the inclusion of country-by-country and project-by-project reporting in the legislations of partner countries to enhance financial transparency.*

(e) *Fight against corruption*

- *assisting partner countries in tackling all forms of corruption, including through advocacy, awareness-raising and reporting*
- *increasing the capacity of control and oversight bodies and of the judiciary.*

(f) Civil society and local authorities ■

- *supporting capacity building of civil society organisations, in order to strengthen their voice and active participation in the development process and to advance political, social and economic dialogue,*

- *supporting capacity building of local authorities and mobilising their expertise to promote a territorial approach to development, including decentralisation processes;*
- *promoting an enabling environment for citizen participation and civil society action.*

(g) *Promoting and protecting the rights of children*

- *promoting the granting of legal documents,*
- *supporting an adequate and healthy standard of life and healthy growth to adulthood,*
- *ensuring basic education is provided to all.*

█

II. Inclusive and sustainable growth for human development

(a) ***Health, education, social protection, employment and culture***

- ***supporting sectoral reforms that increase access to basic social services, in particular quality health and education services, with a focus on the related MDGs and on access to such services by the poor and by marginalised and vulnerable groups,***
- ***strengthening local capacities to respond to global, regional and local challenges, including through using sectoral budget support with intensified policy dialogue,***
- ***strengthening health systems, inter alia by addressing the lack of qualified health providers, fair financing for health and making medicines and vaccines more affordable for the poor,***

- *promoting the full and effective implementation of the Beijing Platform for Action and the Programme of Action of the International Conference on Population and Development and the outcomes of their review conferences and in this context sexual and reproductive health and rights;*
- *ensuring an adequate supply of affordable good quality drinking water, adequate sanitation and hygiene,*
- *enhancing support for and equal access to quality education,*
- *supporting vocational training for employability and capacity to carry out and use the results of research in favour of sustainable development,*
- *supporting national social protection schemes and floors, including social insurance systems for health and pension schemes, with a focus on reducing inequality,*
- *supporting the decent work agenda, and promoting social dialogue,*

- *promoting inter-cultural dialogue, cultural diversity and respect for the equal dignity of all cultures;*
- *promoting international cooperation to stimulate the contribution of cultural industries to economic growth in developing countries to fully exploit its potential for fighting poverty, including addressing issues such as market access and intellectual property rights.*

(b) Business environment, regional integration and world markets ■

- *supporting the development of a competitive local private sector, including by building local institutional and business capacity;*
- *supporting the development of local production systems and of local enterprises including green enterprises;*
- *promoting SMEs, microenterprises and cooperatives and of fair trade,*
- *promoting the development of local, domestic and regional markets, including markets for environmental goods and services,*

- *supporting legislative and regulatory framework reforms and their enforcement,*
- *facilitating access to business and financial services such as micro-credit and savings, micro-insurance and payment transfer ;*
- *supporting the enforcement of internationally agreed labour rights;*
- *establishing and improving laws and land registries to protect land and intellectual property rights ;*
- *promoting research and innovation policies which contribute to sustainable and inclusive development ;*
- *promoting investments that generate sustainable employment, including through blending mechanisms, with a focus on financing for domestic companies and leveraging domestic capitals, in particular at SME level, and support human resources development;*

- *improving infrastructure with full respect for social and environmental standards;*
- *promoting sectoral approaches to sustainable transport, meeting partner countries' needs, ensuring transport safety, affordability and efficiency, and minimising negative effects on the environment,*
- *engaging with the private sector to enhance socially responsible and sustainable development, promoting corporate social and environmental responsibility and accountability and social dialogue;*
- *assisting developing countries in trade and regional and continental integration efforts, and providing assistance for their smooth and gradual integration into the world economy;*
- *supporting more generalised access to information and communication technologies to bridge the digital divide.*

(c) Sustainable agriculture, *food* and *nutrition security*

- *helping build developing countries' resilience to shocks (such as scarcity of resources and supply, price volatility) and tackling inequalities, by giving poor people better access to land, food, water, energy and finance without harming the environment;*
- *supporting sustainable agricultural practices and relevant agricultural research, and focusing on smallholder agriculture and rural livelihoods;*
- *supporting women in agriculture;*
- *encouraging government efforts to facilitate socially and ecologically responsible private investment;*
- *supporting strategic approaches to food security, with a focus on food availability, access, infrastructure, storage and nutrition;*
- *addressing food insecurity and malnutrition through basic interventions in situations of transition and fragility;*

- *supporting country-led, participatory, decentralised and environmentally sustainable territorial development.*

(d) Sustainable energy

- *improving access to modern, affordable, sustainable, efficient, clean and renewable energy services;*
- *promoting local and regional sustainable energy solutions and decentralised energy production.*

(e) Natural resources management, including land, forestry and water, in particular:

- *supporting oversight processes and bodies and backing governance reforms that promote the sustainable and transparent management and preservation of natural resources*
- *promoting equitable access to water, as well as integrated water resources management and river basin management;*
- *promoting the protection and sustainable use of biodiversity and ecosystem services;*

- *promoting sustainable patterns of production and consumption and the safe and sustainable management of chemicals and waste, taking into account their impacts on health.*

(f) Climate change and environment

- *promoting the use of cleaner technologies, sustainable energy and resource efficiency with a view to achieving low-carbon development while reinforcing environmental standards,*
- *improving the resilience of developing countries to the consequences of climate change by supporting ecosystem-based climate change adaptation and mitigation and disaster risk reduction measures,*
- *supporting the implementation of relevant multilateral environmental agreements, notably the strengthening of the environmental dimension of the institutional framework for sustainable development and the promotion of the protection of biodiversity,*
- *helping partner countries in coping with the challenge of displacement and migration induced by the effects of climate change, and rebuilding climate refugees' livelihoods.*

III. Other areas of significance for *development*



(a) *Migration and asylum*

- *supporting targeted efforts to fully exploit the interrelationship between migration, mobility, employment and poverty reduction, so as to make migration a positive force for development and reducing "brain drain",*
- *supporting developing countries in adopting long term policies for managing migratory flows, which respect the human rights of migrants and their families and enhance their social protection.*

(b) *Linking humanitarian relief and ■ development cooperation ■*

- *reconstructing and rehabilitating, in the medium and long term, regions and countries affected by conflict, manmade and natural disasters;*
- *carrying out medium- and long-term activities aimed at the self-sufficiency and integration or reintegration of uprooted people, linking relief, rehabilitation and development.*

(c) *Resilience and disaster risk reduction*

- *in situations of fragility, supporting the delivery of basic services and building legitimate, effective and resilient state institutions and an active and organised civil society, in partnership with the country concerned;*
- *contributing to a prevention approach to state fragility, conflict, natural disasters and other types of crises by assisting partner countries' and regional organisations' efforts to strengthen early warning systems and democratic governance and institutional capacity building,*
- *supporting disaster risk reduction, preparedness and prevention and the management of the consequences of such disasters.*

(d) Development and security, including conflict prevention

- *addressing the root causes of conflict, including poverty, degradation, exploitation and unequal distribution and access to land and natural resources, weak governance, human rights abuses and gender inequality as a means of supporting conflict prevention and resolution and peace building,*
- *promoting dialogue, participation and reconciliation with a view to promoting peace and preventing outbreaks of violence, in accordance with international best practice,*
- *fostering cooperation and policy reform in the fields of security and justice, the fight against drugs and other trafficking, including trafficking in human beings, corruption and money laundering.*

B. SPECIFIC AREAS OF COOPERATION PER REGION

European Union assistance shall support actions and sectoral dialogues consistent with *those mentioned in Article 5, Annex IV Chapter A* and the overall purpose and scope, objective and general principles of this Regulation. *Particular* consideration shall be given to the areas described below, reflecting jointly-agreed strategies .

1. Latin America

- (a) encouraging social cohesion, in particular social inclusion, decent work and equity, gender equality and women empowerment;
- (b) addressing governance issues and supporting policy reforms, in particular in the areas of social policies, public finance management and taxation, security (including drugs, criminality and corruption), reinforcement of good governance, public institutions *at local, national and regional levels*, (including through innovative mechanisms for the provision of technical cooperation, e.g. TAIEX and twinning), protection of human rights, including the *minorities'*, indigenous peoples' and afro- *descendants' rights, respect for the core labour standards of the International Labour Organisation (ILO)*, environment, fight against discrimination, fight against *sexual, gender-based and child violence and fight against the* production, consumption and trafficking of drugs;

- (c) *supporting an active, organised and independent civil society and strengthening social dialogue through support for social partners;*
- (d) *Strengthening social cohesion in particular with the setting-up and strengthening of sustainable social protection systems, including social insurance, and fiscal reform, strengthening the capacity of tax systems and the fight against fraud and tax evasion which contributes to enhancing equality and wealth distribution;*
- (e) *Assisting Latin-American states to fulfil their obligation of due diligence in the prevention, investigation, legal prosecution, sanction and reparation of and attention to femicide;*
- (f) supporting various processes of regional integration and interconnection of network infrastructures, while ensuring complementarity with activities supported by European Investment Bank (EIB) and other institutions;
- (g) addressing the security-development nexus;
- (h) *strengthening the capacity to provide universal access to quality basic social services, particularly in the health and education sectors;*

- (i) supporting policies in the area of education and the development of a common Latin American higher education area;
- (j) addressing economic vulnerability and contributing to structural transformation by establishing ■ strong partnerships around ***open and fair trade relations, productive investments for more and better jobs in the green and inclusive economy, knowledge transfer and cooperation in*** research, innovation and technology, and promoting sustainable and inclusive growth in all its dimensions, with particular attention to the challenges of migratory flows, food security (including sustainable agriculture and fisheries), climate change, sustainable energies and the protection and enhancement of biodiversity and ecosystem services, including water, ***soil*** and forests ; ***supporting the development of micro, small and medium-sized enterprises (MSMEs) as the main source for inclusive growth, development and jobs; promoting development aid for trade to ensure that Latin American MSMEs can benefit from international trading opportunities; taking into account of changes in GSP regime;***
- (k) ***mitigating the adverse effects that exclusion from the scheme of generalised tariff preferences will have on the economies of many of the countries in the region;***
- (l) ensuring an appropriate follow up to short term emergency measures addressing post-disaster or post-crisis recovery implemented through other financial instruments.

2. *South Asia*

(1) *Promote democratic governance*

- (a) *Supporting democratic processes, fostering effective democratic governance, strengthening public institutions and bodies (including at local level), supporting efficient decentralisation, state restructuring and electoral processes;*
- (b) *Supporting development of an active, organised and independent civil society, including media; and strengthening social dialogue through support for social partners;*
- (c) *Building and strengthening legitimate, effective and accountable public institutions, promoting institutional and administrative reforms, good governance, anti-corruption and public financial management; supporting rule of law;*
- (d) *Strengthening the protection of human rights, including the rights of minorities, migrants, indigenous people and vulnerable groups, fight against discrimination, sexual, gender-based and child violence and human trafficking.*

(e) protecting human rights, through promotion of institutional reforms (including on good governance and anti-corruption, public financial management, taxation and public administration reform) and legislative, administrative and regulatory reforms in line with international standards, in particular in fragile states and countries in conflict and post-conflict situations;

(2) *Promote social inclusion and human development in all its dimensions*

(a) encouraging social cohesion, in particular social inclusion, decent work and equity and gender equality through education, health and other social policies;

I

(b) strengthening the capacity to provide universal access to basic social services, particularly in the health and education sectors; improving access to education for all with a view to increasing knowledge, skills and employability on the job market, including - where relevant - by addressing inequality and discrimination on the basis of work and descent, and in particular caste-based discrimination;

- (c) Promoting social protection and inclusion, decent employment and core labour standards, equity and gender equality through education, health and other social policies;*
- (d) Promoting high-quality education/vocational and health services which are accessible to all (including for girls/women);*
- (e) in the context of the security and development nexus, fighting against gender and descent-based violence, child abduction, corruption and organised crime, production, consumption and trafficking of drugs and against other forms of trafficking;*
- (f) establishing development-oriented partnerships around agriculture, private sector development, trade, investment, aid, migration, research, innovation and technology and the provision of public goods, aiming at poverty reduction and social inclusion;*

- (3) ***Support sustainable development, increase resilience of South Asian societies against climate change and natural disasters***
- (a) ***Promoting sustainable and inclusive growth and livelihoods, integrated rural development, sustainable agriculture and forestry, food security and nutrition;***
 - (b) ***Promoting sustainable use of natural resources and renewable energy, protection of biodiversity, water and waste management, soil and forest protection***
 - (c) ***Contributing to address climate change through supporting adaptation, mitigation and disaster risk reduction measures;***
 - (d) ***Supporting efforts to improve economic diversification, competitiveness and trade, private sector development with a particular focus on SMEs, microenterprises and cooperatives.***
 - (e) the promotion of sustainable consumption and production as well as investments in clean technologies, sustainable energies, transport, sustainable agriculture and fisheries, the protection of and enhancement of biodiversity and ecosystem services, including water and forests, and decent job creation in the green economy;

- (f) *supporting disaster preparedness and post disaster long term recovery, including in the field of food and nutrition security and assistance to uprooted people;*
- (4) **Support** regional integration and cooperation
- (a) *Encouraging regional integration and cooperation, in a result-oriented way through support to regional integration and dialogue, notably through the South Asian Association for Regional Cooperation (SAARC) and promoting the development objectives of the Istanbul ("Heart of Asia") process;*
 - (b) *Supporting efficient border management and cross-border co-operation to promote sustainable economic, social and environmental development in border regions; fight against organised crime, production, consumption and trafficking of drugs;*
 - (c) *supporting regional initiatives targeting the major communicable diseases;*
contributing to preventing and responding to health risks, including those originating at the interface between animals, humans and their various environments;

3. *North and South East Asia*

(1) *Promote democratic governance*

- (a) *contributing to democratisation; building and strengthening legitimate, effective and accountable public institutions and bodies and protecting human rights, through promotion of institutional reforms (including on good governance and anti-corruption, public financial management, taxation and public administration reform) and legislative, administrative and regulatory reforms in line with international standards, in particular in fragile states and countries in conflict and post-conflict situations;*
- (b) *Strengthening protection of human rights, including minorities', indigenous peoples' rights, respect for the core labour standards, fight against discrimination, fight against sexual, gender-based and child violence, including children in armed conflict, and addressing the issue of human trafficking;*
- (c) *Supporting the ASEAN human rights architecture, especially the work of the ASEAN Intergovernmental Commission on Human Rights;*

- (d) Building and strengthening legitimate, effective and accountable public institutions and bodies;***
- (e) supporting an active, organised and independent civil society; strengthening social dialogue through support for social partners;***
- (f) Supporting the efforts of the region to enhance democracy, the rule of law and citizen security, including through justice and security sector reform, and the promotion of inter-ethnic and inter-faith dialogue and peace processes;***
- (g) In the context of the security and development nexus, fighting against corruption and organised crime, production, consumption and trafficking of drugs and against other forms of trafficking, and supporting efficient border management and cross-border co-operation to promote sustainable economic, social and environmental development in border regions; support for demining activities;***

(2) *Promote social inclusion and human development in all its dimensions*

- (a) *Encouraging social cohesion, in particular social inclusion, decent work and equity and gender equality;***
- (b) *strengthening the capacity to provide universal access to basic social services, particularly in the health and education sectors; improving access to education for all with a view to increasing knowledge, skills and employability on the job market, including - where relevant - by addressing inequality and discrimination on the basis of work and descent, and in particular caste-based discrimination;***
- (c) *establishing development-oriented partnerships around agriculture, private sector development, trade, investment, aid, migration, research, innovation and technology and the provision of public goods, aiming at poverty reduction and social inclusion;***

- (d) Supporting the efforts of the region to prevent and respond to health risks, including those originating at the interface between animals, humans and their various environments;*
- (e) Promoting inclusive education, life-long learning and training (including higher education, vocational education and training), and to improve the functioning of labour markets,*
- (f) Promoting a greener economy and sustainable and inclusive growth especially in agriculture, food security and nutrition, sustainable energies and the protection and enhancement of biodiversity and ecosystem services;*
- (g) in the context of the security and development nexus, fighting against gender and descent-based violence, child abduction;*

- (3) ***Support sustainable development and increase the resilience of South East Asian societies against climate change and natural disasters***
- (a) ***supporting climate change mitigation and adaptation, the promotion of sustainable consumption and production;***
 - (b) ***Supporting the region to mainstream climate change into sustainable development strategies, to develop policies and instruments for adaptation and mitigation, to address the adverse effects of climate change and enhance long-term cooperation initiatives and to reduce the vulnerability to disasters, to support the ASEAN Multi-Sectoral Framework on Climate Change: Agriculture and Forestry towards Food Security (AFCC);***
 - (c) ***In view of population expansion and changing consumer demands, support for sustainable consumption and production as well as investments in clean technologies notably at regional level, sustainable energies, transport, sustainable agriculture and fisheries, the protection of and enhancement of biodiversity and ecosystem services, including water and forests, and decent job creation in the green economy.***
 - (d) ***Link relief, rehabilitation and development by ensuring an appropriate follow up to short term emergency measures addressing post-disaster or post-crisis recovery implemented through other financial instruments;*** supporting disaster preparedness and post disaster long term recovery, including in the field of food and nutrition security and assistance to uprooted people.

- (4) Support regional integration and cooperation across North and South East Asia**
- (a) encouraging greater regional integration and cooperation in a result-oriented way through support to regional integration and dialogue;**
 - (b) Supporting socio-economic integration and connectivity of ASEAN, including the implementation of the development-related objectives of the ASEAN Economic Community, the Master Plan on Connectivity and the Post-2015 Vision;**
 - (c) Promoting trade-related assistance and development aid for trade, including to ensure that micro and small-sized enterprises (MSMEs) benefit from international trading opportunities;**
 - (d) Leveraging financing for sustainable infrastructures and networks favouring regional integration, social inclusion and cohesion and sustainable growth, while ensuring complementarity with activities supported by European Investment Bank (EIB) and other EU financing institutions as well as with other institutions in this area;**
 - (e) Encouraging dialogue between ASEAN institutions and countries and the EU.**
 - (f) supporting regional initiatives targeting the major communicable diseases; contributing to preventing and responding to health risks, including those originating at the interface between animals, humans and their various environments;**

4. Central Asia

■

- (a) *as overarching objectives, contributing to sustainable and inclusive economic and social development, social cohesion and democracy;*
- (b) *supporting food security, access to sustainable energy security, water and sanitation for local populations; promoting and supporting disaster preparedness and climate change adaptation;*
- (c) *supporting representative and democratically elected parliaments, promoting and supporting good governance and democratisation processes; sound management of public finances; the rule of law, with well-functioning institutions and effective respect for human rights and gender equality; supporting an active, organised and independent civil society, and strengthening social dialogue through support for social partners;*
- (d) promoting inclusive and sustainable economic growth, addressing social and regional inequalities, and supporting ■ innovation and technology ■, decent work, ■ agriculture and rural development, *promoting economic diversification by supporting MSMEs*, while stimulating the development of a *regulated social* market economy, *open and fair* trade and investment, including regulatory reforms ■ ;

- (e) supporting efficient border management and cross-border cooperation to promote sustainable economic, social and environmental development in border regions; in the context of the security and development nexus, fighting organized crime and all forms of trafficking, including the fight against production and consumption of drugs as well as negative effects thereof, including HIV/AIDS;
- (f) promoting bilateral and regional cooperation, dialogue and integration including with countries covered by the European Neighbourhood Instrument and other Union instruments to support policy reforms, including ■ through institution building *when appropriate*, technical assistance (e.g. TAIEX) , information exchange and twinning, and by key investments through appropriate mechanisms to mobilise ■ financial resources in the education, environment and energy sectors, ■ low emissions development/resilience to climate change impacts ■ .
- (g) *strengthening the capacity to provide universal access to quality basic social services, particularly in the health and education sectors; supporting access for the populations, especially young people and women, to employment, inter alia through supporting improvement of general, vocational and higher education.*

5. Middle East

- (a) addressing *democratisation and* governance (including in tax area), *the rule of law*, human rights and *gender equality, fundamental freedoms and* political equality issues *so as to encourage political reforms, fight against corruption, transparency of the judicial process and* build legitimate, democratic, effective and accountable public institutions and an active, *independent* and organised civil society; *strengthening social dialogue through support for social partners;*
- (b) *supporting civil society in its fight in defence of fundamental freedoms, human rights and democratic principles;*
- (c) *promoting inclusive growth and* encouraging social cohesion *and development*, in particular *creation of employment*, social inclusion, decent work and equity and gender equality; *strengthening the capacity to provide universal access to basic social services, particularly in the health and education sectors; addressing, where relevant, inequality and discrimination on the basis of work and descent, and in particular caste-based discrimination;*
- (d) *supporting development of civic culture especially via training, education and participation of children, young people and women;*

- (e) promoting sustainable economic reform and diversification, *open and fair trade relations*, the development of a *regulated and sustainable social* market economy, productive and sustainable investment in the main sectors (such as energy, *with a focus on* renewable energy) ■ ;
- (f) promoting *good neighbourly relations*, regional cooperation, dialogue and integration, including with countries covered by the European Neighbourhood Instrument and the Gulf States covered by the Partnership Instrument and other EU instruments ■ by supporting integration efforts within the region, indicatively on economy, energy, water, transportation and refugees;
- (g) *promoting sustainable and equitable management of water resources as well as the protection of water resources*;
- (h) complementing resources deployed under this instrument by coherent work and support through other EU instruments *and policies*, which may focus on *access to the Union internal market, labour mobility and* wider regional integration;
- (i) *in the context of the security and development nexus*, fighting against production, consumption and trafficking of drugs;
- (j) in the context of the ■ development *and migration* nexus, ■ managing migration and helping displaced persons and refugees ■ ;

6. *Other Countries*

- (a) *supporting* the consolidation of a democratic society, good governance, *respect for human rights, gender equality*, a state governed by the rule of law and contributing to regional and continental stability and integration; *supporting an active, organised and independent civil society, and strengthening social dialogue through support for social partners*;
- (b) providing support to the adjustment efforts triggered by the establishment of various free-trade areas;
- (c) ■ supporting the fight against poverty, inequality and exclusion, including by addressing the basic needs of the ■ disadvantaged communities *and by promoting social cohesion and redistributive policies aimed at reducing inequalities*;
- (d) *strengthening the capacity to provide universal access to basic social services, particularly in the health and education sectors*;
- (e) *improving living and working conditions with a special emphasis on promoting the ILO decent work agenda*;

- (f) **addressing** economic vulnerability and **contributing to** structural transformation with emphasis on decent employment through **sustainable** and inclusive economic growth **and an energy-efficient, renewables-based low carbon economy by establishing strong partnerships around fair trade relations, productive investments for more and better jobs in the green and inclusive economy, knowledge transfer and cooperation in research, innovation and technology, and promoting** sustainable **and inclusive** development in all its dimensions, **with particular attention to the challenges of migratory flows, housing, food security** (including sustainable agriculture and fisheries), **climate change, sustainable energies and the protection** and enhancement of biodiversity and ecosystem services, **including water and soil**;
- (g) addressing sexual and gender based violence and health issues, including HIV/AIDS and its impacts on society.

ANNEX V

AREAS OF *COOPERATION* UNDER THEMATIC PROGRAMMES

A. PROGRAMME ON GLOBAL PUBLIC GOODS AND CHALLENGES

In compliance with the conditions laid down in Article 6, the Global public goods and challenges programme aims at strengthening cooperation, exchange of knowledge and experience and partner countries' capacities *with a view to contribute to poverty eradication, social cohesion and sustainable development*. The programme *shall* be drawn from the following areas of cooperation, ensuring a maximum synergy amongst them in light of their strong interconnection ■ .

Environment and climate change

- (a) *contributing to the external dimension of the EU's environment and climate change policies with full respect for the principle of policy coherence for development and other principles set out in the Treaty;*
- (b) working upstream in assisting developing countries to achieve the MDGs *or any subsequent framework agreed by the Union and its Member States*, related to the sustainable use of natural resources and environmental sustainability;

- (c) **implementing the** Union initiatives and agreed commitments at international and regional level and/or of a transboundary character particularly in the areas of climate change through the promotion of climate resilient **low carbon** strategies **giving priority to** strategies **to promote** biodiversity, **protection of ecosystems and natural resources, sustainable management including oceans, land, water, fisheries and forests (for example through mechanisms such as FLEGT)**, desertification, integrated water resource management, **sound chemicals** and waste management, resource efficiency and the green economy;
- (d) **increasing the integration and mainstreaming of climate change and environmental objectives in EU development** cooperation through support for methodological and research work **on, in and by developing countries**, including monitoring, reporting and verification mechanisms, ecosystem mapping, assessment and valuation, enhancing environmental expertise and promoting innovative actions and policy coherence;

- (e) strengthening environmental governance and supporting international policy development **to improve the coherence and efficiency of global** governance of sustainable development, by assisting regional and international environmental monitoring and assessment, and by promoting effective compliance and enforcement measures **in developing countries** for multilateral environmental agreements **;**
- (f) *Integrating both disaster risk management and climate change adaptation into development planning and investment, and promoting the implementation of strategies which aim to reduce disaster risk such as protecting ecosystems and restoring wetlands;*
- (g) *Recognising the decisive role of agriculture and livestock-keeping in climate change policies by promoting smallholder agriculture and livestock farming as autonomous adaptation and mitigation strategies in the South due to their sustainable use of natural resources such as water and pasture.*

Sustainable Energy

- (a) promoting access to **reliable**, secure, affordable, **climate-friendly** and sustainable energy services as a key driver for poverty eradication and inclusive growth **and development** with a special emphasis on the use of local **and regional renewable** energy sources **and on ensuring access for poor people in remote regions**;
- (b) fostering greater use of renewable energy technologies, **in particular decentralised approaches, as well as** energy efficiency and promoting **sustainable** low emission development strategies;
- (c) promoting energy security **for partner countries and local communities** through e.g. diversification of sources and routes, considering price volatility issues, emission reduction potential, improving markets and fostering energy **and, in particular, electricity** interconnections and trade.

Human development, *including decent work, social justice and culture*

(a) *Health*

■

- (i) Improving the health and well-being of people in developing countries through *supporting inclusive and universal* access to, and *equal* provision of, good quality essential public health **■** *facilities, goods and services with a continuum of care from prevention to post-treatment and with special emphasis to the needs of persons belonging to disadvantaged and vulnerable groups;*
- (ii) supporting and shaping the policy agenda of global initiatives of direct significant benefit to partner countries, considering result orientation, aid effectiveness and effects on health systems, including supporting partner countries to better engage with these initiatives;

- (iii) supporting specific initiatives especially at regional and global level, which strengthen health systems and help countries develop and implement sound, evidence-based ***and sustainable*** national health policies, and in priority areas ***such as child and maternal health, including immunisation and response to global health threats (such as HIV/AIDS, TB and Malaria and other poverty related and neglected diseases)***;
- (iiia) ***promoting the full and effective implementation of the Beijing Platform for Action and the Programme of Action of the International Conference on Population and Development and the outcomes of their review conferences and in this context sexual and reproductive health and rights;***
- (iiib) ***promoting, providing and expanding essential services and psychological support for victims of violence, especially women and children.***

(b) Education, knowledge and skills:

- (i) Supporting the achievement of internationally agreed goals in education through global initiatives and partnerships, with special emphasis on promoting knowledge, skills and values for sustainable and inclusive development;
- (ii) promoting exchange of experience, good practice and innovation, based on a balanced approach to the development of education systems;
- (iii) improving equal access *to* and quality of education *in particular* for *persons belonging to* vulnerable groups, *migrants*, women and girls, *persons belonging to or religious minorities, people with disabilities, people living in fragile contexts, and in* countries furthest from achieving global targets, *and improving the completion of basic education and the transition to lower secondary education.*

- (c) *Gender equality, women empowerment and protection of women's and girls' rights:*
- (i) *Supporting country, regional and local level programmes to promote women's and girls' economic and social empowerment, leadership and equal political participation;*
 - (ii) *supporting national, regional and global initiatives to promote the integration of gender equality and women's and girls' empowerment into policies, plans and budgets, including in international, regional and national development frameworks and in the aid effectiveness agenda; helping to eradicate gender-biased sex selection practices;*
 - (iii) *addressing sexual and gender-based violence and supporting its victims.*

(d) Children and youth

- (i) combating trafficking of and all forms of violence and abuse against children and all forms of child labour, combatting child marriage, and promotion of policies taking into consideration youth's and children's particular vulnerability and potential, protection of their rights, including registration at birth, and interests, education, health and livelihoods, starting with participation and empowerment;**
- (ii) enhancing developing countries' attention and capacity to develop policies benefiting youth and children and promoting the role of children and youth as actors for development;**
- (iii) supporting the development of concrete strategies and interventions to address particular problems and challenges affecting youth and children, especially in the areas of health, education and employment, taking their best interests into account in all relevant action.**

- (e) *Non-discrimination*
- (i) *Supporting local, regional, national and global initiatives to promote non-discrimination on grounds of sex, gender identity, racial or ethnic origin, caste, religion or belief, disability, disease, age and sexual orientation through the development of policies, plans and budgets, as well as the exchange of good practices and expertise;*
 - (ii) *Ensuring a broader dialogue on the issue of non-discrimination and the protection of human rights defenders;*
- (f) *Employment, skills, social protection and social inclusion:*
- (i) *Supporting high levels of productive and decent employment notably with support for sound education and employment policies and strategies, vocational training for employability relevant to local labour market needs and perspectives, working conditions including in the informal economy, promotion of decent work on the basis of the basic labour standards of the International Labour Organisation (ILO), including fight against child labour, and social dialogue as well as facilitation of labour mobility while respecting and promoting migrants' rights;*

- (ii) *strengthening social cohesion in particular with the setting-up and strengthening of sustainable social protection systems, including social insurance schemes for those living in poverty, and with fiscal reform, strengthening the capacity of tax systems and the fight against fraud and tax evasion, which contributes to enhancing equality and wealth distribution;***
- (iii) *strengthening social inclusion and gender equality with cooperation on equitable access to basic services, employment for all, empowerment and respect of rights of specific groups, notably migrants, children and youth, persons with disabilities, women, indigenous peoples and persons belonging to minorities to ensure that these groups can and will participate in and benefit from wealth creation and cultural diversity.***

(g) *Growth, jobs and private sector engagement*

- (i) *Promoting actions aiming at creating more and better jobs, by developing the competitiveness and resilience of local MSMEs and their integration into the local, regional and global economy, assisting developing countries to integrate into regional and multilateral trading systems,***

- (ii) developing local crafts, which serve to preserve the local cultural heritage,*
- (iii) developing a socially and ecologically responsible local private sector and improving the business environment,*
- (iv) promoting effective economic policies that support the development of the local economy and local industries, towards a green and inclusive economy, resource efficiency and sustainable consumption and production processes.*
- (v) Promoting the use of electronic communication as a tool to support pro-poor growth across all sectors in order to bridge the digital divide between developing and industrialised countries and inside developing countries, to achieve an adequate policy and regulatory framework in this area and promoting the development of the necessary infrastructure and the use of services and applications based on ICT.*
- (vi) promoting financial inclusion by fostering access to and effective use of financial services, such as micro-credit and savings, micro-insurance and payment transfer, by MSMEs and households, in particular disadvantaged and vulnerable groups.*

(h) Culture

- (i) *promoting inter-cultural dialogue, cultural diversity and respect for the equal dignity of all cultures;***
- (ii) *promoting international cooperation to stimulate the contribution of cultural industries to economic growth in developing countries to fully exploit its potential for fighting poverty, including addressing issues such as market access and intellectual property rights;***
- (iii) *promoting respect for the social, cultural and spiritual values of indigenous peoples and minorities to enhance equality and justice in multi-ethnic societies in compliance with universal human rights to which everyone is entitled, including indigenous peoples and persons belonging to minorities;***
- (iv) *supporting culture as a promising economic sector for development and growth.***

Food and nutrition security and sustainable agriculture

The programme *shall* strengthen cooperation, exchange of knowledge and experience and partner countries' capacities on the four pillars of food security *with a gender sensitive approach*: food availability (production), access (including *land, infrastructure for food transport from surplus to deficit areas, markets, establishing domestic food reserves, safety nets*), utilization (nutrition interventions in socially aware ways) and stability, while *prioritizing five* dimensions: smallholder agriculture *and livestock-keeping, food processing to create added value*, governance, regional integration and assistance mechanisms for vulnerable populations. *It will also address fair trade*

- (a) Promoting the development of sustainable smallholder agriculture *and livestock-keeping* through ecosystem-based, low carbon and climate-resilient secure access to technology (including information and communication technologies), *through the recognition, promotion and reinforcement of local and autonomous adaptation strategies with regard to climate change*, and through extension and technical services, rural development schemes, productive *and responsible* investment measures, *in accordance with international guidelines, sustainable* land and natural resource management, *protection of land rights of the population in its various form and access to land for local populations*, protection of genetic diversity, in an enabling economic environment;

- (b) supporting environmentally and socially **responsible** policy making and governance of the relevant sectors, the role of the public and non-public actors in its regulation and the use of public goods, its organisational capacity, professional organisations and institutions;
- (c) strengthening food and nutrition security through adequate policies, including the protection of biodiversity and ecosystem services, climate **adaptation** policies, information systems, crisis prevention and management, and nutrition strategies directed to vulnerable populations ***which mobilise the necessary resources to deliver basic interventions that could prevent the vast majority of cases of malnutrition;***
- (d) fostering safe and sustainable practices throughout the food and feed supply chain.

Migration and Asylum

The programme intends to strengthen political dialogue, cooperation, exchange of knowledge and experience and the capacities of partner countries, civil society organisations and local authorities in order to support human mobility as a positive element of human development. The programme, based on a rights based approach encompassing all human rights, whether civil and political, economic, social and cultural will address the challenges of migration flows, including South-South migration, the situation of vulnerable migrants such as unaccompanied minors, victims of trafficking, asylum seekers, migrant women, and the condition of children, women and families left in the countries of origin.

- (a) *Promoting migration governance at all levels, with a particular focus on the social and economic consequences of migration, and recognising the key role of civil society organisations, including diaspora, and local authorities in addressing migration as an essential component of the development strategy;*

- (b) ensuring better management of migratory flows in all their dimensions, ***including through enhancing capacities of governments and other relevant stakeholders in partner countries in areas such as: legal migration and mobility; preventing irregular migration, smuggling of migrants and trafficking in human beings; facilitating sustainable return of irregular migrants and supporting voluntary return and reintegration; integrated border management capacities; and international protection and asylum.***

- (c) maximising the development impact of the increased regional and global mobility of people, ***and in particular of well-managed labour migration, improving integration of migrants in countries of destination,*** promoting and protecting the rights of migrants ***and their families,*** through support to the formulation and implementation of sound regional and national migration and asylum policies, through integration of the migration dimension into other regional and national policies ***and through support for the participation of migrants' organisations and local authorities in policy formulation and in the monitoring of policy implementation processes;***

- (d) improving a common understanding of the migration and development nexus, including social and economic consequences of government policies be they in migration/asylum or in other sectors;
- (e) *enhancing asylum and reception capacity in partner countries.*

The programme will be managed in coherence with the Migration and Asylum Fund and Internal Security Fund, with full respect for the principle of policy coherence for development.

B. PROGRAMME ON CIVIL SOCIETY ORGANISATIONS AND LOCAL AUTHORITIES

In line with the *conclusions of the Structured Dialogue Initiative and the* support of the EU to democracy, human rights and good governance, the *objective of the programme is to strengthen* civil society organisations and local authorities in *partner countries and, when provided for in this Regulation, in the Union, candidate countries and potential candidates. It aims to foster an enabling environment for citizen participation and civil society action and* cooperation, exchange of knowledge and experience and capacities of civil society organisations and local authorities in partner countries in support of internationally agreed development goals.

In compliance with the conditions laid down in Article 6, the programme shall contribute to:

- (a) an inclusive and empowered society in partner countries through strengthened civil society organisations and local authorities and basic services delivered to populations in need;
- (b) *an* increased level of awareness of **■** European citizens regarding development issues and mobilising active public support in the Union, potential candidate and candidate countries for poverty reduction and sustainable development strategies in partner countries;

- (c) ***an increased capacity of European and Southern civil society and local authority networks, platforms and alliances to ensure a substantive and continued policy dialogue in the field of development and to promote democratic governance.***

Possible activities to be supported by this programme ■ :

- (a) interventions in partner countries which support vulnerable and marginalised groups ■ by providing basic services delivered through civil society organisations and local authorities;
- (b) capacity development of the targeted actors complementary to support granted in the framework of the national programme, actions aiming at:
- (i) ***creating enabling environment for citizen participation and civil society action and the capacity of civil society organisations to participate effectively in policy formulation and in the monitoring of policy implementation processes;***
 - (ii) ***facilitating an improved dialogue and*** better interaction between civil society organisations, ***local authorities***, the State and other development actors in the context of development;

- (iii) **strengthening** the capacity of local authorities to participate effectively in the development process acknowledging their particular role and specificities;
- (c) raising public awareness of development issues, **empowering people to become active and responsible citizens** and promoting formal and informal education for development in the Union, in candidate and potential candidate countries, to anchor development policy in European societies, to mobilise greater public support for action against poverty and for more equitable relations between developed and developing countries, to raise awareness of the issues and difficulties facing developing countries and their peoples, and to promote the **right to a process of development in which all human rights and fundamental freedoms can be fully realised and the** social dimension of globalisation;
- (d) coordination, capacity development and institutional strengthening of civil society and local authority networks, within their organisations and between different types of stakeholders active in the European public debate on development as well as coordination, capacity development and institutional strengthening of Southern networks of civil society organisations and local authorities and umbrella organisations.

Civil society organisations are non-State, non-profit making actors operating on an independent and accountable basis which include: non governmental organisations, organisations representing indigenous peoples, organisations representing national and/or ethnic minorities, *diaspora organisations, migrants' organisations in partner countries*, local traders' associations and citizens' groups, cooperatives, employers associations and trade unions (social partners), organisations representing economic and social interests, organisations fighting corruption and fraud and promoting good governance, civil rights organisations and organisations combating discrimination, local organisations (including networks) involved in decentralised regional cooperation and integration, consumer organisations, women's and youth organisations, environmental, teaching, cultural, research and scientific organisations, universities, churches and religious associations and communities, the media and any non governmental associations and independent foundations, including independent political foundations, likely to contribute to the implementation of the objectives of this Regulation.

Local authorities encompass a large variety of sub-national levels and branches of government, i.e. municipalities, communities, districts, counties, provinces, regions etc.

ANNEX VI

AREAS OF *COOPERATION* UNDER THE PAN-AFRICAN PROGRAMME

The Pan-African programme shall support the objectives and general principles of the *strategic partnership between the EU and Africa. It shall promote the principles of a people-centred partnership and "treating Africa as one", as well as coherence between the regional and continental levels. It shall focus on activities of a trans-regional, continental or global nature in and with Africa, and support joint Africa-EU initiatives in the global arena. The programme shall* in particular *provide support in the following areas of the partnership:*

- peace and security,
- democratic governance and human rights,
- trade, regional integration and infrastructure (including *raw materials*),
- *MDGs and post 2015 internationally agreed new development targets,*
- energy,
- climate change and environment,
- migration, mobility and employment,
- science, information society and space, █
- cross-cutting issues.

█

ANNEX VII

INDICATIVE FINANCIAL ALLOCATIONS FOR THE PERIOD 2014-2020

(in EUR million)

Total		19 662
(1)	Geographic programmes	11 809¹
	I	
	a) Per geographic area	
	– <i>Latin America</i>	2500
	– <i>South Asia</i>	3813
	– <i>North and South East Asia</i>	2870
	– <i>Central Asia</i>	1072
	– <i>Middle East</i>	545
	– <i>Other countries</i>	251
	b) Per area of cooperation	
	– <i>Human rights, democracy and good governance at least 15 %</i>	
	– <i>Inclusive and sustainable growth for human development at least 45 %</i>	

¹ *Of which 758 million EUR unallocated funds*

(2)	<i>Thematic programmes</i>	7 008
(a)	<i>Global Public Goods and Challenges</i>	5 101
	– <i>Environment and climate change</i> ¹	27 %
	– <i>Sustainable Energy</i>	12 %
	– <i>Human development including decent work, social justice and culture</i>	25 %
	<i>Of which:</i>	
	- <i>Health</i>	<i>at least 40 %</i>
	- <i>Education, knowledge and skills</i>	<i>at least 17,5 %</i>
	- <i>Gender equality, women empowerment and protection of women's and girls' rights; children and youth, non-discrimination; employment, skills, social protection and social inclusion; growth, jobs and private sector engagement, culture</i>	<i>at least 27,5 %</i>

¹ *In principle funds would be allocated evenly between environment and climate change.*

	<i>Food security and sustainable agriculture</i>	29 %
–	<i>Migration and asylum</i>	7 %

At least 50 % of the funds, prior to the use of the markers based on OECD methodology (Rio markers), will serve for climate action and environment-related objectives.

(b)	Civil Society Organisations and Local Authorities	1 907
(3)	Pan African programme	845

ANNEX TO THE LEGISLATIVE RESOLUTION

STATEMENTS and DECLARATIONS

Statement by the Commission on the strategic dialogue with the European Parliament¹

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

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

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

¹ The Commission will be represented at the responsible Commissioner level

* Where applicable.

Statement by the European Parliament on the suspension of assistance granted under the financial instruments

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

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

DECLARATION BY THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COMMISSION ON ARTICLE 5.2(c) OF REGULATION (EU) No. .../xxxx [DCI-Regulation]

With regard to the application of Article 5.2.c) of Regulation (EU) Nr. .../xxxx [DCI-Regulation] at the time of entry into force of that Regulation, the following partner countries are considered eligible for bilateral cooperation, as exceptional cases, including in view of phasing out development grant aid: Cuba, Colombia, Ecuador, Peru and South Africa.

**DECLARATION BY THE COMMISSION ON ARTICLE 5 OF REGULATION (EU) No.
.../xxxx [DCI-Regulation]**

The Commission will seek the views of the European Parliament before changing the application of Article 5.2.c) of Regulation (EU) Nr. .../xxxx [DCI-Regulation].

Declaration by the Commission on allocation for basic services

This Regulation should enable the Union to contribute to fulfilling the joint Union commitment of providing continued support for human development to improve people's lives in line with the MDGs. At least 20% of allocated assistance under this Regulation will be allocated to basic social services, with a focus on health and education, and to secondary education, recognising that a degree of flexibility must be the norm, such as cases where exceptional assistance is involved. Data concerning the respect of this declaration will be included in the annual report referred to in Article 13 of the Common Implementing Regulation.