



EUROPEAN COMMISSION

Brussels, 7.12.2011
SEC(2011) 1481 final

COMMISSION STAFF WORKING PAPER

IMPACT ASSESSMENT

Accompanying the document

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing an Instrument for Stability

{COM(2011) 845 final}

{SEC(2011) 1482 final}

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1. PROCEDURAL ISSUES AND CONSULTATION OF INTERESTED PARTIES

1.1. Organisation and timing

The drafting of the Impact Assessment for the EU external action instruments for the period 2014-2020, including this document¹, has been coordinated by a **Task Force** composed by services in charge of EU external action and the Legal Service. The **drafting teams**, appointed on 7 June 2011, have duly taken into consideration the consultations, reviews and studies mentioned in Section 2 and have liaised with other Commission services to ensure consistency with other EU policies. The Task Force has met with the drafting team in charge of this Impact Assessment on 7 June, 4 and 15 July and 2 August 2011 for organisational and quality-check purposes.

An **Impact Assessment Steering Group**, composed by the members of the Task Force and representatives of interested Directorates General and the Secretariat General, was launched on 22 June 2011. It has met twice, on 13 and 26 of July 2011.

This review of this Impact Assessment by the **Impact Assessment Board** took place on 14 September 2011.

In line with article 27 of the Financial Regulation (Council Regulation (EC, Euratom) No 1605/2002) and article 21 of the Implementing Rules of the Financial Regulation (Commission Regulation (EC, Euratom) No 2342/2002), the present impact assessment is the ex-ante evaluation of the Instrument for Stability.

1.2. Consultation and expertise (public and internal)

The European Commission held a **public consultation** on future funding for EU external action between 26 November 2010 and 31 January 2011. This process was based on an online questionnaire accompanied by a background paper '*What funding for EU external action after 2013*' prepared by Commission and EEAS services involved. The 220 contributions received to the public consultation reflected a broad and diverse spectrum representing the variety of structures, views and traditions characterising the external action community. Regarding EU external action on **peace and international security**, the strengthening of EU peace-building and crisis preparedness is mentioned as a primary objective for the next Multiannual Financial Framework. The importance of investing in long-term stability, human rights and economic development was also underlined by many respondents. As regards specifically the Instrument for Stability (IfS)² the public consultation showed that the (IfS) is highly valued and many respondents urge the EU:

- 1) to enhance its potential, in particular as regards the capacity building for crisis prevention
- 2) to safeguard the key advantages of the Instrument for Stability (IfS), namely the speed of delivery and direct financing”.

¹ The instruments are the following: Internal Agreement for the 11th European Development Fund, Development Cooperation Instrument, Instrument for Pre-Accession assistance, European Neighbourhood Instrument, Instrument for Stability, Instrument for Nuclear Safety Cooperation, European Instrument for Democracy and Human Rights, Partnership Instrument and the instruments for the EU-Greenland Partnership. The Macro-Financial Assistance instrument, the Common Foreign and Security Policy, the Humanitarian aid instrument and the Civil Protection mechanism are not part of this joint exercise.

² Regulation (EC) No 1717/2006 of the European Parliament and of the Council of 15 November 2006 establishing an Instrument for Stability (OJ L327 of 24.11.06, p.1)

In terms of expertise, a comparative review between the Instrument for Stability, the UN Peacebuilding Fund, and the World Bank's State-building and Peace-building Fund was commissioned by the UK Department for International Development in 2010. It concluded that the IfS enables the EU: *"...to contribute in fragile post-conflict transitions, and complement (its) broader institutional capacity and engagement in such contexts. The potential of (the IfS) to mobilise significant technical and financial resources in support of state-building and peace-building processes and reconstruction efforts, including the strengthening of key institutions and systems, and to link up to longer term development programmes is a clear comparative advantage"*. The study highlighted also the governance and decision-making arrangements of the IfS as particularly effective because of the direct linkage at the level of the EU Political and Security Committee, thereby allowing for political-risk management judgment as well as increased coordination with EU partners.

The European Parliament's External Relations Committee (AFET) has been supportive of the IfS for its value-added in the range of instruments for supporting external actions. The AFET has established a specific Working Group on Crisis, Security and Development.

Member States have consistently recognised the value of the IfS as an efficient means allowing the EU to rapidly intervene in crisis situations with strategically important actions. A high degree of political coordination has been developed at the level of the Political and Security Committee (PSC) between the Commission departments in charge of IfS and Member States, which has resulted in politically consensual interventions through this Instrument.

In addition, it is strongly supported and utilised by civil society groups active in the areas of conflict resolution and development as well as many of the EU's key external partners, notably the World Bank and UN-family organizations.

In looking forward, a high level seminar on the use of the Instrument for Stability to address long term security threats took place on the 2nd and 3rd December 2010 and a Consultation Meeting on the Instrument for Stability (IfS) Crisis Preparedness Component (Article 4.3) on 24 January 2011 concluded that there is a general consensus on the need for the EU to continue strengthening its capacities and to further increase its presence in this area.

1.3. Impact Assessment Board

The Impact Assessment Board recommended that the report explain better the nature of the Instrument for Stability to clarify how it links with and complements other EU financial instruments. The problem definition should be strengthened by presenting the results of the 2011 Programme-level Evaluation in greater detail and by clearly identifying issues and objectives. The presentation of policy options should provide more detailed information on available policy alternatives and clearly identify which elements of the current Instrument will be changed. The report should also better differentiate the expected impacts of different policy options. All of the above remarks have been incorporated into a revised version of the report.

2. PROBLEM DEFINITION

2.1. The problem requiring action and the scope of the instrument regulation

Definition

Crises and conflicts affect countries world-wide and pose a risk to global security and stability. Conflicts are often linked to state fragility and exacerbated by weak governance and poverty. Responding to these structural challenges requires a significant collective effort, based on strong partnerships with other states, civil society actors, multilateral and regional partners to create the conditions for supporting countries to avoid the relapse into conflict.

In this context, the EU must be able to play its part and respond in a fast and in a flexible manner to evolving circumstances. This requires a capacity to decide quickly on interventions along with the mobilization of the resources. The EU cooperation financial instruments are not designed to provide such response: they aim to long-term investment in collaboration with the beneficiary country and predictability of the assistance is important. These instruments are subject to multi-annual programming and cannot be mobilized sufficiently fast for situations of emerging conflict or crisis.

To support countries stricken by political conflicts or natural disasters the EU essentially needs more flexibility, beyond humanitarian and civil protection assistance aiming at saving lives and relief human suffering, to swiftly fill the gaps in crisis response, complement crisis management operations (including those under CFSP) and facilitate a better link between early recovery, reconstruction and longer-term development, as necessary for the lasting stabilization of the countries concerned.

Furthermore, natural or man-made disasters, drug trafficking, organized crime, terrorism, cyber security threats, hamper development, weaken the rule of law and contribute to worldwide instability. Human, environmental, climate change and security risks associated with chemical, biological, radioactive and nuclear materials (CBRN) also transcend national and regional frontiers.

To address these challenges, under the 2007-13 financial framework, a new Instrument – the Instrument for Stability – was adopted to contribute to developing a comprehensive response with regard to conflict prevention and peace-building, crisis management and relevant global and transregional security-related threats. In just under four years, the IfS has proven to be an effective instrument to respond to emerging and existing crises as well to address long-term challenges affecting wider global security.

However, to address the multiple drivers of instability that can lead to conflicts and growing security challenges and for the EU to fully play its role on the world stage promoting EU's values and interests, the Instrument for Stability needs to further enhance its effectiveness in terms of

- a** speed of assistance in response to situations of crisis or emerging crisis
- b** development of EU's own capacities and EU's partners capabilities for conflict prevention, crisis preparedness and peace-building and
- c** addressing a wider range of global trans-national security threats.

Scope of the current Instrument

The scope of the Instrument is worldwide and its interventions are not bound by OECD DAC criteria. Its double Treaty legal basis (“*development cooperation*” and “*economic, financial and technical cooperation with third countries*”) allows the EU to effectively tackle the security and development nexus.

The specific objectives of the Instrument for Stability (IfS) under the current Regulation³ are:

(a) in a situation of crisis or emerging crisis, to contribute to stability by providing an effective response to help preserve, establish or re-establish the conditions essential to the proper implementation of the development and cooperation policies;

(b) in the context of stable conditions for the implementation of cooperation policies in third countries, to help build capacity both to address specific global and trans-regional threats having a destabilising effect and to ensure crisis preparedness.

As a ‘subsidiary’ instrument, the IfS addresses needs that cannot otherwise be tackled under any other instrument either because of (a) the urgency of the response, (b) the global or trans-regional nature of the problem, exceeding the scope of a geographic instrument; (c) the exclusion of the supported area from funding under ODA-bound instruments (e.g., counter-terrorism), or (d) the non-country specific nature of the assistance (e.g. projects to develop international standards or policies in the field of conflict prevention and peace-building).

In order to respond to crisis and/or to rapidly intervene to preserve peace and prevent conflict, the instrument allows *inter alia* support for international state and non-state actors in promoting confidence-building, mediation, dialogue and reconciliation; the establishment and the functioning of interim administrations mandated in accordance with international law; the development of democratic, pluralistic state institutions, including measures to enhance civilian administrations and the role of women; international criminal tribunals and *ad hoc* national tribunals, truth and reconciliation commissions; civilian measures related to the demobilisation and reintegration of former combatants into civil society as well as measures to reintegrate victims of armed conflict including gender-based violence and the specific needs of women and children and measures in response to natural or man-made disasters in the absence of or as a complement to humanitarian assistance.

Over the four-year period 2007-2010, the IfS crisis response component has been called to intervene in 48 countries, mobilizing EUR 521 million in total for 154 individual actions worldwide. Examples of interventions financed by the IfS, all relating to decisions taken in 2010, are described below:

- **Haiti Earthquake:** An IfS-financed ‘Post-Disaster Needs Assessment’ (PDNA) identified €25M earmarked for improvement of the disaster preparedness capacities of Haitian Civil Protection services, and is providing the Haitian leadership with strategic advice on reconstruction, with a further €5m in support for elections, in addition to an EU Election Observation Mission.

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- **Pakistan:** Two emergency response measures have responded to (a) the political crisis in the north-west region bordering on Afghanistan (€15m) and (b) the floods (€18m).
- **Sudan:** With a January 2011 referendum on self determination for southern Sudan, a €15m IfS Financing Decision provided support to organisation of the referendum process and the conduct of negotiations between the north and south on post referendum arrangements and for population of South Sudan basic services, bridging a gap until EDF funding could take over later in 2011.
- **Philippines:** Following Council agreement that the EU contribute to their MILF peace process, an IfS action (€3m) was put in place to support the monitoring of the parties' compliance with their commitments on humanitarian, rehabilitation, and development activities; monitor protection, and support the international political support to dialogue.
- **Somali Piracy Crisis:** joint EU-UNODC support to piracy trials in Kenya and the Seychelles complementing the CSDP Atalanta naval operation.

Further details of the type of financed activity under the Instrument can be found in the Annual Reports from the Commission to the EP, the Council, the European Economic and Social Committee and the Committee of the Regions⁴.

Evolution of the Context

UN estimates show that at least 80 countries will face the prospects of prolonged deadlock or potentially violent internal tensions and instability beyond 2014. Other factors such as climate change and natural disasters add to the potential for further global instability.

The most critical security challenges the world faces today are interconnected and increasingly complex, impacting on both developing and industrialized countries alike and require concerted efforts to combat these threats.

The new Treaty on the European Union (Article 21) has defined common overarching principles and objectives for the external action of the Union, *inter alia* to “*preserve peace, prevent conflicts and strengthen international security*”. This is also supported by various Council Conclusions concerning the effectiveness of external action (2004), Security and Development (2007) and General Conclusions (2010) the latter calling for further reinforcement of EU crisis management tools to support Common Security and Defense Policy. Additional political guidance was given by the Foreign Affairs Council Conclusions on conflict prevention of 20 June 2011.

Following the Council conclusions of 2008 and 2009 on reinforcing the Union’s disaster response capacity, the Commission has prepared an implementation plan for the EU Strategy for supporting Disaster Risk Reduction in developing countries⁵, which identify the

⁴ IfS 2007 Annual Report COM(2008)181 of 11 April 2008 with annexes (DTS) SEC(2008) 446
 IfS 2008 Annual Report COM(2009) 341 of 09 July 2009 with annexes (DTS) SEC(2009) 932
 IfS 2009 Annual Report COM(2010) 512 of 28 September 2010 with annexes (DTS) SEC(2010) 1114
 IfS 2010 Annual Report : COM (2011) 494 of 16 August 2011

⁵ SEC(2011) 215 final

development of Post Disaster Needs Assessments (PDNAs) as a priority to integrate disaster risk reduction into the recovery frameworks of the affected countries and encourage resilience and crisis preparedness.

The 2008 implementation review of the European Security Strategy (ESS) identified major new security threats such as Cyber security (and cybercrime), which did not have the same dimension when the IfS Regulation was adopted in 2006. The review of the ESS and the March 2008 report from the High Representative and the Commission to the Council concluded that the security implications of climate change have taken on a new urgency.

Climate and security nexus was identified as a key area for further work in the context of the recent EEAS-Commission reflection paper on climate diplomacy, as reflected by the conclusions of the Foreign Affairs Council on 18 July 2011. Accordingly the Instrument for Stability should make most of the opportunities presented for advancing coordinated EU efforts in this respect.

In addition, the ruling of the European Court of Justice on the so-called ECOWAS case⁶ allows the future Instrument to unrestrictedly address the proliferation of small arms and light weapons.

2.2. Outcomes of evaluation reports and lessons learned

2.2.1. Outcomes from evaluations

A **Mid-Term Review of the IfS Regulation** (MTR) was carried out in 2009 alongside that for the other external action financial instruments for the period 2007-2013 (Report evaluating the implementation of the financial instruments for external actions: SEC/2009/530). The MTR concluded that IfS provisions were adequate to pursue its objectives. Some technical amendments were proposed along with an amendment to take into account the European Court of Justice Judgment on small arms and light weapons (SALW). The legislative proposal was tabled in 2009, but it is still under discussion by the legislative authority.

Member States have consistently recognized the value of the Instrument for Stability⁷ and specific evaluations of EU interventions demonstrated IfS catalytic effect, recognizing its added-value in preparing and improving the delivery of EU long-term external assistance and CFSP actions⁸.

During 2011, the IfS carried out a **Programme-level Evaluation** of its crisis response and crisis preparedness components (Articles 3 and 4.3) in order to gauge the results achieved to date and enhance IfS approaches to future crisis response measures and strategies for future crisis preparedness programming. The evaluation concludes that the IfS is “*a unique*

⁶ ECJ Case C-91/05 ECOWAS

⁷ A comparative review of the Instrument for Stability, the UN Peace Building Fund, and the World Bank’s State-building and Peace-building Fund commissioned by the UK Department for International Development in 2010.

⁸ A 2009 publication of the EU Institute for Security Studies providing the first comprehensive review of the ESDP operations between 1999 to 2009 states that “the creation of the Instrument for Stability (IfS) represented an important innovation in order to improve the Commission’s crisis response capacity and to foster cooperation between first and second pillar instruments” and that “Experience so far has been quite constructive with regard to both process, in terms of engagement of EU institutions and Member States, and substance, with a view to concrete crisis response initiatives.

Instrument within the EU peace, security and development architecture. Articles 3 and 4(3) fill an important strategic, funding and capacity gap, and allow the EU to support a broad range of critical crisis preparedness and response initiatives. The design and management of the Instrument has led to a significant number of achievements that should be recognized and are important contributions to peace and stability globally. Initiatives funded by the crisis response and crisis preparedness components have contributed to:

- Expanding and scaling up EU capacity to intervene in crisis situations from a geographic, thematic, funding and time-horizon viewpoint, particularly through Article 3;
- Leveraging and enhancing the coherence and effectiveness of the EU peace, security and development instruments and initiatives in support of critical crisis prevention, stabilisation, peace building initiatives;
- Providing relevant policy input at a high-level and helping to kick-start important reforms while highlighting EU visibility and political leverage in third countries; and
- Enhancing the capacities of partners to prepare for and respond to crisis.

In addition, the IfS has enabled the EU and key partners (UN, World Bank and civil society organisations) to support national stakeholders in responding early to crisis. Initiatives in this area include the development of tools, capacities and provision of funds to undertake Post Conflict and Post Disaster Needs Assessments (PCNA/PDNA).

While largely positive about the implementation to date, several areas for improvements were highlighted. They specifically refer to speed of deployment of the Instrument, increasing its overall flexibility with regard to implementation timeframes of exceptional assistance measures and interim response programmes.

The Evaluation concluded that “*given the nature of crises and frequent setbacks in stabilisation efforts, there is a need for both more **flexibility in the IfS timeframes** (currently set at an 18-month limit) and for more attention to monitoring and linking the IfS to other instruments so that informed decisions can be taken on how and when to move from one instrument to another. Although the rationale for the IfS is rooted in helping address, and, as far as possible, stabilise a crisis until other instruments can come into play, often it is unrealistic to expect other instruments to come up with programming until a degree of stability (and predictability) is reached. This can take a varying amount of time, in most instances, more than a year. This suggests the need for greater flexibility in implementation timeframes – and a clearer articulation of criteria within the IfS decision-making process on how and when to move from the IfS to other EU Instruments....Whenever an IfS intervention builds on a previous Exceptional Assistance Measure, demonstrating the rationale and need for the continuation of the intervention, slim procedures could be followed and the adoption of Interim Response Programme should not be a requirement.*”

The Evaluation also suggested reviewing the threshold amounts and increase financial and human resources.

There have been no external evaluations under Article 4.1 (threats to law and order, to the security and safety of individuals, to critical infrastructure and to public health).

Ongoing programmes include programmes fighting organised crime along the cocaine and heroin routes; the proliferation of small arms and light weapons; capacity building in regions afflicted by terrorism and enhancing maritime security and safety along critical maritime routes. These programmes focus on security-related capacity building in close consultation with beneficiary countries. Under a tailored approach, key countries in a region are identified and the capacities of local law enforcement and security units strengthened by setting up or enhancing specialised inter-agency units.

Evaluations under Article 4.2 (Chemical Biological Radiological and Nuclear materials risk mitigation actions) showed the importance Member States attached to the EU having its own programme to help build capacity in partner countries to fight proliferation of sensitive CBRN materials and expertise. This enabled a number of the smaller EU countries to join such work even though they themselves did not have either the technical or financial resources to implement autonomous outreach programmes. CBRN risk mitigation actions are one of the main ways the EU can collectively (MS and the Commission) contribute to reducing the threat of malevolent uses of weapons of mass destruction (WMD) materials and know-how.

In 2009, a **stock-taking and scoping study of the IfS crisis preparedness component** under Article 4.3 (the ‘Peace-building Partnership’) recommended to:

- i) increase focus on transversal and/or thematic issues relating to both long-term and short-term conflict prevention and peace-building which demonstrate a clear synergy with other EU supported activities and policy priorities;
- ii) increase emphasis on organisations working in various geographical contexts in relation to thematic or transversal issues that support capacity building of local partners and generate learning -benefits for the peace-building sector as a whole;
- iii) foster policy dialogue with non-state actors on peace-building issues.

These recommendations have started to be implemented in subsequent Annual Action Programmes in 2010 and 2011. However, in order to fully exploit the possibilities of engagement with civil society actors in this field, a more flexible approach is required for the funding of these organizations and for EU Member States to benefit of this assistance.

The study also recommended that building capacities of local organizations should happen at country and regional level. This requires the de-concentration of the management of funds to EU Delegations.

2.2.2. *Lessons Learned*

Four years after its launch in 2007, the Instrument for Stability is now well established as a highly complementary EU crisis response tool. To date, the IfS has been successful in enabling the EU to fund a broad range of critical conflict-prevention, crisis preparedness and response initiatives as part of its peace, security and development policy framework, when no other EU cooperation instruments was available or complementing interventions carried out under other instruments.

However, it needs to **speed up** its deployment and increase its overall programming and implementation **flexibility** in order to better respond to, inter alia, political guidance from Council and meet future peace and security challenges in sustainable manner.

For instance, experience has shown that if follow up of an exceptional assistance measures (of maximum duration of 18 months) is urgently needed, the timing of adoption of an Interim Response Programmes (5-7 months on average) is not compatible with the speed required for crisis response. Only in the case of protracted conflicts, where need for continuation of assistance can be foreseen sufficiently on advance, the preparation of Interim Response Programmes as follow up to exceptional assistance measures can be realistically envisaged (e.g 2010 Interim Response Programmes for support to Palestinian refugee camps in Lebanon and emergency stabilisation support in Gaza). Additional flexibility as regards continuation of exceptional assistance measures and lead-times would therefore enhance effectiveness.

With regard to conflict prevention, crisis preparedness and peace-building activities, overall concerted effort in anticipating, preventing and/or responding to conflict and natural disasters situations requires the further development of common standards and compatible working practices within the EU and with multilateral, international, regional and local partners. This is very important to improve aid effectiveness and the speed of operational deployment. Therefore, there is a continuing need to build up the EU's own capacities in this regard and to both develop concepts and operational models for EU actions in conflict and crisis situations and to ensure their compatibility and inter-operability with those of other relevant actors.

The maximum amount set under the Regulation for actions in relation to threats to law and order, to the security and safety of individuals, to critical infrastructure and to public health has proven insufficient. Ceilings in relation to global threats to the security (including as well risk mitigation and preparedness measures relating to chemical, biological, radiological and nuclear materials or agents) should be reviewed in line with the Commission proposal in the framework of the 2009 Mid-Term Review of the Regulation or abolished, to have the flexibility to respond to evolving threats in an adequate manner.

2.3. The underlying drivers of the problem

The EU as such is a relatively new actor in the international Peace and Security arena. Since the mid-1990s, the EU has given itself an increasing number of tools to contribute to preserve peace and strengthen international security. Today, there is a general consensus, inside and outside Europe, that the EU should continue strengthening its capacities to further increase its presence in this area.

In a multi-polar world, concerted multilateral action is required to respond to international crises in an effective manner. The challenges to international peace and security cannot be efficiently tackled by States acting individually. Furthermore, time is of essence in taking action to diffuse conflict or to respond in a conflict or a post-natural disaster theatre. Swift response and flexibility to adapt to evolving scenarios and capacity to fill the gaps in the aftermath of a conflict are the biggest problems confronted when deploying traditional programmable aid instruments.

Since its creation in 2007, the Stability Instrument has been one of the main EU tools used to address these problems as it enhances EU capacity to undertake both urgent short-term crisis response and crisis prevention measures and medium-term actions addressing international security threats. The 2011 Programme-level Evaluation (see 2.2 above) confirmed IfS

relevance and usefulness to date while also identifying several ways in which IfS efficiency could be further strengthened thereby contributing to enhancing the EU's role in the theatres where the Instrument is deployed. Some of these improvements refer to internal processes which can be put in place without the need for any modification to the IfS Regulation. However, for certain other recommendations, changes to our future legal instrument will be required.

In order to fulfil its new political mandate under the Treaty on the European Union and to adapt to a changed policy context as explained above under section 2.1, the EU needs to continue to build on the IfS experience of recent years to address the following problems or 'drivers' in a more effective manner. The instrument post-2013 should therefore provide solutions to the following drivers:

Drivers identified through external Evaluations:

- Lack of **flexibility** to adapt to rapidly evolving circumstances on the ground;

Given the frequent setbacks encountered in stabilization efforts and the highly contextualized nature of crises, the 2011 Programme-level Evaluation cited a need for more flexibility in deployment timeframes beyond the current limit of 18 months for Exceptional Assistance Measures under Article 3. In this regard, the Evaluation stated ... *"whenever an IfS intervention builds on a previous Exceptional Assistance Measure, demonstrating the rationale and need for the continuation of the intervention, slim procedures could be followed and the adoption of Interim Response Programme should not be a requirement."*

- Need to improve **sustainability of short-term interventions** by better linkage with long-term development.

Given the need to prepare as far as possible for post-crisis stabilization scenarios, the 2011 Programme-level Evaluation also cited the need to better link the IfS to other instruments so as to expedite and facilitate informed decisions on how and when to move from one Instrument to another.

This will allow for the preparation of medium to long-term post-crisis assistance programmes whose design can take a varying amount of time, in most instances, more than a year. In this regard, the Evaluation stated *"This suggests the need for greater flexibility in implementation timeframes – and a clearer articulation of criteria within the IfS decision-making process on how and when to move from the IfS to other EU Instruments ."*

- **Speed** of response to crisis in exceptional and unforeseen situations including the possibility of resource deployment with a very short period of time ;

Given the dynamic nature of crises in which the EU is called upon to intervene, the 2011 Programme-level Evaluation considers that the deployment time of 2- 4 months for the Instrument (i.e. the period leading up to the identification of IfS measures) needs to be shortened and accelerated to take account of unforeseen crisis scenarios . In this regard, the Evaluation stated that: *"given the nature of crises and frequent setbacks in stabilisation efforts, there is a need for more flexibility in the IfS timeframes"*

Drivers identified through experience of IfS implementation:

- **Insufficient civilian EU and international community expertise conflict prevention, pre- and post-crisis preparedness, and peace-building.**

In order to contribute to anticipating instability and potential triggers for conflict, the EU's conflict prevention capacities require reinforcement by developing the relationship with those other actors (civil society, international and regional organizations, bodies in EU Member States) who are working on early warning and peace building activities (e.g mediation) and on ensuring that these can feed the EU's decision-making process and are transformed into early action;

The EU's own capacities to participate in pre- and post- crisis scenarios also require further attention. Currently, there are no established mechanisms to allow pre-positioned surge capacity in terms of expertise and equipment that could facilitate the swift transition from the humanitarian to the early recovery phase., Moreover, the further development of common bench-marking, guidelines, standards and compatible working practices - notably in relation to post-disaster situations - and enhanced co-operation with other international organizations who are involved in fielding stabilization missions (UN, OSCE, AU, etc.) needs to be undertaken in order to ensure inter-operability in terms of training and the development of policy guidelines on conflict-related issues (Needs assessments, Security sector reform; Disarmament, de-mobilization and re-integration, etc.).

- **Insufficient funding to adapt and keep pace with the fast-developing security threats**, such as those to the security and stability of the Information Communication Technologies (ICT) as well as the operation networks and infrastructures, such as energy and transportation, on which the global community increasingly relies.

These two drivers are linked to the level of resources. Given the Instrument for Stability's particular political role in the global peace and security architecture, an increase in its overall budget should be considered alongside an appropriate increase in staff resources and capacities. An increase in funds would help to bolster impact and would enable IfS to respond to what is likely to be an increasing demand for crisis preparedness and strategic responses to emerging global threats in whatever shape they may emerge.

2.4. Legal base for EU action

The legal bases are Article 209.1 TFEU (ex 179 EC) and Article 212.2 (ex 181a EC).

2.5. EU added value

As a global player, the EU has credibility and a perception of neutrality as an honest broker that provides a comparative advantage to intervene in many conflict areas to avoid escalation or to offer good offices in preventing conflict. When conflict has erupted, an increased level of impact is achieved when the response is provided at EU level, as our combined efforts provide increased leverage over authorities and international partners. Crisis response actions when addressed at EU level maximise the coherence of response and aid efficiency. Synergies and cooperation are increasingly needed at international level, as donors are facing similar problems in terms of scarce resources. In this regard, it should be noted that a very limited number of EU Member States operate a crisis response or peace-building facility comparable in scope to the IfS.

In the face of increasingly complex challenges, none of the EU's internal priorities – security, growth and job creation, climate change, access to energy, health and pandemics and migration - will be achieved in isolation from the wider world. In times of economic crisis, a more coordinated and integrated approach between the EU and its MS through joint programming will bring about more added-value, increased strength and legitimacy, and more impact and effectiveness.

The Instrument for Stability has demonstrated a catalytic effect in preparing and improving the delivery of EU long-term external assistance and actions adopted by the EU in pursuit of Common Foreign and Security Policy objectives within the framework of Title V of the TEU.

3. OBJECTIVES

3.1. Policy framework and objectives

IfS enables the EU to strengthen security, preserve peace and prevent conflict worldwide in a timely, efficient and more coordinated manner, acting when no other EU cooperation instruments are available, or when it is necessary to complement interventions carried out under other geographic and thematic instruments. Because of its nature, it has no direct link with the Europe 2020 Strategy as such.

General Objectives

The Instrument for Stability is designed to contribute to a comprehensive response with regard to conflict prevention and peace-building, crisis management and relevant security-related threats.

Specific Objectives

- (1) **In situations of crisis or emerging crisis either man-made or as a result of a natural disaster**, to contribute to stability by providing an effective response to help preserve, establish or re-establish the conditions essential to the proper implementation of the Community's development and cooperation policies.
- (2) **to ensure the preparedness of the EU and its partners to prevent conflicts, build peace and address pre- and post-crisis situations** in close coordination with international, regional and sub-regional organisations, state and non state actors.
- (3) **to address global and trans-national security threats** that pose a risk to peace and stability.

3.2. Consistency with external action priorities

The Treaty on the European Union (Article 21) has defined common overarching objectives for the external action of the Union *inter alia* to “**preserve peace, prevent conflict and strengthen international security** and assist populations, countries and regions confronting natural or man-made disasters;

The Instrument for Stability supports EU action to strengthen security, preserve peace and prevent conflict, and as any EU external cooperation instrument, to safeguard EU values, notably human rights and democracy. It contributes to a complementary and coherent EU

response to crisis, and in this framework, is available for deployment alongside CFSP operations, the provision of Humanitarian Aid and Civil Protection assistance, Macro-Financial Assistance and the Instrument for Nuclear Safety Cooperation. The IfS equally contributes to conflict prevention, peace-building and state-building in synergy with mainstream EU geographic instruments (ENPI, DCI, EDF, IPA) and thematic instruments such as the European Instrument for Democracy and Human Rights (EIDHR).

It complements the independent and apolitical delivery of EU Humanitarian Aid

following political crisis or natural disasters, where, for example, it can be called upon to intervene *inter alia* to finance actions that link humanitarian assistance and development aid (Linking Relief Rehabilitation and Development or LRRD) in a subsidiary manner, i.e. whenever the main geographical or thematic instruments cannot be mobilised in good time or require complementary interventions to provide an efficient response. IfS also can be deployed in such cases to fill gaps that can jeopardise transition towards stability and development.

3.3. Consistency with other EU policies

Obvious links exist between the EU external action on crisis response and prevention and/or on addressing global security threats with internal EU policies on migration, justice, freedom and security. The Council Conclusions on enhancing links between Internal and External Aspects of Counter-Terrorism of 9 June 2011 is of particular relevance alongside the Working Method for Closer Cooperation and Coordination in the Field of External Security of 6 June 2011.

Considering that many trans-regional threats and risks are also top EU external security priorities, the Instrument would also contribute to the implementation of the European Security Strategy (as revised in 2008) and to addressing the “external dimension” of the EU’s Internal Security Strategy (2010), which are important EU policies.

Natural disasters, environmental degradation and competition for resources exacerbate conflict, especially in situations of poverty and population growth, with humanitarian, health, political and security consequences, including greater migration. Climate change poses a risk to biodiversity and acts as a ‘threat multiplier’ that can also lead to disputes over trade routes, maritime zones and access to resources. The IfS can enhance the external dimension of EU policy on climate change and the environment in line with the Council Conclusions of 18 July 2011.

3.4. Geographic/thematic coverage

Given the global nature of the problems it intends to address, the Instrument needs to retain **world wide coverage** and maintain the same broad thematic coverage of the current Instrument with an additional provision to support measures to limit the proliferation of small arms and light weapons in the light of the 2008 judgement of the European Court of Justice on the ECOWAS case. It is also important to maintain flexibility with the scope of possible future interventions and to allow for financing of other type of measures not explicitly mentioned within the terms of Article 3 of the current Instrument in order for the EU to effectively respond to a given crisis.

With regard to security programmes, while such assistance very often qualifies as ODA and is reported as such, the instrument should not be bound to ODA-eligibility criteria, as this would reduce the EU's ability to effectively tackle the security and development nexus⁹.

4. POLICY OPTIONS

In order to increase the **efficiency** and **coherence** of EU action on Peace and Security thereby increasing EU presence, the following **four** options were considered.

- **Option 0:** Not having a new Instrument after 2013 Only the geographical instruments could intervene in crisis theatres, but with the limitations described under section 2 which have led to the creation of the IfS.
- **Option 1:** Status quo: maintain the Instrument's current scope and the size of its financial envelope at the same level 2007-2013 (€ 2,062 billion for the 7 year period).
- **Option 2:** A revised Instrument, broadly maintaining its current scope but increasing its flexibility provisions and with a moderate increase of its financial envelope. This option will allow adjusting the legal provisions to tackle the identified shortfalls.
- **Option 3:** A new or new Instruments incorporating the following considerations
 - a) to split Crisis Response and Preparedness issues (Articles 3 and 4.3) from security-related issues, notably terrorism, trans-regional threats and CBRN risks (Articles. 4.1 and 4.2) in two instruments to provide sharper focus on the security dimension of the EU external action and separate attention to crisis management.
 - b) to encompass EU external action tools currently carried out under other Instruments: Bringing together the different Peace and Security instruments currently scattered across several geographical and thematic budget lines to add coherence to the different actions the EU can deploy in a crisis scenario. Candidates for this type of merger, along with the IfS, would be the African Peace Facility (EDF), the part of the EIHDR dealing with electoral observation, and, to a lesser extent, certain parts of thematic budget lines which can also be called upon to intervene in crisis contexts (e.g. migration, human rights).

5. ANALYSIS OF IMPACTS

5.1. Likely economic, social and environmental impacts

There is a general consensus on the need for the EU to maintain the main characteristics that have led to its success (see Section 1.2). The policy options considered are intended to consolidate and wherever possible, improve the current IfS features. Because of the nature of the Instrument, the choice of any of the four options listed above (except for option 0) is not likely to lead to significant differences in terms of “external” impacts (economic, social or

⁹ Such requirement would exclude any form of counter-terrorism assistance from the scope of the instrument.

environmental). Nonetheless, the final choice made would have important consequences in terms of increasing the **efficiency, effectiveness** and **coherence** with all other external instruments.

A more efficient instrument should lead to increased EU activity on crisis prevention, preserving peace and strengthening international security, including enhancing EU's capacity for crisis preparedness.

5.2. Impact on external action

Given its ability as a *subsidiary* instrument to “fill the gaps” by financing actions which no other instrument could otherwise support, the IfS contributes to improve the EU response to conflicts and large-scale natural disasters and to address global and trans-regional threats as well as to facilitate the Union's responsiveness to changing political circumstances in crisis areas.

Option 0 would have an impact on external action. The political leverage of the instrument would be lost and the EU would not have any instrument to mobilize resources for the types of interventions that the IfS finances.

The other options are neutral since they will enable the EU to fill its role and political mandate in this area.

5.3. Impact in terms of management and implementation

Option 0: Not having a new Instrument after 2013. In crisis and post-crisis situations, EU funds would only be provided from geographic instruments that would require re-programming and from CFSP budget in case of unanimity decisions by the Council

This option will not allow the EU to play its role as set in the EU Treaty. No EU resources would be available such impeding the EU to contribute to stabilization in countries and regions affected by man-made or natural disasters. Such role would be filled only by the UN and other regional organizations and other donors. The EU would not be able either to fund civil society organizations which are important players in crisis preparedness and peace-building initiatives. No EU assistance would be provided to counter global and trans-national security threats as they cannot be addressed under instruments that have limitations in terms of geographic coverage (e.g IPA, EDF, DCI).

Option 1: In a scenario of “**no change from today's situation**” the IfS could deliver responses as it has been doing since its establishment, acting as a useful EU policy tool

We would however be missing an opportunity to improve the Instrument on the basis of experience of the last 3 years which has shown that some minor changes could significantly enhance the value of the IfS (in particular those highlighted by the 2011 Programme-level Evaluation). Furthermore, if the financial envelope would remain constant at €2.1 million, would not allow to tackle fully the drivers of the problem, in particular as regards the expected increase in the number of crises and the need to strengthen capacity building in crisis prevention and global threats .

Option 2: A revised Instrument, broadly maintaining its current scope but increasing where possible its flexibility provisions and its financial envelope would better enable the EU to assume its growing responsibilities in the area of Peace and Security.

Under this Option, the Commission would maintain the main features of the Instrument for Stability while introducing new provisions to increase its efficiency and deployment to complement other EU instruments. These modifications, which partly reflect the problems or ‘drivers’ highlighted in Section 2 concern: flexibility arrangements, the speed of deployment, the financing of human resources as well as an increased financial envelope.

a) Flexibility arrangements:

Ceilings for maximum amount and duration of Exceptional Assistance Measures.

External Assistance Measures up to €20 million can be adopted by the Commission without commitology but with prior information to the Council.

The current limit of €20 million (beyond which an Interim Response Programme is required to follow up an intervention) have proved insufficient in cases of major political crisis (e.g Georgia in 2008) or in cases where an intervention in areas of early recovery or LRRD was necessary (e.g Haiti or Pakistan in 2010).. Therefore, it is proposed that a new limit be set at € 30 million. It is worth noting, however that large programmes constitute the exception in IfS. In most cases, only small and rapid interventions paving the way for the larger programmes financed under other EU instruments, would be required. The average size of IfS programmes in 2010 has been roughly €3 million.

Similarly, the maximum duration for an Exceptional Assistance Measure, currently set at 18 months (extendable under certain circumstances to 24) has proved to be too short; in fact many IfS programmes have recourse to a six-month extension. The earlier reasoning behind this short period was that there would have been enough time for the main geographical instruments to come on stream after 18 months. However, experience has shown that this is often not the case. Changing a strategy paper and putting its new programmes in place takes often longer than 18 months, especially in a country in crisis, with fragile government structures. New timeframe limits would be set at 24 months extendable to 30 months (under certain exceptional and duly justified circumstances).

Additional Exceptional Assistance Measures.

Art. 6.4 of the current IfS Regulation sets out that programmes which build on a previous Exceptional Assistance Measure shall be adopted as Interim Response Programmes (i.e requiring commitology and a much longer approval process ranging in the order of 5-7 months)

This is based on the understanding that the Commission would have sufficient time during the implementation of the first Exceptional Assistance Measure (typically 18 months) to prepare any required follow-up. However, this logic cannot be applied in all circumstances. Very often, the need for a follow-up measure only becomes apparent towards the end of the implementation period. This is particularly the case for programmes implemented under rapidly-changing political circumstances which is often the case in IfS programmes. In such cases, opting for an Interim Response Programme creates a gap in our intervention which can be very detrimental to EU efforts in the concerned theatre of operations (disengagement of the

parties, loss of momentum, dismantlement of teams, etc.). Such risks could be addressed and offset if the Commission were allowed to propose a second Exceptional Assistance Measure building on the results of the initial one, particularly in cases where the need for a consequent follow-up could not be foreseen in good time.

b) Speed of deployment

The average time for adopting a new measure under the IfS crisis response component ranges between 2 and 4 months. As pointed out by the 2011 Programme-level Evaluation, it would be appropriate to try and shorten this period, thereby accelerating deployment.

In certain contexts, a much faster deployment is essential such as for initial post-crisis measures requiring support for mediation processes, confidence building, assistance in the organisation of electoral processes, etc. In such cases, being able to deploy initial tangible support in a matter of days can prove crucial and would certainly place the EU in a much better strategic position in the political process addressing the crisis in question.

Under the standard IfS decision-making, the approval period cannot be reduced further as any IfS measure requires prior information to the Council. However, the possibility to adopt initial measures without prior Council information could be envisaged under this Option. It would obviously involve an added provision obliging the Commission to report Council on the measure(s) adopted *ex-post*. This innovation would allow the EU to deploy initial support to react to a crisis within a period of some 48- 72 hours. In addition to the many advantages this would bring to the EU as a political actor, it would also enable the deployment of experts on the ground which would contribute with first hand information to a better identification of the main IfS or other EU-funded measures that would immediately follow thereafter.

c) Human Resources

The 2011 Programme-level Evaluation also highlighted that current staff resources allocated to the management of the crisis response component are inadequate, notably in Headquarters. The current team of 7 crisis response planners falls short in terms of management of the current budget (some € 200 million in 2011) and will clearly struggle in the future when budgets rise as foreseen to some € 350 million a year. This problem would be particularly acute with the identification and adoption of larger IfS programmes (currently some 25 a year), which is mostly undertaken at Headquarters along with the monitoring, audit and control of all on-going programmes.

In order to address this problem, this option would allow the for administrative support expenditure directly linked to the implementation of the instrument to finance staff at Headquarters and in Delegations in order to ensure sound financial management over the period.

d) Budget

One of the five strategic objectives set for the EU external policy during the next financial framework is to improve crisis prevention and resolution capacities. In order to achieve this, it is clear that a moderate increase in the IfS budget would be needed. In order to keep this increase to manageable levels, it is proposed that the level of the 2013 budget becomes the baseline for the IfS annual budget as of 2014. The budget would then stay stable over the period.

Option 3: A new Instrument or Instruments, providing for

a) A split between crisis response and preparedness from security-related issues: This Option foresees the separation of the crisis response component of the IfS –(Article 3) together with the programmable component on crisis preparedness (Article 4.3) from the programmable components on security-related threats – Articles 4.1 and 4.2) under two separate legislative instruments providing for clearer and more streamlined conceptual separation between crisis and security threats. Allocation of funds between the two instruments would be clearer with separate management, reporting and evaluation arrangements.

b) Incorporation of other tools of EU external action currently carried out under other instruments (e.g. African Peace Facility (EDF), the part of the EIHDR dealing with electoral observation, etc): This Option suggests the appropriateness of bringing together the different instruments working on the Peace and Security field currently scattered across several geographical and thematic budget lines. It would add coherence to the different actions that the EU can deploy in a crisis scenario and simultaneously, rationalise the number of instruments and budget lines involved. Obvious candidates for this type merger, along with the Stability Instrument, would be the African Peace Facility (EDF), the part of the EIHDR dealing with electoral monitoring, and to a lesser extent certain parts of thematic budget lines which can also be called upon to intervene in crisis contexts (migration, human rights, etc.) By bringing all of the above under the same umbrella, gains would be realised in terms of coherence and in terms of the timing of their deployment. Improvements would also be possible on EU visibility as well as flexibility in the allocation of financial resources to the different sub-components.

6. COMPARING THE OPTIONS

The options are assessed against the following three criteria:

Coherence means here the possibilities to create synergies in terms of programming and delivery towards achieving the agreed objectives and to avoid negative consequences and spillovers which would adversely affect the implementation of the policies. This is particularly significant when two different instruments have the same geographical coverage.

Effectiveness means doing the right things, setting the right goals and objectives and then ensuring that they are accomplished .

Efficiency means doing things right, and obtaining the most from deployed resources: this includes organizational aspects as well as the expected gains from the simplification of the Instrument.

		Effectiveness	Coherence	Efficiency
<i>Impacts</i>				
<i>Options</i>	0. - No Instrument	-	-	-
	1. - No change from today's situation	-	=	-

	2. - A revised Instrument	+	+	+
	3. - A new Instrument or Instruments			
	A) splitting current instrument	=	-	+
	B) adding new scope	+	+	-

Option 0: Because of the obligations incumbent on the European Union under Article 21 of the Treaty and the political guidance provided by Council on *inter alia* Security and Development (2007), European Security Strategy (2008) and on conflict prevention (2011), recourse to this option is not politically possible without the EU losing international credibility and capacity to defend its interests.

Option 1: IfS could still remain relevant by delivering responses as it has been doing since 2007. However, an opportunity to improve and enhance the Instrument's value on the basis of experience would be missed especially in terms of effectiveness and efficiency

Option 2: to maintain the main features and characteristics of IfS, while streamlining its provisions to increase its flexibility and effectiveness thereby enabling the EU to swiftly respond to future international peace and security challenges. A more efficient instrument should lead to increased EU activity on crisis prevention, preserving peace and strengthening international security, including enhancing EU's capacity for crisis preparedness.

The IfS would continue to finance actions complementary to or in support of measures financed under other external instruments and if need be, used as a substitute whenever the latter cannot be deployed rapidly. The example of unforeseen elections whose observation could not be planned in advance comes to mind or whose preparation requires immediate EU support to ensure better conditions for free and fair results, acceptable to the majority of the population so as to avoid disputed results leading to potential conflict (Tunisia, Egypt in 2011)

Option 3: A new Instrument or Instruments, providing for

a) the set up two new Instruments providing for split between crisis response and preparedness, on the one hand, and global and trans-national security threats on the other, is not advisable.

It is important to highlight the links that exist between crisis response and pre- and post-crisis capacity building, on one hand, and addressing global and trans-national threats on the other. Together, they form the backbone of EU external action on Peace and Security issues (along with other instruments such as EIDHR). The possible costs in terms of loss of coherence by separating these components from each other cannot be underestimated.

Besides running against the overall aim of rationalising the number of existing instruments, it could result in a less coherent and complementary interaction in addressing drivers of conflict;

b) broadening the scope of the new Instrument to achieve greater coherence in the deployment of the different EU interventions can also be disregarded given the difficulty of

reconciling different legal basis and decision-making processes under a single legislative Instrument. Such option would not be efficient.

On the contrary, there would be a risk that some of the flexibility achieved under current arrangements could be lost if other instruments and working methods were brought under the same regulatory umbrella. The decision-making processes for Electoral Observation Missions for instance, are hardly compatible with the speed required when dealing with unforeseen elections following a political crisis. Some of the actions financed under the African Peace Facility (e.g payment of allowances to African soldiers in AU Peace Keeping Operations) which are possible under the EDF, would be impossible to finance under the EU budget. These are just two examples showing that such a merger would be very complicated to implement in practice.

In summary, **option 2 appears to be the optimal choice.**

Under this option, the recommendations resulting from the 2011 Programme-level Evaluation would need to be streamlined, as follows:

a) Flexibility arrangements: By its very nature, the IfS is designed to simplify and render more flexible EU interventions in the field of external action. The intention is to broadly re-conduct current provisions with improvements to the existing Comitology threshold and the duration limits as follows:

- Exceptional Assistance Measures (EAM), ceilings should be increased from €20 to €30 million and their duration currently at 18 months (should be extendable twice for further six months -up to 30 months- under certain duly justifiable circumstances, namely in the case of objective and unforeseen obstacles to their implementation or need to bridge the gap until cooperation or thematic instruments can intervene, provided that the financial amount of the measure does not increase)¹⁰.
- The Commission should be also allowed in cases of protracted crisis to propose a second Exceptional Assistance Measure building on the results of a previous one. Currently, the Regulation requires that this second measure is adopted as an Interim Response Programme (Article. 6.4) which is a much heavier decision-making procedure, as it requires comitology. Interim Response Programmes would then concern measures going beyond 30 million or with where more than 2 Exceptional Assistance measures become necessary.
- Programmes related to crisis preparedness and addressing global security threats would continue to be adopted following normal Commission procedures (comitology, etc.) but strategic planning requirements would need to be further streamlined. Increased flexibility for engagement with civil society partners and recognition of EU institutions and Member States officials as beneficiaries of capacity building assistance also needs to be factored in.
- The need for increased flexibility in the scope of the Regulation to address other forms of trans-regional illicit trafficking (beyond drug trafficking, trafficking in human beings,

¹⁰Article 6.2 of IfS Regulation 1717/2006 of 15 November 2006 OJL327 of 24.11.2006

and trafficking in firearms and explosive materials) such as trafficking in precursors or in counterfeit medicines should also be properly addressed.

b) Speed of deployment. The Commission should be empowered to approve measures up to a certain limit (e.g. €3 million) without the need for *prior* information to the Council. This would enable the EU to deploy initial measures in 48-72 hours after a crisis which in certain circumstances may turn out to be critical to the success of the measure and to the EU's strategic position in responding to the crisis in question.

c) Subsidiarity: Retaining overall added-value as a *subsidiary* instrument also implies that the future IfS should continue to exclude from support those issues that can be better targeted at country-level under geographical or thematic cooperation instruments, even if they are security-related (e.g. mine action).

d) Sustainability: To facilitate the possibility of investing in sustainable crisis response actions in the field of counter-terrorism in individual countries (eg Pakistan, Yemen), the current priority given to trans-regional actions under Article 4.2 of the current Instrument should not be applicable to counter-terrorism, as it is not possible to provide this kind of support at country level under geographical development instruments (EDF, DCI) due to their tying to ODA eligibility criteria, which explicitly excludes counter terrorism assistance.

e) Reporting: a review of the Reporting requirements under the Regulation is necessary to ensure most effective use of personnel and operational resources.

7. MONITORING AND EVALUATION

7.1. Core indicators of progress towards objectives

Intended results

- To contribute to an EU comprehensive response to address situations of fragility and instability, e.g. emerging crises, natural disasters, with targeted and complementary measures under the IfS crisis response.
- To enhance EU's capacity to effectively contribute to multilateral and international efforts for global conflict prevention and resolution.
- To support conflict prevention and peace-building with a view to reduce the number of armed conflicts worldwide and diminish the number of countries that relapse into conflict.
- To address global and trans-regional threats complementary with other EU instruments and international actors, through capacity building aimed at better integration of beneficiaries in the international community. (including development of networks, improved capacity to collect and exchange information, support to regional cooperation and platforms).

Main expenditure-related outputs

Timely and effective launch of projects in situations of crisis or emerging crisis (projects launched, a concrete number of project cannot be foreseen given the nature of the instrument)
Percentage of projects launched within 3 months of crisis context.

- **Indicators**
(given the nature of the instrument defining a baseline and a target for indicators is not appropriate)
- Number of interventions where IfS has enabled the EU to efficiently contribute to the prevention, resolution or stabilization of a particular crisis.
- Increased EU ability to cooperate effectively with international and regional organizations in crisis preparedness and response situations.
- Number of policy dialogues and civil society engagement actions on conflict prevention, crisis preparedness and peace-building.
- Increased integration of beneficiary countries in the International Community and increased compliance with the relevant international legal frameworks addressing global and trans-regional threats, enhanced cooperation within and between targeted regions, development or establishment of regional cooperation platforms, increased participation of beneficiaries in existing relevant networks and increased mutual flows of information.

For the climate mainstreaming¹¹ commitment to be meaningful this needs to be accompanied by a cross-cutting obligation to identify where programmes promote climate action or energy efficiency so that the EU is able to set out clearly how much of its spending relates to such issues. Clear benchmarks, monitoring and reporting rules for all relevant EU policy instruments need to be established. In this respect, tracking of climate-related expenditure will be performed based on the established OECD methodology ('Rio markers').

In line with the Commission's broader commitment to mainstreaming the OECD DAC marker will also be applied for tracking progress on biodiversity and desertification mainstreaming

7.2. Outline for monitoring and evaluation arrangements

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

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

External, independent experts are contracted to assess the performance of EU external actions. These assessments contribute to accountability and to the improvement of ongoing

¹¹ Regarding instruments under the EU budget, in order to reach the Europe 2020 objectives and to help other parts of the world to step up their efforts to combat climate change, the Commission has stated in the June 2011 Communication on "A Budget for Europe 2020" that it intends to increase the proportion of climate related expenditure across the EU budget to at least 20%, with contribution from different policies, subject to impact assessment evidence.

interventions; they also draw lessons from past experience to inform future policies and actions taking into account, inter alia, INCAF¹² criteria.

Project-level evaluations, which are managed by the EU Delegation in charge of the project, deliver a more detailed, in depth analysis and help project managers to improve ongoing interventions and prepare future ones. The Commission also conducts strategic evaluations of its policies, from programming and strategy to the implementation of interventions in a specific sector in a country or region, or of a specific instrument. These evaluations are an important input to the formulation of policies and the design of instruments and projects and are published on the relevant Commission website. A summary of the findings is included in the Annual Report to the Council and the European Parliament.

A report evaluating the implementation of the new Regulation in its first three years will be submitted to the Council and to the Parliament which will include, if appropriate, a proposal for introducing changes or modifications to the Regulation.

¹² OECD DAC's International Network on Conflict and Fragility (INCAF)