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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a European Neighbourhood Instrument

{SEC(2011) 1466 final}

{SEC(2011) 1467 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

General context

Article 8 of the Treaty on European Union (TEU) provides for the European Union (EU) to develop a special relationship with neighbouring countries, with the aim of establishing an area of prosperity and good neighbourliness at the EU's borders. The European Neighbourhood Policy (ENP) was developed in 2004 and covers 16 partners to the East and South of the EU's borders, namely Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, the Republic of Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine. Under the ENP the EU offers its neighbours a privileged relationship, building upon a mutual commitment to values and principles such as democracy and human rights, the rule of law, good governance, market economy principles and sustainable development, including climate action. The policy also provides for political association and deeper economic integration, increased mobility and enhanced people-to-people contacts. The ENP is funded by a dedicated Instrument, the European Neighbourhood and Partnership Instrument (ENPI), which covers the 16 above-mentioned partner countries and Russia.

Reasons for and objectives of the proposal

A number of major developments have taken place since the launch of the ENP and the ENPI.

Changes to the EU's relationship with its neighbours and developments since the ENP was set up have been analysed and assessed as part of the ENP Strategic Review. As a result, a new ENP vision has been developed as outlined in the Joint Communication of the High Representative of the EU for Foreign Affairs and Security Policy and the European Commission 'A new response to a changing Neighbourhood', adopted on 25 May 2011 and the Council conclusions adopted on 20 June 2011. The new approach calls notably for greater support to partners committed to building democratic societies and undertaking reforms, in line with the "more for more" and "mutual accountability" principles, and provides the strategic policy framework for the EU relations with the neighbours.

Although the ENPI has been widely recognized as a successful Instrument to accompany the EU's policy towards its neighbours, the ENP policy review and other assessments, lessons learned and public consultations have all identified a number of issues to tackle in the future by adapting the Instrument to make the EU's response even more effective, in particular:

- Application of the "more for more" principle: This principle is the key aspect of the renewed Neighbourhood Policy. It provides for a much higher level of differentiation among partners, in line with their commitment to the jointly agreed values and objectives, and notably to the partnership with EU focussed on democracy and shared prosperity. Financial incentives for the most ambitious reformers are an important aspect of the new approach. As a policy-driven Instrument, the future European Neighbourhood Instrument (ENI) should reflect this key principle, especially for programming and allocating support to the partners.

- Complexity and length of the programming process: The current programming process includes a number of broad consultations and many other procedural steps, and takes on average 18 months. The length of the programming process undermines the relevance of assistance. The scope of the programming documents (Country Strategy Papers) under the ENPI follows the format used for development cooperation, which means making an extensive analysis of the situation in a given country and increasing the length of the process. For Neighbourhood countries, however, the reality is different and the country analysis for most partners (countries that have concluded an Action Plan or an equivalent set of joint objectives with the EU) is described annually in dedicated Progress Reports, which make the general part of the Country Strategy Paper redundant. There is therefore both the need and the scope to streamline, shorten and better focus the programming process.
- Scope of the Instrument: The scope of the ENPI as defined currently refers to the implementation of partnership and cooperation agreements, association agreements or other relevant agreements, promotion of good governance and equitable social and economic development. It also includes a very broad list of 29 thematic areas of cooperation referred to in a detailed manner and on an equal footing, which makes it very hard to ascertain the core objectives and the focus of the ENP. The programming reflects this broad-based approach and in a number of cases coherence between the policy and cooperation has been a challenge. The future legislative proposal for the ENI will help to better streamline the scope of the Instrument and strengthen links with relevant internal policies, while maintaining its current flexibility.
- Partly outdated implementation provisions and lack of coherence between the external instruments: The implementation section of the current ENPI Regulation is outdated in some parts and therefore no longer adequately reflects the way assistance in the Neighbourhood is implemented. There is also a lack of coherence between the implementation provisions of the ENPI and other external action instruments. Flexibility mechanisms can be improved to match the new policy context. In order to address these points and to achieve further harmonization and simplification, a separate horizontal framework regulation comprising all general and recurring provisions has been developed. This new horizontal regulation also covers the ENI implementation specificities. This will allow for updating the implementation provisions and address the lack of coherence between the external instruments. Moreover, the new horizontal regulation will contribute to an increased clarity of rules, efficiency and coherence of the Union action.
- Cross-Border Cooperation (CBC) provisions: The Cross-Border Cooperation has been a distinct feature of the relationship between the EU, ENP partners and Russia leading to implementation of joint initiatives with a common set of rules on both sides of the EU's borders. The system is functioning relatively well, but consultations with stakeholders identified the need for some changes having an impact on the Regulation. These include extending geographical eligibility to encompass the important economic, social and cultural centres relevant to the proper functioning of the programmes; full application of 'shared management', involving Member States as signatories of Financing Agreements; specific rules for co-financing by partner countries and the specific status of Russia. Far-reaching changes

will need to be made to the Commission Regulation laying down the CBC Implementing Rules, mainly with regard to management methods.

- Linkages with internal instruments/policies: The ENP provides for a gradual political association and progressive economic integration of the partners with the EU. EU internal policies and market economy principles are key references in this process. For Neighbourhood countries, a number of initiatives have a transboundary aspect which so far has been addressed only to a very limited extent. The notable exception is the Cross-Border Cooperation that allows for addressing common challenges and objectives through a single set of rules and through pooling resources from both the internal and external funding sources of the EU budget. In other areas, such as infrastructure, energy¹, transport², SME³ development and industrial cooperation including tourism, ICT⁴, employment and social policy⁵, migration and security, judiciary, fight against drugs, higher education, culture, research and innovation⁶, environment, climate action⁷, disaster resilience and cooperation on maritime affairs, there is scope to strengthen the links between internal policies and instruments and the ENP and the European Neighbourhood Instrument. In this respect, the ENI Regulation will promote complementarity, coherence and mainstreaming of EU priority policy areas, in accordance with the Europe 2020 Strategy, while remaining focussed on the main ENP objectives. The ENP gives partners the option to participate in EU agencies and programmes. The issue of long-term financing of ENP partners' participation in EU agencies and programmes needs to be adequately addressed through, in relevant cases, a financial contribution from the ENI, including the establishment of appropriate, sustainable delivery mechanisms.
- Evolving relationship with Russia: Russia is the only beneficiary of the ENPI that is not covered by the ENP. As all other countries, Russia is entitled to benefit from both the bilateral, multi-country and cross-border ENPI funding. However, given the significant improvements in Russia's fiscal position, there is less need for large volumes of financial assistance. Russia aspires to a relation of equals and has become a donor itself. As a result, in the period 2007-2013 the country received only marginal allocations under the bilateral envelope of the ENPI. Cooperation within the framework of multi-country programmes continues and follows the principle of co-financing by the EU and Russia. Most notably, Russia is co-financing CBC programmes. This reflects the changing position of Russia as a strategic partner where co-financed projects should be in both sides' interest.

The future European Neighbourhood Instrument should be aligned to the new ENP vision and address the specific challenges and issues as identified above.

¹ On security of energy supply and international co-operation the Commission presented a Communication: "The EU Energy Policy: Engaging with Partners beyond our borders", COM(2011) 539 of 7.September 2011

² in the field of transport cooperation the Commission presented a Communication: "The EU and its neighbouring regions: A renewed approach to transport cooperation", COM (2011) 415 of 7 July 2011
³ Small and Medium Enterprise

⁴ Information and Communication Technologies
⁵ including promotion of the Decent work agenda

⁶ including development of a Common Knowledge and Innovation Space

⁷ The EU should promote and support effectively in its Neighbourhood climate action for a more climate resilient and carbon efficient development

2. RESULTS OF CONSULTATIONS WITH INTERESTED PARTIES AND IMPACT ASSESSMENTS

Consultations with interested parties

The legislative proposal on the European Neighbourhood Instrument is based on a broad consultation process. The process involved a public consultation on external funding carried out for all EU external action instruments and specific consultations held as part of the Strategic Review of the European Neighbourhood Policy and on the Cross-Border Cooperation. Consultations were also held on the future of EU development policy.

Public Consultation on funding for EU external action

The 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 entitled ‘What funding for EU external action after 2013?’ prepared by the Commission and the European External Action Service (EEAS). The 220 contributions received in response to this public consultation reflect a broad and diverse spectrum representing the multitude of structures, views and traditions found in the external action community.

Most respondents confirmed that EU financial support provides substantial added value in the main policy areas funded by EU financial instruments for external action⁸. The criterion of EU added value was given by many respondents as the main driver for the future: the EU should leverage its comparative advantage linked to its global field presence, its wide-ranging expertise, its supranational nature, its role as facilitator of coordination and the economies of scale.

Nearly all respondents supported a more differentiated approach tailored to the situation of the beneficiaries and based on sound criteria to increase the impact of EU financial instruments. There was also wide support for conditionality based on the respect for human rights, minorities, good governance and diversity of cultural expressions, or on the quality of beneficiaries’ policies and their ability and willingness to implement them.

Consultations in the context of ENP Strategic Review

The European External Action Service held specific consultations with representatives of EU Member States and ENP partner countries as part of the Strategic Review of the policy, launched in July 2010. The consultations tackled financing of the ENP, notably under the European Neighbourhood and Partnership Instrument, and issues of the long-term ENP vision and medium-term policy objectives.

The consultations revealed that the ENPI was seen as a step change in the way EU assistance was delivered. However, they also identified the need for further refinement. Many Member States underlined the importance of improved coherence between the policy and financial assistance provided by the Instrument. Several respondents highlighted that allocations should

⁸ i.e. peace and security, poverty reduction, humanitarian aid, investing in stability and growth in enlargement and neighbourhood countries, tackling global challenges, promoting EU and international standards and values, and supporting growth and competitiveness abroad.

be based on performance. Many stressed the importance of making financial support faster, more efficient and more flexible in responding to emerging needs.

Partner countries underlined the need to accompany economic integration, market opening and regulatory convergence with appropriate financial support. They also emphasised the importance of promoting foreign investment.

Stakeholder consultations on Cross-Border Cooperation

Specific consultations on CBC were organised with all stakeholders. The process was launched during a CBC Conference in Brussels in February 2011, and stakeholders were consulted on the future regulatory framework (including on the CBC Implementing Rules) on the basis of a questionnaire circulated in May/June 2011. The results reflect the need to adapt some provisions to improve the efficiency of the CBC. The aim of the suggested changes is to better reflect integration between EU foreign policy priorities with the EU Cohesion Policy, especially by further aligning the CBC on external EU borders to the European Territorial Cooperation (ETC) rules. Further consultative meetings took place on 20 September 2011 with Member States in Brussels and with all stakeholders in Budapest on 18-19 October 2011.

Public consultations on “EU development policy”

In addition, the Commission published a Green Paper entitled ‘EU development policy in support of inclusive growth and sustainable development’ and held a public consultation from 15 November 2010 to 17 January 2011. Many respondents underlined that ODA⁹ constitutes only a fraction of funding for development, to be seen as a complement to domestically mobilised resources, foreign investments, trade and remittances. A request was made for greater coherence in EU development policy, especially with regards to middle-income countries. While joint programming of assistance was endorsed in principle, it should be introduced gradually starting with countries where it would yield demonstrable added value.

The proposal on the European Neighbourhood Instrument is based to a large extent on the results of these consultations. The main aspects that have been integrated in the revised instrument include differentiation and performance-based allocations, new approach related to programming and improving the coherence of the policy with assistance, amending Cross-Border Cooperation rules and provisions to improve the efficiency and flexibility of support.

Impact assessment

A specific impact assessment for the future ENI was prepared jointly by the European External Action Service and the European Commission.

The impact assessment reviewed the following four options:

- **Option 0: ‘No EU action’.** The EU stops providing financial support through a dedicated Instrument for Neighbourhood countries;
- **Option 1: ‘No change’.** Cooperation with the countries concerned remains strictly in the framework of the existing ENPI Regulation;

⁹ Official Development Aid

- **Option 2: ‘Adapting the current set-up’.** The future legislative proposal should be based on the current ENPI Regulation with a number of substantial amendments, responding to the new policy context and specific objectives. Under this Option there are a number of sub-options referring to: the differentiation principle; the programming process; scope of the Instrument and coherence between policy and assistance; Cross-Border Cooperation rules; implementation provision, notably to allow for greater flexibility; linkages with internal policies and instruments and geographic scope of the ENI.
- **Option 3: ‘Tabling a completely new Instrument’** with a different geographic scope and focussing on objectives broader than or different from those of the ENP.

In terms of the likely economic, social, environmental and other impacts of each of the options, the following has been acknowledged:

- Discontinuing EU action (Option 0) would substantially reduce and undermine the sustainability of impacts achieved so far. It would also negatively affect overall EU relations with ENP partners.
- No change of the current Instrument (Option 1) would lead to a number of positive economic, social and environmental impacts in partner countries;
- Amending the Instrument (Option 2) would enhance the positive economic, social and environmental impacts achieved under the current set-up and should yield an even more positive impact on governance, notably by applying the “more for more” principle.
- Tabling a completely new Instrument (Option 3) would have negative impacts notably on the coherence of EU action with the ENP objectives, and would undermine the EU’s credibility in the region.

Based on the analysis and weighting of the different impacts (global, economic, social, environmental), Options 0 and Option 3 were rejected as non-viable options that would yield positive impacts and help meet ENP objectives. Option 2 would have the highest potential to yield a positive impact and to adapt the current cooperation framework to the new policy context, ENP objectives and challenges identified through evaluations and lessons learned. Option 1 would be the second-best option to maintain current positive impacts, without however providing for meeting the objectives of the new ENP nor address the challenges and specific problems identified under the current set-up.

The preferred option is therefore Option 2.

3. LEGAL ASPECTS OF THE PROPOSAL

Article 8 of the TEU provides the general thrust and the basis for the ENP. The legal base for the financing Instrument to support the ENP, the future European Neighbourhood Instrument, is **Article 209(1) TFEU**¹⁰ and **Article 212(2) TFEU**.

¹⁰ Treaty on the Functioning of the European Union

Subsidiarity

In terms of subsidiarity, action at EU level brings essential added value, linked to a number of factors:

- In Neighbourhood countries where alignment to EU rules and standards, guidelines and measures is one of the key policy objectives, the EU is best placed to provide assistance. Certain specific support can only be provided at EU level, such as promoting economic integration with the EU internal market, access to the Schengen space or participation in EU programmes. Thus the EU is the leading cooperation partner in most ENP countries, a role widely recognised by Member States, international financial institutions and other donors. Helping EU neighbours to align with EU policies, rules and standards is a key driver for reforms in the ENP partner countries.
- With 27 Member States acting within common policies and strategies, the EU alone has the critical weight to respond to global challenges. Action at national level can be limited and fragmented, as projects are often too small to make a sustainable difference. Streamlining the work of Member States through the EU improves the coordination and effectiveness of EU action.
- At a time of budgetary restrictions, when several Member States have chosen to exit entire sectors of cooperation and withdraw their support from certain countries, the EU is able to play an active role in promoting democracy, peace, stability, prosperity and poverty reduction in its Neighbourhood. In this context, it makes more sense than ever from a purely economic perspective to channel aid at EU level where a real difference can be made. Working with the EU is also cheaper. Administrative costs are lower than the average administrative costs of the principal donors for bilateral aid.

4. BUDGETARY IMPLICATIONS

The level of funding from the EU budget for the new ENI should reflect adequately the ambitions of the revised European Neighbourhood Policy.

Thus, the European Commission in its Communication of 29 June 2011 entitled “A Budget for Europe 2020” proposed allocating to the ENI €18 182 300 000 (current prices) for the period 2014-2020.

To ensure its predictability, funding for higher education activities in third countries in the context of "Erasmus for All" programme will be made available, in line with EU external action objectives, through 2 multi annual allocations only covering the first 4 years and the remaining 3 years respectively. This funding will be reflected in the multiannual indicative programming of the ENI, in line with the identified needs and priorities of the countries concerned. The allocations can be revised in case of major unforeseen circumstances or important political changes in line with the EU external priorities. The provisions of the

"Erasmus for All" Regulation (EU) No [--] of the European Parliament and of the Council establishing "Erasmus for All"¹¹ will apply to the use of those funds.

A detailed estimated financial impact of the proposal is set out in the separate ENI Legislative Financial Statement.

5. MAIN ELEMENTS

Detailed explanation of specific provisions of the proposal

The key elements of the proposal (as compared to the current set-up) and their rationale are the following:

- Apply the principle of “more for more” and mutual accountability in line with the new vision of the ENP, notably through specific provisions on differentiation for financial allocations and for the programming process, as required;
- Address the complexity and length of the programming process in order to streamline, shorten and better focus the process, especially for ENP partners that have jointly agreed with the EU strategic priorities in Action Plans or equivalent documents;
- Streamline the scope of the Instrument, striking a balance between flexibility of the Instrument and focus on the policy objectives and key areas of cooperation;
- Adapt the implementation provisions and improve coherence between the external instruments;
- Improve the provisions on the Cross-Border Cooperation to facilitate effective and fast implementation of the programmes;
- Promote closer links with EU internal instruments and policies, including by stepping up cooperation with the Commission at the programming stage and, where relevant, promote mechanisms to pool funds from internal and external headings of the EU budget;
- Respond to the evolving relationship with Russia by amending provisions on Russia’s eligibility for ENI funding to reflect the specific status of Russia as an EU neighbour and strategic partner.

Simplification

The proposal for the ENI includes provisions to simplify the instrument in a number of aspects. The scope of the Instrument has been streamlined by bringing down the 29 thematic areas that feature in the current ENPI Regulation to six specific objectives. A new, simplified programming tool for most of the neighbouring countries (Single Support Framework) has been introduced. This new programming document will be shorter than the Strategy Papers and Multiannual Indicative Programmes, will prevent duplication of information contained in

¹¹ OJ L ...

the legal/political documents that underpin EU relations with its neighbours, and should help shorten the programming process, therefore reducing administrative costs. The new article that allows funds from the ENI and the relevant internal Heading of the EU budget to be pooled with a single set of rules for measures addressing notably cross-border challenges will substantially improve efficiency and reduce the administrative costs of implementing such measures.

A priority for the Commission in this new Regulation, as it is for other programmes in the context of the Multiannual Financial Framework (MFF), is to simplify the regulatory environment and improve access of EU assistance to partner countries and regions, civil society organisations, SMEs, etc., provided that they pursue the objectives of the Regulation.

To implement the new ENI Regulation, simplified and flexible procedures should lead to swifter adoption of implementing measures and swifter delivery of EU assistance, in particular in situations of crises or threats to democracy, the rule of law, human rights and fundamental freedoms, or natural or man-made disasters. Revision of the Financial Regulation, which has particularly substantial provisions on external action, will also help facilitate the participation of civil society organisations and small businesses in funding programmes, for example by simplifying rules, reducing the costs of participation and accelerating award procedures. The Commission intends to implement this Regulation using the new flexible procedures provided for in the new Financial Regulation.

Furthermore additional simplification will also be achieved through the development of one horizontal framework regulation comprising all general and recurring provisions, providing for increased coherence between the external actions instruments.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing a European Neighbourhood Instrument

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 Article 209 (1) and 212 (2) thereof,

Having regard to the proposal from the Commission,

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

Having regard to the opinion of the European Economic and Social Committee¹²,

Having regard to the opinion of the Committee of the Regions¹³,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) This Regulation constitutes one of the instruments providing direct support for the European Union's external policies. It will replace the Regulation of the European Parliament and of the Council No 1638/2006 of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument¹⁴ which expires on 31 December 2013.
- (2) Article 8 of the Treaty on European Union provides for the development of a special relationship with neighbouring countries, with the aim of establishing an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation.
- (3) The Union seeks to promote, develop and consolidate the values of liberty, democracy, respect for human rights and fundamental freedoms, principles of equality and the rule of law on which it is founded through dialogue and cooperation with third countries.

¹² OJ C , , p. .

¹³ OJ C , , p. .

¹⁴ OJ L 310, 9.November.2006, p. 1.

- (4) Since it was launched, the European Neighbourhood Policy has significantly strengthened relations with partner countries and brought tangible benefits to both the Union and its partners.
- (5) Under the European Neighbourhood Policy, the Union offers Neighbourhood countries a privileged relationship, building upon a mutual commitment to and promotion of the values of democracy and human rights, the rule of law, good governance and the principles of market economy and sustainable development.
- (6) Two main political initiatives have shaped the regional cooperation in the European Union's Neighbourhood: the Eastern Partnership between the Union and its Eastern neighbours, and the Union for the Mediterranean between the Union and its Southern Mediterranean neighbours. These initiatives are meaningful political frameworks for deepening relations with and among partner countries, based on principles of shared ownership and responsibility.
- (7) A number of major developments have taken place since the European Neighbourhood Policy was launched and the European Neighbourhood and Partnership Instrument was set up. These include a deepening of the relationship with the partners, the launch of regional initiatives and democratic transition processes in the region. This triggered a new European Neighbourhood Policy vision set out in 2011 as a result of a comprehensive Strategic Review of the Policy. It outlines key objectives for Union cooperation with Neighbourhood countries and provides for greater support to partners committed to building democratic societies and undertaking reforms, in line with the 'more for more' and 'mutual accountability' principles.
- (8) Support under this Instrument and the European Regional Development Fund should be provided for the Cross-Border Cooperation programmes along the external borders of the European Union between partner countries and Member States to promote integrated and sustainable regional development between neighbouring border regions and harmonious territorial integration across the Union and with neighbouring countries.
- (9) Furthermore, it is important to foster and facilitate cooperation for the common benefit of Union and its partners, notably through pooling of contributions from internal and external instruments of the Union budget, in particular for Cross-Border Cooperation, infrastructure projects of Union interest that will pass through Neighbourhood countries and other areas of cooperation.
- (10) Border regions that belong to countries of the European Economic Area (EEA) and the regions of the Russian Federation that are currently taking part in Cross-Border Cooperation programmes should be able to continue to do so. It is also important that the relevant regions in countries covered by the Instrument for Pre-accession Assistance are able to participate in CBC. Participation of the European Economic Area countries in the CBC programmes should continue to be based on their own resources.
- (11) It is expected that the EU Member States and Partner countries taking part in Cross Border Co-operation will provide national co-financing. This will strengthen country

ownership, increase the financial resources at the disposal of the programmes and facilitate the participation of local actors.

- (12) Cross-Border Co-operation will contribute as appropriate to the implementation of existing and future macro-regional strategies.
- (13) Support to be provided to neighbouring developing countries within the framework established by the European Neighbourhood Policy should be coherent with the objectives and principles of the Union's external policies and in particular its development policy, including the 'Joint Statement on a European Development Policy: the European Consensus', adopted by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission, on 22 December 2005.
- (14) The Joint EU – Africa Strategy is of relevance for relations with the Mediterranean neighbours from North Africa.
- (15) The Union and its Member States should improve the coherence and the complementarity of their respective policies on cooperation with neighbouring countries. To ensure that the Union's cooperation and that of the Member States complement and reinforce each other, it is appropriate to provide for joint programming which should be implemented whenever possible and relevant.
- (16) Union support under this Regulation should in principle be aligned to corresponding national, regional or local strategies and measures of partner countries.
- (17) In Neighbourhood countries where alignment to Union rules and standards is one of the key policy objectives, the Union is best placed to deliver this support. Certain specific support can only be provided at Union level.
- (18) Furthermore, since the objectives of this Regulation, namely to promote enhanced political cooperation and progressive economic integration between the European Union and neighbouring countries, cannot be sufficiently achieved by the Member States and can, 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 as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (19) European Union external support has increasing financing needs but the economic and budgetary situation of the Union limits the resources available for such support. The Commission must therefore seek the most efficient use of available resources by using financial instruments with leverage effect. Such effect could be increased by enabling the use and re-use of funds invested and generated by financial instruments.
- (20) Fighting climate change is one of the great challenges which the Union faces and urgent international action is needed. In accordance with the intent stated in the Commission June 2011 MFF Communication of increasing the climate related proportion of the Union budget to at least 20%, this Regulation should contribute to that goal.

- (21) Gender equality and anti-discrimination should be a cross-cutting objective in all actions undertaken under this Regulation.
- (22) The Union is committed to promote in relations with its partners worldwide decent work as well as ratification and effective implementation of the internationally recognised labour standards and multilateral environment agreements, in relations with its partners worldwide.
- (23) The financial interests of the European Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties. These measures will be carried out in accordance with the applicable agreements concluded with international organisations and third countries.
- (24) For the purpose of harmonising the terminology with the European Territorial Cooperation, the implementation documents for the Cross-Border Cooperation programmes should be called joint operational programmes.
- (25) In order for this Regulation to be able to reflect swiftly the results of political decisions made by the Council, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission for updating the list of beneficiary countries in the Annex to this Regulation.
- (26) While Regulation (EU) No .../... of the European Parliament and of the Council of ...¹⁵ (hereinafter "the Common Implementing Regulation") establishes common rules and procedures for the implementation of the Union's instruments for external action, delegated powers to adopt acts in accordance with Article 290 of the Treaty of the Functioning of the European Union should be conferred to the Commission for adopting the specific implementing measures required for the Cross-Border Cooperation mechanisms established in Title III of this Regulation. 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.
- (27) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.
- (28) The implementing powers relating to Article 7(1) , (2), and (3) and to Article 9(1) 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 powers¹⁶. Taking into account the nature of those implementing acts, in particular their policy orientation nature or their financial

¹⁵ OJ L

¹⁶ OJ L 55, 28.2.2011, p.13.

implications, the examination procedure should in principle be used for their adoption, except for measures of a small financial scale.

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

HAVE ADOPTED THIS REGULATION:

Title I. OBJECTIVES AND PRINCIPLES

Article 1

Overall objective and scope

1. The Union aims to establish an area of prosperity and good neighbourliness involving the European Union and the countries and territories listed in the Annex to this Regulation (hereinafter ‘the partner countries’) by developing a special relationship.
2. Union support under this Regulation shall be used for the benefit of partner countries and can also be used for the common benefit of EU and partner countries.
3. Union funding may also be used for the purpose of enabling the Russian Federation to participate in Cross-Border Cooperation and in relevant multi-country programmes, to reflect the specific status of the Russian Federation as both a Union neighbour and a strategic partner in the region.

Article 2

Specific objectives of Union’s support

1. Support under this Regulation shall promote enhanced political cooperation and progressive economic integration between the Union and the partner countries and, in particular, the implementation of partnership and cooperation agreements, association agreements or other existing and future agreements, and jointly agreed action plans.
2. Union support should target in particular:
 - (a) promoting human rights and fundamental freedoms, the rule of law, principles of equality, establishing deep and sustainable democracy, promoting good governance and developing a thriving civil society including social partners;
 - (b) achieving progressive integration into the Union internal market and enhanced sector and cross-sectoral co-operation including through legislative approximation and regulatory convergence towards Union and other relevant international standards, related institution building and investments, notably in interconnections;

- (c) creating conditions for well managed mobility of people and promotion of people-to-people contacts;
 - (d) sustainable and inclusive development in all aspects, poverty reduction, including through private-sector development; promotion of internal economic, social and territorial cohesion, rural development, climate action and disaster resilience;
 - (e) promoting confidence building and other measures contributing to security and the prevention and settlement of conflicts;
 - (f) enhancing sub-regional, regional and Neighbourhood wide collaboration as well as Cross-Border Cooperation.
3. The achievement of these objectives shall be measured using notably the relevant EU periodic reports on the implementation of the policy, and for paragraphs 2(a), (d) and (e), the relevant indicators established by international organisations and other relevant bodies; for paragraphs 2(b), (c) and (d) the uptake of the EU regulatory framework by the partner countries as relevant; for paragraphs 2(c) and (f), the number of relevant agreements and cooperation actions. The indicators will include, among others, adequately monitored democratic elections, level of corruption, trade flows, indicators enabling measuring internal economic disparities, including employment levels.
4. Union support may also be used in other areas when this is consistent with the overall objectives of the European Neighbourhood Policy.

Article 3

Policy framework

1. The partnership and cooperation agreements, the association agreements and other existing or future agreements that establish a relationship with partner countries, corresponding Communications, Council conclusions and European Parliament Resolutions as well as relevant conclusions of ministerial meetings with the partner countries shall constitute the overall policy framework for programming and implementing Union support under this Regulation.
2. Jointly agreed action plans or other equivalent documents between the partner countries and the Union shall provide the key point of reference for setting the priorities for Union support.
3. Where no agreements, as mentioned in paragraph 1, between the Union and partner countries exist, Union support may be provided when it proves useful to pursue Union policy objectives, and shall be programmed on the basis of such objectives taking into account the needs of the country concerned.

Article 4

Differentiation, partnership and co-financing

1. Union support provided under this Regulation to each partner country shall be differentiated in form and amounts according to the partner country's commitment to reforms and its progress in implementing these reforms. Such differentiation shall reflect the level of ambition of the country's partnership with the Union, its progress in building deep and sustainable democracy, its progress in implementing agreed reform objectives, the country's needs and capacities, and the potential impact of Union support.
2. Union support under this Regulation shall, in principle, be established in partnership with the beneficiaries. The partnership shall involve as appropriate, national, regional and local authorities, other stakeholders, civil society, social partners and other non-state actors in preparing, implementing and monitoring Union support.
3. Union support under this Regulation shall in principle be co-financed by the partner countries through public funds, contributions from the beneficiaries or other sources. The same principle shall be applicable to the cooperation with the Russian Federation, particularly with regard to programmes referred to in Article 6(1) (c). Co-financing requirements may be waived in duly justified cases and when this is necessary to support the development of civil society and non-state actors, without prejudice to compliance with the other conditions set out in the Financial Regulation.

Article 5

Coherence and Donor Coordination

1. In implementing this Regulation, coherence shall be ensured with other areas of the Union external action as well as other relevant Union policies. To this end, measures financed under this Regulation, including those managed by the European Investment Bank (EIB), shall be based on the cooperation policy documents described in Article 3(1) and (2) as well as on the Union's specific interests, policy priorities and strategies. Such measures shall respect the commitments under multilateral agreements and international conventions to which the Union and partner countries are parties.
2. The Commission, the Member States and the European Investment Bank (EIB) shall ensure coherence between support provided under this Regulation and other support provided by the Union, the Member States and the European Investment Bank.
3. The Union and the Member States shall coordinate their respective support programmes with the aim of increasing effectiveness and efficiency in the delivery of support and policy dialogue in line with the established principles for strengthening operational coordination in the field of external support, and for harmonising policies and procedures. Coordination shall involve regular consultations and frequent exchanges of relevant information during the different phases of the support cycle, in particular at field level, and may lead to joint programming, delegated co-operation and/or transfer arrangements.

4. The Union shall, in liaison with the Member States, take the necessary steps to ensure proper coordination and cooperation with multilateral and regional organisations and entities, including European financial institutions, international financial institutions, United Nations agencies, funds and programmes, private and political foundations and non-European Union donors.

Title II. INDICATIVE PROGRAMMING AND ALLOCATION OF FUNDS

Article 6

Type of programmes

1. Union support under this Regulation shall be programmed through:
 - (a) bilateral programmes covering support to one partner country;
 - (b) multi-country programmes which address challenges common to all or a number of partner countries, and regional and sub-regional cooperation between two or more partner countries, and which may include cooperation with the Russian Federation;
 - (c) Cross-Border Cooperation programmes addressing cooperation between one or more Member States on the one hand and one or more partner countries and/or the Russian Federation on the other hand taking place along their shared part of the external border of the EU.
2. Union support under this Regulation shall be implemented in accordance with the Common Implementing Regulation.

Article 7

Programming and indicative allocation of funds for country and multi country indicative programmes

1. For countries where the documents referred to in Article 3(2) exist, a comprehensive multi-annual Single Support Framework shall be adopted in accordance with the examination procedure referred to in Article 15(3) of the Common Implementing Regulation. The Single Support Framework shall review the progress made in relation to the policy framework and shall list priorities for Union support, mainly selected from those included in the documents referred to in Article 3(2) and in partner countries' strategies or plans, and for which the Union's regular assessment has shown the need for support. It shall also set out their indicative level of funding. The duration of the Single Support Framework shall correspond to the duration of the relevant document referred to in Article 3(2).

2. For countries where the documents referred to in Article 3(2) do not exist, a comprehensive programming document including a Strategy and a Multi-annual indicative programme shall be adopted in accordance with the examination procedure referred to in Article 15(3) of the Common Implementing Regulation. It shall define a Union response strategy on the basis of an analysis of situation of the country concerned, and of its relations with the Union, the partner countries' strategies or plans, the priorities for Union support and the indicative level of funding broken down by priority. It shall have an appropriate multi-annual duration.
3. For multi-country programmes, a comprehensive programming document including a Strategy and a Multi-annual indicative programme shall be adopted in accordance with the examination procedure referred to in Article 15(3) of the Common Implementing Regulation. It shall define the priorities for Union support towards the region or the sub-region and the indicative level of funding broken down by priority. It shall have an appropriate multi-annual duration.
4. The Single Support Framework documents referred to in paragraph 1 shall be reviewed when necessary and may be revised in accordance with the examination procedure referred to in Article 15(3) of the Common Implementing Regulation. The programming documents referred to in paragraphs 2 and 3 shall be reviewed at their mid-term or whenever necessary and may be revised in accordance with the same procedure.
5. Financial allocations for country and multi-country programmes shall be determined using transparent and objective criteria reflecting the differentiation principle referred to in Article 4(1).
6. When it is necessary to implement more effectively measures for the common benefit of the Union and partner countries, in areas such as transnational co-operation and inter-connections, funding under this Regulation can be pooled together with funding covered by other relevant Union Regulations establishing financial instruments. In this case, the Commission shall decide which single set of rules should apply to implementation.
7. Member States and other donors that have committed to jointly programme their support with the EU shall be involved in the programming process. The programming documents may also cover their contribution as appropriate.
8. When Member States and other donors have committed to jointly programme their support, a joint multi-annual programming document may replace the Single Support Framework referred to in paragraph (1) and the programming documents referred to in paragraphs (2) and (3), on condition that it meets the requirements set out in these provisions.
9. In the event of crises or threats to democracy, the rule of law, human rights and fundamental freedoms, or of natural or man-made disasters, an ad hoc review of the programming documents may be conducted. Such emergency review shall ensure that coherence between Union support provided under this Regulation and support provided under other Union financial instruments is maintained. An emergency review may lead to the adoption of revised programming documents. Where this is

the case, the Commission shall send the revised programming documents to the European Parliament and to the Council for information within one month of their adoption.

Title III. CROSS-BORDER COOPERATION

Article 8

Geographical eligibility

1. The Cross-Border Cooperation programmes referred to in Article 6(1)(c) can be established:
 - (a) for land borders, covering the territorial units corresponding to NUTS level 3 or equivalent along the land borders between Member States and partner countries, and/or the Russian Federation;
 - (b) for maritime borders, covering the territorial units corresponding to NUTS level 3 or equivalent along maritime borders between Member States and partner countries and/or the Russian Federation, separated by a maximum of 150 km, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation action;
 - (c) around a sea basin, covering the coastal territorial units corresponding to NUTS level 2 or equivalent facing a sea basin common to Member States and partner countries and/or the Russian Federation.
2. In order to ensure the continuation of existing cooperation schemes and in other justified cases, territorial units adjoining to those referred to in paragraph 1 may be allowed to participate in Cross-Border Cooperation.
3. In duly justified cases, major social, economic or cultural centres that are not adjoining to eligible territorial units may be included on condition that such participation contributes to the objectives laid down in the programming document.
4. When programmes are established pursuant to paragraph 1(b), the European Commission may, in agreement with the partners, propose that the geographical eligibility be extended to the whole NUTS level 2 territorial unit in whose area the NUTS level 3 territorial unit is located.

Article 9

Programming and allocation of funds for Cross-Border Cooperation

1. A programming document shall be prepared for the purpose of defining the:
 - (a) strategic objectives to be pursued by Cross-Border Cooperation;

- (b) list of the joint operational programmes to be established;
- (c) indicative breakdown of resources between land and maritime border programmes referred to in Article 8 (1) (a) and (b) and sea basin programmes referred to in Article 8(1)(c);
- (d) indicative multi-annual allocations to each joint operational programme;
- (e) territorial units eligible to participate in each joint operational programme, and the regions and centres indicated in Article 8(2), 8(3) and 8(4);
- (f) indicative allocation to support, as appropriate, horizontal capacity building actions, networking and exchange of experiences among programmes;
- (g) contributions to the transnational programmes established under Regulation (EU) No [...] of the European Parliament and the Council of [...] on specific provisions for the support from the European Regional Development Fund to the European Territorial Co-operation goal¹⁷, to which partner countries and/or the Russian Federation participate.

The programming document shall cover a period of seven years and shall be adopted by the Commission in accordance with the examination procedure referred to in Article 15(3) of the Common Implementing Regulation. It shall be reviewed at mid-term or whenever necessary and may be revised in accordance with the same procedure referred to in that Article.

2. The joint operational programmes shall be co-financed by the European Regional Development Fund. The overall amount of the contribution from the European Regional Development Fund shall be determined pursuant to Article 4(4) of Regulation (EU) No [...] of the European Parliament and the Council of [...] on specific provisions for the support from the European Regional Development Fund to the European Territorial Co-operation goal¹⁸. The provisions of this Regulation shall apply to the use of this contribution.
3. The Instrument for Pre-Accession may co-finance joint operational programmes to which countries eligible under such Instrument participate. The provisions of this Regulation shall apply to the use of this co-financing.
4. The indicative allocations of funds to the joint operational programmes shall be based primarily on the population of the eligible areas. When determining the indicative allocations, adjustments may be made to reflect the need for a balance between the contributions from the European Regional Development Fund and the contributions provided under the budget of this Instrument as well as other factors affecting the intensity of cooperation, such as the specific characteristics of border areas and their capacity to manage and absorb Union support.

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Article 10

Joint operational programmes

1. Cross-Border Cooperation shall be implemented through multi-annual joint operational programmes covering cooperation for a border or a group of borders and comprising multi-annual measures that pursue a consistent set of priorities and that may be implemented with Union support. Joint operational programmes shall be based on the programming document referred to in Article 9. They shall include a summary description of the management and control systems covering the elements referred to in Articles 11(2) and 12 (2).
2. Joint operational programmes for land and maritime borders shall be established for each border at the appropriate territorial level and shall include eligible territorial units belonging to one or more Member States and one or more partner countries and/or the Russian Federation.
3. Joint operational programmes for sea basins shall be multilateral, established at the appropriate territorial level and include eligible territorial units facing a common sea basin belonging to several participating countries, including at least one Member State and one partner country and/or the Russian Federation. They may include bilateral activities supporting cooperation between one Member State and one partner country and/or the Russian Federation.
4. Within one year of approval of the programming document referred to in Article 9, the participating countries shall jointly submit proposals for joint operational programmes to the Commission. The Commission shall adopt each joint operational programme after assessing its consistency with this regulation, the programming document and the implementing rules.
5. Regions in countries other than partner countries, the Russian Federation or Member States, which are adjoining to eligible regions as defined in Article 8(1) (a) and (b) or face a common sea basin where a joint operational programme is being established may be covered by a joint operational programme and benefit from Union support under the conditions set out in the programming document referred to in Article 9.
6. The Commission and the participating countries shall take the appropriate measures to ensure that sea basin programmes established under this Regulation and transnational co-operation programmes established under the Regulation (EU) No [...] and that have a partially overlapping geographical coverage will be fully complementary and mutually re-enforcing.
7. Joint operational programmes may be revised at the initiative of the participating countries or the Commission for reasons such as:
 - changes in cooperation priorities, socio-economic developments,
 - results of implementing the measures concerned and those produced by the monitoring and evaluation process,
 - the need to adjust the amounts of available funds and reallocate resources.

8. Following adoption of the joint operational programmes, the Commission shall conclude a financing agreement with the partner countries and/or the Russian Federation. The financing agreement shall include the legal provisions necessary to implement the joint operational programme and may also be signed by the other participating countries and by the Managing Authority referred to in Article 12(2)(c).

Where necessary, a memorandum of understanding shall be concluded between the participating countries and the Managing Authority to set out the countries' specific financial responsibilities.

9. A joint operational programme involving more than one partner country is established if at least one partner country signs the financing agreement. Other partner countries covered by an established programme can join the programme at any time by signing the financing agreement.
10. If a participating country undertakes to jointly co-finance a programme, the joint operational programme shall clarify the arrangements for providing, using and monitoring the co-financing. The related financing agreement shall be signed by all participating countries.
11. Joint operational programmes may also provide for a financial contribution from and to instruments with which grants could be combined, subject to the rules of these instruments, provided that this contributes to achieving the programmes' priorities.
12. Following the principle of partnership, participating countries shall jointly select actions for Union support that are consistent with the priorities and measures of the joint operational programme.
13. In specific and duly justified cases, where:
 - (a) a joint operational programme cannot be submitted owing to problems arising in relations between participating countries or between the European Union and a partner country,or
 - (b) by 30 June 2017, at the latest, the participating countries have not yet submitted to the Commission a joint operational programme,or
 - (c) none of the partner countries covered by the programme have signed the relevant financing agreement by the end of the year following the adoption of the programme,the Commission, following consultations with the Member State(s) concerned, shall take the necessary steps to allow the Member State(s) concerned to use the contribution from the European Regional Development Fund to the joint operational programme pursuant to Article 4(7) and (8) of Regulation (EU) No [...].
14. Budget commitments for CBC actions or programmes extending over more than one financial year may be broken down over several years into annual instalments.

Article 11

Management of joint operational programmes

1. Joint operational programmes shall, in principle, be implemented in shared management with Member States. Participating countries may also propose implementation in indirect management, by an entity listed in the Financial Regulation and in accordance with the Implementing Rules referred to in Article 12(2).
2. The Commission shall satisfy itself on the basis of available information that the Member State in case of shared management, or the partner country or the international organisation in case of indirect management, have set up and operate management and control systems that comply with the Financial Regulation, this Regulation, and its implementing rules referred to in Article 12(2).

Member States, partner countries and international organisations concerned shall ensure the effective functioning of their management and control system, the legality and regularity of the underlying transactions and the respect of the principle of sound financial management. They shall be responsible for the management and control of the programmes.

The Commission may require the Member State or the partner country or the international organisation concerned to examine a complaint submitted to the Commission concerning the selection or implementation of operations supported under this Title or the functioning of the management and control system.

3. In order to allow the joint operational programmes to prepare adequately for implementation, expenditure incurred after the submission of the joint operational programmes to the Commission shall be eligible at the earliest from 1 January 2014.
4. Where eligibility is restricted in accordance with Article 8(7) of the Common Implementing Regulation, the entity referred to in paragraph 1, which may launch calls for proposals and tenders, is entitled in such case to accept as eligible tenderers, applicants and candidates from non eligible countries, or goods from non eligible origin, in accordance with Article 9(3) of the Common Implementing Regulation.

Article 12

Implementing rules for Cross Border Cooperation

1. Implementing rules laying down specific provisions for the implementation of this Title shall be adopted through a delegated act in accordance with Article 14.
2. Matters covered by the Implementing Rules shall include provisions on:
 - (a) the rate and methods of co-financing;
 - (b) the preparation, modification and closure of joint operational programmes;

- (c) the role and function of the programme structures: Joint Monitoring Committee, Managing Authority and its Joint Technical Secretariat, Joint Selection committees, including their standing, effective identification, accountability and responsibility, description of Management and Control Systems, and conditions on the technical and financial management of Union support, including eligibility of expenditure;
- (d) recovery procedures; the monitoring and evaluation;
- (e) the visibility and information activities
- (f) shared and indirect management as referred to in Article 6(2) of the Common Implementing Regulation.

Title IV. FINAL PROVISIONS

Article 13

Updating of the Annex

The list of beneficiary countries in the Annex to this Regulation may be updated following political decisions made by the Council on the scope of the Neighbourhood policy. A modification of the Annex shall be adopted through a delegated act in accordance with Article 14.

Article 14

Exercise of the delegation

1. The delegation of powers referred to in Article 12 and 13 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 15

Committee

The Commission shall be assisted by the European Neighbourhood Instrument Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Article 16

Participation by a third country not listed in the Annex

1. In duly justified circumstances and to ensure the coherence and effectiveness of Union financing or to foster regional or trans-regional cooperation, the Commission may decide to extend the eligibility of actions to countries, territories and regions which otherwise would not be eligible for financing. Notwithstanding the provisions of Article 8(1) of the Common Implementing Regulation, natural and legal persons from countries, territories and regions concerned may participate in the procedures implementing such actions.
2. Provision may be made for this possibility in the programming documents referred to in Article 7.

Article 17

Suspension of Union support

Without prejudice to the provisions on the suspension of aid in partnership and cooperation agreements and association agreements with partner countries and regions, where a partner country fails to observe the principles of democracy, the rule of law and respect for human rights and fundamental freedoms, the Union shall invite the country concerned to hold consultations in view of finding a solution acceptable to both parties, except in cases of special urgency. Where consultation with the country concerned does not lead to a solution acceptable to both parties, or if consultations are refused or in case of special urgency, the Council may take appropriate measures in accordance with Article 215(1) of the Treaty on the Functioning of the European Union, which may include full or partial suspension of Union support.

Article 18

Financial reference amount

1. The financial envelope available for implementing this Regulation over the period 2014 to 2020 shall be EUR 18 182 300 000 (current prices). Up to 5% of the financial envelope shall be allocated to the Cross-Border Cooperation programmes referred to in Article 6(1) (c).
2. Annual appropriations shall be authorized by the budgetary authority within the limits of the financial framework.

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

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

Article 19

European External Action Service

The application of this Regulation shall be in accordance with Council Decision (EU) No 2010/427/EU, establishing the organisation and functioning of the European External Action Service.

Article 20

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. It shall apply from 1 January 2014.

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

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX

Partner countries referred to in Article 1

Algeria

Armenia

Azerbaijan

Belarus

Egypt

Georgia

Israel

Jordan

Lebanon

Libya

The Republic of Moldova

Morocco

occupied Palestinian territory (oPt)

Syria

Tunisia

Ukraine